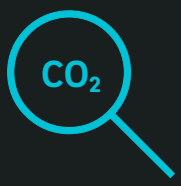
q.beyond
expect the next

Non-Financial (Group) Report

Sustainability Report 2022

Our Highlights in 2022

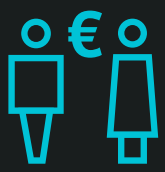


Significantly lower CO_2 emissions

CO_2 offsetting: climate protection project in Panama

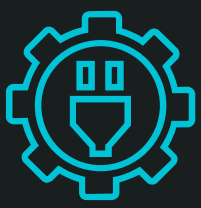
Significant reduction in total office space

Certified top employer



Gender pay gap closed

Share-based employee participation plan



Participation in EU Code of Conduct on Data Centre Energy Efficiency

New business travel and vehicle fleet policies

Code of Conduct for Business Partners: widely agreed

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 software development. Digital technologies make a major contribution to cutting CO_2 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.

Nora Wolters
CFO q.beyond AG

Thies Rixen
CEO q.beyond AG
since April 2023

“q.beyond intends to pioneer sustainability – in all its ecological, economic and social aspects – within the German IT sector.”

Dear Reader,

q.beyond intends to pioneer sustainability within the German IT sector and make its own operations (including offsetting measures) climate neutral from 2025 onwards. Over and above that, we have set ourselves a new target of reducing our CO_2 emissions by a further 20% by 2027. And the economic and social aspects of sustainability are also very important to us. In 2022, for example, we largely closed the gender pay gap and aim to further step up our measures to support and promote women.

This Sustainability Report, the fourth now published, offers you extensive information on our current progress and our targets for the years ahead.

Protecting the climate is top of our agenda

According to the latest report issued by the Intergovernmental Panel on Climate Change (IPCC), climate change is advancing even faster than previously feared. That alone drives our commitment to meet our target of protecting the climate. Not only that, we are convinced that climate neutrality will lend us a crucial competitive advantage in the coming years. Companies already prefer to work with IT service providers who can help them shrink their own carbon footprints.

We have operated our data centres with green electricity since 2018 and are continually optimising their energy efficiency even further. Since 2019, we have cut our energy consumption by almost 60% and also meet most requirements of the EU's Code of Conduct on Data Centre Energy Efficiency. By 2025, we aim to reach climate neutrality by reducing emissions from our main emitters of electricity, fuel and business travel by 40% overall compared with 2019. Measures we are taking to achieve this include converting our company vehicle fleet to e-cars and prioritising rail travel for business trips. We will then offset all remaining emissions. To this end, we already support a reforestation project certified under the "Gold Standard for the Global Goals". Our next target: between 2025 and 2027, we intend to reduce CO_2 emissions from our main emitters of electricity, fuel and business travel by a further 20%.

Increasing the share of women in management positions

Since the beginning of this year, q.beyond's Management Board has comprised an equal number of women and men. And we aim as a matter of priority to increase the share of women at other management levels as well. All relevant studies show that diverse workforces are more innovative – and innovation is of course a key factor driving our financial success and thus our economic sustainability.
We have set ourselves a clear target to increase the share of women managers. Like our climate neutrality target, it is reflected in the remuneration system for the Management Board and other managers. You can find out more about that as well in this report. We wish you an enjoyable read!

Cologne, April 2023

Thies Rixen

Nora Wolters

Business activities

q.beyond AG is one of the leading IT service providers in the German market and 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 accompanies SME customers securely and reliably throughout their digital journey. We are experts in Cloud, SAP, Microsoft and software development. Our company has locations throughout Germany, as well as in Latvia and Spain, and its own certified data centres.

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 2022**

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, its core areas of action and its targets are based on a comprehensive materiality analysis (see “Materiality”).

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 CO_2 emissions. Together with our customers, for example, we are working towards digitalised, resource-efficient and CO_2-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 virtualizing 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 thus forms an integral component of our corporate strategy, our growth strategy and our brand identity.

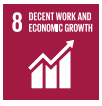
We are contributing to achievement of the SDGs

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	q.beyond's contribution
SDG 3 Ensure healthy lives and promote well-being for all at all ages.	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.
SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	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.
SDG 5 Achieve gender equality and empower all women and girls.	We are committed to promoting women in STEM careers and women in management positions. In the 2022 financial year, we closed the gender pay gap at our company.
SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all.	We operate proprietary data centres to provide our products and services. These are exclusively powered with electricity from regenerative energy sources.
 **SDG 8** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	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.
SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	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.
SDG 12 Ensure sustainable consumption and production patterns.	We ensure that natural resources are put to effective use. Our portfolio of services enables customers to implement sustainable patterns of production.
SDG 13 Take urgent action to combat climate change and its impacts.	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 fleet and offering alternatives to car journeys.
SDG 16 Promote peaceful and inclusive societies for sustainable development.	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.

Materiality matrix

The mainstay of the sustainability process is the so-called materiality analysis performed on sustainability topics and the assessment of these topics in a materiality matrix. This tool assists companies in effectively directing their sustainability management activities and in focusing on sustainability topics where they can generate additional benefits for the environment and for society. As a general rule, sustainability topics are not only a source of risks for companies, but also harbour opportunities.

We further refined our materiality matrix in the 2020 financial year already and validated this again in 2022. 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 company-wide 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), the materiality analysis performed for the information and communications technology industry by the Global e-Sustainability Initiative (GeSI) and the sustainability topics defined in the recently published EU Sustainability Reporting Standards (ESRS), which will in future have to be accounted for in the materiality analysis.

The topics selected were analysed to assess the strength of their positive or (potentially) negative economic, ecological and social impacts in the context of our business activities (x-axis = relevance to sustainability, or "impact materiality") and presented in relation to the associated opportunities or risks for the business performance, annual financial statements or situation of the company (y-axis = relevance to company, or "financial materiality"). The materiality assessment is additionally based on a targeted dialogue with stakeholders, and here in particular with customers, shareholders, the Supervisory Board and employees (see **"Stakeholder Engagement"**). The findings of this process are presented in the materiality matrix below. It can be seen that there are nine material areas of action of high relevance to our business performance, earnings and situation:

Enhanced materiality matrix for 2022

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)
is in our opinion based on a crisis-proof, scalable and sustainable business model and on investments in our future growth and sustainability. Efficient core processes with a high degree of automation additionally secure our profitability. Our clear position in the growth markets of Cloud, SAP and software development 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 76% of our revenues are of a recurring nature. This business model proved its worth during the severe recession triggered by the pandemic in 2020, 2021 and 2022. 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. At the same time, our business model also offers starting points for promoting the sustainable transformation in the economy. We are thus working closely to implement all relevant practices set out in the European Code of Conduct on Data Centre Energy Efficiency in order to make a substantial contribution in line with the EU's taxonomy criteria to the EU's environmental objective of "climate change mitigation". We already implement most of these practices and aim to comply in full with the requirements of the Code in the coming years.

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 ecological sustainability aspect thus also has a great economic impact on our company.

>76%

share of recurring revenues in 2022 financial year.

100%

green electricity to supply our high-performance data centres.

Protecting the climate by shrinking our carbon footprint (SDG No. 13)
We intend to be climate neutral by 2025. We are convinced that this will provide us with a genuine competitive advantage. After all, q.beyond's core target group of medium-sized companies will increasingly and deliberately select climate-neutral IT service providers in the years ahead in order to shrink their own carbon footprints. We have operated our energy-intensive data centres with 100% green electricity since 2018 and are thus supporting our customers in making resource-effective use of IT. Primarily ecological, this sustainability aspect also has a great economic impact on our company.

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. Overall, this materiality aspect has great social implications. One topic that is playing an ever more prominent role in this context is that of safeguarding human rights, labour standards and ecological standards in the supply chain. We have reported this topic separately for the first time in the materiality matrix for 2022.

Human rights, labour standards and ecological standards in the supply chain now form part of the materiality matrix.

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 **2022 Annual Report** (see Pages 51 to 52 "Opportunity Management" and Pages 52 to 60 "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.

Based on the requirements of our risk management, we have identified the following material economic, ecological and social sustainability risks:

Sustainable growth:
- The macroeconomic slowdown may impact adversely on our revenues and earnings.
- The geopolitical crisis situation may lead to unplanned financial charges due to increased procurement prices for energy and licences.
- Delays in post-merger integration may impair our process efficiency.

Robust core processes:
- The likelihood of a criminally motivated cyberattack on q.beyond's IT systems is continually rising.
- The tense situation on global markets with regard to the availability of components may lead to increased procurement costs and prolong delivery times.
- If insufficient steps are taken to adapt to climate change, the physical effects (especially extreme weather situations such as heatwaves and storms) might result in damage to and downtime at our data centre infrastructure, as well as overheating at our data centres. Implications for our employees in terms of their health and safety also cannot be excluded.
- q.beyond is preparing for the increasingly extensive reporting requirements. This is because regulatory requirements relating to compliance with sustainability targets and external sustainability reporting are set to increase and gain in complexity. In particular, implementation of the German Supply Chain Due Diligence Act (LkSG) and compliance with European sustainability initiatives, such as the Corporate Sustainability Reporting Directive (CSRD), the EU Regulation Establishing a European Single Access Point (ESAP), the Directive on Corporate Sustainability Due Diligence (CSDD) and the EU Taxonomy Regulation, require capital market-oriented companies like q.beyond to extend their management models to include strategic non-financial key figures. Should q.beyond be unable to adequately meet these regulatory requirements, then it would risk losing its "licence to operate".

Satisfied and innovative employees:
- The unwanted departure of employees who are performance drivers, have specialist expertise or perform key functions may lead to a loss of expertise, lower revenues and higher replacement recruitment and onboarding costs.
- The shortage of specialists may threaten the implementation of our business planning.

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 **"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 **"Control"**). Our objectives should also contribute to the achievement of the Sustainable Development Goals (SDGs) (see **"Sustainability Strategy"**). Furthermore, the selection and prioritisation of objectives takes due account of the material economic, ecological and social opportunities and risks identified in the opportunity and risk management process (see **"Materiality"**). The process used to determine and prioritise ESG targets is presented in detail in the separate **2022 Remuneration Report** prepared in accordance with German stock corporation law. Further information about the remuneration system can be found under **"Incentive Systems"**.

In what follows, we present our material short-term and long-term objectives, most of which have also been factored into the target agreements with the members of our Management Board:

Climate neutrality by 2025

Our core objective is this: q.beyond intends to achieve climate neutrality by 2025. Based on our 2019 CO_2 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. By the end of 2026, we aim to reduce our emissions from electricity, fuels and business travel by at least 60% overall compared with 2019. Further information about this is presented under **"Climate-Relevant Emissions"**.

ESG targets

are a component of Management Board remuneration

By 2025

climate neutrality as sustainability target

Compliance with the European Code of Conduct on Data Centre Energy Efficiency by 2026

We aim to support the sustainable transformation in the overall economy and, by also operating our data centres in accordance with the official criteria of the EU Taxonomy, aim to make a substantial contribution to the EU objective of "climate change mitigation". That is why we are already working closely to implement all relevant practices of the European Code of Conduct on Data Centre Energy Efficiency. By the end of 2026, we aim to comply in full with the requirements of the Code.

The share of women in management positions is to be increased in the coming years

We intend to raise the share of women managers in the years ahead. Based on the overall Group (q.beyond AG and its majority-owned subsidiaries), a 20% share of women is to be achieved in the first two management levels below the Management Board and among other management staff by the end of 2026.

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% and not fall below this level again.

Extending portfolio with digital sustainability solutions

Furthermore, we aimed to include at least two new or additional digital sustainability solutions in our portfolio in 2022 and to test their application at customers. By including the new portfolio elements of "endpoint detection and response" and "security information and event management (SIEM)" in the field of cybercrime prevention, we met this objective. In future, we aim to consistently further increase the share of digital sustainability solutions in our portfolio.

By 2026 we intend to fully comply with all relevant practices of the European Code of Conduct on Data Centre Energy Efficiency.

Designing a key figure system to measure efficiency of core processes at q.beyond AG

Changes in customer requirements and new regulatory challenges make it necessary to address business processes, and here especially all processes at customer interfaces, on an ongoing basis. Efficient core processes (which involve value-adding business processes performed for customers, such as sales, operations, service management, billing, etc.) impact on profitability at q.beyond AG. Business processes are efficient when contractually agreed services for customers can be provided using the lowest possible volume of resources. This can be achieved, for example, by ensuring a high degree of automation which cuts process throughput times and reduces personnel resource costs. Suitable key figures are required to determine the efficiency of core processes and enable enhancements in these processes to be assessed objectively in future. In the 2023 financial year, the company plans to define key figures of this nature, determine the underlying measurement methodology and aggregate the figures into a key figure system.

Implementing the due diligence and reporting obligations resulting from the German Supply Chain Due Diligence Act

Starting in the 2024 financial year, q.beyond will be subject to the reporting obligations of the German Supply Chain Due Diligence Act (LkSG). We are currently preparing to comply with the due diligence obligations set out in this legislation. In this context, we are extending our analysis of human rights-related and environmental risks in our own business activities and our supply chain. We will also refer to these when selecting new suppliers. At present, we are evaluating supporting software solutions able to supply past and real-time information in respect of ESG risks in the supply chain for our principal suppliers and sub-suppliers. These new processes should be fully implemented from 2024.

