TREIBACHER INDUSTRIE AG

Sustain-ability report

Treibacher Industrie AG

2019/2020

Imprint

Responsible for the content:

HSE&QM / PR Departments

Treibacher Industrie AG

Auer-von-Welsbach-Strasse 1

9330 Althofen

Austria

Tel.: +43 4262 505 208

E-mail: daniel.mosinzer@treibacher.com

Layout and graphics: Treibacher Industrie AG

Image sources: Treibacher Industrie AG

Equality:

For ease of reading, the masculine form of address is used in this report. However, it goes without saying that all genders are meant and addressed.

Content

Preface

[GRI 102-12; GRI 102-14]

What we at Treibacher Industrie AG understand by social responsibility and sustainability...

As one of the largest industrial companies in Carinthia, we have made it our mission not only to play a significant role in the economy of this country, but also to make a contribution in social, ecological as well as in sporting and cultural areas.

A company's contribution to society is not only to provide products or services for everyday use, but also to fulfill its social, societal (CSR, Corporate Social Responsibility) and environmental responsibilities - these efforts are summarized under the term "sustainability". In today's business environment, this need for responsible and sustainable business behavior is more important than ever. Sustainability and social responsibility, as we understand them, are broad-based:

For example, we support people with disabilities, promote art and culture, and support young sportspeople from the region. We also work hard to ensure that our employees can reconcile work and family life. In the area of the **environment,** we focus on professional and resource-conserving environmental management. In all our endeavors, we place an emphasis on the region in which we operate. The topic of circular economy in particular is of central importance to us. That is why we would like to place this sustainability report entirely under the motto of the circular economy.

With this first sustainability report, among other things, we want to show that there is substance and concrete projects behind the terms sustainability and **corporate social responsibility, which are on** everyone's lips today.

