

Beta Systems Software AG

Carbon Neutrality - Qualifying Explanatory Statement

Achievement period 2022 & commitment
period 2023

This is the PAS 2060 Qualifying Explanatory Statement to demonstrate that Beta Systems has achieved carbon neutrality and is committed to being carbon neutral in line with PAS2060:2014 reporting requirements.

July 2024

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Commitment to carbon neutrality

Beta Systems is dedicated to achieving the objective of net zero carbon emissions by 2035. For the commitment period from 1st January 2023 to 31st December 2023, Beta Systems reaffirms its carbon neutrality status, declaring that all known captured carbon emissions for this period will be offset. This is part of our ongoing pledge, with all emissions for the previous baseline period, 1st January to 31st December 2022, already offset.

The commitment was hereby renewed for the first time. Beta Systems Software AG is in the first follow-up certification period.

The carbon neutrality certification is based on the PAS 2060 standard, defined by the British Standards Institution (BSI). Our carbon neutrality efforts are certified according to this method, ensuring transparency and accountability in our emissions management.

Commitment Period 2023

For the commitment period of 2023, Beta Systems will continue to offset all known captured carbon emissions and maintain carbon neutrality. Our carbon footprint management plan outlines the steps and strategies we will employ to achieve and sustain this commitment:

1. Statement of Commitment to Carbon Neutrality:

Beta Systems is fully committed to achieving and maintaining carbon neutrality for the defined subject, with a long-term goal of net zero emissions by 2035.

2. Timescale for Achieving Carbon Neutrality:

The commitment to carbon neutrality is renewed annually, with the specific aim of achieving net zero by 2035.

3. Targets for GHG Reduction:

Our targets for GHG reduction are aligned with the annual commitment to carbon neutrality and the overarching goal of net zero by 2035. Specific reduction targets and progress will be documented and reviewed annually.

4. Planned Means of Achieving and Maintaining GHG Emissions Reductions:

- Assumptions and Techniques: Beta Systems employs state-of-the-art technology and best practices in emissions reduction, including energy efficiency improvements and examination of the suppliers' emissions value chains.
- Historic Reductions: All historical emissions reductions are calculated using the same methodology as future reductions, ensuring consistency and accuracy in reporting.

5. Offset Strategy:

- Quantity of GHG Emissions to be Offset: For the year 2023, Beta Systems will offset 810.000 kg CO₂e, accounting for an 8,74% safety margin.
- Nature of Offsets: The offsets will be sourced from carbon offset projects, ensuring high-quality and verifiable credits, which are certified with the GOLD Standard or the Verified Carbon Standard (VCS).

- Type of Credits: We will utilize a mix of renewable energy projects and reforestation initiatives to secure the necessary credits.

Ongoing Commitment

Beta Systems will update its carbon footprint management plan at least every 12 months, reflecting any changes in strategy, targets, or offset requirements. All relevant information regarding our carbon neutrality efforts is available in our annual report, reviewed by an external third party. This report is published on the corporate website of Beta Systems.

Gerald Schmedding, a member of the Executive Board of Beta Systems, will continue to represent the company on the topic of carbon neutrality, ensuring our commitment remains a central focus of our corporate strategy.

This declaration underscores Beta Systems commitment to reducing the carbon footprint at all significant locations defined by Beta Systems Software AG.

1 Introduction

Company description

For around 40 years, Beta Systems has been developing high-quality software products and solutions for the secure and efficient processing of large volumes of data, which support companies with complex IT structures in the automation, protection and traceability of their IT-supported business processes. Companies and organizations that, due to their size and business activities, process large volumes of sensitive data and documents in business processes that are critical for the company benefit from these solutions.

Beta Systems Software AG, together with its subsidiaries, forms the Beta Systems Group. Beta Systems Software AG is the holding company of the Group.

The Beta Systems Group is one of the leading medium-sized software solution providers in its market segments and is listed in the Scale segment of the German Stock Exchange. More than 20 Group companies operate nationally and on an international level for the Group.

The core business is the development of software and the sale of authorization to use (licenses) software solutions as well as the provision of related services. In addition to maintenance and support, these include services such as installation, project management, consulting and training. Beta Systems provides its customers with support in optimizing, automating and digitizing business processes with a comprehensive range of products, solutions and consulting services to meet legal and business requirements.

The Beta Systems portfolio is divided into the business areas "Data Center Intelligence" (DCI, solutions for the automation of data centres), "Identity Access Management" (IAM, solutions for central user and access management) and "Digitalisation" (services along the digital value chain).