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

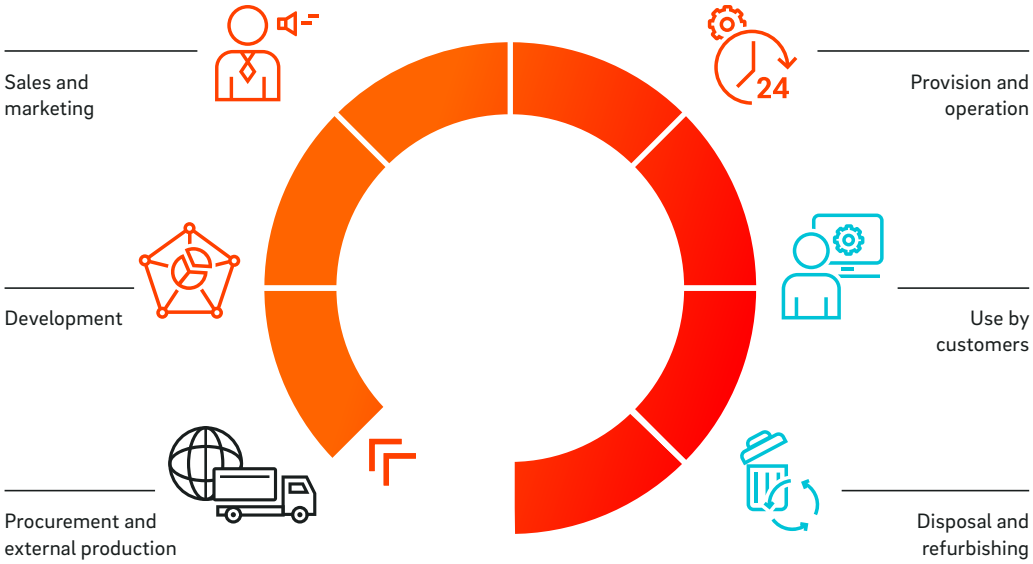
With ⊕ **"beyond 2022"**, the updated version of its growth strategy, the company intended to focus even more closely in the 2022 financial year on expanding its software as a service (SaaS) business. We expected to see growing demand from market participants for integrated solutions to meet their needs as digitalisation advances. We had 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. Following a detailed review, the Management Board decided during the 2022 financial year to make a far-reaching change to this strategy. In future, software development will be performed on a customer-specific basis and closely aligned to the requirements of existing applications such as SAP and Microsoft and on migration to the cloud. The development of proprietary SaaS products is no longer a priority and the target originally set will no longer be pursued.

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 **"Control"**). 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 2022 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, and in most cases also in accordance with ISO 9001 and ISO 14001. 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 the years from 2020 to 2022.

In 2021, we summarised our expectations in terms of adherence to minimum social and ecological standards in our newly compiled **Code of Conduct for Business Partners**. We expect all our business partners, including suppliers, service providers and advisors, who are directly or indirectly involved in the value chain underlying the performance of our services to adhere to and comply with these standards. In view of this, the Code of Conduct for Business Partners has been an integral component of our procurement policies and contract documents since the past 2022 financial year and has been countersigned as appropriate by our new and existing business partners.

Own influence on sustainability aspects

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. In the 2022 financial year, we also applied to participate in the Europe Code of Conduct on Data Centre Energy Efficiency. Furthermore, we rely on a modern company car fleet and on avoiding mobility by basing our cooperation on digital options. We are also continually optimising the supply of energy to our buildings. At our two main sites in Hamburg and Cologne, we changed location and moved together respectively at the end of 2022, thus significantly reducing our total office space. In Cologne, we are now also using a property that is far more modern and energy efficient.

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 CO_2 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, has been acknowledged with numerous sustainability prizes in recent years, including 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.

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

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. In a separate project, we are preparing to meet the obligations resulting from the German Supply Chain Due Diligence Act (LkSG) and, in this context, will extend our analysis of human rights-related and environmental risks in our own business activities and the supply 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.

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 Management Board is responsible for the topic of sustainability and ensures that this is factored into the company's strategic decisions. Since January 2020, the Management Board has assigned operating responsibility for and the coordination of all relevant sustainability topics to the Head of Corporate Social Responsibility, Martina Altheim. In organisational terms, she has been assigned since 1 January 2023 to the new CFO Nora Wolters and regularly reports to the overall Management Board. 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. Key focuses of activities in the 2022 financial year included further refining our climate strategy, introducing new travel and vehicle fleet policies, implementing the European Code of Conduct on Data Centre Energy Efficiency, identifying and closing the gender pay gap and extending 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 systems for 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 company-wide 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.

Shared values are the basis for our responsible actions.

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 September 2022, 15 employees were singled out as winners of the q.beyond Award to acknowledge their outstanding commitment to these values. Their reward is an exclusive weekend trip to a large European city in the current 2023 financial year.

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 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 **"Materiality"**). In the following section, we show how we measure our progress here:

Sustainable growth: recurring revenues as a good indicator

Our company measures the progress made with our sustainable growth in particular by referring to the share of recurring revenues. In the past financial year, recurring revenues accounted for 76% of total revenues. This underlines the sustainability and resilience of our business model. A high degree

of automation impacts on our profitability, as do efficient processes. Key indicators here include the length of time from receipt of the order through to receipt of the payment and the development of the "revenue per employee" key figure. In addition, we measure the shares of EU taxonomy-aligned revenues (turnover), capital expenditure (CapEx) and operational expenditure (OpEx) as a percentage of total turnover, CapEx and OpEx respectively. These key figures provide a good indication of the extent to which our business model promotes sustainability and of how closely our long-term development is aligned to the six environmental objectives pursued by the European Union.

Robust core processes: secure, energy efficient and climate friendly

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) and how large our ecological footprint is (GHG emissions).

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 touchpoints.

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Rapid response capacity of portfolio: broad-based assessment

We refer to a broad range of key figures to record our progress in this area. These 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 following table also provide the catalogue of criteria underpinning our ESG objective system (see **"Objectives"**). The table also documents the links to the Sustainable Development Goals (SDGs) of the United Nations:

Overview of our key sustainability figures

Resistance

Adaptability

	KPI	Source
Sustainable growth	Share of recurring revenues / total revenues	Controlling
	Development in revenues / headcount	Controlling
	EU taxonomy-aligned capital expenditure as share of total capital expenditure (CapEx)	Controlling
	EU taxonomy-aligned turnover as share of total turnover	Controlling
	EU taxonomy-aligned operational expenditure as share of total operational expenditure (OpEx)	Controlling
Robust core processes	Degree of automation (measured as time from order to cash)	Order management reporting
	Number of identified breaches of information security and data protection	Information security and data protection management system
	PUE (power usage effectiveness) figure	Data centre operations
	GHG emissions (Scopes 1 to 3) in tonnes of CO_2	CO_2 accounting based on Greenhouse Gas Protocol
Satisfied and innovative employees	Willingness to recommend as employer (NPS)	Employee satisfaction survey
	Employee satisfaction (index: innovation climate, culture, leadership trust, identification, further training, health, working conditions)	Employee satisfaction survey
	Average number of hours for training and development per employee per year	Personnel management reporting
Consistent customer focus	Willingness to recommend by customers (NPS)	Customer satisfaction study
	Customer satisfaction (index: portfolio, innovative strength, service quality and customer experience at all major customer touchpoints)	Customer satisfaction study
	Number of service quality complaints	Service management reporting
Portfolio which reacts with sufficient speed to economic, ecological and social developments	Share of digital sustainability solution revenues/ total revenues	Controlling
	Share of sector-specific solution revenues/ total revenues	Controlling
	Percentage of digital sustainability solutions/ overall portfolio (solutions for low-CO_2 economy, cybersecurity, sustainable production)	Portfolio and product management reporting
	Percentage customer perception of innovative strength	Customer satisfaction study
	Percentage customer perception of portfolio attractiveness	Customer satisfaction study
	Percentage customer perception of portfolio as promoting sustainability	Customer satisfaction study

Incentive Schemes

Up until the end of 2020, the remuneration system in place at our company 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 incentivizes 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.

As a key management instrument, the remuneration system is geared to achievement of the company's strategic objectives.

- **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.

The Management Board remuneration system is described in detail in the separate **2022 Remuneration Report** compiled in accordance with the requirements of German stock corporation law. The remuneration of Management Board members thus consists of fixed and variable components. The fixed non-performance-related component comprises basic remuneration, as well as fringe and pension benefits. The following performance-related components, which are thus variable, are also granted: short-term variable remuneration (short-term incentive – STI) with a one-year performance period and long-term variable remuneration (long-term incentive – LTI) with a four-year performance period. Consistent with the requirements of the remuneration system, environmental, social and governance targets (known as "ESG targets") are factored into both the STI and the LTI targets within variable remuneration.

The ESG targets are derived from q.beyond's sustainability strategy and management, which comprise the two dimensions of "resilience" and "adaptability" (see **"Materiality"**). Before the beginning of the performance period, the Supervisory Board selects specific ESG targets and determines their respective weightings. Also before the beginning of the performance period, the Supervisory Board determines the target value for each ESG target, as well as upper and lower thresholds and a target achievement curve which forms the basis for calculating the degree of target achievement for the ESG targets. Target achievement for the ESG targets may amount to a maximum of 150%.

The Supervisory Board derives our ESG targets from our sustainability strategy. In selecting and prioritising targets, it also accounts for our material social and ecological risks and opportunities.

For the STI with a one-year performance period for the year 2022, for example, the ESG target was agreed that at least two new or additional digital sustainability solutions should be included in the service portfolio at q.beyond AG and their marketability tested with customers.

Achievement of the respective targets is assessed by the Supervisory Board Human Resources Committee after the end of each financial year, with their findings subsequently being approved by the Supervisory Board. In March 2023, the Supervisory Board Human Resources Committee performed a corresponding assessment of the aforementioned ESG target for the 2022 performance period. The Supervisory Board determined that this had been 100% met in the 2022 financial year due to the inclusion of the new portfolio elements of "endpoint detection and response (EDR)" and "security information and event management (SIEM)" in the field of cybercrime prevention. Achievement of the long-term ESG targets will only be assessed by the Supervisory Board Human Resources Committee after the end of the four-year performance period. One example of the long-term ESG targets is our target of achieving climate neutrality by 2025.

The company transparently reports on the ESG targets selected for the respective tranche and their degree of achievement on an ex-post basis, i.e. retrospectively, in its Remuneration Report. Furthermore, we provide an overview of our short-term and long-term ESG targets under **"Targets"**.

GRI SRS-102-35a

The separate **2022 Remuneration Report** pursuant to stock corporation law includes a detailed presentation of Management Board remuneration on Pages 4 to 24. The remuneration of the Supervisory Board in accordance with the Articles of Association is also set out on Pages 25 to 26. Furthermore, q.beyond has established a management team that advises the Management Board on company-wide topics and prepares decisions. As well as the Management Board, the management team includes the heads of the Sales and Service Management, Operations and Consulting business units. 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 2022 year under report amounted to 10.78 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.

We accord great value to remaining closely in dialogue and maintaining strong contacts with our customers.

GRI SRS-102-44

Customers: their greatest possible satisfaction is a core objective

We attach the utmost important 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 company-wide 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 on the one hand to take a solutions-based approach and on the other to ensure that our operations are as resource effective and climate compatible as possible.

Since the last comprehensive customer survey at the end of the 2021 financial year, we have also drawn on a customer survey 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. The topics of protecting against 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 CO_2. 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" criteria. 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 the 2022 financial year, our employees devised new room concepts

The cross-location "Big Movement" project has created more space for communication between our staff.

to meet their wishes. These were then implemented at our two largest locations in Hamburg and Cologne as part of the cross-locational "Big Movement" project. Since then, innovation rooms, war rooms, focus rooms and quiet rooms have promoted productive cooperation at our company. The desk-sharing concept thereby implemented also offers good opportunities for exchanges, encounters, creativity and enhanced communication.

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 freedom for them to structure their activities, 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 "q.beyond Shares" chapter in the **2022 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. We are currently compiling a set of guidelines for our operating units, for example, in which we define the minimum energy efficiency standards we expect of hardware and software components. In future, these guidelines will support our specialist departments in their dialogue with manufacturers and suppliers during the selection process for new hardware and software.

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 under **"Corporate Citizenship"**. 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 is the key to success in the 21st century and is also helping companies to make their operations more sustainable. Our business units each operate their own product management and deal closely with the digital challenges facing their target markets and sectors. These activities are coordinated and managed by the Product & Portfolio Management department. Furthermore, the New Business Solutions department addresses the development of innovative software-based services and solutions. Other factors which they always have in mind are current environmental and social challenges, such as climate change and cybercrime. Here, we work with formats such as customer round tables and "design, think and innovate" workshops to devise new solutions together with our customers and staff. Cooperative innovation projects with customers often start as pilot projects. In the years ahead, we will further expand our consulting and transformation expertise.