René Haberl and Rainer Schmidtmayer

Members of the Management Board of Treibacher Industrie AG

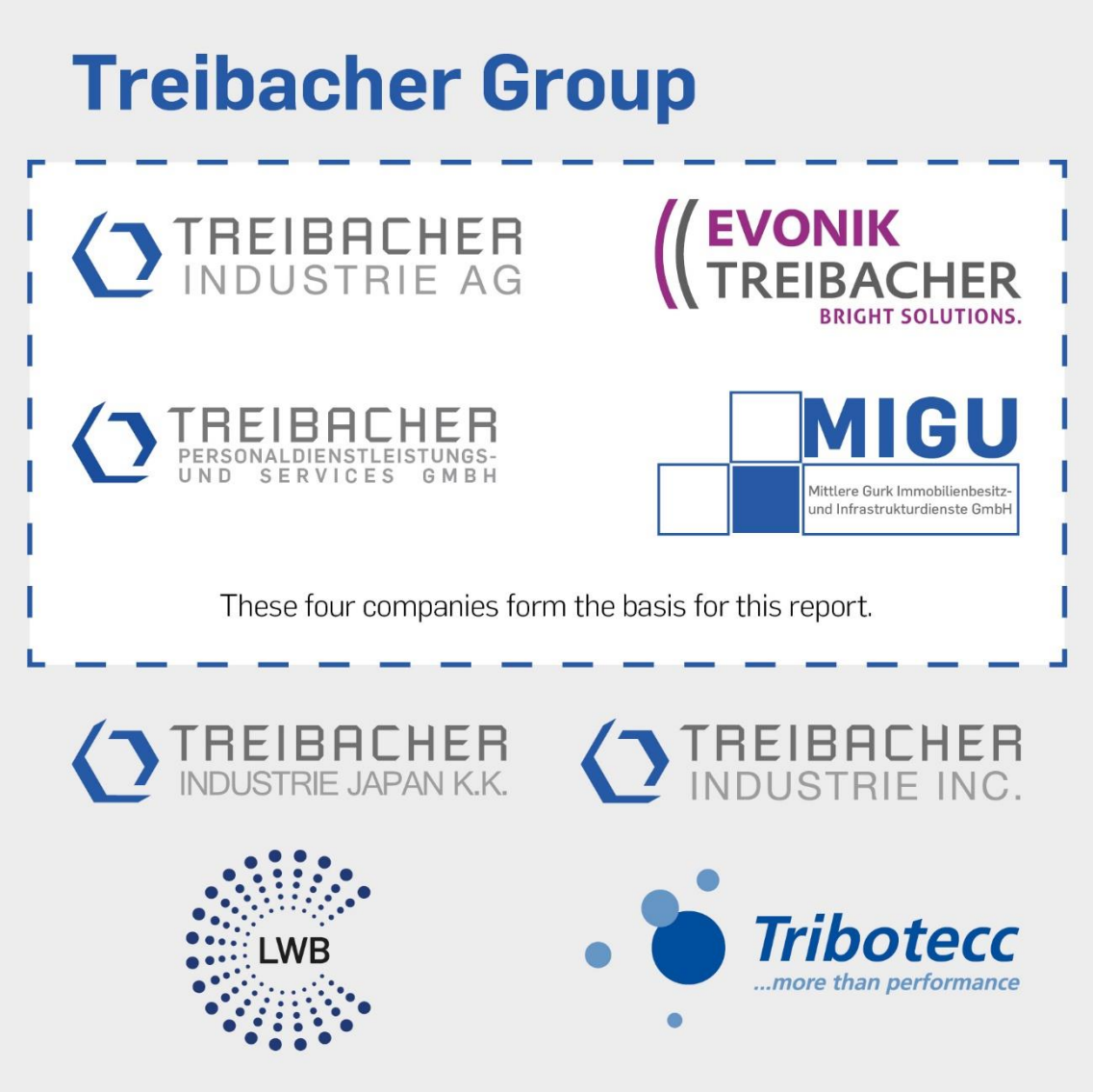
July 2021

1 Introduction

1.1 About this report

This voluntary sustainability report covers Treibacher Industrie AG (TIAG), Treibacher Personaldienstleistungs- und Services GmbH (TPS) and Mittlere Gurk Immobilienbesitz- und Infrastrukturdienste GmbH (MIGU), which are all located at the Althofen/Austria site. The joint venture Evonik-Treibacher GmbH is also discussed in the report, but only at the Althofen site (50%; ETA).

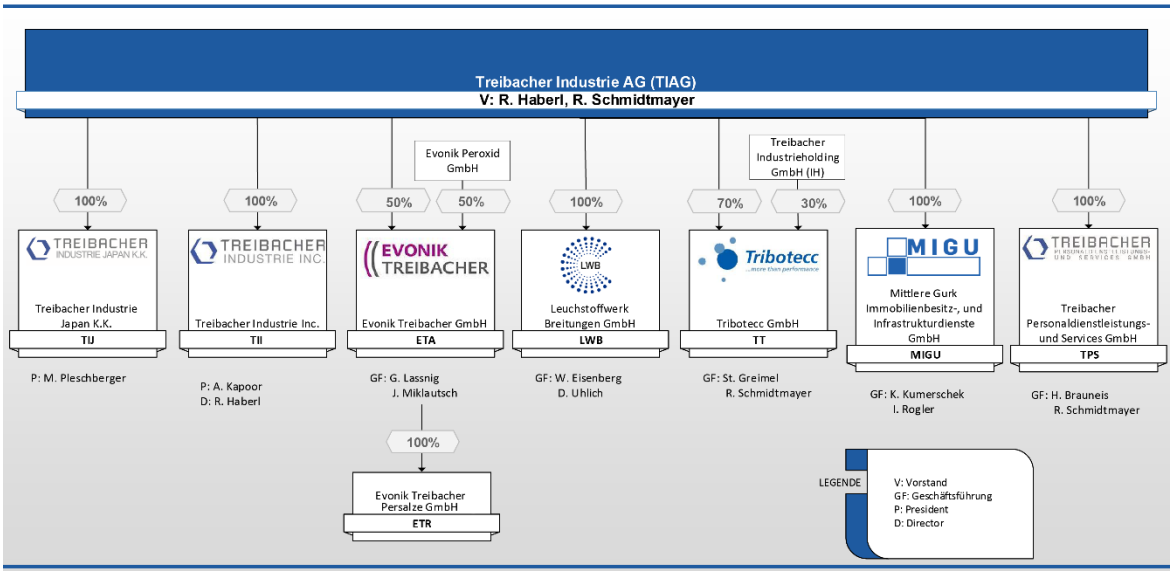
The "Treibacher Group" as a whole also includes Tribotecc GmbH based in Arnoldstein/Austria, Leuchtstoffwerk Breitungen GmbH in Breitungen/Germany, Treibacher Industrie Inc. (TII) in Toronto/Canada and Treibacher Industrie Japan K.K. (TIJ) in Tokyo/Japan. However, this report does not cover these four companies or the production site of Evonik-Treibacher GmbH in Rheinfelden, Germany.