The core market of Beta Systems is the DACH region with the subsidiaries in Germany, Austria and Switzerland. The further international business is managed internally according to the regions, the other Europe and North America. The investments segment, with companies in Germany and Poland, also focuses on the DACH region and individual markets in neighbouring European countries.

About this statement

This document forms the Qualifying Explanatory Statement (QES), which gives a comprehensive overview of the carbon neutrality approach of Beta Systems. It demonstrates that Beta Systems is committed to maintaining carbon neutrality in 2023 (commitment period) (see Table 1).

Table 1: General Information

Information requested by PAS 2060	Information Beta Systems Software AG
Baseline Data	January 1, 2021 - December 31, 2021
Achievement Period	January 1, 2022 - December 31, 2022
Commitment Period	January 1, 2023 - December 31, 2023

The document is structured as follows: Chapter 1 introduces the project and gives a company description of Beta Systems. The overall carbon neutrality principles are explained in Chapter 2. Chapter 3 gives detailed information on the Carbon Footprint assessment. Chapter 4 includes information on climate related strategies, corresponding emission reduction activities and offsetting. All information provided within this report has been reviewed and verified by a third party. The verification statement of Auditcert will be provided in chapter 5.

This Qualifying Explanatory Statement will be made publicly available on the company's website after third party assurance of Beta Systems' carbon neutrality program. If significant changes occur during the commitment period 2023 that could affect the validity of this declaration, an updated QES will be released.

2 The carbon neutrality principles

Carbon Neutrality

The carbon neutrality approach of Beta Systems follows the requirements of the PAS 2060:2014. The Publicly Available Specification (PAS) was published by the British Standards Institution (BSI) and can be linked to many areas, including products, companies, communities, travel, events, projects and buildings.

It was developed in response to the desire for a common, consistent approach to demonstrating carbon neutrality. Based on this specification, organizations must implement GHG reduction strategies in order to achieve real emissions savings. Furthermore, it enables comparability of claims and helps to reduce public scepticism about carbon neutrality. The PAS 2060 standard sets measurement and reduction targets and through documentation it allows the carbon neutrality statement to be verified.

PAS 2060:2014 defines carbon neutrality as the "condition in which during a specified period there has been no net increase in the global emission of greenhouse gases to the atmosphere as a result of the greenhouse gas emissions associated with the company, product etc. during the same period"¹. The goal is to reach net zero emissions worldwide by counterbalancing all greenhouse gas emissions with carbon sequestration. Carbon sequestration refers to the process of removing carbon from the atmosphere and then storing it.

Any system that absorbs more carbon than it emits is called a carbon sink. Oceans, forests and soil are natural carbon sinks. Currently, there are no artificial sinks available that could remove enough carbon

from the atmosphere to fight global warming. However, through forest fires and land-use changes the carbon stored in the natural sinks is released into the atmosphere. That is why a reduction in carbon emissions is essential for reaching carbon neutrality.

Carbon Accounting

Carbon accounting is the first essential step towards carbon neutrality. The Carbon Footprint calculation is oriented on the accounting and reporting framework developed by the Greenhouse Gas Protocol, namely the Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The Greenhouse Gas Protocol (GHG Protocol) is the outcome of a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). It represents a set of voluntary standards for the accounting, reporting and management of greenhouse gas emissions for both Product and Corporate Carbon Footprints, and is the most widely used framework for these purposes. Furthermore, the GHG Protocol meets the requirements of the PAS 2060: 2014 as an appropriate GHG accounting standard.

Carbon Reduction and Offsetting

Carbon reduction, also referred to as decarbonisation, means the decrease of carbon dioxide or all greenhouse gases in the atmosphere related to primary energy production. Emissions can be balanced by carbon sequestration if adequate reduction measures are implemented or enhanced carbon sinks exist.

Carbon offset offers an opportunity to reduce worldwide carbon emissions. Thereby, the emissions emitted in one sector, by one company or even by a person are reduced somewhere else with the instrument of carbon offsetting, thus reducing net global emissions. Carbon offsetting can be done through investments into energy efficiency, low-carbon technologies, renewable energies or carbon sink securing such as reforestation.

3 Carbon Footprint assessment

Beta Systems Carbon Footprint projects are oriented on the accounting and reporting framework developed by the Greenhouse Gas Protocol, namely the "Corporate Accounting and Reporting Standard" and the "Product Life Cycle Accounting and Reporting Standard".

