

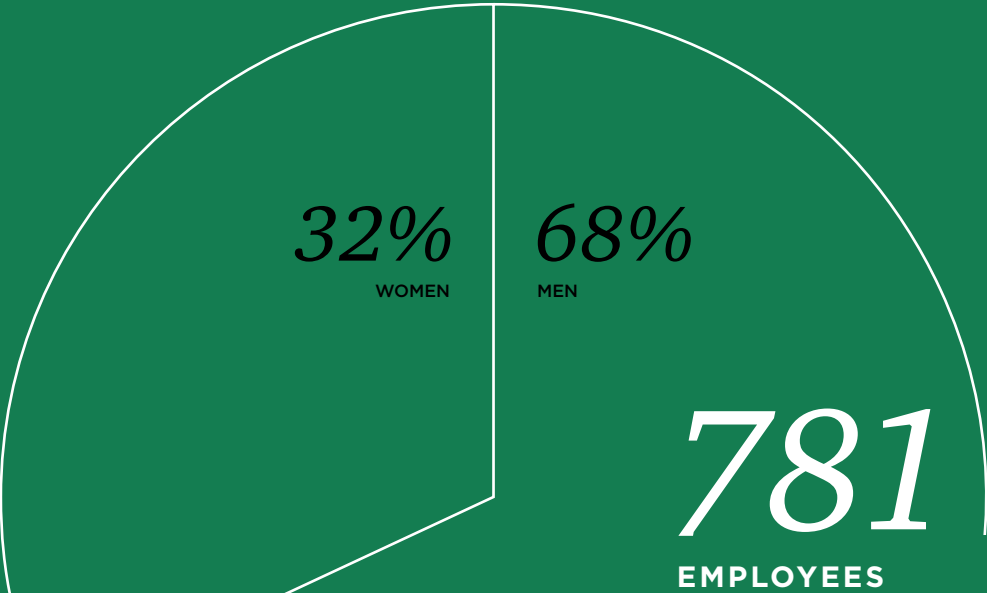
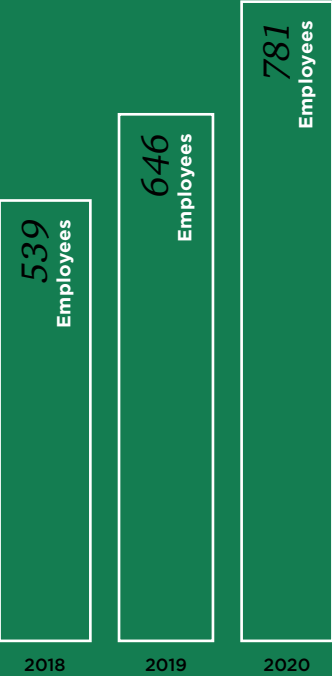
OUR CONTRIBUTION TO A BETTER WORLD

VTU GROUP OVERVIEW

VTU is the abbreviation for the German words *Verfahren* (process), *Technologie* (technology) and *Umwelt* (environment). The VTU Group was founded in 1990 in Graz, Austria, and focuses on planning and supplying high-tech systems for the processing industries. The Group's portfolio of services ranges from conceptual design to the construction and commissioning of plants on customer sites.

WORKFORCE
GROWTH TRAJECTORY

The number of VTU employees has grown significantly in the past three years – despite COVID-19.



EMPLOYEES

As of the end of 2020, the VTU Group employed 781 people; 32% of which are women and 68% are men.

CUSTOMERS
AN EXCITING MIX OF INDUSTRIES

The main sectors we serve:

- Pharmaceuticals and biotechnology
- Chemicals and metallurgy
- Oil and gas
- Energy and biodiesel