As Treibacher Industrie AG is the main company of the "Treibacher Group", the terms "Treibacher Industrie AG", "Treibacher" and "TIAG" are used synonymously for the four

companies of TIAG, TPS, MIGU and ETA. The contents of the report therefore include the four aforementioned companies - unless explicit reference is made to only one or more individual companies. [102-45]

Below you will find an overview of the shareholding structure of Treibacher Industrie AG (Treibacher Group):



This report presents TIAG's key sustainability issues and efforts. The data on personnel relate to TIAG as a whole. The specific environmental indicators/data cover the Althofen production site of Treibacher Industrie AG, Evonik-Treibacher GmbH and areas of Mittlere Gurk Immobilienbesitz- und Infrastrukturdienste GmbH. Treibacher Personaldienstleistungs- und Services GmbH is an exclusively internal service company that is responsible for personnel administration and also provision for TIAG.

This Sustainability Report is an **inaugural report** covering the reporting period of calendar years 2019 and 2020. [GRI 102-50]

The data of the reporting years under consideration are compared in order to better compare the relevant information and to show a development.

This report has been prepared in accordance with the GRI Standards: Core Option. [GRI 102-54] A detailed GRI index [102-55] for reference can be found at the end of the report and on the Treibacher website **(https://www.treibacher.com/sustainability).**

TIAG plans to publish its sustainability efforts on a biennial reporting cycle. [GRI 102-52]

Additional information on specific topics is provided on the Treibacher Industrie AG website (www.treibacher.com).

1.2 About Treibacher Industrie AG

Treibacher Industrie AG is an Austrian, privately owned (75% ES Privatstiftung, Vienna; 25% Rätikon Privatstiftung, Bludenz) stock corporation, which is globally successful in the field of metallurgy and chemistry. Since its foundation by Dr. Carl Auer von Welsbach in 1898, the company's headquarters have been located in Althofen, Austria. This is where all the main company departments are located, such as research & development, purchasing, production, sales and administration.

This location is also the headquarters of the two companies linked to Treibacher Industrie AG, Treibacher Personaldienstleistungs- und Services GmbH and Mittleren Gurk Immobilienbesitz- und Infrastrukturdienste GmbH. Likewise, Evonik Treibacher GmbH - a 50:50 joint venture between Treibacher Industrie AG and Evonik Industries AG - has its headquarters and one of two production sites in Althofen. The second production site of Evonik Treibacher GmbH is located in Rheinfelden/Germany.

Furthermore, Treibacher Industrie AG has sales offices in Toronto/Canada (Treibacher Industrie Inc.) and in Japan (Treibacher Industrie Japan K.K.) as well as a representative office in China.

With Tribotecc GmbH in Arnoldstein/Austria and Leuchtstoffwerk Breitungen GmbH in Breitungen/Germany, Treibacher Industrie AG also has two subsidiaries. [GRI 102-1; GRI 102-3, GRI 102-4, GRI 102-5; GRI 102-6; GRI 102-7]

Table 1: Key figures

	TIAG individual financial statements 2020	**TIAG separate financial statements 2019**	**TPS 2020**	**TPS 2019**	**MiGu 2020**	**MiGu 2019**	**ETA 2020**	**ETA 2019**
Total number of employees (**FTEs as of Dec. 31**)	636	690	66	72	14	14	9	11
Net sales *(in kEUR)*	331,160	544,545	3,859	3,824	1,395	1,377	19,845	28,999
Total capital *(in kEUR)*	366,089	406,400	705	771	481	527	32,491	32,273
Equity *(in kEUR)*	319,404	345,893	212	197	187	174	20,119	21,962
Borrowed capital *(in kEUR)*	46,685	60,507	493	574	294	353	12,372	10,311
annual capital expenditure *(in kEUR)*	25,419	20,849	0	0	0	0	483	861
R&D expenses *(in kEUR)*	4,497	4,669	0	0	0	0	0	0
Environmental Investments *(in kEUR)*	6,894	8,510	0	0	0	0	0	0

Facts & Figures 2019 & 2020

... Figures from 2020

... Figures from 2019

The fields of activity of Treibacher Industrie AG

[GRI 102-2; GRI 106-6]

Treibacher Industrie AG develops, produces and distributes materials for technologically highly demanding applications worldwide. The spectrum ranges from precursors for the pharmaceutical and biomedical industries, to coatings for the aircraft and catalyst industries, to high-quality alloying additives for the global steel industry. In addition, Treibacher Industrie AG is the market and technology leader in Europe for the recycling of spent catalysts from the petroleum industry, saving thousands of tons of primary resources such as vanadium, nickel and molybdenum every year.