3.1 Inventory Boundaries

Included Greenhouse Gases

The Corporate Carbon Footprint of Beta Systems includes emissions of CO₂ and six other greenhouse gas types specified in the Kyoto Protocol and adopted by the GHG Protocol standard: CH₄, N₂O, HFCs, PFCs, SF₆, NF₃. Due to the different global warming impacts of the gases, the emitted amount of greenhouse gas is multiplied by a specific factor, the so-called Global Warming Potential (GWP) which is fixed to a 100 years' time period. The GWP values are expressed in CO₂ equivalents (CO₂e) and refer to the latest assessment report of the Intergovernmental Panel on Climate Change (IPCC).

Organisational boundaries

Corporate Carbon Footprints usually cover the entire company. However, for more complex corporate structures with subsidiaries, investments, joint ventures etc., an explicit definition of the organisational boundaries of the reporting area is necessary. The GHG protocol proposes two approaches: the control and the equity share approach. In the control approach, all operations are included over which the company exerts control – this can either be determined regarding operational control, or financial control. Minority participations usually remain outside. The equity share approach, on the other hand, takes into account the CO₂e emissions from participations proportional to the financial involvement.

The organisational boundaries of the GHG assessment of Beta Systems are defined using the control approach based on operational control. In the present case, this signifies that all emissions from operations over which the company exerts operational control are included in the emission inventory. Operational control is exercised over the locations Beta Systems Software AG (Berlin), Beta Systems IAM Software AG (Berlin), Beta Systems DCI Software AG (Berlin), Infraray GmbH (Berlin), Beta Systems IAM Software AG (Cologne), Beta Systems DCI Software AG (Neustadt), Horizont Software GmbH (Munich), BVBA Beta Systems Software SPRL (Belgium), Beta Systems Software France S.A.R.L. (France), Beta Systems Software SRL (Italy), Beta Systems EDV-Software Ges.mbh (Austria), Beta Systems Software AG (Switzerland) and Beta Systems Software España, S.L. (Spain).

These excluded subsidiaries are not under operative control by Beta Systems, therefore not significant: Horizont IT Services sro. Budejovice, Czech Republic; Codelab Sp.z. o.o. Stettin, Poland; Categis Software Ltd. Bandalore, India; Beta Systems Software of NA, Inc., McLean, USA; Beta Systems Software of Canada. Inc, Calgary, Canada and Beta Systems Software of Sweden.

Temporal boundaries

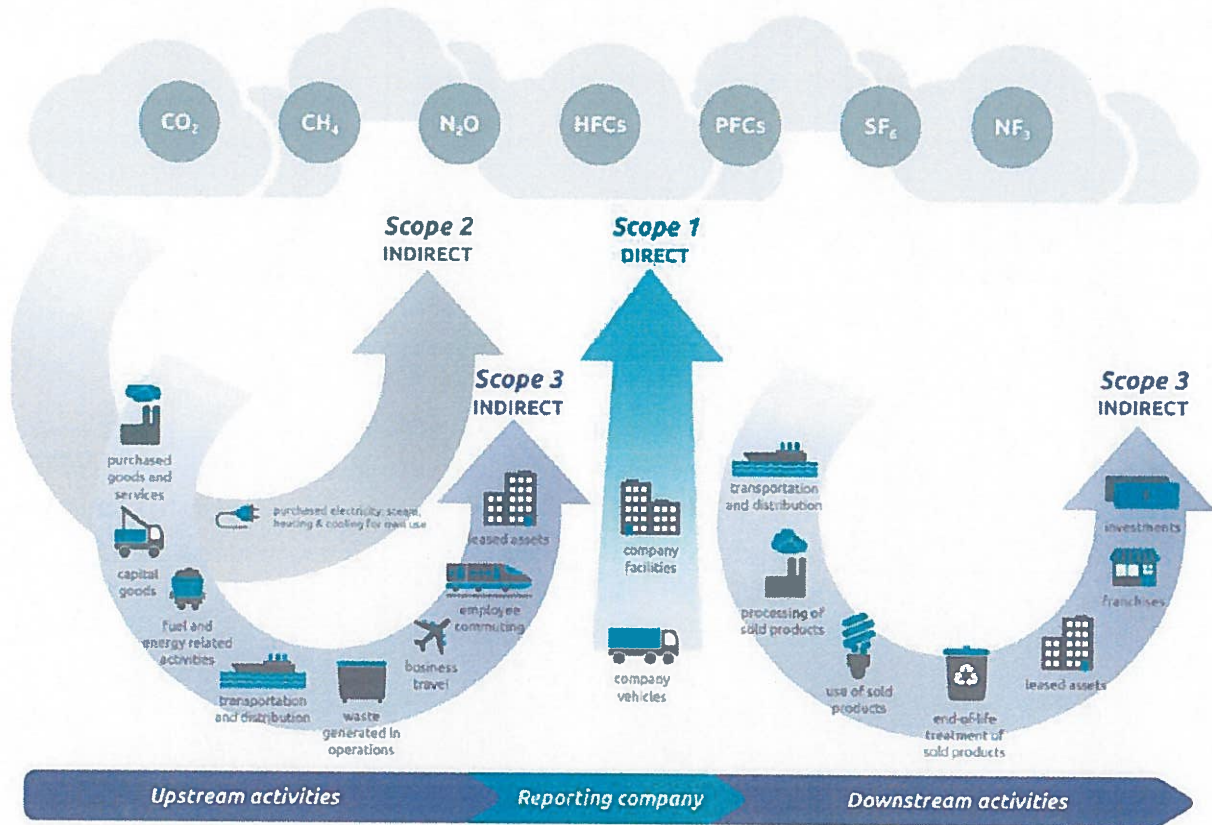
The present Carbon Footprint includes emissions from company activities in the calendar year 2022. Therefore, the period covered is January 1 – December 31, 2022.