Cooperative innovation processes with customers give rise to new solutions.

Due in particular to climate change, sustainability has become hugely more important in recent years, and this has been accompanied by significantly stricter regulatory requirements. Companies that meet these will retain their "licence to operate". Companies that also view their transformation towards sustainability as an opportunity will even secure a "licence to grow". We have made sustainability an integral aspect of our activities and embedded it in our corporate strategy. This focuses on supporting medium-sized companies in their digital transformation and making them fit for their digital futures – not least in terms of sustainability. We implement this latter aspect on two levels:

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

Our ecologically responsible approach to digitalisation – climate neutrality by 2025

In the coming years, customers will deliberately select climate-neutral service providers in order to shrink their own carbon footprints. Today, all the cloud and IoT services we provide to our customers at our data centres are already climate neutral. We operate these with 100% green electricity and offset their unavoidable residual emissions with high-quality CO_2 certificates from climate protection projects. As well as optimising the energy efficiency of our data centres, we are also converting our company vehicle fleet to electric vehicles and using environmentally-friendly transport wherever possible. Overall, we intend to reduce the CO_2 emissions from our main emitters by at least 40% compared with 2019. By 2025, q.beyond as a whole will be climate neutral. This way, we are building a genuine competitive advantage.

Climate neutrality will become a decisive competitive advantage in the years ahead.

q.beyond draws on digitalisation to promote its customers' sustainability

Our digital service portfolio helps our customers to make their operations more sustainable and optimise their resource use. Digital workplaces, for example, make many business trips superfluous. By digitally monitoring best-before dates and automatically adjusting prices, the "zero waste assistant" in our "StoreButler" retail solution reduces waste. And q.beyond's cybersecurity concept enables customers to benefit from permanent all-round protection against cybercrime. This increases their commercial resilience and economic sustainability.

Ecologically responsible digitalisation offers great potential to promote the sustainable transformation in the overall economy, while at the same time providing us with new growth opportunities, as is apparent in the examples below:

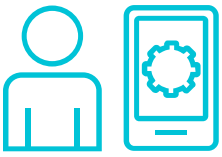
One in ten companies in Germany sees its survival threatened by cyberattacks.

Our business model protects natural resources

StoreButler project: 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. It also ensures greater sustainability in the retail sector.

Promoting sustainability by way of software development is an ever more important factor given the rapid advances in technology and the digital transformation. Examples here include secure digital solutions to replace paper tickets, the digitalisation of mechanisms to digitally review maintenance intervals, or smart household appliances to monitor and control energy consumption. We are helping to promote digitalisation with the assistance of software solutions for the web and for apps. And we even structure the software development process itself along sustainable lines by ensuring efficient use of resources and by drawing on available solutions. One precondition here is the quality of the software: scalability, efficiency and thus resource effectiveness require high quality standards both within and outside the company. This in turn directly influences the resource-effective operation of software solutions.

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



Working with web and app-based software solutions, we help our customers to make their operations more sustainable.

High quality standards upon development enable the resource-effective operation of software.

The path to effective cybersecurity solutions

	Consulting GRC & Management Consulting	Development Cybersecurity Consulting	Operations Cybersecurity Operations
ORGANISATION	Support in the transfer of external requirements such as DSGVO, BSI, KRITIS, ISO, BaFin, VDA or HIPAA into internal requirements such as ISMS Management Consulting	Support during the implementation of defined tasks Creation of an overview of suitable software and hardware manufacturers for support when introducing new measures	Support in the implementation of measures through training and documentation Advice from permanent subject matter experts such as the CISO
PEOPLE	Planning of measures for training and professional development, such as training courses and sessions on cybersecurity awareness	Identification of current knowledge levels Support in introducing newly planned measures	Assessment of knowledge levels through theoretical tests and practical exercises
TECHNOLOGY	Strategic planning of hardware and software for optimal protection of the company's IT infrastructure Definition of requirements of the cybersecurity solution	GAP analysis from the current state to the best-practice state as a basis for your own cybersecurity solution Establishing the technical requirements for the IT infrastructure and independent manufacturer advice	Constant monitoring of the IT infrastructure Running of the cybersecurity solutions for the provision of the Security Operations Close cooperation with IT Operations and the Management

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 and thus reliably secure their business processes and assets. It involves providing consulting and strategic planning services for a highly effective line of technical defence, addressing governance, risk and compliance management, as well as developing (cybersecurity consulting) and implementing (cybersecurity operations) a cybersecurity solution jointly defined with the customer:

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.

We take a 360-degree approach to cybersecurity and offer single-source solutions to protect against cyberattacks: from consulting through to operations.

Security information and event management (SIEM) facilitates the rapid detection of and effective defence against acute threats and ensures that customers' actions comply with the relevant laws and regulations.

Endpoint detection and response (EDR) is a solution that enables customers to optimally protect all terminal devices connected to their company networks against cyberthreats. Using EDR, they can identify any security threats and take suitable countermeasures at an early stage. This way, potential damages can be estimated and negative implications minimised from the very outset.

We are already working on further cybersecurity solutions, such as secure browsing, e-mail security, security awareness training, data centre firewalls and zero-trust authentication. As well as deploying state-of-the-art technologies such as SIEM and EDR, we make people the focus of many security measures. At training sessions held for staff at our customers, we therefore raise awareness of cybersecurity as a topic at their company.

EDR enables threats to all endpoints to be detected and blocked at an early stage.

SIEM provides seamless central analysis of operating systems, databases and applications.

New work

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.

Location-independent cooperation, fewer business trips, enhanced work-life balance thanks to digital workplaces.

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

G4-FS11

In recent years, q.beyond has drawn on its free liquidity to extend and supplement its service portfolio by making targeted M&A transactions. In the respective due diligence processes, we ensure that the corporate cultures and value systems at the target companies are similar to our own. If we plan to acquire companies or shareholdings, we also review the target companies in terms of their compliance with ESG criteria. To further increase the professionalism of this review, we developed an ESG checklist in 2022. Alongside questions about information security, data protection, the legal conformity of business practices and compliance, we also ask the target companies to disclose their own climate strategies, their activities to ensure resource-effective operations, measures to promote employee retention and activities already performed to ensure compliance with due diligence obligations in the supply chain. As we only introduced the questionnaire-supported ESG review in this degree of detail in 2022, we are not yet able to provide any disclosures as to the percentage of companies taken over in M&A transactions that underwent positive or negative selection based on environmental or social factors.

q.beyond also 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.

We channel our free liquidity into low-risk investments; to date, we have not based this on any structured ESG review process to select the respective investments.

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.

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 (total consumption in 2022: 71.7 MWh from fossil-based electricity generation, 19,017.7 MWh from regenerative electricity generation).

Natural gas: Our office buildings are heated using natural gas (total consumption in 2022: 2,606.7 MWh).

District heating/cooling: Ulm and Oberhausen are our only locations to be heated with district heating. The data centre we operated in Ulm is cooled using district cooling (total consumption in 2022: 1,530.0 MWh).

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 fleet (total consumption in 2022: 124.3 MWh of heating oil, 1,004.1 MWh of diesel, 774.1 MWh of petrol).

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. Due materiality considerations, the volume of water consumed is not recorded.

Refrigerants: Thanks to the use of closed circuits, the refrigerants 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 refrigerants. In 2022, we had to add 35 kilogrammes of refrigerant 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. 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, 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. Due to materiality considerations, the volume of paper consumed is not recorded.

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. Due to materiality considerations, the volume of packaging materials used is not recorded.

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. Due to materiality considerations, we do not record the volume of waste incurred.

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 has been calculated on the basis of annual invoices for the 2022 financial year. Where the invoices were not yet available, reference has been made to the consumption figures for the 2021 financial year.

- Heating energy consumption figures have been based on invoices from the respective suppliers or on the energy audit reports.

- District heating and district cooling consumption figures have been taken from the invoices received from suppliers.
- 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 CO_2 Factors issued by the Federal Office for Economic Affairs and Export Control (BAFA) in its version dated 15 November 2021.
- We do not procure steam from any steam grid.
- We also do not sell any energy.

Energy resources consumed

In MWh	2022	2021	2020	2019
Energy resource				
Electricity (from fossil fuels)	71.7	140.3	430.6	440.4[2]
Electricity (from regenerative sources)	19,017.7	44,436.1	52,056.4	53,828.6
Heating energy (natural gas)	2,606.7	2,584.2	3,227.0	3,533.4
District heating / district cooling	1,530.0			
Fuel (heating oil) for emergency electricity	124.3	169.0	176.0	344.7
Fuel (diesel) for leased vehicles, car allowances	1,004.1	1,232.7[1]	1,166.3[1]	1,902.6[1]
Fuel (petrol) for leased vehicles, car allowances	774.1	639.7	284.7	412.4[2]
Energy consumption (total)	**25,128.0**	**49,201.9**	**57,341.0**	**60,462.2**

Overview of all material Group figures: The IP Colocation GmbH, Incloud Engineering GmbH, datac Kommunikationssysteme GmbH and q.beyond logineer GmbH subsidiaries have been included on a time-apportioned basis until their disposal or from their acquisition as applicable. The scanplus GmbH subsidiary, which was acquired in December 2021, has operated under the name q.beyond Cloud Solutions GmbH since 1 January 2023 and has only been included since the 2022 financial year. Due to materiality considerations, the productive-data subsidiary, which was only acquired in November 2022, has not yet been included in the energy consumption figures for 2022. Similarly, energy consumption at our Latvian subsidiary SIA Q.BEYOND has not been included as we are currently still implementing the processes required to record key figures. However, we only expect this subsidiary to account for an immaterial share of total consumption. Due to materiality considerations, the data for past years has not been updated. The only corrections made compared with the disclosures in the 2021 Sustainability Report are as follows:

[1] Correction of figures previously reported as autogas.
[2] Correction of figures for the q.beyond Group.

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 **"Usage of Natural Resources")**.

Although the data centres have an average usage effectiveness (PUE) ratio of <1.4, 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 **2022 Annual Report** (see Pages 48 to 60: "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 and may thus also pose a threat to q.beyond's economic stability. The physical implications of climate change might, for example, impair the health of the workforce and lead to increased absence. They also present a risk for the company's infrastructure, its business operations and its supply chains, for example due to damage to and downtime in the infrastructure or overheating at data centres. 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. We are currently planning measures to minimise solar warming on cooled areas at our data centre in Hamburg, Grasweg. To increase the building's reflective capacity, its roof is to be covered with light paint. We are also reviewing whether static requirements can be met to partially shade the major cooling technology located in the roof area. Provided they pass the static review, both measures are to be implemented by the end of 2024.

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 since the 2019 base year:

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 modernized 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, was implemented on schedule.

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 requirements in recent years on account of the pandemic, it will only be possible to quantify the actual savings in heating energy consumption more precisely 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.

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.

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.

Reduction in energy used by central cooling machines (completed in 2022)

Data centre, Hamburg, Grasweg. To make ongoing operations more energy efficient, several processes within the cooling machinery were adjusted in cooperation with the manufacturer of the machinery for the first time in Q1/2022. This led to a reduction in electricity capacity of up to 10 kW and enabled around 38,000 kWh of electricity (electrical energy) to be saved in 2022 already. In response to higher energy prices, the cooling circuit temperatures were additionally optimised in August 2022.

This measure, which involved raising the water temperature in the central cooling system by 4 °C, is expected to produce annual energy savings of up to 917,000 kWh. It will only be possible to quantify its effects precisely after a year of trial operations (in August 2023).

Reduction in energy used by optimising office locations

At our two largest sites in Hamburg and Cologne, we changed location and moved together respectively at the end of 2022. This way, we have significantly reduced our total office space. At our Cologne location, we are now also using a property that is far more modern and energy efficient. The effects of this measure will only be apparent in 2024.

Outlook

We are currently reviewing the technical and economic feasibility of heating buildings adjacent to our data centre location in Hamburg, Grasweg with waste heat taken directly from the data centre. This will not reduce the energy consumed by the data centre itself, but will help to cut overall energy costs, as it will reduce the energy used in other areas. Moreover, we are also looking into possibilities to install a photovoltaics system.

After lower volumes of energy consumption in 2020 and 2021, with this being due in part to the pandemic, and despite our business operations returning to virtually normal levels in 2022, the trend is still clear: our energy consumption is decreasing. We therefore do not currently see any need to adjust our approach.