In order to be able to optimally supply all these areas, Treibacher Industrie AG is divided into five strategic business areas:

High Performance Ceramics (HLK)

In the field of High Performance Ceramics, ceramic materials are developed, produced and marketed for use in the aircraft, automotive & electronics, medical technology and biomedical industries, among others.

Hard Metals and Energy Storage (HME)

The Hard Metals and Energy Storage unit supplies its customers with high-quality starting materials which are used in cutting, drilling and milling tools but also in energy storage systems (e.g. for hydrogen).

Rare Earths and Chemicals (SEC)

The broad product portfolio of the Rare Earths and Chemicals division includes rare earth-based powders, salts and solutions, which are used, among other things, in water purification, as polishing agents, as process catalysts and as pigments. In addition, more than 90 billion flint - the very first product of Treibacher Industrie AG - have already been sold to date.

Steel and Foundry Industry (SGI)

The Steel and Foundry Industry business unit covers the metallurgical area of the company. In several production plants at the site, master alloys are produced which are subsequently used in the steel industry (structural steel, tool steel, stainless steel) to make the steel more durable - and at a lower weight than conventional steel.

While Treibacher purchases its raw materials worldwide in most areas, the company developed a recycling process in the SGI area more than 40 years ago to recover the important valuable materials such as vanadium, nickel and molybdenum from metal-bearing residual materials. Today, a large proportion of the metals required can be recovered as secondary raw materials from this recycling process - this technology also represents a growth area for the company.

Environmental Catalysts and Pharmaceutical Chemicals (UKP)

The UKP division is divided into two parts: on the one hand, quality materials are produced for environmental catalysts in automotive, marine and industrial applications; on the other hand, precursors are produced that are indispensable in the pharmaceutical industry.

In addition to the five business units of Treibacher Industrie AG mentioned above, Evonik Treibacher GmbH produces persalts at its sites in Althofen and Rheinfelden/Germany, which are the basis for, among other things, heavy-duty powder detergents, dishwashing detergents and dental cleaners. These are supplied worldwide to leading manufacturers of these aforementioned products.

1.3 Management structure

[GRI 102-18]

Despite the size and organizational breadth of the company (5 business units, administration, research & development, analytics, technical services, 10 production plants), the company pursues a flat hierarchy approach. The heads of departments and divisions regularly report directly to the Management Board on current topics in their area as part of a jour fixe. In addition, there are quarterly management reviews in which the most important topics - including environmental and sustainability issues - are summarized in report form and relevant key figures are presented. These reports provide an important basis for decisions by the Executive Board. With this input, projects and initiatives relating to environmental protection and sustainability can be planned, managed and implemented. This also ensures transparent follow-up of these projects.

Sustainability management is anchored in TIAG's integrated management system and set out in a separate document (IM manual). Regular participation in various events (e.g. conferences, trade fairs) ensures that no developments with regard to ecological, economic or social issues are overlooked.

1.4 Stakeholder

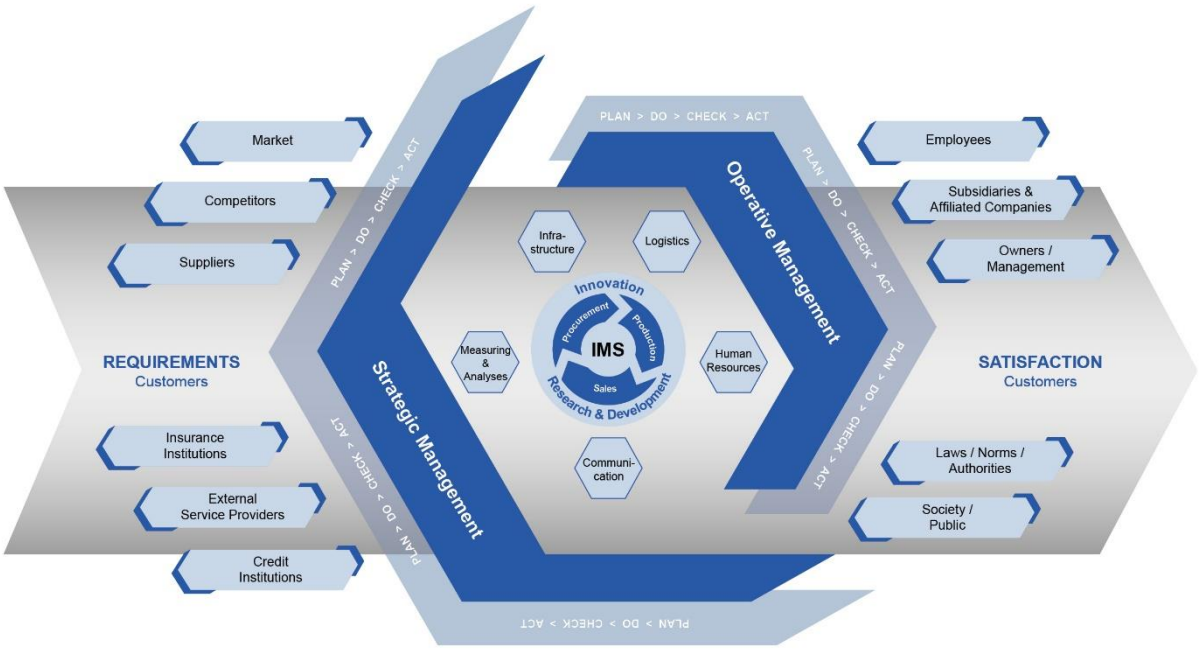
[GRI 102-40; GRI 102-42; GRI 102-43]