The commitment was hereby renewed for the first time. Beta Systems Software AG is in the first follow-up certification period.

Operational boundaries/ included Scopes and Categories

In general, the attribution to different categories of emissions sources follows the guidelines of the GHG Protocol with differentiation of different emissions scopes across the value chain. The GHG Protocol defines 21 categories for emissions, separated into three scopes (see figure 1). Together, these capture all influences on a company's emission balance, both direct and indirect.

Figure 1: Scopes as defined by the Greenhouse Gas Protocol



The carbon footprint of Beta Systems includes all relevant direct and indirect emissions related to the operations of the company, including Scope 1, 2 and 3 emissions. Following the principles of the GHG Protocol, relevant emissions are identified using the following criteria:

Table 2: Criteria identifying relevant GHG emissions according to GHG Protocol

Criteria	Description
Size	Sensitive positions, contributing significantly to the total footprint
Influence	Sensitive positions and potential emission reductions
Risk	Risk exposure of a company regard to financial, regulatory, supply chain, customers, ...
Stakeholders	Critical key stakeholders (customers, supplier, investor, ...)
Outsourcing	Transparency to outsourced activities and their contribution to the CF
Sector Guidance	Defining if sector guidance of the GHG is applicable
Other	Additional requirements for the specific industry or business sector

Table 3 provides an overview of the most relevant scopes and emitters according to the GHG Protocol and state whether they are applicable and relevant in the present case:

Table 3: Scopes according to the GHG Protocol

Scope	Emitters	Inclusion in Carbon Footprint
1	Heating oil	n.a.

1	Natural gas	included
1	Liquid gas	n.a.
1	Diesel for emergency generator	n.a.
1	Heating oil for emergency generator	n.a.
1	Diesel for vehicle fleet	included
1	Gasoline for vehicle fleet	included
1	Refrigerant losses	n.a.
1	Other technical gases	n.a.
2	Electricity incl. upstream chains	included
2	District heating	included
2	District cooling	n.a.
2	Steam	n.a.
2	Compressed air	n.a.
3	Air travel	included
3	Truck diesel	included
3	Wood, paper, cardboard - Disposed paper waste/data bins - Purchased paper	included
3	Letter mailing	included
3	Polyethylene terephthalate	included
3	HDPE	included
3	MVA Household waste	included
3	Drinking water	included
3	Passenger car gasoline	included
3	Purchased goods - Hardware - Office furniture - Site services: reception, cleaning, janitor - Software, firewall, energy Cloud storage - Cost of purchased services, consulting services, external labor/distributors	included
3	Electronic waste	included

Assumptions and calculations

Primary and secondary data has been used for the carbon footprint assessment. Primary data is used where possible, only where primary data was not available or the relevant impact on the carbon footprint result was nominal, secondary data was used to quantify emission.

Where activity data has been estimated, calculations have been done based on a conservative approach that precludes underestimation. Although, Beta Systems committed to improve the data quality for relevant categories and thus reducing the proportion of assumptions.

Certain assumptions were made for Scope 2 and Scope 3. An assumption had to be made for the "water consumption" category for the Horizont building in Munich, as the landlord was unable to provide any data on water consumption. Based on the stated water consumption and the square meters of the location in Neustadt, the consumption per m² and per year was assumed for Horizont.

The following values could not be taken into account due to missing documents from the landlord service: Electricity consumption of Belgium, Austria as well as Switzerland and the purchased heating consumption of Austria, Switzerland and Spain.