Reduction in energy consumption

In MWh	2022	2021	2020	2019	2019 – 2022 Change	2019 – 2022 Change in %
Resource						
Electricity (from fossil fuels)	71.1	140.3	430.6	440.4[1]	-369.3	-83.9
Electricity						
(from regenerative sources)	19,017.7	44,436.1	52,056.4	53,828.6	-51,921.4	-64.7
Heating energy (natural gas)	2,606.7	2,584.,2	3,227.0	3,533.4	-926.7	-26.2
District heating /						
district cooling	1,530.0				+1,530.0	+100.0

Overview of all material Group figures: The IP Colocation GmbH, Incloud Engineering GmbH, datac Kommunikationssysteme GmbH and q.beyond logineer GmbH subsidiaries have been included on a time-apportioned basis until their disposal or from their acquisition as applicable. The scanplus GmbH subsidiary, which was acquired in December 2021, has operated under the name q.beyond Cloud Solutions GmbH since 1 January 2023. Its energy consumption has only been included since the 2022 financial year. Due to materiality considerations, the productive-data subsidiary, which was only acquired in November 2022, has not yet been included in the energy consumption figures for 2022. Similarly, energy consumption at our Latvian subsidiary SIA Q.BEYOND has not been included as we are currently still implementing the processes required to record key figures. However, we only expect this subsidiary to account for an immaterial share of total consumption.

[1] Correction of figures for the q.beyond Group compared with disclosures in the 2021 Sustainability Report.

Climate-Relevant Emissions

q.beyond intends to achieve climate neutrality by 2025

We are making continuous efforts to reduce the climate-relevant emissions generated in connection with our business activities. As already outlined under **"Objectives"**, we aim to achieve climate neutrality by 2025. In 2021, we already backed up our climate strategy with specific measures to gradually reduce CO_2 emissions from the electricity we use, business travel and the fuels consumed by company cars/car allowances by a total of 40% by 2025 compared with the 2019 base year. In 2022, we raised this target to an even more ambitious 60% for the 2027 target year. We track achievement of these targets using CO_2 accounting based on the Greenhouse Gas Protocol, which we explain in greater detail below. Moreover, to achieve climate neutrality we also intend to offset all major sources of emissions along the value chain through to delivery to customers.

We intend to gradually reduce our CO_2 emissions from electricity, fuels, and business travel by a total of 40% by 2025, and even 60% by 2027.

CO_2 balance sheet

In 2022, we drew for the third time already on professional support to determine our CO_2 emissions in accordance with the internationally recognized Greenhouse Gas Protocol. To enhance comparability of the figures, the CO_2 accounting extends to the past financial years including 2019. The multistage process used to determine emissions comprises three scopes (1 to 3):

2022 CO_2 balance sheet compared with 2019, 2020 and 2021

In tonnes	2022	2022 in %	2021	2021 in %
CO_2 equivalents				
Scope 1 – total direct emissions	1,011.6	44.3	1,072.0	68.5
Scope 2 – total indirect emissions for energy consumption	110.5	4.8	41.5	2.7
Scope 3 – total indirect emissions	1,160.2	50.8	451.6	28.9
CO_2 equivalents (total)	**2,282.3**	**100.0**	**1,565.1**	**100.0**

Scope 1 includes those direct CO_2 emissions that we as a company generate due to our own production systems, offices and work-related mobility.

Scope 2 involves indirect CO_2 emissions at the energy producers from which we procure electricity and district cooling to supply and cool our data centres and our office buildings.

Scope 3 comprises all other indirect CO_2 emissions arising along the upstream and downstream value chains, i.e. at suppliers, due to transport, during the useful life of products or from disposal. The Greenhouse Gas Protocol defines a total of 15 Scope 3 categories. Due to materiality considerations, however, we only include those categories that are relevant to our business model in our climate accounting. Alongside the categories already included since 2019, namely "fuel and energy-related emissions (not included in Scopes 1 or 2)" and "business travel", in 2022 we also included the "purchased goods and services" and "capital goods" categories for the first time. In the coming years, we plan to include all Scope 3 categories relevant to our business through to delivery to customers in our climate accounting.

The table above provides an overview.

2020	2020 in %	2019	2019 in %	2019 – 2022 Change	2019 – 2022 Change in %
1,018.0	58.7	1,533.3	50.6	-521.7	-34.0
137.9	8.0	133.9	4.4	-23.5	-17.5
577.9	33.3	1,364.7	45.0	-204.5	-15.0
1,733.9	**100.0**	**3,031.9**	**100.0**	**-749.6**	**-24.7**

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

Notes to 2022 financial year:
Our scanplus GmbH subsidiary, which was acquired in December 2021 and has operated under the name q.beyond Cloud Solutions GmbH since 1 January 2023, has been included for the first time. Due to materiality considerations, the productive-data subsidiary, which was only acquired in November 2022, has not yet been included in climate accounting. Similarly, emissions caused by our Latvian subsidiary SIA Q.BEYOND have also not been included, as we are currently still implementing the processes required to record key figures. Furthermore, our Incloud Engineering GmbH subsidiary was merged into q.beyond AG in 2022.

Notes to 2021 financial year:
Our datac Kommunikationssysteme GmbH and q.beyond logineer GmbH subsidiaries were included for the first time in the 2021 financial year. Due to materiality considerations, business travel at these subsidiaries was not included. Also due to materiality considerations, the scanplus GmbH subsidiary, which was only acquired in December 2021, was not yet included in the 2021 CO_2 balance sheet. In addition, the focus on material emissions in Scope 3 was further sharpened in the 2021 financial year. Due to materiality considerations, emissions from paper consumption and emissions due to business travel by rail, taxi and public transport were 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 CO_2 offsetting. The values for autogas have been corrected to petrol.

Notes to 2020 financial year:
To enhance comparability with 2021 and 2022, emissions attributable to paper and to business travel by rail, taxi and public transport have no longer been reported separately. The values for autogas have been corrected to petrol.

Notes to 2019 financial year:
To enhance comparability with 2020 to 2022, emissions attributable to paper and to business travel by rail, taxi and public transport have no longer been reported separately. The values for autogas have been corrected to petrol.

Scope 1: e-mobility reduces vehicle fleet 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 fleet (fleet vehicles, leased vehicles and car allowance). To reduce GHG emissions, the company plans to gradually convert its vehicle fleet to e-mobility by 2025.

In the 2022 financial year, we amended our vehicle fleet policy to account for this objective. Since its entry into effect, we have only procured purely electric vehicles as fleet and leased vehicles.

As a general rule, we are also no longer issuing any new fuel cards for fossil fuels to car allowance users. By the end of 2024, all fuel cards still in place for employment contracts will become invalid and will no longer be extended.

We will back up this measure by installing six e-charging points at our Hamburg location during 2023 to enable our employees to charge their vehicles while at work.

At our new company location at "COCO – Cologne Office Campus Ossendorf" in Cologne, a total of 35 rented parking spaces with e-charging points are already available to us in the adjacent newly built multi-storey car park. The energy required to charge the vehicles is generated by large-scale solar collectors on the roof of the parking facility.

As most of our office locations are let, we cannot directly influence the heating systems in use. When heating office space, we nevertheless take deliberate measures to reduce energy consumption and associated CO_2 emissions.

Our GHG emissions (Scope 1) are also attributable, albeit to a significantly lesser extent, to the monthly test runs we perform with the emergency power generators used to supply our data centres, as well as to the refrigerants used at the data centres.

These monthly test runs are a precondition for our certification under "TÜV-Audited Data Centres (High Availability Level 3 and Energy Efficiency Class A, Trusted Site Infrastructure TSI V4.2 Level 3 [extended])" and form part of the protection concept for high-availability infrastructure. In view of this, we do not have any potential to reduce the associated CO_2 emissions.

At the end of 2023, we will replace a cooling machine within the major cooling technology at our largest data centre at the Hamburg Grasweg location. The new machine will make it possible to work with the low-GWP refrigerant (R1234ze) with a GWP of 7. Furthermore, we are currently reviewing whether existing facilities in additional cooling circuits at our other data centre locations can also be converted to use this more climate-friendly refrigerant.

No other air contaminants in the sense of particulate matter or similar contaminants are directly generated in connection with our business activities.

Scope 2 and Scope 3: data centre operations are climate neutral

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 CO_2 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 results in a saving of around 8,000 tonnes of CO_2 equivalents for 2022 when compared with the German electricity mix for Scope 2. We also offset the unavoidable CO_2 emissions resulting from electricity (Scope 3). This means that operations at our data centres are already climate neutral.

In addition, the reduction in energy consumption at our data centres resulting from successful implementation of the energy efficiency measures already described under **"Resource Management"** is expected to generate annual electricity savings of 1,995 MWh.

We converted the rest of our electricity supply at nearly all our office locations to green electricity in the 2021 financial year already.

Further indirect GHG emissions (Scopes 2 and 3) that do not harbour any potential for significant reduction are attributable to the district cooling drawn on to cool the data centre of our q.beyond Cloud Solutions GmbH subsidiary at its Ulm location.

Scope 3: modern communication systems limit emissions

Indirect GHG emissions (Scope 3) result from, among other sources, 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 here include using video conference systems and generous home office provisions. Company bicycles, job tickets and car-sharing opportunities also make it easier for employees to avoid using their own cars. If need be, our employees can also use bicycles hired from StadtRAD Hamburg to commute between company locations in Hamburg and thus avoid short taxi or car journeys.

It is clearly not 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 therefore prioritise climate-friendly travel options. Since June 2022, a new Travel Policy has been applicable to business travel at q.beyond and our subsidiaries. We have based this on the principles of sustainable mobility. Specifically, this means that:

- For business travel we prioritise rail travel and largely avoid flights.
- Business travel by air is now only permitted if the distance between the point of departure and the destination of the trip is more than 500 km.
- At our destinations, we generally make use of public transport.

- Where possible, we combine several work-related appointments in a single business trip.
- Where possible, we avoid all travel that is intended solely for internal discussions. Instead, internal meetings are mainly held as video conferences via Microsoft Teams.

Scope 3: sustainable procurement strategy may tap further potential reductions in future

In our climate balance sheet for 2022, we have for the first time included indirect emissions in the Scope 3 categories of "purchased goods and services" and "capital goods". We have reported these together as "procurement" as it was not possible to distinguish between the two categories. These emissions predominantly result from purchases of IT components for our data centres and, to a significantly lesser extent, purchases of IT hardware for our employees. In addition, in the course of moving location at our Cologne and Hamburg sites we also purchased significant volumes of office furniture in 2022. The associated indirect emissions have been calculated using spend-based methodologies. Overall, these indirect emissions account for 31.7%, and thus nearly a third, of our total emissions. The high share of emissions attributable to purchased goods compared with other emitters also reflects the success of the measures already implemented to reduce our major emitters of electricity, business travel and fuels. We thus power our data centres exclusively with green electricity, largely avoid domestic flights and are gradually converting our vehicle fleet to electric vehicles.

In the coming years, we will align our procurement strategy even more closely than in the past to sustainability criteria in order to tap further potential CO_2 reductions.

We are currently compiling a set of guidelines for our operating units in which we define the minimum energy efficiency criteria expected for hardware and software components. These guidelines are intended to support our specialist departments in selecting new hardware and software in future.

We base our business travel on sustainable mobility principles.

Offsetting CO_2 is climate action – CO_2OL 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 CO_2 emissions by purchasing high-quality CO_2 certificates for climate protection projects. To achieve climate neutrality by 2025, we will first offset those CO_2 emissions at our material emitters that we caused in the 2021 and 2022 financial years. These involve unavoidable

CO_2 offsetting: q.beyond supports project in Panama.

emissions for green electricity (Scope 3), refrigerants 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 ⊕ **CO_2OL TROPICAL MIX reforestation project** in Panama. This combines active CO_2 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.

GRI SRS-305-5

CO_2 emissions down by a quarter in 2022 compared with 2019 despite extension in climate accounting

In 2020, we managed to reduce our emissions measured in CO_2 equivalents by nearly one half (2020: 1,733.9 tonnes of CO_2 equivalents; 2019: 3,031.9 tonnes of CO_2 equivalents). In 2021, our total emissions showed a further reduction of around 10% (2021: 1,565.1 tonnes of CO_2 equivalents) despite the inclusion of our three subsidiaries Incloud Engineering GmbH (merged into q.beyond AG since 2022), datac Kommunikationssysteme GmbH and q.beyond logineer GmbH in our climate accounting for the first time. Together, these companies accounted for CO_2 emissions of 104.3 tonnes. The fall in emissions is attributable on the one hand to the coronavirus pandemic, as the associated lockdowns and restrictions on contacts drastically reduced mobility-related emissions in particular. On the other hand, even though business operations largely returned to normal in 2022 our CO_2 emissions were nevertheless a quarter lower than in 2019 (2022: 2,282.3 tonnes CO_2 equivalents; 2019: 3,031.9 tonnes of CO_2 equivalents). This documents the success of the numerous initiatives outlined above to reduce the CO_2 intensity of our ongoing operations. The reduction is all the more striking given the extension in our climate accounting to include the Scope 3 categories summarised in "Procurement" and the first-time inclusion of our new q.beyond Cloud Solutions GmbH subsidiary:

With total indirect CO_2 emissions of 724.3 tonnes resulting from the purchase of office furniture, IT hardware for employees and IT equipment at our data centres, the Scope 3 categories summarised in "Procurement" made up no less than 31.7% of our total emissions.