TIAG has a large number of stakeholders whose interests and concerns are of central importance to Treibacher Industrie AG. It is therefore important to continuously obtain relevant information and opinions and - if necessary - to take them into account in the individual business activities.

TIAG basically lives a process-oriented management system that accompanies all essential operational processes. This uniform management system and the process-oriented approach help to identify and take into account all requirements (e.g. quality, environment, safety, finance, human resources, risk) and topics from the relevant interest groups/stakeholders.

Relevant stakeholders are those interest groups that are affected by the business activities of Treibacher Industrie AG or whose activities have an influence on TIAG.

The following figure shows the Treibacher process map. This is a graphical representation of all relevant processes, the management and the interested parties (stakeholders).



1.5 Materiality analysis

An essential component of effective sustainability management is materiality analysis. This is a strategic analysis tool used to identify the sustainability issues/topics relevant to the company and its stakeholders.

In order to determine the most important content for TIAG's sustainability reporting, a multi-stage process was used during the reporting period to identify topics that have a particularly high relevance for TIAG's key stakeholders and/or are associated with significant impacts on society and/or the environment (inside-out perspective) or TIAG itself (outside-in perspective).

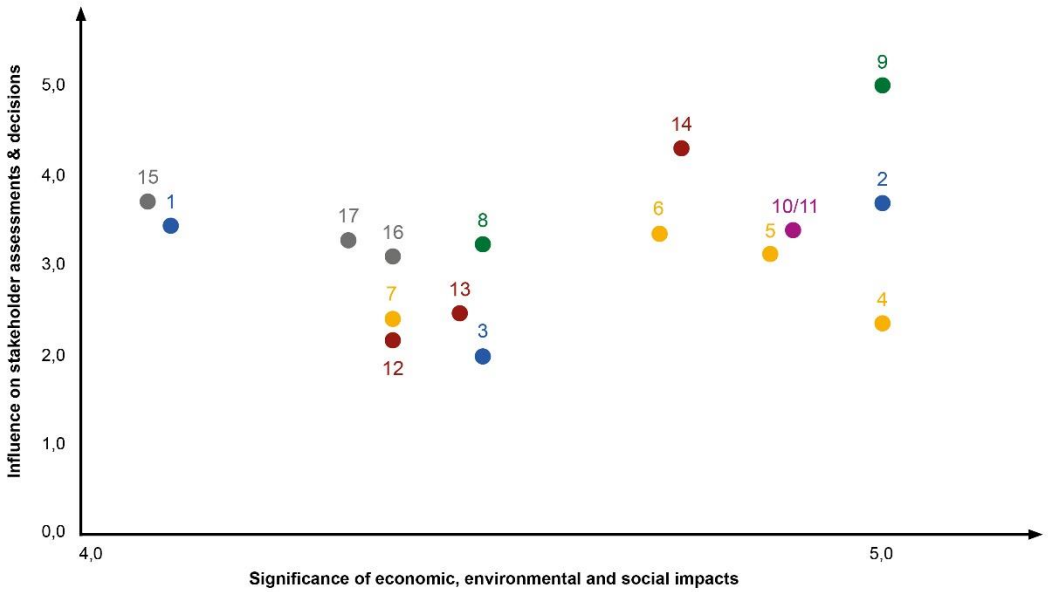
Internal expert workshops were held for all five business units to determine the extent of the economic, environmental and social impacts, both positive and negative, of the respective topics, and to answer the question of whether the topic is capable of influencing **stakeholder** assessments and decisions. The stakeholder perspective was taken by selected employees participating in the workshops, as these key positions are in ongoing exchange with the most important stakeholders. These are customers, employees, the public, suppliers and competitors (see also section 3.3 Stakeholder management). [GRI 102-43]

To create the final matrix, the results of the workshops and the respective stakeholder assessments were combined for each business unit and weighted accordingly. Finally, the final matrix was created for the entire company with equal weighting of all business areas.