These data are not significant for the overall Co2 measurement.

Emission factors

Greenhouse gas emissions result from a variety of processes, of which energy generation and transformation processes are the most important and common ones. To calculate the emissions for a specific process, an adequate conversion factor must be used: the emission factor (short “EF”).

It describes the amount of CO₂ or CO₂e released in a certain process per unit of input or output (such as kg, kWh, or liter). Examples for CF units of measure are: kg CO₂e/kg, kg CO₂e/kWh, kg CO₂e/l. The data sources for the emission factors used are generally acknowledged databases from environmental or governmental organisations, for example the DEFRA (Department for Environment, Food and Rural Affairs), the IEA (International Energy Agency), Ecoinvent or the Umweltbundesamt (UBA).

The data describing the actual input or output amount of these processes is called “activity data” (e.g., amounts of fuel consumed, weight of materials purchased, etc.). To calculate the total emissions for a process, the EF is multiplied with the respective activity data value. The reference unit the emissions are calculated in are tons CO₂e.

3.2 Tracking of Changes

To evaluate activities and strategies towards emission reductions and carbon neutrality and to facilitate the setting and monitoring of emission reduction targets, Carbon Footprint calculation must be performed on a regular basis. To allow the interpretation of emission changes, factors that may influence a company’s emission balance and affect comparability must be identified and reported. In fact, structural changes within an organisation and methodological changes in the assessment may have a strong influence on the greenhouse gas balance and affect comparability.

Base year selection

To compare emissions over time, and especially to define emission reduction targets, it is necessary to select a base year as a point of reference. If no reduction target is set, comparison is usually based on the previous year.

Beta Systems’ baseline period is 1st January – 31st December 2022. The achievement period for the present evaluation is 1st January – 31st December 2022. 1st January 2023– 31st December 2023 is the commitment period.

Recalculation policy

In case of substantial variations due to structural and/or methodological changes, a recalculation of emissions of for the base year (and potentially other previous years) should be conducted, so that a statement about the actual emissions performance can be made.

The same applies to methodological changes, e.g., due to the availability of more accurate data or improved calculation methods. If the more accurate data input may not reasonably be applied to all past years or new data points are not available for past years, it will be attempted to back-cast these data points if feasible. If a recalculation is not feasible, the change shall be acknowledged clearly in the report without recalculation.

The following cases trigger recalculation of base year emissions:

- Structural changes in the reporting organisation that have a significant impact on the company’s base year emissions, including mergers, acquisitions, and divestments, outsourcing and insourcing of emitting activities

- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data
- Discovery of significant errors or a number of cumulative errors, that are collectively significant.

The quantification methodology has not changed since the last cycle.

3.3 Results

The Carbon Footprint for Beta Systems has been assessed through a comprehensive analysis that takes into account the selected inventory boundaries. The calculation follows the methodology outlined by the Greenhouse Gas Protocol (GHG Protocol) and encompasses all relevant emissions under Scope 1, 2 and 3 categories.

Table 4: Scope 1, 2 and 3 results 2022 without safety surcharges

Scope	Value	Unit
Scope 1	147,36917	tCO ₂ e
Scope 2	152,95230	tCO ₂ e
Scope 3	444,57318	tCO ₂ e
Total CF	744,89465	tCO ₂ e

Figure 2: Corporate Carbon Footprint results 2022 without safety surcharges

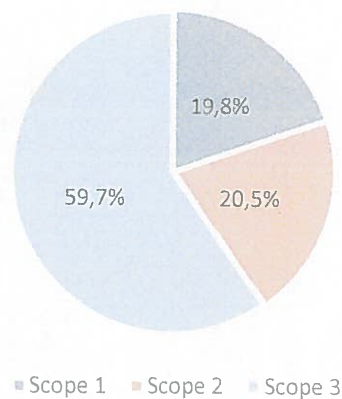


Figure 3: Corporate Carbon Footprint results 2022 including safety surcharges

Donut-Diagramm



All greenhouse gas emission amounts are quantified in CO₂-equivalents (CO₂e). All calculations are derived from the information provided by Beta Systems.

In order to specify the absolute Co₂ reduction compared to the previous cycle as a numerical value, the two Co₂ comparison values must first be viewed. A value of 1.174 tons of Co₂ was calculated in the achievement period 2021 and a value of 744,89 tons of Co₂ in the achievement period 2022, both values are without a safety margin.

The resulting difference represents the absolute Co₂ reduction:

1.174 tons of Co₂ – 744,89 tons of Co₂ = 429,11 tons of Co₂ reduction.