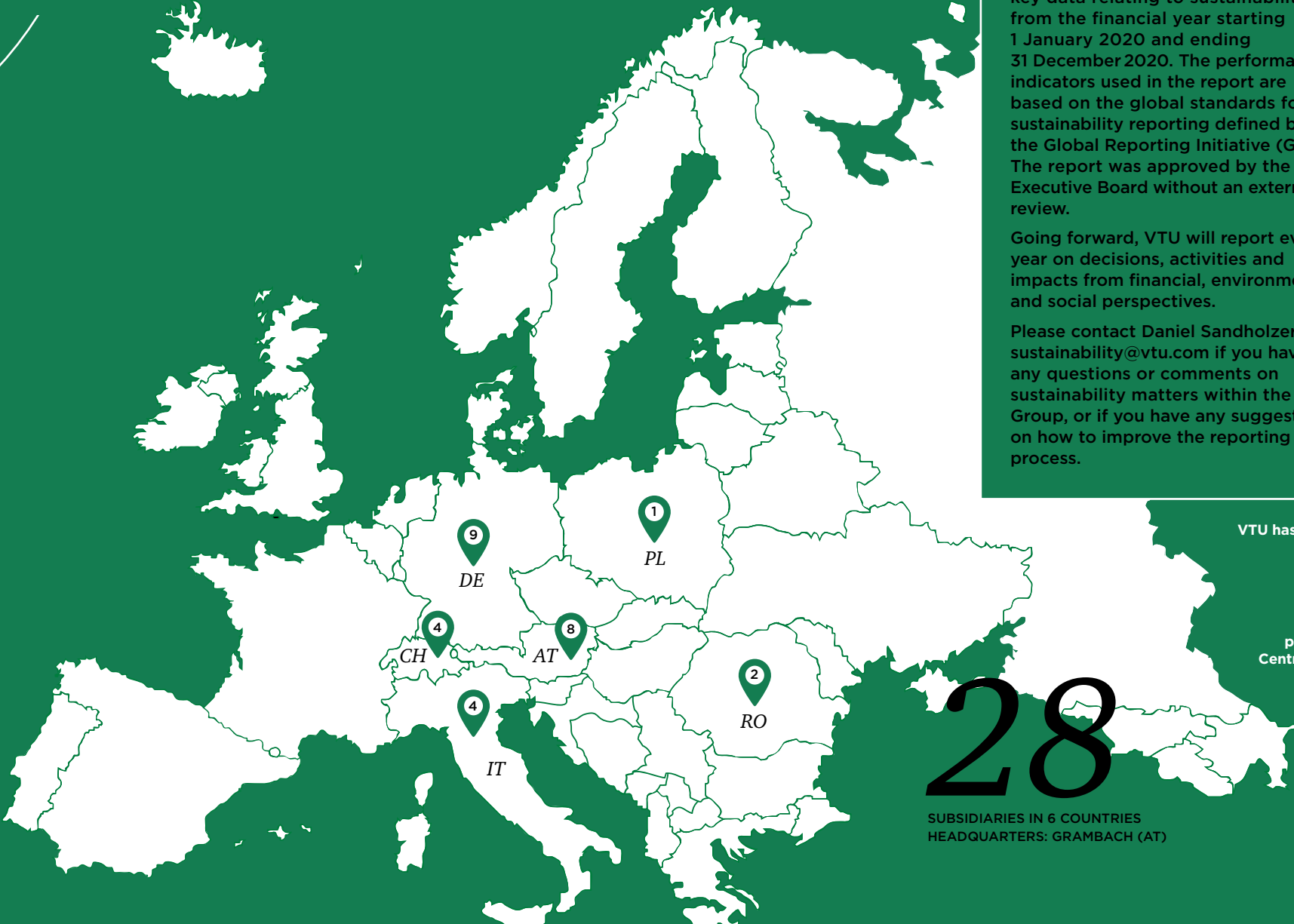
ABOUT THE REPORT

This is the first sustainability report to be published by the VTU Group (referred to as the VTU Group or VTU for short throughout this report). The VTU Group is composed of the following companies: VTU Group GmbH, VTU Engineering GmbH, VTU Engineering Deutschland GmbH, VTU Engineering Polska sp. z o.o., VTU Engineering Schweiz AG, VTU Engineering Italia Srl, RED Engineering GmbH, metior GmbH, VTU Services AT GmbH and VTU Services DE GmbH.

The report provides information and key data relating to sustainability from the financial year starting 1 January 2020 and ending 31 December 2020. The performance indicators used in the report are based on the global standards for sustainability reporting defined by the Global Reporting Initiative (GRI). The report was approved by the Executive Board without an external review.

Going forward, VTU will report every year on decisions, activities and impacts from financial, environmental and social perspectives.

Please contact Daniel Sandholzer at sustainability@vtu.com if you have any questions or comments on sustainability matters within the Group, or if you have any suggestions on how to improve the reporting process.



“SPOTLIGHT ON SUSTAINABILITY”

Friedrich Fröschl, Executive Director of the VTU Group, discusses industry trends, the Group’s sustainability efforts and the significance of the letter “U” in the company name.

How does sustainability affect what you do at the VTU Group?

Friedrich Fröschl: VTU is the abbreviation for the German words Verfahren (process), Technologie (technology) and Umwelt (environment). When we started working on biodiesel plants 30 years ago, the environment was already at the forefront of our minds. This is why we included the word “Umwelt” in our company name. Sustainability is high on the agenda for both our employees and our customers. We’re finding that younger people in particular ask us specifically about it during the recruitment process. And it’s a high priority for our customers due to political pressure and regulatory changes.

“WE WANT TO COMMUNICATE EVEN MORE CLEARLY TO OUR CUSTOMERS THAT SUSTAINABILITY BENEFITS US ALL.”

We’re all under scrutiny. This means we need to think carefully about the impact of what we do, including our carbon footprint. One of my favourite projects is our new process quality audit system, which helps us tell our customers how much money and how many tonnes of CO₂ each measure saves. This demonstrates that climate protection does not always have to cost the earth in financial terms. During 2020, we also decided to transform our Energy Efficiency Expert Group into the new Sustainability Expert Group. What’s more, we’re publishing our own CSR report for the first time.

What role do you think management should play in this respect?

Friedrich Fröschl: Management must act as role models or the necessary changes won’t happen. The coronavirus crisis, for instance, has shown us that we don’t need to travel so much. We also need to listen to young people and take on board their ideas. My sons are in their early 20s and are continually questioning how “green” our company really is. When we revamped our mission statement last year, we made sure we included the opinions of five employees in the 20 to 40 age group.

Our core values have remained the same, but we are focusing more strongly on sustainability, health and work-life balance.

You do a lot of work for the pharmaceuticals, biotech and petroleum industries. What kinds of trends have you observed in these sectors?

Friedrich Fröschl: The first is speed to market. Projects used to be run over two to three years, but now major projects are run from start to finish in one year. The pressure on efficiency and margins in these industries is enormous. And we are starting to feel the effects. It remains to be seen whether the coronavirus pandemic will see pharmaceutical and biotech production return to Europe. We would obviously reap the benefits of this. Competition is also becoming much fiercer in Europe, which makes differentiation ever more important. We see sustainability, green chemistry, the circular economy and energy efficiency as opportunities that we need to focus on more closely.

How do you adhere to your social, environmental and financial commitments within the company?

Friedrich Fröschl: We offer our employees

VTU COUNTRY HEADS REFLECT ON THE PROGRESS OF SUSTAINABILITY PROJECTS DURING THE HEIGHT OF THE PANDEMIC IN 2020

Friedrich Fröschl:
“Management must act as role models.”

flexible working hours, opportunities to enhance their physical fitness and a free counselling service. On their first day on the job, each employee has to sign our CSR policy on issues such as corruption, and the managing director of each business unit takes the time to explain the company mission statement. We also use our ISO 9001 certified quality management system to monitor suppliers. In addition, health and safety regulations are firmly embedded in our Environment, Health & Safety (EHS) policy. For the past three years, Deutsche Private Equity has had majority ownership of VTU. Health and safety are key issues for our supervisory board. We are also planning to launch our own Code of Conduct in 2021.

Which path is VTU likely to take in the future?

Friedrich Fröschl: We want to keep growing as a group of companies, while continuing to build our sustainability and digitalisation capabilities. Values such as trust and fairness have always been important to us. Which is why we want to communicate even more clearly to our customers that sustainability benefits us all by shining the spotlight on this important issue. —



VTU SWITZERLAND

ENVIRONMENTALLY FRIENDLY BUSINESS TRAVEL

Switzerland has a very sophisticated public transport network. We have been using the network to travel from our homes to our places of work or project locations. To make this easier, we have been issuing our employees with a special travel card that entitles them to half-price – and sometimes free – travel on all public transport. This not only saves costs but reduces carbon emissions. It also means our employees can arrive at the office or at the customer’s site in a relaxed state of mind and fully prepared for the day ahead. We also operate our own “fleet” of bicycles at the Visp site and cover all repair costs when bicycles are used for commuting.

Mario Haupt,
Managing Director, VTU Switzerland



VTU GERMANY

CREATING VIRGIN-QUALITY MATERIALS THROUGH RECYCLING

We’ve been working with the revolPET® process developed by Rittec Umwelt-technik in Lüneburg since 2018. Our objective is to improve PET recycling so that virgin-quality raw materials can be produced. The project is funded by the German Federal Ministry of Education and Research. We’re working alongside seven partners right from the concept phase and basic planning through to implementation and final commissioning. We are responsible for project managing key aspects such as scaling up the laboratory facilities, setting up a large-scale facility, and planning and providing infrastructure and utilities. The project received an innovation award from the German state of Lower Saxony.