With CO_2 emissions of 196.2 tonnes, the carbon footprint of our new subsidiary accounted for 8.6% of our total emissions. The high share of total emissions attributable to q.beyond Cloud Solutions GmbH compared with other subsidiaries is due above all to the operation of its own data centre in Ulm and the data centre space let in Frankfurt. The supply of green electricity to the two data centres causes additional Scope 3 emissions that far exceed the level customary for office locations. Furthermore, the data centre in Ulm is cooled using district cooling and thus causes additional Scope 2 indirect emissions.

Reduction in CO_2 emissions from electricity:

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 has produced a purely arithmetic saving of around 8,000 tonnes of CO_2 equivalents compared with the German electricity mix for 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, we have set out the measures we are currently implementing for this purpose. These are expected to produce annual savings of 1,995 MWh of electricity and thus shrink the carbon footprint by five tonnes in Scope 3.

The conversion in the electricity supply to our office locations to green electricity, a process that has been gradually implemented since 2021, has generated substantial savings of 79.3% (CO_2 emissions of 106.2 tonnes) in Scope 2. This step has enabled us to reduce our indirect Scope 2 emissions from fossil fuel-based electricity virtually to zero.

In the period from 2019 to 2022, the conversion of our office locations to green electricity and the measures already completed to enhance energy efficiency at our data centres also resulted in lower upstream CO_2 emissions from electricity in Scope 3. These have fallen by 86.2%.

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

Reduction in CO_2 emissions from business travel:

In the period from 2019 to 2022, we managed to reduce the indirect CO_2 emissions from business travel (Scope 3) by 76.1% (546.7 tonnes of CO_2 equivalents). The number of business trips remained comparatively low even after the lifting of pandemic-related restrictions. However, the use of more climate-friendly travel options (rail travel instead of flights) also helped to improve the carbon footprint from business travel.

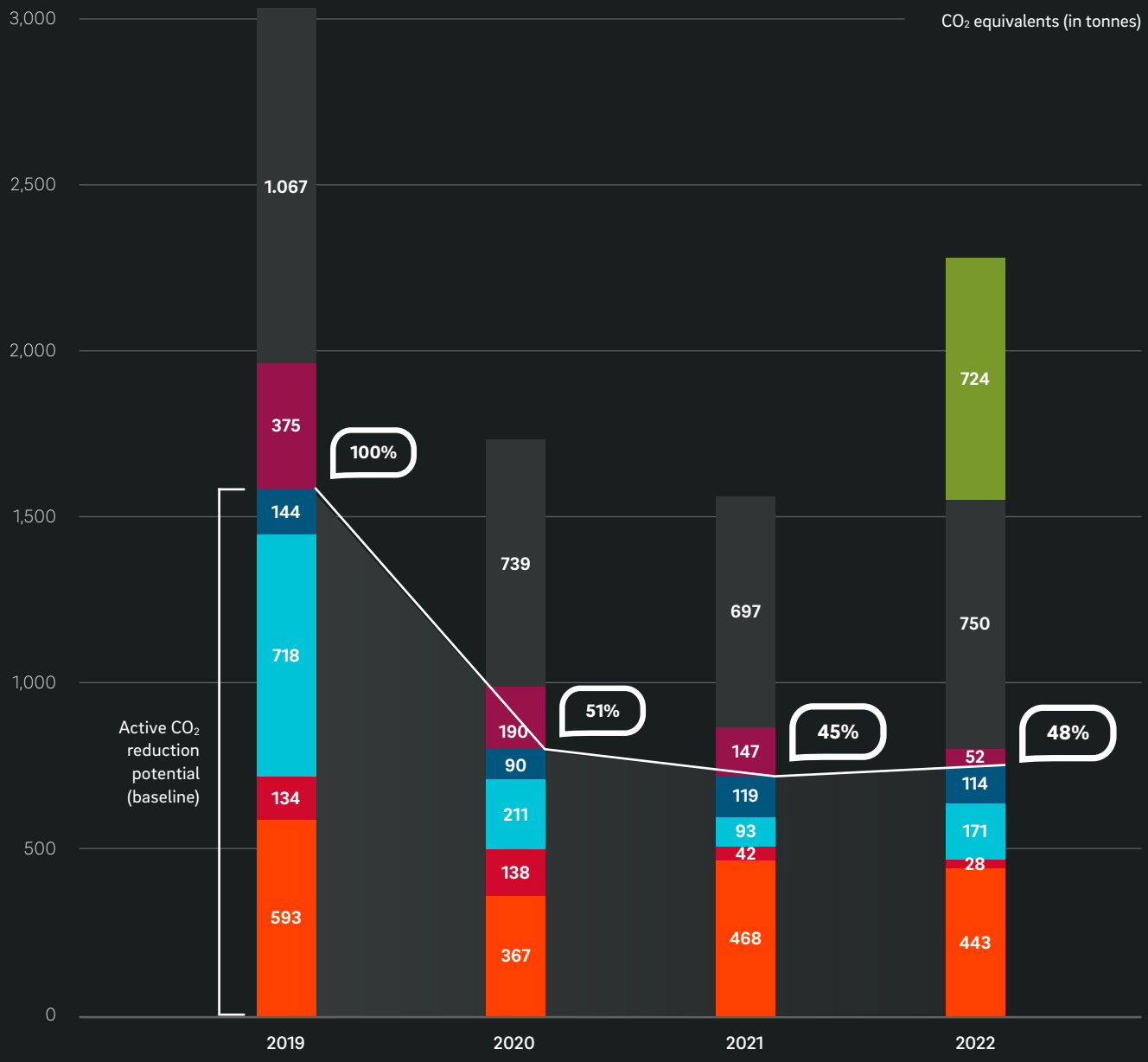
We only expect our CO_2 emissions from fuel consumption to fall significantly once our fleet has largely been converted to electric vehicles.

Reduction in CO_2 emissions from fuels:

In the period from 2019 to 2022, we were able to reduce our direct CO_2 emissions from fuels (Scope 1) by 25.3%. As a result, the corresponding upstream emissions from fuels (Scope 3) also fell, in this case by 21%. These reductions were achieved even though the number of company vehicle and car allowance users rose by 39 over the same period. Although the process of converting our vehicle fleet to electric vehicles is already underway, we also attribute the reduction in emissions to additional factors, such as changed patterns of vehicle use on account of the pandemic. We only expect to see significant reductions in our CO_2 emissions from fuel use once further progress is made in converting our vehicle fleet to electric vehicles in the years ahead.

Measures enabling us to save further CO_2 equivalents include our cooperation with AfB gGmbH for the sustainable processing of out-of-date and obsolete IT hardware. In 2022, this enabled 55 IT components out of a total of 177 devices transferred (corresponding to 31%) to be refurbished and subsequently marketed. Although we currently do not account for the "Waste" category (Scope 3), this saved a total of 9.9 tonnes of CO_2 equivalents.

Overview of climate accounting



[1] We offset unavoidable CO_2 emissions for electricity (Scope 3).

[2] Our climate balance sheet for 2022 for the first time includes indirect emissions for the Scope 3 categories of "Purchased goods and services" and "Capital goods". These are summarised in the "Procurement" category.

GRI SRS-305-1

Direct GHG emissions (Scope 1)

In tonnes	2022	2022 in %	2021	2021 in %
CO_2 equivalents Scope 1				
Petrol for leased vehicles, car allowance	185.5	8.1	155.6	9.9
Diesel for leased vehicles, car allowance	257.9	11.3	310.9	19.9
Heating oil for emergency power	39.7	1.7	54.0	3.4
Refrigerants	52.7	2.3	76.8	4.9
Natural gas for heating	475.8	20.8	473.3	30.2
Scope 1 (total)	**1,011.6**	**44.3**	**1,072.0**	**68.5**

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

Notes to 2022 financial year:
Our scanplus GmbH subsidiary, which was acquired in December 2021 and has operated under the name q.beyond Cloud Solutions GmbH since 1 January 2023, has been included for the first time. Due to materiality considerations, the productive-data subsidiary, which was only acquired in November 2022, has not yet been included in climate accounting. Similarly, emissions caused by our Latvian subsidiary SIA Q.BEYOND have also not been included, as we are currently still implementing the processes required to record key figures. Furthermore, our Incloud Engineering GmbH subsidiary was merged into q.beyond AG in 2022.

Notes to 2021 financial year:
Our datac Kommunikationssysteme GmbH and q.beyond logineer GmbH subsidiaries were included for the first time in the 2021 financial year. Due to materiality considerations, the scanplus GmbH subsidiary, which was only acquired in December 2021, was not yet included in the 2021 CO_2 balance sheet. The values for autogas have been corrected to petrol.

Notes to 2020 financial year:
The values for autogas have been corrected to petrol.

Notes to 2019 financial year:
The values for autogas have been corrected to petrol.

2020	2020 in %	2019	2019 in %	2019 – 2022 Change	2019 – 2022 Change in %
68.4	3.9	98.0	3.2	+87.5	+89.4
298.1	17.2	495.5	16.3	-237.6	-48.0
56.4	3.3	110.3	3.6	-70.6	-64.0
1.8	0.1	179.9	5.9	-127.2	-70.7
593.3	34.2	649.6	21.4	-173.8	-26.8
1,018.0	**58.7**	**1,533.3**	**50.6**	**-521.7**	**-34.0**

We reduced our direct CO_2 emissions from fuels (Scope 1) by 25.3% in the period from 2019 to 2022.

GRI SRS-305-2

Indirect GHG emissions (Scope 2)

In tonnes	2022	2022 in %	2021	2021 in %
CO_2 equivalents Scope 2				
Electricity (from fossil fuels)	27.7	1.2	41.5	2.7
District heating / district cooling	82.8	3.6		
Scope 2 (total)	**110.5**	**4.8**	**41.5**	**2.7**

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

Notes to 2022 financial year:
Our scanplus GmbH subsidiary, which was acquired in December 2021 and has operated under the name q.beyond Cloud Solutions GmbH since 1 January 2023, has been included for the first time. Due to materiality considerations, the productive-data subsidiary, which was only acquired in November 2022, has not yet been included in climate accounting. Similarly, emissions caused by our Latvian subsidiary SIA Q.BEYOND have also not been included, as we are currently still implementing the processes required to record key figures. Furthermore, our Incloud Engineering GmbH subsidiary was merged into q.beyond AG in 2022.

Notes to 2021 financial year:
Our datac Kommunikationssysteme GmbH and q.beyond logineer GmbH subsidiaries were included for the first time in the 2021 financial year. Due to materiality considerations, the scanplus GmbH subsidiary, which was only acquired in December 2021, was not yet included in the 2021 CO_2 balance sheet.

2020	2020 in %	2019	2019 in %	2019 – 2022 Change	2019 – 2022 Change in %
137.9	8.0	133.9	4.4	-106.2	-79.3
				+82.8	+100.0
137.9	**8.0**	**133.9**	**4.4**	**-23.4**	**-17.5**

By converting most of the electricity supplied to our office locations to green electricity, we have all but eliminated our indirect Scope 2 emissions from fossil-based electricity.

GRI SRS-305-3

Other indirect GHG emissions (Scope 3)

In tonnes	2022	2022 in %	2021	2021 in %
CO_2 equivalents Scope 3				
Upstream fuels (mobility)	114.1	5.0	119.1	7.6
Upstream heating oil for emergency power generators	8.7	0.4	11.9	0.8
Upstream heating	89.8	3.9	81.0	5.2
Upstream electricity	51.7	2.3	147.0	9.4
Upstream emissions (total)	**264.4**	**11.6**	**359.0**	**22.9**
Business travel – flights	91.4	4.0	21.5	1.4
Business travel – hire cars	20.5	0.9	30.8	2.0
Business travel – private cars	27.5	1.2	22.8	1.5
Hotel accommodation	32.1	1.4	17.6	1.1
Business travel (total)	**171.5**	**7.5**	**92.6**	**5.9**
Data centre IT equipment	508.3	22.2		
Office IT equipment	75.9	3.3		
Office furniture	140.1	6.1		
Procurement (total)	724.3	31.6		
Scope 3 (total)	**1.160.2**	**50.8**	**451.6**	**28.9**

GHG emissions have been calculated in accordance with the internationally recognised Greenhouse Gas Protocol for the Group as a whole. Percentages show the share of the total carbon 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 2022 financial year:
Our scanplus GmbH subsidiary, which was acquired in December 2021 and has operated under the name q.beyond Cloud Solutions GmbH since 1 January 2023, has been included for the first time. Due to materiality considerations, the productive-data subsidiary, which was only acquired in November 2022, has not yet been included in climate accounting. Similarly, emissions caused by our Latvian subsidiary SIA Q.BEYOND have also not been included, as we are currently still implementing the processes required to record key figures. Furthermore, our Incloud Engineering GmbH subsidiary was merged into q.beyond AG in 2022.