4 Carbon neutrality

4.1 Management Plan

Beta Systems has set up a carbon management plan till 2030 to reduce its carbon intensity footprint and to demonstrate commitment to being carbon neutral in accordance with PAS 2060:2014. The following Table 5 shows the goals and corresponding action plan.

Table 5: Reduction Action Plan

The complete action plan can be found in the appendix with the following additional columns: Responsibility, measurement method/results and last recording.

Orange	Highest prioritization	Most important
Green	Second-highest prioritization	Very important
Blue	Third highest prioritization	Important

Scope	Target	Measures	Set period	Status/assessment of target achievement	Newly derived or adjusted objective	Newly derived or adjusted period
1	Alternatives for company cars (1)	Reduce the number of company cars in Germany	Until the end of 2039	-10% reduction by the end of 2025 -23% reduction by the end of 2030 -30% reduction by the end of 2039	No company cars outside of sales	Until the end of 2039
1	Alternatives for company cars (2)	Build e-charging stations in Berlin	By the end of 2025	Target no longer achievable due to relocation	Check charging station in new building/parking garage	2024/2025
2	Reduction of Co ₂ through electricity	Transition to 100% electricity from	By the end of 2024	Target achieved	Review electricity contract options at	By the end of 2026

Scope	Target	Measures	Set period	Status/assessment of target achievement	Newly derived or adjusted objective	Newly derived or adjusted period
	consumption (1)	renewable energies incl. upstream chains in Berlin and Cologne			remaining German locations Possibly switch to 100% electricity from renewable energies	
2	Reduction of electricity consumption (2)	Reduce the number of kWh in Berlin and Cologne	By the end of 2026	Target achieved	/	/
2	Solar energy	Install photovoltaic system on the roof in Berlin	By the end of 2024	Target no longer achievable due to relocation	/	/
2	Climate-neutral data center, energy efficiency law (1)	Data center in Berlin powered by electricity from 100% renewable resources, upstream chain certificates available	/	Target achieved	/	/
2	Climate-neutral data center, Energy Efficiency Act (2)	Cooling more economically, waste heat must be used legally, from 300 kW	Target not applicable, as only 30 kW cooling capacity (server power consumption)	Not fulfilled	Arrangements planned with the new landlord	From 2025
2	Reduction in server energy consumption	Server consolidation, Berlin, migration of up to 25 components (rack modules)	By the end of 2024	In progress	/	/
2	Reduction in district heating consumption	Install central heating control system	By the end of 2025	Target not achieved due to relocation	Reduction in rental space in Berlin from April 2025 by approx. 2025 by approx. 50% Agreements with new landlord: Temperature control	ongoing
2	Reduce energy consumption for lighting	LED lighting, motion detectors and central lighting	By the end of 2025	Goal not feasible due to relocation	200% LED lighting, agreement with new	Until January 2025

Scope	Target	Measures	Set period	Status/assessment of target achievement	Newly derived or adjusted objective	Newly derived or adjusted period
		control in Berlin			landlord: central lighting control in the new building in Berlin	
3	Introduce shared desk to reduce the number of workstations	Introduce space/room booking system in Berlin, inform and support employees, reduce workstations from approx. 200 to 130	January - April 2025	In progress	/	/
3	Information on home office activity	Survey on the frequency of home office use per week in Berlin, Cologne, Neustadt, counts at the locations	In October 2023	Target achieved	Fewer workstations in Berlin, shared desk solution, less hardware and office furniture purchased for office space in future	With the move in January 2025
3	Reduction of resource consumption in the office (1)	Life cycle management: extending the average service life of hardware at all German locations + less purchasing	Since 2015	Target achieved: average life span calculated: -Laptops approx. 4 years -Servers approx. 7 years -Switches approx. 8 years -Storage systems approx. 9 years	/	/
3	Reduction of resource consumption in the office (2)	One-off reduction in paper consumption by ~30% from 800 kg per year to 600 kg in Berlin, no more pre-printed stationery	Until 2025	Ongoing	/	/
3	Reduction of resource consumption in the office (3)	Digitization of work processes at all locations: personnel file,	Since 2019 ongoing	Target achieved	/	/