Wolfram Gstrein,
Managing Director, VTU Germany



VTU AUSTRIA

DESIGNING SUSTAINABLE PROCESSES

When planning industrial facilities, we adhere to the highest standards in terms of resource conservation and environmental protection. We are also gradually replacing conventional processes with more sustainable technologies. One example is green hydrogen. We have been conducting studies on hydrogen use and production in large cities and designing storage facilities for wind power. We’re currently working on several projects in refineries which involve using an admixture of renewable raw materials and utilising recycled materials such as post-consumer plastic. We’ve been designing biodiesel plants that produce fuel from waste materials for decades in partnership with the company BDI.

Robert Wutti,
Managing Director, VTU Austria



VTU ITALY

SMART GLASSES REPLACE ON SITE VISITS

At the beginning of 2020, a British customer commissioned us to expand their existing industrial chemical plant. Our team had planned to fly to the UK, but this became impossible because of the travel restrictions due to the coronavirus. Thankfully, virtual reality came to the rescue. We used smart glasses to support the customer during the construction project, which meant that we were able to stick to the original schedule. This new technology is certainly here to stay. We’re planning to make even greater use of the glasses in future to reduce car journeys and air travel. This will not only benefit the environment but our employees’ wellbeing, too.

Rudi Wierer,
Managing Director, VTU Italy

SUSTAINABILITY IN ACTION

Safety, wellbeing and environmental protection are all part of the VTU Group’s DNA and play a fundamental role in the company’s success.

We take our responsibilities and values seriously across the entire VTU Group. Whether working with partners, suppliers or contractors, we always aim to raise awareness of social, ethical and ecological standards. And because these themes rank so highly within our organisation, it stands to reason that the ultimate responsibility for CSR policy and action should lie with the Group’s managing directors. The VTU Strategy Team is composed of all our directors from every part of the business, who carefully discuss each sustainability issue before they come to any decisions. This underpins the precautionary approach we take in relation to social and environmental issues.



CSR POLICY

All VTU employees have to sign our CSR policy which clearly outlines our commitment to the protection of human rights and the rejection of corrupt business practices. Every supplier is evaluated with complete transparency in accordance with ISO 9001 requirements. Our CSR policy is available to view at www.vtu.com/en/sustainability.

MISSION STATEMENT

A new version of the mission statement was created last year by the management team and a working group made up of five younger employees from various business units. A revamp was considered necessary because the company had grown significantly and undergone many changes since the previous mission statement was released. The new mission statement was announced to all employees at the Christmas communications meeting.

THE NEW SUSTAINABILITY EXPERT GROUP

In order to deal more comprehensively with the many challenges we are facing today surrounding the social, environmental and financial aspects of sustainability, the Group decided in 2020 to transform our Energy Efficiency Expert Group that had been active for approximately six years into the new Sustainability Expert Group. The group is composed of seven members and is led by Max Wassmer. Its objective is to develop activities and documentation in areas such as green technologies, energy consumption, resource management and environmental guidelines. The Expert Group is also there to answer questions posed by other members of the workforce and is planning to organise some useful webinars in the future. —

MISSION STATEMENT

CREATING SUSTAINABLE VALUES
AS BEST-CHOICE PARTNER

- » We live integrity and are reliable partners.
- » We are open-minded but coherent in decisions.
- » Our team is our value!
- » We grow on challenges by sharing know-how and experience.
- » We join forces to get the projects done.
- » We deliver the whole value chain from idea to industrial production.
- » We are a comprehensive and reliable engineering and project partner.
- » We are a creative, respectful and safe environment for forward-thinking people.
- » We challenge our flexible solutions on the road to the target.
- » We provide quality and focus on environment, health and safety.

MATERIAL TOPICS

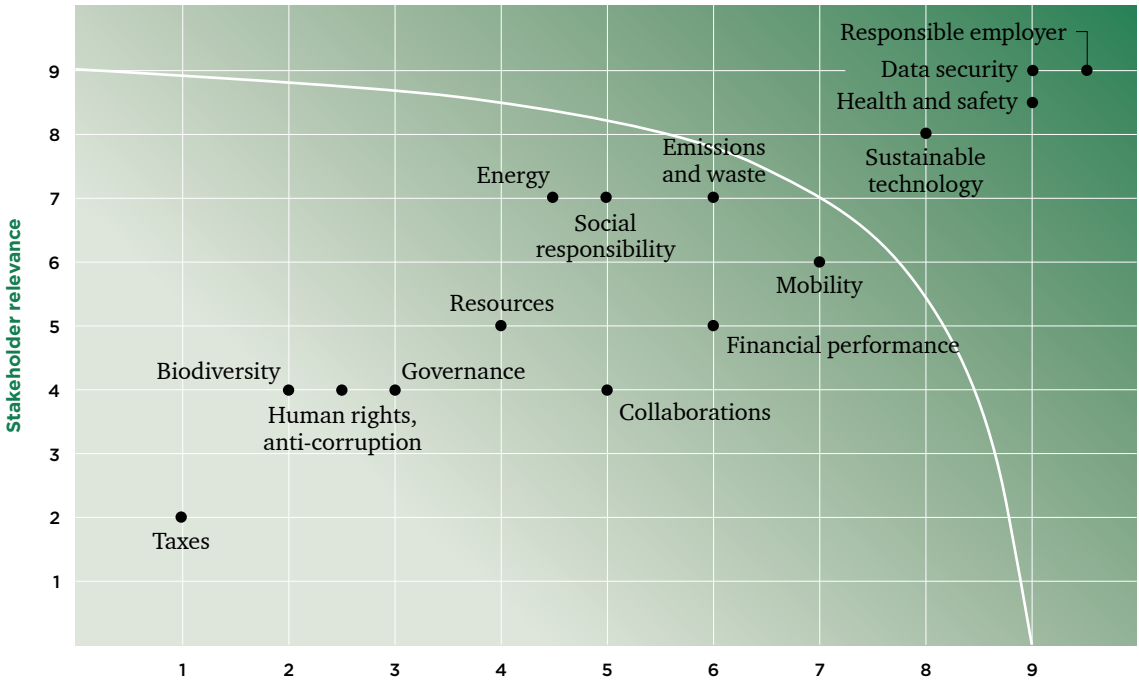
In spring 2020, we made a start on a comprehensive materiality assessment. Key internal stakeholders within the Group – who had already been identified in advance – were tasked with identifying the material topics facing the company. These stakeholders included individuals or groups that are affected by Group-level decisions or who themselves drive the decision-making process. They were ranked in accordance with their interests and the level of influence they have on the VTU Group. The Group’s interests and the influence it has on these stakeholders were also prioritised as part of this process.