2020	2020 in %	2019	2019 in %	2019 – 2022 Change	2019 – 2022 Change in %
89.7	5.2	144.4	4.8	-30.4	-21.0
10.7	0.6	20.9	0.7	-12.2	-58.3
77.2	4.4	84.5	2.8	+5.3	+6.3
189.7	10.9	374.5	12.4	-322.8	-86.2
367.2	**21.2**	**624.3**	**20.6**	**-359.9**	**-57.7**
102.5	5.9	391.2	12.9	-299.8	-76.6
38.4	2.2	96.7	3.2	-76.2	-78.8
27.7	1.6	37.5	1.2	-10.0	-26.8
42.0	2.4	107.2	3.5	-75.1	-70.1
210.7	**12.2**	**718.2**	**23.7**	**-546.7**	**-76.1**
				+508.3	+100.0
				+75.9	+100.0
				+140.1	+100.0
				+724.3	+100.0
577.9	**33.3**	**1,342.5**	**45.0**	**-182.3**	**-13.6**

Notes to 2021 financial year:
Our datac Kommunikationssysteme GmbH and q.beyond logineer GmbH subsidiaries were included for the first time in the 2021 financial year. Due to materiality considerations, business travel at these subsidiaries was not included. Due to materiality considerations, the scanplus GmbH subsidiary, which was only acquired in December 2021, was not yet included in the 2021 CO_2 balance sheet. In addition, the focus on material emissions in Scope 3 was further sharpened in the 2021 financial year. Due to materiality considerations, emissions attributable to paper consumption and to business travel by rail, taxi and public transport were 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 CO_2 offsetting.

Notes to 2020 financial year:
To enhance comparability with 2021 and 2022, emissions attributable to paper and to business travel by rail, taxi and public transport have no longer been reported separately.

Notes to 2019 financial year:
To enhance comparability with 2020 to 2022, emissions attributable to paper and to business travel by rail, taxi and public transport have no longer been reported separately.

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, sustainable use 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 operational 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 company-wide 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 subheadings 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.

Based on this analysis, the team then calculated the respective shares of turnover, capital expenditure (CapEx) and operational expenditure (OpEx) attributable to taxonomy-eligible economic activities, which we reported in our ⊕ **2021 Sustainability Report** (see Pages 54 to 59 "EU Taxonomy").

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 operational expenditure.

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 substantial 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 operational expenditure that makes a substantial contribution to climate change adaptation.

Review of technical screening criteria for taxonomy alignment

In the 2022 financial year, our company-wide project team performed a review of the technical screening criteria defined by the EU Taxonomy which have to be met for the "Data processing, hosting and related activities" economic activity to make a substantial contribution to the EU's environmental objectives of "climate change mitigation" and "climate change adaptation". Based on the criteria laid down by the EU Taxonomy, we also analysed whether our "Data processing, hosting and related activities" economic activity could significantly impair compliance with the other EU environmental objectives.

Contribution to climate change mitigation

Pursuant to the taxonomy, the economic activity may make a substantial contribution to EU Environmental Objective 1 "climate change mitigation" if all relevant practices set out in the European Code of Conduct on Data Centre Energy Efficiency have been implemented or excluded with due explanation. In both cases, this must be verified and audited by an independent third party. Furthermore, the global warming potential (GWP) of refrigerants used in the data centre cooling system may not exceed 675.

- In the 2022 financial year, we reviewed the practices defined in the European Code of Conduct on Data Centre Energy Efficiency and ascertained that we already implement most of these. For all other practices, we have laid down measures and defined target dates for their implementation. In the coming years, we intend to meet all the requirements of the Code. At the beginning of November 2022, we also applied to participate in the European Code of Conduct on Data Centre Energy Efficiency. Upon the editorial deadline for this report, the review process performed by the "European Energy Efficiency Platform (E3P)" had not yet been completed. Regrettably, we therefore do not yet officially meet the technical criteria for taxonomy alignment.

- Our data centres currently still use refrigerants whose global warming potential (GWP) exceeds 675 and thus do not yet comply with the technical criteria to be met for taxonomy alignment. A cooling machine is due to be replaced within our major cooling technology at the end of 2023. The new machine will then work with the low-GWP refrigerant "R1234ze" with a GWP value of 7 and thus meet the technical criteria for taxonomy alignment. Moreover, we are reviewing whether existing facilities in further cooling circuits at our other data centre locations can also be converted to using this more climate-friendly refrigerant in the course of scheduled maintenance work.

Contribution to climate change adaptation

According to the EU Taxonomy, this economic activity may additionally make a substantial contribution to climate change adaptation if it has implemented physical and non-physical solutions that substantially reduce the most important physical climate risks that are material to this activity ("adaptation solutions"). This requires a climate risk and vulnerability assessment to be performed for the activity.

- As outlined under "Resource Management", we have identified a risk of this nature in respect of the climate control technology used at our data centres and are implementing preventive climate-technical measures.

- We have not yet performed any extensive climate risk and vulnerability assessment conforming, for example, to the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD). We therefore do not yet meet the technical criteria for taxonomy alignment.

Do no significant harm to other EU environmental objectives

The economic activity may not significantly harm either of the two EU climate objectives. Furthermore, it may also not significantly harm the objectives of "water protection" and "transition to a circular economy". Based on our review, no significant harm to these objectives arises in connection with the "Data processing, hosting and related activities" economic activity:

- **Climate change adaptation:** We have assessed the material climate risks and vulnerabilities and backed this up with preventive measures.

- **Water protection:** The withdrawal of fresh water is limited to that used in the closed cooling circuits in our data centre operations.

- **Transition to a circular economy:** The equipment we use meets the requirements of Directive 2009/125/EC for servers and data storage products and does not include any of the restricted substances listed in Annex II of Directive 2011/65/EU of the European Parliament and of the Council. Furthermore, we have a waste management plan that ensures the greatest possible recycling of electrical and electronic equipment at the end of its lifecycle, with measures including contractual agreements with recycling partners such as AfB social & green IT (employment for people with disabilities). At the end of their lifecycles, items of equipment are prepared for re-use, recovery or recycling operations or undergo proper treatment, including the removal of all liquids and selective treatment pursuant to Annex VII to Directive 2012/19/EU of the European Parliament and of the Council.

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**. Since the past 2022 financial year, the Code of Conduct for Business Partners has been an integral component of our procurement policies and contract documents and has accordingly been countersigned by our new and existing business partners.

Shares of taxonomy-aligned economic activities in the 2022 financial year

	€ million	in %
Turnover (revenues)	**173.0**	**100.0**
of which taxonomy-eligible[1]	139.2	80.4
of which taxonomy-aligned	0.0	0.0
Operational expenditure (OpEx)[2]	**145.6**	**100.0**
of which taxonomy-eligible[3]	1.9	1.3
of which taxonomy-aligned	0.0	0.0
Capital expenditure (CapEx)	**3.0**	**100.0**
of which taxonomy-eligible[4]	0.5	14.9
of which taxonomy-aligned	0.5	14.9

Figures for Group as a whole. Calculated in accordance with IFRS.
[1] Revenues (turnover) in "Cloud & IoT" reporting segment (renamed as "Cloud" starting 2023).
[2] Operational cost of revenues excluding depreciation/amortisation.
[3] Maintenance costs at data centres.
[4] Capital expenditure on energy efficiency enhancement and climate technology at data centres less subsidies pursuant to CapEx plan.

Turnover in 2022 financial year

Economic activities	NACE code	Absolute turnover	Share of turnover	Substantial contribution criteria					
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems
		€ 000s	in %	in %	in %	in %	in %	in %	in %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
Turnover in environmentally sustainable activities (taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities)									
8.1 Data processing, hosting and related activities	J63.11	139.2	80.4	100.0	0.0	n.d.[1]	n.d.[1]	n.d.[1]	n.d.[1]
Turnover in taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities) (A.2)		**139.2**	**80.4**	**100.0**	**0.0**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**
Total (A.1 + A.2)		**139.2**	**80.4**	**80.4**	**0.0**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover in taxonomy-non-eligible activities (B)		**33.8**	**19.6**						
Total (A + B)		**173.0**	**100.0**						

[1] No technical screening criteria adopted by the EU to date.

DNSH criteria ("Do no significant harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and eco-systems	Minimum safeguards	Taxonomy-aligned share of turnover in 2022	Category (enabling activities / transition activities)	Economic activities
Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	in %	E / T	
									A. TAXONOMY-ELIGIBLE ACTIVITIES
									A.1 Environmentally sustainable activities (taxonomy-aligned)
-	-	-	-	-	-	-	-		**Turnover in environmentally sustainable activities (taxonomy-aligned) (A.1)**
									A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities)
yes	yes	yes	yes	n.d.[1]	n.d.[1]	yes	0.0	T	8.1 Data processing, hosting and related activities
									Turnover in taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities) (A.2)
							0.0		**Total (A.1 + A.2)**

Capital expenditure (CapEx) in 2022 financial year

Economic activities	NACE code	Absolute turnover	Share of turnover	Substantial contribution criteria					
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Bio-diversity and eco-systems
		€ 000s	in %	in %	in %	in %	in %	in %	in %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
8.1 Data processing, hosting and related activities	J63.11	0.5	14.9	100.0	0.0	n.d.[1]	n.d.[1]	n.d.[1]	n.d.[1]
CapEx in environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.5**	**14.9**	**14.9**	**0.0**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**
A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities)									
CapEx in taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities) (A.2)		-	-	-	-	-	-	-	-
Total (A.1 + A.2)		**0.5**	**14.9**	**14.9**	**0.0**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx in taxonomy-non-eligible activities (B)		**2.5**	**85.1**						
Total (A + B)		**3.0**	**100.0**						

[1] No technical screening criteria adopted by the EU to date.

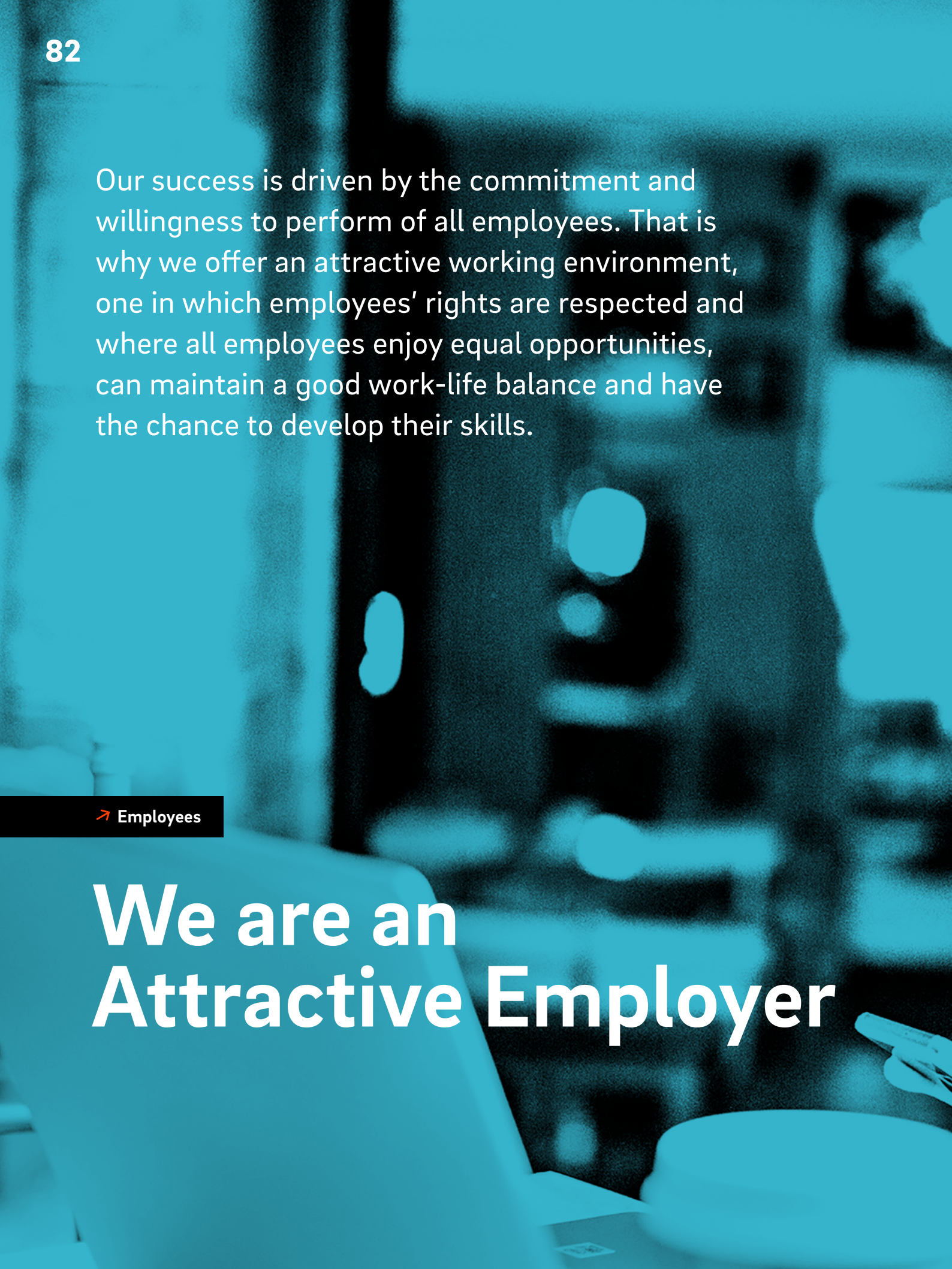
DNSH criteria ("Do no significant harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and eco-systems	Minimum safeguards	Taxonomy-aligned share of turnover in 2022	Category (enabling activities / transition activities)	Economic activities
Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	in %	E / T	
									A. TAXONOMY-ELIGIBLE ACTIVITIES
									A.1 Environmentally sustainable activities (taxonomy-aligned)
yes	yes	yes	yes	n.d.[1]	n.d.[1]	yes	14.9	T	8.1 Data processing, hosting and related activities
							14.9	**T**	**CapEx in environmentally sustainable activities (taxonomy-aligned) (A.1)**
									A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities)
-	-	-	-	-	-	-	-	-	**CapEx in taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities) (A.2)**
							14.9	**T**	**Total (A.1 + A.2)**

Operational expenditure (OpEx) in 2022 financial year

Economic activities	NACE code	Absolute turnover	Share of turnover	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
		€ 000s	in %	in %	in %	in %	in %	in %	in %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
OpEx in environmentally sustainable activities (taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities)									
8.1 Data processing, hosting and related activities	J63.11	1.9	1.3	100.0	0.0	n.d.[1]	n.d.[1]	n.d.[1]	n.d.[1]
OpEx in taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities) (A.2)		**1.9**	**1.3**	**100.0**	**0.0**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**
Total (A.1 + A.2)		**1.9**	**1.3**	**1.3**	**0.0**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**	**n.d.[1]**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx in taxonomy-non-eligible activities (B)		**143.7**	**98.7**						
Total (A + B)		**145.6**	**100.0**						

[1] No technical screening criteria adopted by the EU to date.

