

Double Materiality Assessment for Beamonics

Introduction

Beamonics is committed to sustainability and responsible business practices. This double materiality assessment aims to identify and prioritize sustainability issues that significantly impact Beamonics' financial performance and its broader environmental and social impact. This assessment aligns with the European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Reporting Directive (CSRD).

1. Financial Materiality Assessment

1.1 Identification of Financially Material Sustainability Issues

Financially material issues are those that could influence Beamonics' financial performance and condition. These issues are identified through:

- Review of financial statements and investor communications.
- Analysis of regulatory requirements and industry standards.
- Stakeholder feedback, including from investors, management, and customers.

1.2 Prioritization Criteria

The issues are prioritized based on:

- Potential financial impact (e.g., costs, revenue, asset values).
- Likelihood of occurrence.
- Regulatory scrutiny and compliance requirements.

1.3 Key Financially Material Issues

Based on the analysis, the following issues are identified as financially material:

- **Carbon Emissions and Energy Use:** Reducing carbon emissions and energy costs through efficiency measures and renewable energy adoption.
- **Regulatory Compliance:** Ensuring adherence to evolving sustainability regulations, including ESRS and CSRD.
- **Supply Chain Management:** Mitigating risks associated with supply chain disruptions and sustainability practices of suppliers.

- **Product Quality and Customer Satisfaction:** Maintaining high standards of product quality to ensure customer retention and avoid financial losses due to recalls or reputational damage.

2. Impact Materiality Assessment

2.1 Identification of Impact Material Issues

Impact material issues are those where Beamonics' activities significantly affect the environment and society. These issues are identified through:

- Environmental impact assessments.
- Social impact studies.
- Stakeholder engagement, including local communities, NGOs, and regulatory bodies.

2.2 Prioritization Criteria

The issues are prioritized based on:

- Scale and scope of impact.
- Stakeholder concern and interest.
- Potential for positive or negative social and environmental outcomes.

2.3 Key Impact Material Issues

The following issues are identified as significantly impactful:

- **Climate Change and Environmental Impact:** Addressing the company's carbon footprint and promoting sustainable practices such as waste reduction and water management.
- **Labour and Human Rights:** Upholding fair labor practices, ensuring non-discrimination, and preventing forced and child labor across all operations and supply chains.
- **Community Engagement and Development:** Investing in community development projects and fostering positive relationships with local communities.
- **Diversity and Inclusion:** Promoting diversity within the workforce and ensuring an inclusive work environment.

3. Main Risks and Opportunities

3.1 Environmental Risks and Opportunities

- **Risks:** High energy consumption in data centers, dependence on scarce raw materials, and stricter environmental regulations.
- **Opportunities:** Implementing energy-efficient technologies, transitioning to renewable energy sources, and adopting circular economy principles.

3.2 Social Risks and Opportunities

- **Risks:** Non-compliance with labor standards, lack of diversity and inclusion, and poor community relations.
- **Opportunities:** Promoting diversity and inclusion, proactive community engagement, and investing in employee development.

3.3 Governance Risks and Opportunities

- **Risks:** Cybersecurity threats, unethical behavior or corruption, and lack of transparency in supply chain management.
- **Opportunities:** Strengthening data privacy and security measures, upholding high ethical standards, and developing a sustainable supply chain.

4. Stakeholder Engagement

4.1 Stakeholder Identification and Mapping

Key stakeholders include:

- Internal: Employees, management, shareholders.
- External: Customers, suppliers, regulators, community members, industry associations.

4.2 Engagement Strategies

- Regular updates and feedback mechanisms for employees and management.
- Customer satisfaction surveys and loyalty programs.
- Supplier performance assessments and collaborative sustainability initiatives.
- Public meetings, surveys, and social media engagement with community members and other external stakeholders.

5. Continuous Monitoring and Review

5.1 Performance Metrics

Establish key performance indicators (KPIs) for monitoring progress in both financial and impact material areas, such as:

- Reduction in carbon emissions (Scope 1 and 2) by a certain percentage by a set year.
- Number of community projects supported and their outcomes.
- Employee diversity statistics and inclusion program participation rates.
- Compliance with regulatory standards and any associated penalties or corrective actions.

5.2 Reporting and Transparency

Beamonics will publish an annual sustainability report detailing progress on both financial and impact material issues, ensuring transparency and accountability to all stakeholders.

5.3 Continuous Improvement

Regularly review and update the materiality assessment to reflect changes in the business environment, stakeholder expectations, and regulatory requirements.

Conclusion

Beamonics is dedicated to integrating sustainability into its core business strategy, addressing both the financial implications and the broader environmental and social impacts of its operations. This double materiality assessment ensures a comprehensive approach to sustainability, aligning with ESRS and CSRD requirements and supporting long-term value creation for all stakeholders.