The next step involved collecting and analysing data on the most important themes, interest and concerns that had been presented to the VTU Group by the stakeholders during the 2020 financial year. This was carried out by means of departmental questionnaires. Meanwhile, the different forms of communication that are used with external stakeholders were analysed to determine how effective they were in facilitating dialogue with VTU.

VTU’s economic, environmental and social impacts were discussed internally and evaluated together with management, taking into account the GRI Sustainability Standards. The results of the stakeholder questionnaires were evaluated to assess the relevance of the topics. This influenced where these topics ranked in the first materiality assessment. This will be completed by carrying out a survey of external stakeholders during 2021.

MATERIALITY MATRIX 2020

MATERIAL TOPICS IN FOCUS



VTU’s view of the financial, environmental and social impact of its activities

ANALYSIS

KEY STAKEHOLDERS



DATA BREACH? JUST CONTACT SUSI!

If VTU employees or any of our contractual partners discover that someone is trying to steal confidential information or if they suspect a data breach, they can simply get into touch with SUSI, an abbreviation of “Send Us Security Issues”, a portal for reporting suspected cyber attacks and data breaches.

A company that was completely unfamiliar to VTU started sending very suspicious-looking emails in the form of requests which included confidential drawings of specific plant components. One of our employees noticed that this seemed very strange. He was worried that the information had been leaked when it had been digitally transferred to the customer who was expecting to receive the drawings. He immediately flagged up the issue with SUSI, VTU’s cyber security reporting portal. Thankfully, the matter was resolved quickly. The drawings had reached a third party by mistake via a subcontractor who had been commissioned separately by the customer. This was in breach of confidentiality.

“The purpose of SUSI is to detect all attacks on our systems that affect users of our hardware and to inform our colleagues about them. This helps us to prevent confidential information and personal data from being falsely disseminated,” explains Karin Kaltseis, Head of Corporate Quality Management.

In the previous year, VTU employees and contractors using company hardware sent SUSI approximately 750 emails. “This information alone tells us that awareness of the system is high and that it is very well accepted,” Karin continues. Unusual text messages or emails that are suspected to be “phishing” scams are forwarded to SUSI. This is when fraudsters try to gain trust by using fake identities or websites in order to obtain confidential data. Every suspicious case was immediately investigated. One particular incident was classified as a data breach and investigated in more detail with the Data Protection Officer and members of the management team. Karin was pleased to report that no evidence of a breach was found.

URGENT MAIL FROM SUSI
SUSI does not just receive reports about suspicious activities, the portal is also used to communicate directly with users to prevent misuse using a unique identifier so that users can be certain the messages are safe. As Karin explains, “Last year, the IT department sent out six emails to everyone with urgent security information, twelve announcements via email about security updates and three emails with tips on working from home and returning to the office.” —

750 emails were sent to SUSI about potential cyber attacks or data breaches in the previous year.

6 SUSI sent “urgent security messages” in response to reported incidents.



Prize winner
Carina
Asanger

COMPETITION AND THE WINNER IS ... “BETTER SAFE THAN SORRY!”

Creating a safe working environment for employees, external project partners and customers is a top priority for the VTU Group. A Group-wide safety slogan competition was launched in 2020 to heighten awareness of this issue among the workforce and to ensure it is firmly embedded into our corporate culture. The search was on to find an English slogan to promote occupational safety. The chosen slogan is now being used alongside a new logo in every VTU site. Carina Asanger impressed the judges with her clever slogan “Better safe than sorry”. Her prize was an annual season ticket for the Vienna public transport network.



2021 GOALS

HEALTH AND SAFETY

- » Implement a new incident management system including reporting, investigation and lessons-learned procedures.
- » Increase the number of staff receiving occupational safety training annually to 80%.
- » 80% of all suppliers to be evaluated at the end of the project.



COMMENT HEALTH AND SAFETY AS AN INTEGRAL PART OF OUR CORPORATE CULTURE

Healthy employees form the bedrock of every successful company. This is why it is so important to create a safe working environment at VTU during all our projects to safeguard the wellbeing of all our colleagues, external partners and customers. Health and safety is an integral part of our corporate culture.

We continuously check any health and safety impacts by means of walk-throughs, inspections and internal audits to minimise risks on our construction sites and at our offices.

In the previous year, there were seven accidents across the VTU Group, four of which resulted in staff having to take sick leave. In one of the cases, some caustic soda was splashed into one of our employee’s eyes, even though she was wearing safety glasses. This happened because the customer disconnected the wrong hose while taking a sample. The eye was rinsed immediately and checked at the hospital. The colleague only had to take it easy for a few days afterwards. When these kinds of accidents occur, no matter how minor they are, it is very important to avoid going straight back to business as usual without first using it as a learning opportunity to avoid similar incidents in the future. Important questions should be asked. For example, in the previous case, hose access points could be more clearly labelled, better operating plans could be used when opening systems, or different protective equipment could be used. And it should not matter if the incident was caused by a VTU employee, a subcontractor or customer employee. There are always lessons we can learn.

We are planning to focus more intently on analysing risk events where little or nothing happened. This is because every accident, no matter how small, is one too many. And there is also a lot to be learned from near misses.

Daniel Sandholzer is Head of Corporate EHS (Environment, Health and Safety) & Sustainability



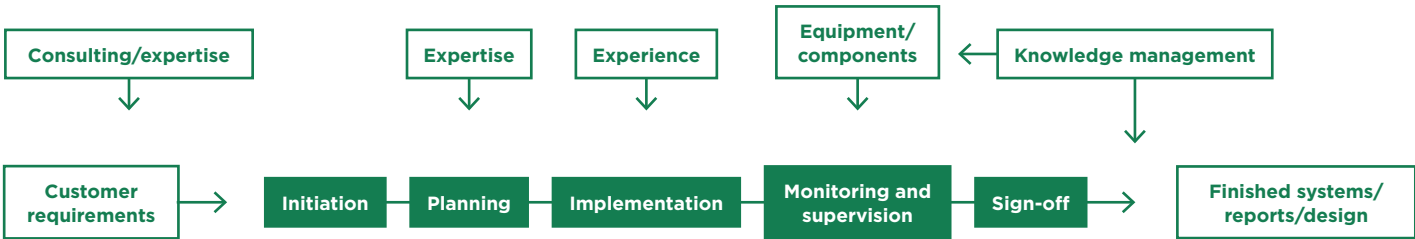
QUALITY ASSURANCE
ASSESSING OUR SUPPLIERS

In line with our company’s CSR policy, we do not tolerate corrupt or otherwise harmful business activities from our suppliers and contractual partners. In accordance with ISO 9001 requirements, we divide our project partners into different categories, such as freelancers, construction site subcontractors and suppliers of highly specific equipment and software.