The identified topics were then validated by the management with regard to their relevance for Treibacher Industrie AG. [GRI 102-43, GRI 102-44; GRI 102-46]

Materiality Matrix

[102-47]



Corporation & management

1 R&D, innovation, technology
2 Economic capacity
3 Life-enhancing products

Compliance

10 Legal Compliance
11 Compliance with environmental regulations

Responsibility in the value chain

4 Raw material procurement
5 Customer satisfaction, health & safety
6 Product responsibility, quality & safety
7 Stakeholder management & communications

Employees

12 Employee satisfaction
13 Staff development, education & training
14 Work safety & employee health

Environment

8 Air quality
9 Resource efficiency

Safety & Risk Management

15 Risk management for critical incidents
16 Process & plant safety
17 Robust supply chains

1.6 Key topics at TIAG

[GRI 102-47]

Based on the evaluation of the matrix, **six major themes were** summarized and divided into corresponding core areas:

[1] Including waste, energy and water management

[2] Including data protection

[3] Data security included

Additional relevant topics described in this report are waste, energy, water management, data security and data protection. The areas of "life-enhancing products" and "raw material procurement" have also been included in the matrix as business area-specific topics.

In the following, we will now specifically address the individual essential topics.

2 Company and management

The present chapter is intended to provide an overview of Treibacher Industrie AG, its most important processes and functions as well as the management of the company. These areas play a central role with regard to the development of new products, the improvement of existing products and processes as well as the entire administration - and are thus the core of the company's business activities.

2.1 Research & Development

[OI R&D]

Research & Development forms the basis for new products and processes and ensures the future viability of the company through its activities. The **aim of** Research & Development is to offer our customers solutions or new developments in as many specialist and application areas as possible. In order to be able to respond optimally to the large number of customer requirements and thus to guarantee the highest quality and ongoing innovations to all business units, around 70 employees - approximately 10% of the workforce - are currently employed in research & development and analytics.

The **total monetary expenditure for research & development activities is** shown in Table 1. In 2019, the expenditure amounted to 22.4% and in 2020 to 17.7% of total investments. Around 35 projects are worked on each year. Of these, around 70% are new product developments, while the remaining 30% are divided into process optimization, product adaptations and technology projects.

The result of many years of research work is reflected in TIAG's broad product range and is one of the most important pillars of the Treibacher success story.

Example of a successful research project:

Together with international partners, Treibacher Industrie AG has developed new thermal barrier coatings for aircraft turbines and, with this project, was nominated in 2017 as one of only six companies for the State Prize for Innovation of the Republic of Austria.

The aim of the project was to develop a new coating process with new materials for the production of thermal barrier coatings in aircraft turbines that provide excellent thermal insulation and a long service life. The coatings are intended to raise the operating temperature of aircraft turbines and thus increase efficiency, saving fuel and reducing environmental impact.

Treibacher successfully developed and implemented the process on an industrial scale in cooperation with a university in Sweden, a plant manufacturer and an aircraft turbine manufacturer in the USA. Together, a reliable process was developed for the production of suspensions - i.e. mixtures of liquids and solids - which exhibit high storage and process stability. The ceramic particles they contain are of high purity and have a tailored chemical composition and particle size distribution. This high quality and complex production control are required in the aircraft industry.

In addition, a new coating process is used in which the newly developed suspensions are processed. Compared with other processes, so-called suspension plasma spraying enables a high application efficiency with lower energy requirements. At the same time, it is now possible to produce thin coatings with special spring-like structures that have low thermal conductivity and enable a long service life in the turbine. This also makes the production of the new thermal barrier coatings more environmentally friendly and resource-efficient compared with the standard process.

With this development, Treibacher has succeeded in laying the foundation for a long product life cycle as a pioneer and in advancing from a pure supplier of raw materials to a provider of ready-to-process materials for thermal spraying. Suspension plasma spraying is a very young technology and Treibacher has been able to establish itself internationally as the market leader in this field in recent years.