DNSH criteria ("Do no significant harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and eco-systems	Minimum safeguards	Taxonomy-aligned share of turnover in 2022	Category (enabling activities / transition activities)	Economic activities
Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	in %	E / T	
									A. TAXONOMY-ELIGIBLE ACTIVITIES
									A.1 Environmentally sustainable activities (taxonomy-aligned)
-	-	-	-	-	-	-	-		**OpEx in environmentally sustainable activities (taxonomy-aligned) (A.1)**
									A.2 Taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities)
yes	yes	yes	yes	n.d.[1]	n.d.[1]	yes	0.0	T	8.1 Data processing, hosting and related activities
									OpEx in taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned activities) (A.2)
							0.0		**Total (A.1 + A.2)**



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.

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 two locations in the EU, namely in Latvia and Spain. These are naturally governed by the standards, regulations and laws applicable in those countries. Wherever possible, we also align working conditions. Our employees in Riga and Jerez de la Frontera thus also receive extra pay for on-call work and bonus payments. The Group's internal policies and regulations are also applicable in these countries without restriction, unless they are opposed by requirements specific to the individual country.

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

Since the beginning of the 2022 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, virtual sport sessions, job tickets for local public transport and the opportunity to lease work bikes (including e-bikes) at little cost. 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.

The diversity of our workforce speaks for itself. While only around 11% of our total of 1,272 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 branches in Riga (Latvia) and Jerez de la Frontera (Spain) 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.

We signed the Diversity Charter in 2020.

Diversity

Continually promoting diversity at q.beyond.

Actively lived diversity also involves inclusion. Around 2.3% 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.

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 company-wide workgroup organizes 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 (one female and one male). Since then, these two people have coordinated the activities of the team and are the first point of contact for all staff when it comes to diversity issues. The onboarding events for new employees also include a presentation held by our Diversity Managers on our diversity strategy. One highlight was the diversity action day organised by the Diversity Committee under the motto "Unique together!" in which q.beyond took part in the 10th German Diversity Day held at the initiative of the Diversity Charter on 31 May 2022. In interactive online workshops, our employees had the opportunity to participate in workshops on overcoming unconscious bias, to learn methods to deal with discrimination professionally and to relish the culinary diversity of our workforce at the shared online dinner.

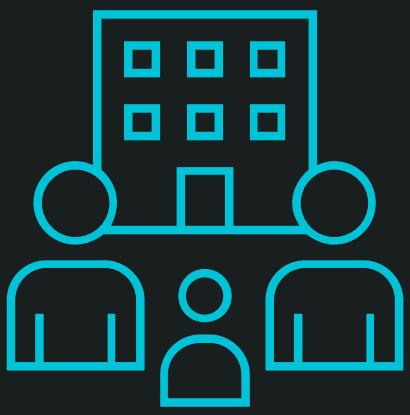
Alongside the Diversity Committee, our trainees and work-study program students, the q.beyond youngsters, are also committed to promoting diversity. They developed a company-wide communications platform for diversity; as well as providing information, this also acts as a community space where relevant 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.

Further implementation of our diversity strategy

One way in which we identity focus topics to further increase diversity is by referring directly to our diversity key figures. Employees aged over 50 account for 30% 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 took effect on 1 April 2022. Eight employees have currently drawn on this option.

#EmbraceEquity

Equal opportunities: gender pay gap reviewed and closed in 2022.



Family and work are highly compatible at q.beyond.

13%

share of employees working part time in 2022.

Up to 3 months off thanks to sabbatical account.

Share of women in IT sector in 2022

23.0%
q.beyond

17.9%
European Union

16.0%
Germany

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

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%, women (both including and excluding the 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 2022, 21.12% 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 **"MINTvernetzt"** (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 (BMBF). 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.

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

Although women make up a comparatively high share of the Group's workforce, they only account for a small number of q.beyond's managers. Based on the overall Group (q.beyond AG including affiliated companies), the share of women in the first management level below the Management Board even stood at 0% at the reporting date on 31 December 2020. In the second management level below the Management Board, the share of women only amounted to 13%. To address this situation, in 2021 our company-wide women's project team "She goes beyond" conducted an employee survey 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 discuss their career ambitions. At the same time, however, women do not feel sufficiently encouraged to assume management responsibility. A perceived gender pay gap offers little incentive and is also one of the main reasons for the low share of women in management positions at the Group. The survey findings also showed that men and women often had widely differing assessments of the specific reasons. Overall, it was clear that women had the management skills desired by the workforce but that this potential has not been adequately exploited to date. For the future, we need a different set of conditions for women to advance their careers at q.beyond. These should include:

- **Equal opportunities in the promotion process**
  Define ambitious targets for women in management positions that reflect the overall share of women at the Group on the management level as well
- **Alignment of salary structure**
  Review and close the gender pay gap
- **Promote networking among women**
  Establish a women's network and mentoring programme

Pursuant to § 76 (4) AktG, the Management Board is required to set percentage targets for the share of women in the two management levels below the Management Board. To account for the company's core focus on IT and technology, the targets set in May 2017 for the period from 1 July 2017 to 30 June 2022 provided for reaching a 15% share of women in both first and second management levels. As the law does not provide any closer definition of how the two management levels below the Management Board are delineated, the prevalent view is that the Management Board should define these. Based on the areas of influence within the overall Group, the Management Board of q.beyond AG defines the first management level below the Management Board as comprising all employees of q.beyond AG (excluding affiliated companies) who report directly to the Management Board and are responsible for their own personnel. Accordingly, the second management level below the Management Board includes all employees of q.beyond AG (excluding affiliated companies) who report directly to the first management level and are responsible for their own personnel.

Acting on the recommendations made by the "She goes beyond" project team, the Management Board renewed this target agreement before the expiry of the original deadline. By resolution dated 20 December 2021, the new target agreement for q.beyond (excluding affiliated companies) provides for reaching a 20% share of women in both first and second management levels below the Management Board in the period from 1 January 2022 to 31 December 2026. With this new target agreement, the Management Board simultaneously accounted for a new legal requirement: the German Act Supplementing and Amending the Requirements for the Equal Participation of Women in Leadership Positions in the Private and Public Sectors (FüPoG II – Federal Legal Gazette I 2021, Page 3311), has amended and supplemented § 76 (4) AktG to state that the targeted shares of women in the respective management levels must be described and that, if the company makes percentage disclosures, then the number of people should also be disclosed in rounded figures.

On the date on which the resolution was adopted, the first management level comprised five employees, with women accounting for 20% of these. For the 15 employees in the second management level, the share of women amounted to 0%. At the reporting date on 31 December 2022, the number of people and share of women in the first management level was unchanged. Within the second management level, the number of employees increased by 6 to 21 people and the share of women rose to around 10%.

Development in share of women in management positions at overall Group

Based on the overall Group (q.beyond AG including affiliated companies), the share of women in the first management level below the Management Board stood at 22% at the reporting date on 31 December 2022, and was thus at the same level as in the previous year. The share of women in the second management level below the Management Board amounted to 14% and thus improved by 5 percentage points compared with the previous year. Here, the first management level below the Management Board comprises all employees at q.beyond AG who report directly to the Management Board and are responsible for their own personnel. Managing directors at subsidiaries in which q.beyond holds a majority shareholding are also included in the first management level below the Management Board if they do not have any employment contract with q.beyond as the shareholder. Accordingly, the second management level below the Management

Management structure of q.beyond AG excluding affiliated companies by gender as of 31 December

	2026 target	2022			2021			2020		
	Women in %	Men	Women	Women in %	Men	Women	Women in %	Men	Women	Women in %
Headcount by job level										
1st management level	20	4	1	20	4	1	20	4	0	0
2nd management level	20	19	2	10	15	0	0	14	2	13
Other managers	-	61	8	12	69	11	14	75	7	9

Pursuant to interpretation of § 76 (4) AktG.

Workforce structure of overall Group by gender and job level as of 31 December

	2026 target	2022			2021			2020		
	Woman in %	Men	Women	Women in %	Men	Women	Women in %	Men	Women	Women in %
Headcount by job level										
1st management level	20	7	2	22	7	2	22	4	0	0
2nd management level	20	19	3	14	32	3	9	14	2	13
Other managers	20	79	13	14	80	13	14	75	7	9
Employees	-	725	236	25	705	256	27	594	203	26
Headcount by job level										
(total)	**-**	**830**	**254**	**23**	**824**	**274**	**25**	**687**	**212**	**24**

Board comprises all employees at the Group who report directly to the first management level and are responsible for their own personnel. At 14%, the share of women among other managers at the reporting date on 31 December 2022 was also at the same level as in the previous year.

By the end of 2026, the share of women in the first two management levels below the Management Board and among other managers, based on the figures for the overall Group, is to be raised to 20% in each case. In addition, we are looking into future possibilities of offering management positions on a part-time basis and in job-sharing models.

Equal pay for equal work – gender pay gap reviewed and closed

For us, a socially sustainable approach to upholding the interests of our employees does not just involve offering good salaries and numerous benefits; it also means promoting diversity and tackling discrimination. Since the past financial year, the company has therefore systematically tracked down and eliminated any unjustified differences in the salaries paid to female and male employees – the gender pay gap. This move was triggered in particular by the findings of the employee survey conducted in the "She goes beyond" project. After all, the perception that there is a gender pay gap reduces the incentive for women to assume management roles and was one of the main reasons stated by the workforce for the low share of women in management positions at the Group.

In spring 2022, the salaries of employees at q.beyond AG were investigated to identify any variances in the payment of women and men for comparable activities. On an unadjusted basis, the analysis revealed an average gender pay gap on a scale of around 19%. In autumn 2022, q.beyond largely closed the individual gaps thereby identified. In a second stage, it will settle any differences possibly still existing in the current 2023 financial year. Regular reviews should ensure that no gender pay gap arises in future.

Group-wide women's network "She goes beyond"

The former project team has evolved into the Group-wide women's network "She goes beyond". Since then, the monthly networking meetings have created greater solidarity and mutual support. The former project team continues to offer support by proposing specific topics that can be addressed together to boost women's position within the workforce. These include the mentoring programme for women working at the company and "#IamRemarkable", a workshop concept specifically targeting our female employees. At the first event, held on International Women's Day on 8 March 2022, women employees could attend workshops to learn effective tools to boost their self-marketing skills and train their ability to talk about their own success, all under the motto "Let's talk about what makes you remarkable". The network aims to present tangible work results to the whole of q.beyond's team on a regular basis in future as well. At present, for example, the network is collecting initial ideas for an internal **"women@q.beyond"** campaign to present high-performing women at the Group. This is intended to create greater visibility for women role models at the company. Additionally extending the campaign to social media channels could also assist in recruiting talented women in future.

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, all employees apart from site security have spent extended periods of time working from home. The positive experience gained with this pandemic-related mode of work gave us grounds to refine the regulations generally applicable on mobile work from home on a sustainable 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. Furthermore, our employees have the option of working from abroad for up to three months a year ("workation"). This is conditional on an advance review and assessment of potential risks in terms of relevant legal, tax, compliance, data protection and information security aspects. Here, we work together with WorkMotion, a service provider specialising in these issues.