In 2020, before each contract was awarded, all new suppliers were evaluated in terms of activity type and risk potential. They were then re-evaluated after the contract was completed. In addition to being evaluated according to their CSR, EHS and quality practices, their ability to meet deadlines and deal with complaints were also under scrutiny.

MINIMISING RISK
VTU’S VALUE CHAIN

To operate sustainably, careful monitoring of each stage of every support and production process must take place. This includes monitoring the associated impacts on upstream and downstream processes. Gaining a broad view of the entire value chain helps us to identify environmental and stakeholder risk at an early stage. It also helps us to avoid or at least minimise any financial, legal or technical risks.



A FEW INSIGHTS FROM
KARIN KALTSEIS, HEAD OF
CORPORATE QUALITY MANAGEMENT

HOW DOES VTU
SAFEGUARD OUR
IT SYSTEMS AND
MANAGE DATA
PROTECTION?

We have a Group-wide data protection agreement that governs the processing of personal data within VTU. In addition, there is an internal company email address that can be used for any enquiries. During 2020, we also consulted our data protection lawyer on three occasions for advice on specific issues. We are continuously implementing IT security measures based on a security audit in 2017. At the time, we worked with an external company to identify problems. They carried out dummy office visits and dummy cyber attacks such as social engineering and phishing. Some of these attacks proved to be successful. We consequently introduced two-factor authentication across the company’s IT systems and adapted our offices so that all visitors now have to sign in at reception. This is to ensure that no unauthorised visitors can enter our offices. We also created our internal reporting system “SUSI” (see page 8) at this time.

AWARD-WINNING EMPLOYER

VTU is a great place to work. We are already aware of this fact, but it has now been confirmed by the Austrian division of the research and consulting firm Great Place to Work. In 2020, VTU was awarded second place in the Large Company category. This was the fifth time we have received an accolade from Great Place to Work. Cultivating a positive and healthy working environment is also important throughout the VTU Group. Attracting the best minds in the industry is difficult in today’s competitive climate. This is neatly summed up by Executive Director of VTU Friedrich Fröschl: “Nowadays, employees choose the company, not the other way round.”



28

Managers completed 24 mandatory leadership training courses in 2020.

SPECIALIST TRAINING
LEADERSHIP HAS TO BE LEARNED

Being able to motivate, delegate and deal with conflict are all skills that have to be learned. All VTU colleagues who manage teams of people have to complete a special training course to ensure they are well-equipped to provide their team members with the best possible support. The courses are conducted by the external training provider prom2. They cover the important aspects of leadership in four modules which are taught over eight days. The course attendees must give a presentation to management at the end of the course.

WAGE MATTERS
FAIR MEASURES FOR
SHORT-TIME WORKING

Due to the COVID-19 pandemic, the VTU Group applied for permission to introduce reduced working hours to varying degrees from April to September 2020. The measure applied to around 11% of the workforce. The Austrian short-time working model normally pays employees 80% of their normal salary. This payment includes funding provided by the state. However, the company voluntarily paid part-time employees the same salary as they had previously earned. To prevent any employees from experiencing financial hardship, the company decided not to reduce the hours some full-time employees were working. As Head of HR Wolfgang Zelle explains, “We introduced these measures to ensure that none of our staff had to face financial difficulties.”

“TALENT DISCUSSION” SESSIONS
UNLOCKING POTENTIAL

Talent often has to develop quietly in the background. VTU uses its annual “Talent Discussion” sessions to identify and develop talent within the company and as a way to optimise succession planning. So, from 15 September to 15 November, managers at every level sit down together to discuss the subject of employee potential. During the sessions, which are moderated by the HR department, development and succession plans are mapped out and documented. The previous year, every VTU employee was assessed within the “Talent Discussions” framework.

WELCOME TO THE TEAM!

The VTU Group is growing rapidly, and with it, our workforce, too. In fact, VTU Austria alone welcomed around 90 new employees during 2020. The pandemic has presented us with many challenges. Among them has been the onboarding process, particularly when so many members of staff are working from home. Thankfully, we have managed to come up with some innovative ways to help new colleagues settle into the team. Read on to find out how we have adapted our onboarding processes during COVID-19 and have made use of the virtual coffee break platform Mystery Coffee.

Under normal circumstances, new employees spend their first day working for the VTU Group with their direct supervisor. Induction day involves various training sessions where key information is provided such as fire protection procedures and the location of the nearest coffee machine. But 2020 was anything but normal. When offices closed and the communal coffee machine suddenly became a thing of the past, Head of HR Wolfgang Zelle and his team had to pull out all the stops to help new starters settle into their new roles easily. The first step involved modifying

job roles. “Previously, team leaders did not have to deal with HR matters very often but acted as the link between the teams and other departments, such as the divisional management team. In response to the pandemic, we made the conscious decision to expand team leader responsibilities. They were not just the first point of contact for their team, they had now been empowered to make more decisions.” Online training sessions also became more important than ever.

CREATING A SENSE OF TOGETHERNESS WITH VIRTUAL COFFEE BREAKS
“We also tried to find different ways to recreate the camaraderie of office culture during those challenging times,” Wolfgang explains. Many departments scheduled regular online coffee breaks and the virtual

coffee break platform Mystery Coffee was also introduced. Anyone who wanted to take part was randomly matched with another member of staff from anywhere in the VTU Group. It was a great way to build relationships and to feel connected.

ONBOARDING BUDDIES
The next step was to set up a new buddy scheme which was launched in the autumn of 2020. As Wolfgang explains, “We have found that we are losing some members of staff in the first two years. We think this is because many new starters become absorbed in their first projects relatively quickly, which means they don’t get the opportunity at the beginning to find out what makes the company tick as a whole. This is why we are introducing a new buddy scheme. Each new employee is matched with a buddy who works at the same level as them – this makes it easier to ask questions that they would otherwise be embarrassed to ask. The buddies meet up once a week,

perhaps at lunchtime, to discuss a range of matters. These are the type of ‘company secrets’ you don’t learn on training courses. The job of a buddy is to ensure that new starters settle into the company more quickly.” Everyone who has volunteered for the “buddy pool” has been nominated by their supervisor.