2.2 Innovation Management

Ideas are the fuel for innovations and an important pillar of sustainable development. In order to better utilize the creativity potential of Treibacher employees, an innovation process was created that is accompanied by a dedicated innovation manager from idea generation to implementation. The company provides an idea allowance that enables the idea finder to work creatively without hurdles. Once a year, the company holds its own Innovation Day, at which the best ideas are officially recognized.

In addition to the ideas of Treibacher employees, the company also wants to bring external ideas into the company in the future with the "Treibacher Cooperation Platform". The project for this is currently in the planning stage and is scheduled to go into operation at the beginning

of 2021. The aim is to offer young, innovative companies with new products the opportunity to benefit from a cooperation with Treibacher. These entrepreneurs will receive support from Treibacher in scaling their products and/or entering the market. [GRI 102-43]

2.3 Production & Technology

The continuous development of new products and production processes is indispensable for a technology-driven company such as Treibacher in order to remain competitive. In order to be able to operate and maintain a reliable, modern, state-of-the-art **production infrastructure,** TIAG has its own technology department (technical services) with experts from a wide range of specialist areas (e.g. mechanical engineering, electrical engineering, process engineering). This department is responsible, among other things, for planning, implementing and maintaining all plants, including the associated processes, in the form of investment or large-scale projects for the plants**.**

2.4 Digitization

Industrialization is currently in a new phase: Industry 4.0 and the associated digitization of production are presenting many companies with major challenges - including Treibacher Industrie AG.

In order to respond accordingly, TIAG has defined a digitization strategy with the aim of promoting profitable growth and thus securing the company's future viability. Automated, fast, and secure processes create high added value for customers, employees, and partners, thus ensuring the company's sustainable success.

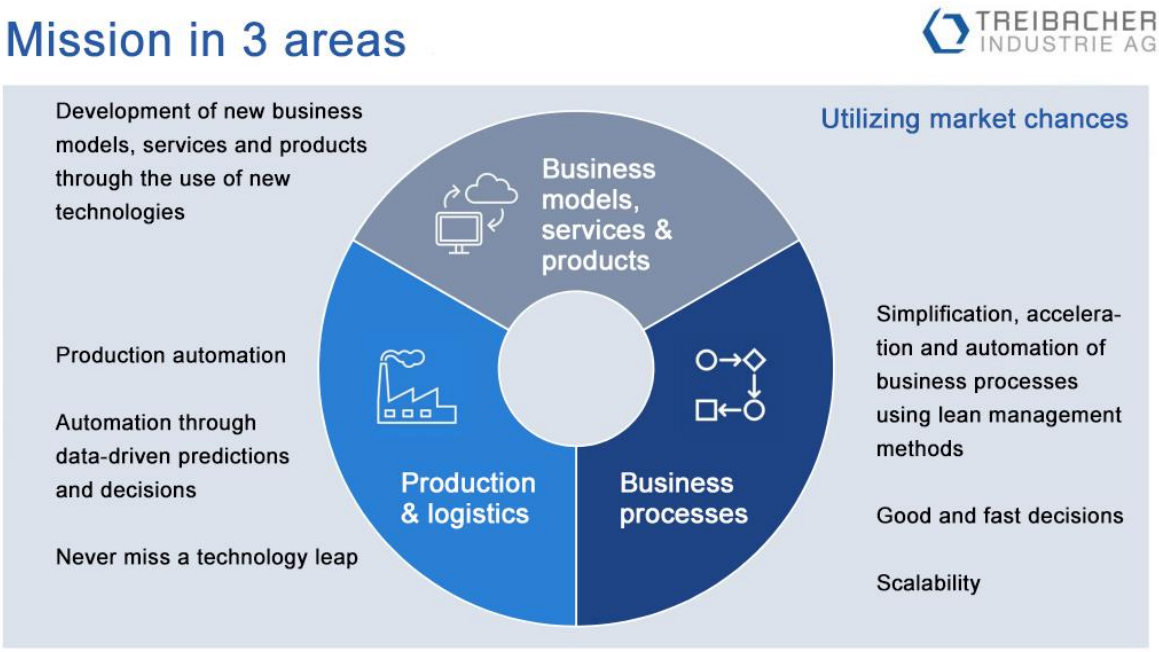
The aim is to utilize the opportunities arising from digitization to generate the following benefits:

- Significantly shorter response time to the customer.
- Better and faster information capability and thus best possible use of market opportunities.
- Less search, wait, and follow-up time in the value chain (processes become easier, safer, and mobile-enabled for employees).
- Resources are freed up for value-adding activities and for innovations.
- Reduction of time-to-market.
- Easier and faster reporting, which can reduce costs.