"Mobile Work" agreement: Employees free to select where they work for up to 50% of 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 baby welcome package. One nursery place is available to us at our Hamburg location. We have also put in place a solution for our employees if they encounter unexpected childcare problems due, for example, to school or kindergarten closures. We set up a co-working space called "Flitzpiepen" at our Hamburg location in 2021 already. As well as a regular workplace 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. If an employee's child

is ill, we also offer support that goes beyond legal requirements. We offer employees up to 5 days of paid leave a year to care for a sick child. If they need more time off, they can draw on their statutory sick pay entitlement. For single parents, we even offer up to 10 days of paid leave a year to look after a sick child.

Part-time work options assist employees in balancing their family and work commitments. In 2022, 143 of our total workforce of 1,084 employees worked on a part-time basis. Part-time management is also possible, with this option currently being draw on by ten employees (two women and two 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 2022 (excluding trainees, work-study programme students, stand-ins, re-trainees and temporary staff). Where contracts with employees and executives are limited, this is solely due to operating considerations (known as "material limitations"), such as 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.

The "3+1 formula" share matching plan enables employees to participate in the company's success.

Share-based employee participation plan

In spring 2021, q.beyond introduced a share-based participation plan for its employees. This innovative approach provided all of the Group's employees with the opportunity to sustainably participate in the company's success. Any employee who, at the beginning of the plan, bought three q.beyond shares at market price on their own account and in their own name and then held them without interruption until 31 December 2022 was entitled to receive one free extra share, known as a matching share. The terms and conditions of the plan provided the company's Management Board with the alternative option of satisfying claims to bonus shares by making a cash payment corresponding to the fair value of the bonus share as of 31 December 2022. The Management Board drew on this option upon the expiry of the plan in December 2022. The plan deliberately did not stipulate any holding periods after the end of the term, meaning that, even if shares had been granted, it would have been possible to sell all shares immediately. As a general rule, the income generated from selling the bonus shares is exempt from taxes and social security contributions up to a threshold of € 1,440. It was not just full-time and part-time company employees who were eligible to buy shares. The group of participants also included trainees, employees in marginal or temporary employment, those whose employment relationship was 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.

Given the success of this first employee share plan, in which around one quarter of all employees participated, the company introduced a new version of the plan in January 2023. In the 2023 Employee Share Plan, each eligible employee who acquires five shares in q.beyond AG in their own name and on their own account in the period from 2 January to 20 January 2023 is entitled to receive two bonus shares in q.beyond AG if the employee holds the shares without interruption until 31 December 2024 and also remains in employment at a company within the q.beyond Group. This participation plan has also met with great interest from employees.

My digital package

Since 2021, q.beyond employees have been able to obtain the latest smartphones, 2-in-1 notebooks, all-in-one systems, ultra books, 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 digitalization 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.

The share of women on the Supervisory Board is currently 33%.

Structure of Supervisory Board by gender and age at 31.12.2022

Share in %	Male	Female	< 30 years	30 – 50 years	> 50 years
Supervisory Board	67	33	0	0	100

Total number of employees at 31.12.2022

	31.12.2022	31.12.2021	31.12.2020
Headcount per financial year[1]	1,272	1,297	1,004

Share of limited-term employment relationships at 31.12.2022

	Total	Limited term	Limited term in %
Headcount by employee structure[2]			
Executives	9	0	0
Employees	1,075	45	4
Headcount by employee structure (total)[2]	**1,084**	**45**	**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 31.12.2022

	Male	Male in %	Female	Female in %
Headcount by work profile [1]				
Full-time without management responsibility	676	82	147	18
Full-time with management responsibility	103	87	15	13
Part-time without management responsibility	49	35	90	65
Part-time with management responsibility	2	50	2	50
Headcount by work profile (total) [1]	**830**	**77**	**254**	**23**

Workforce structure by gender and job level at 31.12.2022

	Male	Male in %	Female	Female in %
Headcount by job level [1]				
1st management level	7	78	2	22
2nd management level	19	86	3	14
Other managers	79	86	13	14
Employees	725	75	236	25
Headcount by job level (total) [1]	**830**	**77**	**254**	**23**

Age structure of workforce at 31.12.2022

	< 30 years	< 30 years in %	30 – 50 years	30 – 50 years in %	> 50 years	> 50 years in %
Headcount by job level [1]						
1st management level	0	0	3	33	6	67
2nd management level	3	14	10	45	9	41
Other managers	5	5	62	67	25	27
Employees	179	19	496	52	286	30
Headcount by job level (total) [1]	**187**	**17**	**571**	**53**	**326**	**30**

[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 31.12.2022

	People with a disability	People with a disability in %	People with foreign nationality	People with foreign nationality in %
Headcount by job level				
1st management level	0	0	0	0
2nd management level	0	0	1	5
Other managers	0	0	5	5
Employees	27	3	119	12
Headcount by job level (total)	**27**	**3**	**125**	**22**

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 2022.

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 13,930 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 commercial trainees in office management and IT system management. 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 and Baden-Wuerttemberg Cooperative State University (DHBW), Heidenheim. 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"). Not only that, people retraining for new careers have the opportunity to perform the practical part of their retraining at our company.

Our in-company SAP junior programme also offers ideal conditions for starting a career. Over the one-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 organize events such as the company run. One particular highlight of the work performed by q.beyond youngsters involved producing a ⊕ **trainee video** (only available in German). This film is intended to offer authentic, first-hand support in convincing young people about q.beyond as a training company and thus promote 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 onboarding events to facilitate networking.

q.beyond was certified as a "Top Employer" in 2022.

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 characterized 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

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.

one 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, onboarding, 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.

Acting as coaches, our managers support their team members in reaching jointly agreed targets, if possible under their own steam.

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.

Future skills

We also promote self-management, team and organisational development with our digital collection of modern leadership methods.

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.

Training in "beyond skills" competency management

Ours is a sector in which we are permanently confronted with new technical challenges and far-reaching changes in our market. Our customers' needs change and so do the expectations in our employees. That makes it all the more important to tailor the training provided to our employees to the latest market requirements and consistently align this to the successful implementation of our corporate strategy. At the end of 2022, we identified those specialist, methodological and social skills for our employees that we believe will be especially relevant in the years ahead for our service performance and for successfully positioning our portfolio in the market. Our aim now is to take targeted steps to promote these 31 competencies. Bespoke qualification and training programmes will be available for six development paths. These will back up the further training provided to employees active in our core processes. Having recorded specific training needs, in the first quarter of 2023 our managers will agree suitable development targets with their staff. In recruiting new employees for positions within our core processes, one particular focus in 2023 will be on identifying talented candidates who can offer these skills.

Top performer programme

"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 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. Further employees will participate in the programme in the current 2023 financial year.

Development paths provide bespoke qualification and training options for our employees.

Top performer programme offers targeted development and support for employees with high potential.

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. In 2021, our company doctors also performed coronavirus vaccinations 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. Since 2022, we have cooperated here with Urban Sports Club, which has outlets nationwide.

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

Team spirit and mutual support are also the name of the game in our joint sports activities.

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 continuing to support our employees in exercising regularly and maintaining 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 ⊕ **2022 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 2022, we employed 100 trainees and 46 work-study programme students. In the past financial year, we offered positions to 13 out of 16 young people (7 work-study programme students and 5 vocational trainees) upon the completion of their studies or training and plan to hire 40 new career starters in 2023 (of which 23 work-study programme students and 17 vocational trainees).

Group training structure by gender and type at 31.12.2022

	Total	Male	Male in %	Female	Female in %
Headcount					
Trainees	100	83	83	17	17
Work-study programme students	46	31	67	15	33
Headcount (total)	**146**	**114**	**78**	**32**	**22**

Overall view for Group.

Development

The following table provides an overview of the average number of hours spent by our employees on training and further development measures in 2022. 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.

Average hours of training and development by gender in 2022

In hours	Total	Male	Male in %	Female	Female in %
Type of training					
Technical training	3,368.0	2,959.0	88	409.0	12
Tech-Time New Business Solutions	2,314.0	1,976.0	85	338.0	15
Specialist training					
(including user and product training)	1,495.0	1,121.0	75	374.0	25
Language training	1,941.5	1,366.5	70	575.0	30
Soft skills training	2,725.5	1,934.0	71	791.5	29
Management skills training	407.5	357.5	88	50.0	12
Mandatory training[1]	1,678.5	1,357.0	81	321.5	19
Hours of training (total)	**13,930.0**	**11,071.0**	**79**	**2,859.0**	**21**

Overall view for Group excluding Management Board but including trainees and stand-ins.
Figures do not include training held at the productive-data GmbH subsidiary acquired in November 2022.

[1] Data protection, in-depth data protection, information security and security awareness, quality management, occupational safety, electronic sick note, hazard assessment.

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 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.

Work-related injuries and ill health

	2022	2021	2020	2019
Number in financial year under report				
Work-related injuries requiring report	0	0	0	1
Work-related ill health	0	0	0	0
Work-related fatalities	0	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.

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 **"Depth of the Value Chain"**). 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. We are currently preparing to meet our obligations under the German Supply Chain Due Diligence Act (LkSG) and, in this respect, will extend our risk analysis of human rights-related and environmental risks in our own business activities and in the supply chain.

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 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, Spain and Latvia. It has therefore not performed any human rights reviews or impact assessments.

We are currently preparing to meet the requirements of the German Supply Chain Due Diligence Act.

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 (website only available in German). 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 the past 2022 financial year, q.beyond and other partner companies to the HSV Foundation once again helped to satisfy the Christmas wishes of socially disadvantaged children and young people. During Advent, some of these wishes could be written down on pieces of paper and stuck to Christmas trees at the foundation's premises. Others could be called up via a digital Christmas tree, which we developed for the second time already in 2022. A total of 1,142 presents (a new record!) were handed over at the annual Christmas event of the HSV Foundation "Der Hamburger Weg". All sponsors and helpers were invited to attend this ceremony at the festively decorated event centre at HSV's stadium. The event was also attended by former professional footballers from HSV who supported the project.

Furthermore, we have sponsored HTHC – Harvestehuder Tennis und Hockey Club e. V. since the past financial year and also took part again in the IT community's "CIO Charity Run & Bike". The donations received for the kilometres run benefited two organisations committed to greater equality of opportunities, also in terms of access to education, and to the digital integration of young people and young adults. On the one hand, the money donated went to the "Young Hackers (Jugend hackt)" campaign, a not-for-profit programme organised by the charitable associations Open Knowledge Foundation Deutschland and medialepfade.org – Verein für Medienbildung. This programme promotes technical skills among young people aged twelve to eighteen from underprivileged educational backgrounds. On the other hand, the proceeds also supported "Stiftung Kinderglück" in Dortmund, a foundation committed to helping disadvantaged children and young people and to promoting inclusion and integration. In its "School Bag Project (Schulranzenprojekt)", the foundation provided children with school supplies and thus covered the increased need for these since the outbreak of war in Ukraine.

We have lent our name as sponsor to the ice sports and ball game arena operated by the Alexander Otto Sport Foundation in the Volkspark in Hamburg-Altona since October 2020. Via the foundation, this commitment, which underlines our role as a sports sponsor in Hamburg, also benefits sports projects at clubs and schools in Hamburg. Our management plays an active role in the work performed by the Board of Trustees.

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.

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.

GRI SRS-201-1

The measures and campaigns presented under **"Corporate Citizenship"** do not generate any direct economic value. They rather document our commitment to social aspects. The table below provides an overview for the overall Group of the economic value generated and distributed across all our business activities in the financial years from 2020 to 2022:

Economic value generated and distributed

€ 000s	2022	2021	2020
Revenues from business activities	173,022	155,161	143,416
Employee wages and benefits	91,260	82,897	77,985
Tax payments	98	3,553	406
Payments to providers of capital	0	0	3,725
Capital expenditure	3,520	7,275	5,582

Figures for Group as a whole.

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 Association for Germany's Electro and Digital Industry (ZVEI), Hanse Lounge – Business Club Hamburg, The Federal Association of HR Managers (BPM), 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.

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

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 Communications 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. 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 ⊕ **2022 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 also included a material risk in the areas of information security and data protection. Global political developments mean that the threat of cyberattacks has become one of the top risks facing businesses. Our company implements extensive measures to protect its resources, systems and data both for IT within the Group and for customer systems. Our modern IT security systems are permanently monitored and continuously enhanced together with the structures in our IT service management. Despite this, any cyberattacks that are motivated by fraud or malicious criminal intent and directed at the systems at q.beyond, one of its subsidiaries or customer systems supervised by q.beyond might have significant negative economic implications for our Group, our customer and service relationships or our reputation.

ISO 27001

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

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.

Regular audits monitor our compliance with the GDPR and applicable data protection laws.

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. 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**. Since the past 2022 financial year, this Code of Conduct has been an integral component of our procurement policies and contract documents and has accordingly been countersigned by our new and existing business partners.

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

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 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, in Spain 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 2022.

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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Contact

q.beyond AG
Martina Altheim
Head of Corporate Social Responsibility
Richard-Byrd-Strasse 4
50829 Cologne, Germany

T +49 221 669-8202
sustainable@qbeyond.de

www.qbeyond.de/en
blog.qbeyond.de

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