KEEPING A CLOSE EYE ON EMPLOYEE SATISFACTION LEVELS
The VTU Group’s HR strategy process was launched in September 2020 and includes mini surveys that are carried out using the employee survey tool Business Beat. The first question that is always asked is “How are you?”, which can be answered by selecting a colour on a scale ranging from light to dark. Other questions are then asked to find out views on a variety of topics, such as the way the company has been managed during the coronavirus pandemic. New starters are also going to be asked to complete a mini survey. —



Wolfgang Zelle, Head of HR & Legal Group, plans to conduct regular mini surveys.

GOALS FOR 2021

BEING A RESPONSIBLE EMPLOYER

- » Each and every employee to be provided with a clear job description.
- » Mini employee satisfaction surveys to be conducted twice a year.

NEW EMPLOYEE FEEDBACK



I first became interested in working for VTU when I attended an online career event organised by the University of Padua. My first days in the job were certainly unusual. I had contracted COVID a few days before, so I ended up starting my very first job in quarantine. We then had to comply with strict social distancing rules during the months that followed. But despite this, our colleagues managed to integrate us new starters very quickly. I was lucky to get plenty of support from my direct supervisors David and Giovanna. Our office manager also organised short online coffee breaks every day.

Lorenzo Bevilacqua, El&C Engineer at VTU Italy. Start date December 2020



I knew VTU from working with the company as a customer. I had always valued the open and attentive mind-set. Remote onboarding is obviously not ideal, but there are still ways you can compensate. Under normal circumstances I would have been “walked and talked” through my new role at the head office in Hattersheim. Online working made my boss a little harder to reach. The training on organisational procedures was very good. But I think there is still room for improvement in onboarding processes for specific technical areas. This is perhaps not so critical for me as I have 25 years of on-the-job experience. However, less experienced members of staff might find it harder.

Holger Krummradt, Senior Project Manager at VTU Germany. Start date January 2021



I applied to VTU because I wanted a job with plenty of variety. There was a slight problem when I started the role. It wasn’t clear that short-time working wasn’t possible in the first month. I therefore had to make up the time. Communication and training worked quite well with Microsoft Teams. From my third month, I was sent to work on a construction site at a large biopharmaceutical plant. We obviously had to comply with strict COVID-19 safety measures. I enjoyed being able to work on site rather than having to be at home all the time.

Peter Adorjan, Process Engineer at VTU Austria. Start date April 2020



VTU takes very good care of its new starters. In my opinion, it does onboarding well compared to other companies. The coronavirus situation obviously made it more difficult to get to know colleagues, understand certain procedures and find my feet within a reasonable time frame. It’s much easier to chat over coffee. Having a buddy to help me understand the company culture really helped in this respect.

Michael Dürr, Senior El&C Engineer at VTU Austria. Start date December 2020



I became interested in working for VTU because of the interesting way the company had been presented to me. I guess there was an element of fate in me choosing to work here. The colleagues were very friendly. The pandemic obviously made the onboarding process more difficult. In the early days, I spent a lot of time thinking about the best ways I could support my project team whilst we were all working remotely. I wondered if there were work packages I could do from home and if anyone had time to brief me online. I then went into the office as often as I could. I found talking directly to colleagues helped me the most, and when I had the chance to ask them how I should do things and to explain things in more detail.

Ramona Pichlmann, Process Engineer at VTU Austria. Start date October 2020

GREEN FOCUSED

The environment has been a key priority for VTU since the company was founded in 1990. This is why the word “Umwelt” (environment) is part of the company name. Protecting nature and the climate remains a core value which is embedded in all internal processes and development projects. VTU follows “green chemistry” principles which involves working closely with customers to develop techniques and innovative solutions that focus on saving energy and resources. Here are some best practice examples.

AUSTRIA SUSTAINABILITY INITIATIVE ROLLED OUT AT PHARMACEUTICAL COMPANY

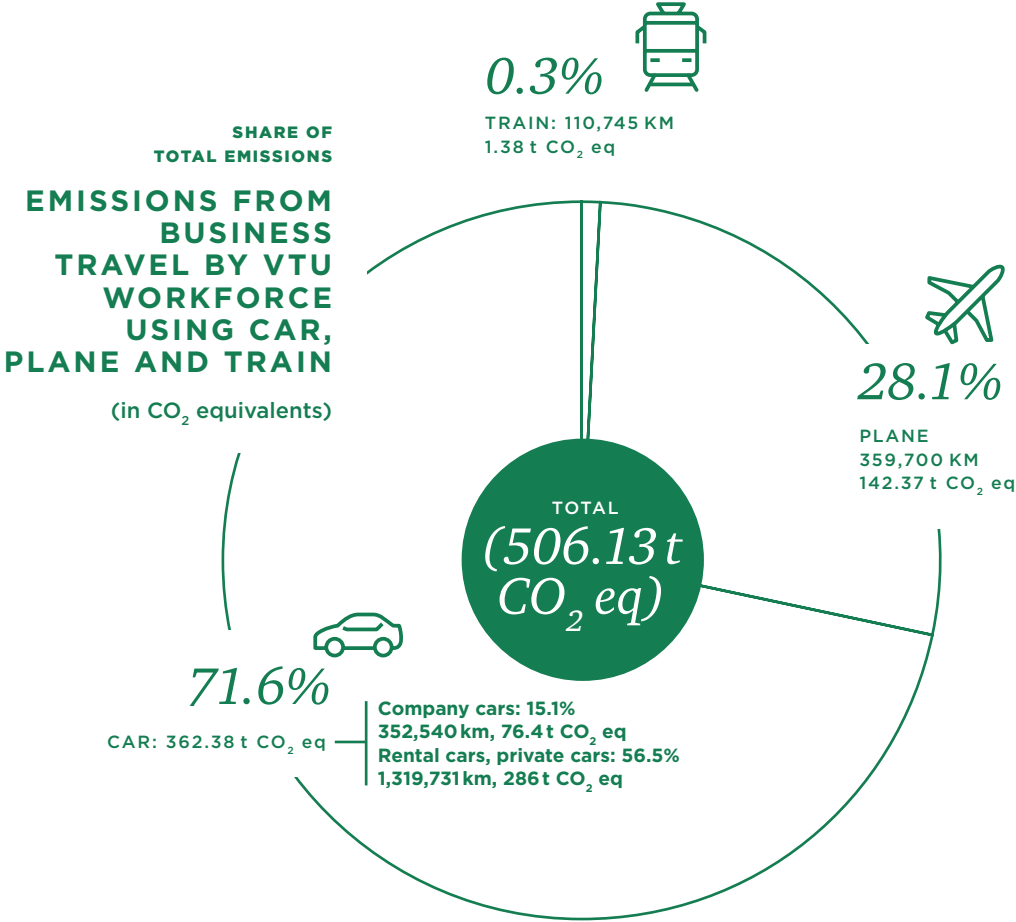
A customer from the pharmaceutical industry launched a sustainability initiative for two of its sites in 2020. VTU helped get the project off the ground by creating Sankey diagrams for the production facilities. These diagrams map out the way energy and material flows move in and out of a process. Being able to visualise these flows makes it easier to identify savings or recycling options.