Scope	Target	Measures	Set period	Status/assessment of target achievement	Newly derived or adjusted objective	Newly derived or adjusted period
		invoice process, sick leave process, company pension plan process, bicycle leasing process. Pension scheme process, bicycle leasing process, public transport subsidy process				
3	Reduction in the number of printers	From 5 to 2 large printers	Until the end of 2025	Ongoing		
3	Reduction of resources in purchasing	Purchasing exclusively from climate-neutral certified service providers and suppliers	Until 2030	Not comparable	/	/
3	Reduction in flights	Reduce flights (especially domestic flights)	Until the end of 2023	Target achieved	Adjusted travel expense guidelines, compulsory rail travel, flights only in exceptional cases	Reduction of 30% by 2025
3	Travel to meetings	Prioritize meetings online at all locations	Since 2021	Target achieved	Prioritize local further training	ongoing
3	Information on employee commuting (employee commuting (1))	Survey on traveling to the workplace in Berlin, Cologne, Neustadt	In October 2023	Target achieved	/	/
3	Increase public transport use (employee commuting (2))	Public transport subsidy for all German locations	Since 2019	Target achieved	Check the possibility of a job ticket	Until the end of 2025
3	Reduce car use (employee commuting (3))	Bicycle leasing for all German locations and repair service	Since 2016	Target achieved	Reduce parking cards and reduce company-owned parking spaces by moving,	Parking spaces: from the end of 2024

Scope	Target	Measures	Set period	Status/assessment of target achievement	Newly derived or adjusted objective	Newly derived or adjusted period
					more advertising for bicycle leasing in the "Whats up at Beta" channel	
3	Information from suppliers and service providers on the CCF and supplier points system	Create survey questionnaire on compliance with sustainability measures, determine materiality	Until the end of 2025	In progress	/	Advertising: Aug 2024
3	Contact service providers	Request climate neutrality	By the end of 2026	In progress	/	/
3	Training on supply chain protection law and international ESG framework conditions	Create internal training for employees in customer contact at all locations	Until the end of 2025	In progress	/	/
3	Employee awareness	Regular exchange of information at works council meetings and MAGL meetings every 6 months	Since 2022	Ongoing	Determine and publish key figures and publish awareness and advertising posts in the internal "Whats up at Beta" channel	/

The process for evaluating the effectiveness of the action plan comprises several important steps and elements. Firstly, quarterly meetings are held to discuss new targets and measures as well as updates. Deadlines are also set for targets during the year in order to define a clear timeframe for implementation.

Continuous comparison of the figures makes it possible to identify improvements and deteriorations at an early stage. Operational control is carried out by the Corporate Services Directorate, which reports to the Chief Financial Officer. Another important point is the comparison of our reporting limits with the GHG protocol to ensure that all relevant standards are complied with.

In addition, the inclusion of the sites is regularly updated to reflect current circumstances and changes. A procedural directive has been drawn up to provide a clear framework for action. All associated documents are recorded in our internal Confluence system to ensure centralized and accessible documentation.

4.2 Offsetting

The current Carbon Footprint includes emissions from company activities throughout the calendar year 2022, covering the period from 1st January to 31st December 2022. Following emission avoidance and reduction measures, Beta Systems offsets the remaining amount of carbon emissions in 2022. Beta Systems has implemented an offsetting programme that adheres to the most rigorous international standards, while also driving social and economic improvements.

Carbon neutrality is achieved through the reduction and compensation of greenhouse gas emissions, along with support for the development of sustainable climate solutions in Brazil and India. The offsetting project yield social, environmental, and economic benefits that contribute to the United Nations Sustainable Development Goals (SDGs).

The selected project for reforestation of the rainforest in Brazil is certified by the Verified Carbon Standard (VCS), combined with the CCB, Climate, Community and Biodiversity. The second selected wind energy project in India is certified by the Gold Standard (GS).

These two standards are currently the most important independent standards for climate protection projects. The Gold Standard is the premium segment, as it must guarantee compliance with at least two other SDGs (sustainable development goal) in addition to SDG 13 (climate protection).

SDG 13 is required in the VCS, but the VCS can be combined with the CCBS, as is the case in our project. The additional CCBS then raises the quality of the VCS to almost the same level as the GS. GS and VCS+CCBS are then qualitatively comparable. VCS offsets must meet the criteria of being real, additional, measurable, permanent, independently verified and unique.

The period of the carbon credits for Beta Systems are valid for one year, from 1st January until 31st December 2022.