This information supported VTU’s work on a ventilation system, which involved installing new filters with a lower back pressure that still maintained the same filter efficiency. This resulted in significant energy savings of over 370 megawatt hours per year because the ventilation units do not need to be supplied with as much power. As it was possible to replace the filters during normal operation, no costs were incurred from having to shut down the plant.

Another project is now planned for 2021 based on the work carried out on the Sankey diagrams. This will involve the installation of new fans that are set to save around 250 megawatt hours of energy per year. In addition, the vapours produced during the process (waste steam) are to be used to humidify the ventilation system.



Protecting nature and the climate for future generations is of enormous importance to the VTU Group.



GRI STANDARDS: GRI 302-5, GRI 305-3

GRI 302-5, GRI 305-3

SWITZERLAND CLEVER CO₂ SAVINGS

The planning of a new production plant for the manufacture of vitamin products presented VTU Switzerland and its customer with a major challenge. The objective was to save as much CO₂ as possible in manufacturing processes that consume high levels of energy due to intensive heating and cooling processes. VTU Switzerland assisted with the development of a highly efficient ammonia heat pump powered by electricity from renewable sources. The applied new technology for the process also significantly reduced the consumption of heating steam and cooling water in comparison with more conventional solutions. The plant was commissioned in November 2020. This project has also helped to reinforce the importance of focusing on sustainable solutions among the planning and operating team.

2021 GOALS

FOR ENVIRONMENTAL AND CLIMATE PROTECTION

- » Implementation of a uniform Group-wide system for recording and evaluating CO₂ emissions
- » Development of a strategy to reduce CO₂ emissions across the VTU Group (by 2022)
- » Record VTU energy consumption

AUSTRIA

WATER QUALITY IMPROVEMENT MEASURES

The chemical melamine is often used in wood-based materials and in the paint industries. In order to remove residual melamine from a production plant’s wastewater, thermal wastewater treatment is used to split the melamine into its original components (NH₃ and CO₂), which are reused together in the production process as an ammonium carbonate solution. A melamine manufacturer has decided to plan a new wastewater treatment process to further reduce its wastewater load. VTU and other partners will start building a new facility in 2022. The objective is to reduce the nitrogen load of discharged wastewater to approximately one seventieth of its current load. Since 2020, VTU has been helping to professionally dismantle and dispose of plant components that were originally installed in the 1970s to make room for the new wastewater treatment system. All scrap metal is being recycled.

SWITZERLAND

RAW MATERIAL REDUCTION

A customer in the pharmaceutical industry was struggling to deal with a costly problem. An active ingredient they were using to manufacture their products had to be dosed in high quantities to ensure they could achieve the required minimum concentration. However, the resulting active ingredient content varied considerably. Sometimes it was very close to the target value and at other times it was well above it. To solve the problem, an algorithm was fed with a year’s worth of production and laboratory data. This determined and illustrated the relationships between various process parameters and the resulting active ingredient content. The dosing process could then be optimised according to process conditions such as flow rate, which significantly reduced high level dosing. This saved resources and enabled the customer to produce an additional 200,000 francs worth of products (approximately 186,000 euros).

GRI CONTENT INDEX

| GRI | | DESCRIPTION | NOTES | P. |
|------------------------------|-----|--|---|----------------|
| GRI 102 General information | | | | |
| Organisation profile | | | | |
| GRI 102 | -1 | Name of organisation | | 2 |
| GRI 102 | -2 | Activities, brands, products and services | The focus is on process engineering planning and end-to-end project management. We also offer certification and validation services for the pharmaceutical industry according to CGMP regulations, in addition to inspections and audits. | 3 |
| GRI 102 | -3 | Location of headquarters | | 3, U4 |
| GRI 102 | -4 | Location of operations | | 3 |
| GRI 102 | -5 | Ownership and legal form | | 3 |
| GRI 102 | -6 | Markets served | Customers are manufacturing companies in the sectors we serve. | 3 |
| GRI 102 | -7 | Scale of the organisation | VTU provides various types of services depending on the customer's requirements. These can range from concept testing to the design and construction of large-scale plants. | 2 |
| GRI 102 | -8 | Information on employees and other workers | www.vtu.com/sustainability/facts-figures | 2 |
| GRI 102 | -9 | Supply chain | | 10 |
| GRI 102 | -10 | Significant changes to the organisation and its supply chain | N.a., initial report | 16 |
| GRI 102 | -11 | Precautionary principle or approach | | 6 |
| GRI 102 | -12 | External initiatives | Ecovadis listed supplier (silver); participated in working group on process safety, led by TÜV Austria and BMDW | 16 |
| GRI 102 | -13 | Membership of associations | Member of the Austrian Federal Economic Chamber | 16 |
| GRI 102 Strategy | | | | |
| GRI 102 | -14 | Statement from senior decision-maker | | 4, 5 |
| GRI 102 | -15 | Key impacts, risks and opportunities | | 4, 5, 8, 9, 10 |
| GRI 102 Ethics and integrity | | | | |
| GRI 102 | -16 | Values, principles, standards and norms of behaviour | | 4, 5, 6 |
| GRI 102 | -17 | Mechanisms for advice and concerns about ethics | | 6, 8, 10 |
| GRI 102 Governance structure | | | | |
| GRI 102 | -18 | Governance structure | The VTU Group is managed by two executive directors. The managing directors of the individual subsidiaries report directly to them. | 16 |
| GRI 102 | -29 | Identifying and managing financial, environmental and social impacts | | 6 |
| GRI 102 | -32 | Highest governance body's role in sustainability reporting | | 3 |

| | | | | |
|--------------------------------|-----|--|--|----------------|
| GRI 102 Stakeholder engagement | | | | |
| GRI 102 | -40 | List of stakeholder groups | | 7 |
| GRI 102 | -41 | Collective bargaining agreements | 100% of employees are employed according to union or collective agreements | 17 |
| GRI 102 | -42 | Identifying and selecting stakeholders | | 7 |
| GRI 102 | -43 | Approach to stakeholder engagement | | 7 |
| GRI 102 | -44 | Key topics and concerns raised | | 7 |
| GRI 102 Reporting procedure | | | | |
| GRI 102 | -45 | Entities included in the consolidated financial statements | | 3 |
| GRI 102 | -46 | Defining report content and topic boundaries | | 7 |
| GRI 102 | -47 | List of material topics | | 7 |
| GRI 102 | -48 | Restatements of information | N.a., initial report | 17 |
| GRI 102 | -49 | Changes in reporting | N.a., initial report | 17 |
| GRI 102 | -50 | Reporting period | | 3 |
| GRI 102 | -51 | Date of most recent report | N.a., initial report | 3 |
| GRI 102 | -52 | Reporting cycle | | 3 |
| GRI 102 | -53 | Contact point for questions regarding the report | | 3 |
| GRI 102 | -54 | Claims of reporting in accordance with the GRI Standards | | 3 |
| GRI 102 | -55 | GRI content index | | 16, 17, 18, 19 |
| GRI 102 | -56 | External assurance | None | 3 |
| GRI 103 Management approach | | | | |
| GRI 103 | -1 | Explanation of the material topic and its boundary | | 8, 10, 11 |
| GRI 103 | -2 | The management approach and its components | | 8, 10, 11 |
| GRI 103 | -3 | Evaluation of the management approach | | 8 |
| GRI 200 Economic | | | | |
| GRI 201 Economic performance | | | | |
| GRI 201 | -1 | Direct economic value generated and distributed | Turnover: €100,443k, cost of materials and purchased services: €-27,182k (27.1%), own contribution: €73,261k (72.9%) | 17 |
| GRI 201 | -2 | Financial implications and other risks and opportunities due to climate change | VTU has so far not been directly affected by the following climate change risks and does not foresee any risks in the medium term. VTU is open and flexible in its support in the event of changes at the customer's premises, e.g., relocation of production facilities or similar. | 17 |
| GRI 201 | -3 | Defined benefit plan obligations and other retirement plans | 1. Obligations for pension payments are 100% externally funded. 2. The usual statutory tables and specifications are used to calculate the reserves. 3. Pension payments are forecasted once a year. 4. Percentage of annual salary contributed by employee or employer > 95%. | 17 |
| GRI 201 | -4 | Financial assistance received from government | Short-time working allowance through COVID-19 measures in DE, AT and PL, plus a research premium in AT. DE: €239.3k, AT: €339.2k, PL: €11.8k, CH €2.3k | 11 |

| | | | | |
|---|----|---|--|--------|
| GRI 300 Environmental | | | | |
| GRI 301 Materials | | | | |
| GRI 301 | -1 | Materials used by weight or volume | As a provider of services, materials use was not considered to be a significant issue for VTU, therefore this item is not discussed in detail in this report. The direct “products” are projects and files, which are mainly created using office materials and paper documents. | 18 |
| GRI 302 Energy | | | | |
| GRI 302 | -1 | Energy consumption within the organisation | Not reported due to insufficient data at present | 18 |
| GRI 302 | -2 | Energy consumption outside of the organisation | Not reported due to insufficient data at present | 18 |
| GRI 302 | -3 | Energy intensity | Not reported due to insufficient data at present | 18 |
| GRI 302 | -4 | Reduction of energy consumption | N.a., initial report | 18 |
| GRI 302 | -5 | Reduction in energy requirements for products and services | | 14, 15 |
| GRI 305 Emissions | | | | |
| GRI 305 | -1 | Direct (Scope 1) GHG emissions | Not reported due to insufficient data at present | 18 |
| GRI 305 | -2 | Energy indirect (Scope 2) GHG emissions | Not reported due to insufficient data at present | 18 |
| GRI 305 | -3 | Other indirect (Scope 3) GHG emissions | | 14, 15 |
| GRI 306 Waste | | | | |
| GRI 306 | -2 | Management of significant waste-related impacts | Not reported due to insufficient data at present | 18 |
| GRI 307 Environmental compliance | | | | |
| GRI 307 | -1 | Non-compliance with environmental laws and regulations | None in the reporting period | 18 |
| GRI 308 Supplier environmental assessment | | | | |
| GRI 308 | -1 | New suppliers that were screened using environmental criteria | | 10 |
| GRI 308 | -2 | Negative environmental impacts in the supply chain and actions taken | Not reported due to insufficient data at present | 18 |
| GRI 400 Social | | | | |
| GRI 401 Employment | | | | |
| GRI 401 | -1 | New employee hires and employee turnover | www.vtu.com/sustainability/facts-figures | 2, 12 |
| GRI 403 Occupational health and safety | | | | |
| GRI 403 | -1 | Occupational health and safety management system | | 9 |
| GRI 403 | -2 | Hazard identification, risk assessment, and incident investigation | | 9 |
| GRI 403 | -4 | Worker participation, consultation, and communication on occupational health and safety | | 9 |
| GRI 403 | -8 | Workers covered by an occupational health and safety management system | 100% | 19 |
| GRI 403 | -9 | Work-related injuries | | 9 |

| | | | | |
|---|----|---|------------------------------|------------|
| GRI 404 Training and education | | | | |
| GRI 404 | -2 | Programmes for upgrading employee skills and transition assistance programmes | | 11, 12, 13 |
| GRI 405 Diversity and equal opportunity | | | | |
| GRI 405 | -1 | Diversity of governance bodies and employees | | 2 |
| GRI 406 Non-discrimination | | | | |
| GRI 406 | -1 | Incidents of discrimination and corrective actions taken | None in the reporting period | 19 |
| GRI 408 Child labour | | | | |
| GRI 408 | -1 | Operations and suppliers at significant risk for incidents of child labour | None | 19 |
| GRI 409 Forced or compulsory labour | | | | |
| GRI 409 | -1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour | None | 19 |
| GRI 414 Supplier social assessment | | | | |
| GRI 414 | -1 | New suppliers that were screened using social criteria | | 10 |
| GRI 414 | -2 | Negative social impacts in the supply chain and actions taken | | 10 |
| GRI 415 Public policy | | | | |
| GRI 415 | -1 | Political contributions | None | 19 |
| GRI 416 Customer health and safety | | | | |
| GRI 416 | -2 | Incidents of non-compliance concerning the health and safety impacts of products and services | None | 19 |
| GRI 418 Customer privacy | | | | |
| GRI 418 | -1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | None in the reporting period | 19 |
| GRI 419 Socio-economic compliance | | | | |
| GRI 419 | -1 | Non-compliance with laws and regulations in the social and economic area | None in the reporting period | 19 |

PUBLISHING INFORMATION

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