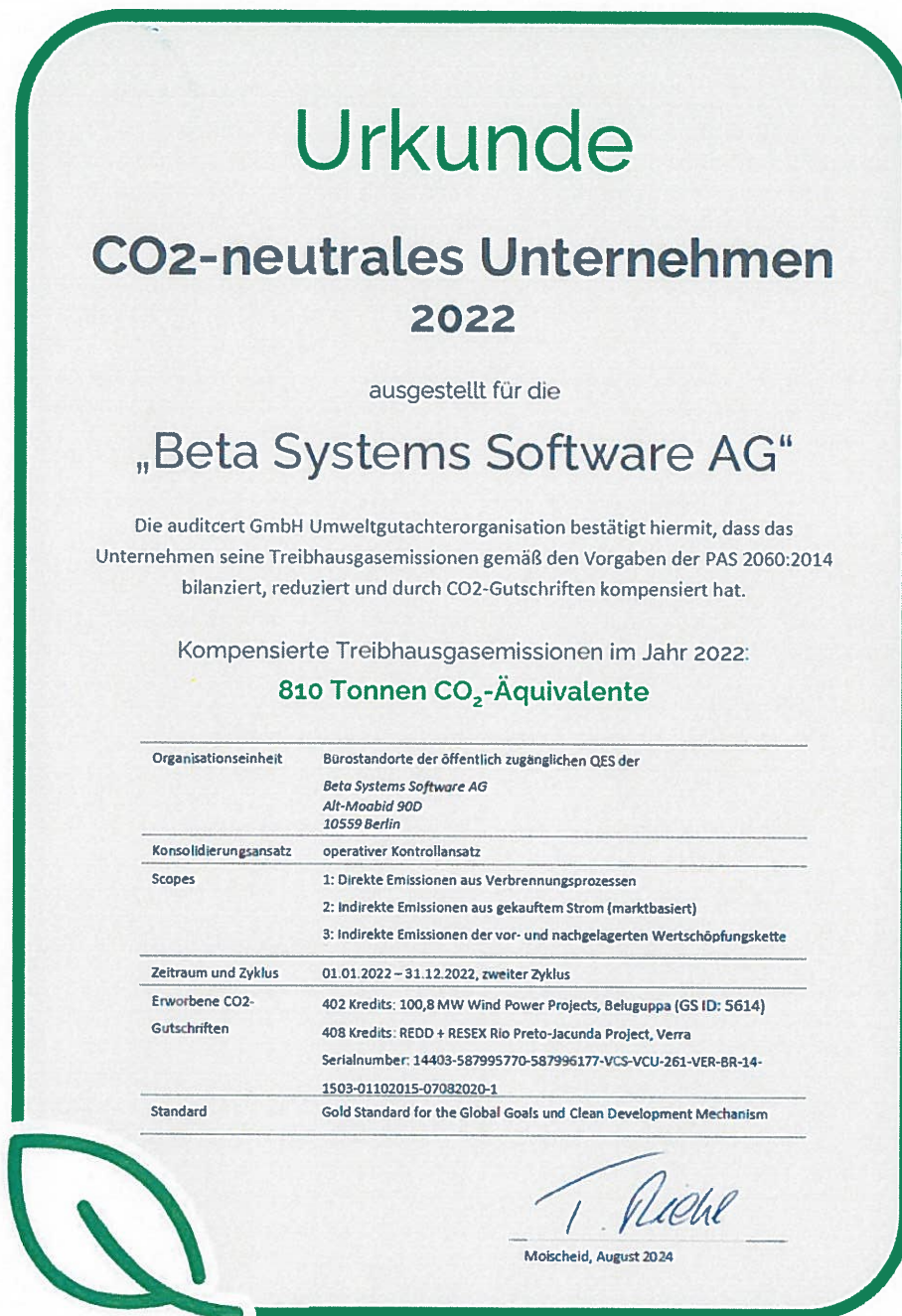
These credits are supported by publicly available project documentation on the Market registry online. The link to the registry proving the exclusivity of the carbon cancellation on behalf of Beta Systems is:

- Decommissioning in the Gold Standard register: <https://registry.goldstandard.org/batch-retirements/details/181563>
- Decommissioning in the Verra register: <https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&h=22953>.

4.3 Verification Statement

The carbon neutrality declaration has been independently validated as being in accordance with the PAS 2060 and underwent assessment by an independent third-party certification body, Auditcert. The declaration I3P-3 “Unified declarations of achievement and commitment in respect of carbon neutrality, both based on certification” can be found in the figure below.

Figure 4: Co2 neutrality certificate



Berlin, 01.08.2024



Gerald Schmedding
Board

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Corporate Value Chain (Scope 3) Accounting and Reporting Standard - Supplement to the GHG, Protocol Corporate Accounting and Reporting Standard, http://www.ghgprotocol.org/sites/default/files/ghgp/standards/Corporate-Value-Chain-AccountingReportingStandard_041613_2.pdf
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