In the fall of 2020, a multi-year program called "TIAG NEXT" was launched. NEXT is the program name for the digital transformation of Treibacher Industrie AG and part of the company's far-reaching digitalization strategy. On the one hand, the prerequisites for future digitalization are to be created and, on the other hand, the opportunities of digitalization are to be used. The focus is on all administrative areas (business processes) as well as production and logistics.

A major focus of the NEXT roadmap for 2021 will be the company-wide implementation of SAP S/4HANA in a greenfield approach (new implementation of SAP). In the course of this project, all company processes will be optimized and SAP S/4HANA will be introduced as the "digital core" and basis for the further digitization offensive.

In order to make the best possible use of the opportunities offered by digitalization for Treibacher, appropriate measures are being taken in three areas. In addition to the development of new **business models, products and services** using digital opportunities and automation and data-supported forecasts in **production & logistics,** all **business processes** are being made more efficient.



2.5 Economic performance

[GRI 201-1]

Die wirtschaftliche Leistungsfähigkeit der Treibacher Industrie AG beruht seit Jahrzehnten auf starken Ertragsbringern („Cash Cows“) auf der einen und Neuproduktentwicklungen („Stars“) für Nischenmärkte auf der anderen Seite. Durch das dadurch entstandene, breite Produktportfolio können wirtschaftliche Risiken minimiert und Krisen, wie zuletzt 2008 (Finanzkrise) und 2020 (Corona-Krise), gemeistert werden. Die Erträge der Cash Cows unterstützen sowohl die Entwicklung als auch die Festigung von neuen Produkten. Diese neuen Produkte erzielen in weiterer Folge ihrerseits gute Erträge und tragen zur guten finanziellen Situation des Unternehmens bei, auch wenn ihre Entwicklung mehrere Jahre in Anspruch nimmt. So dauerten beispielsweise die Entwicklung und Zulassung von Produkten für die Biomedizin und auch für die Flugzeugindustrie bis zu einem Jahrzehnt.

For decades, the economic performance of Treibacher Industrie AG has been based on strong revenue generators ("cash cows") on the one hand and new product developments ("stars") for niche markets on the other. The resulting broad product portfolio allows economic risks to be minimized and crises to be mastered, such as most recently in 2008 (financial crisis) and 2020 (Corona crisis). The earnings from the cash cows support both the development and the consolidation of new products. These new products in turn generate good earnings and contribute to the good financial situation of the company, even if their development takes several years. For example, the development and approval of products for biomedicine and also for the aircraft industry took up to a decade.

Due to this positive earnings situation and the clear commitment of the owners to the site in Althofen, it has been possible to invest in numerous measures for environmental protection and the improvement of the overall environmental situation at the site in recent years. Environmental protection investments accounted for 40.8% of the total investment volume in 2019 and 27.1% in 2020. And there is also a lot planned for the near future:

The topics of environmental protection, circular economy and sustainability play a central role at Treibacher Industrie AG and are thus clear issues for the future. This is also reflected in the investment of almost 100 million euros planned for 2021 in a new, state-of-the-art recycling plant for spent catalysts from the petroleum industry. This means that the raw materials vanadium, nickel and molybdenum, which are important for Treibacher, can continue to be obtained as secondary raw materials. These are then processed in-house into high-quality alloying additions for the global steel industry. In a second recycling line, secondary raw materials are also obtained from steel mill slags.
The use of these secondary resources and sustainable efficiency efforts are important pillars in maintaining economic performance - now and in the future.

2.6 Life-enhancing products

[OI system critical products]

Treibacher Industrie AG is one of the largest industrial companies in Carinthia and its products make a valuable contribution to the supply chain of companies in the system-maintaining infrastructure. Treibacher products are essential components in necessary goods in the medical field and in everyday life. These range from medicines, ceramic dentures and water purification to catalyst precursors.

In the healthcare sector, Treibacher products represent an essential part of the supply chain as precursors and can therefore be found, among other things, in disinfectants, MRI contrast media, semiconductors for medical technology, microscope lenses, novel treatments for brain tumors, in medicines for patients with kidney disease, ceramic joint endoprostheses, ceramic dental prostheses, and tanks and plant components for the production of medicines.

But our products are also needed in other industries that produce everyday goods. For example, our alloys are used as additives in the production of stainless steel components for the food industry. In addition, rare earth-based precursors are found in process catalysts, which are essential in the production of gasoline and diesel. Rare earth products are also used for drinking water treatment (arsenic removal; see chapter 8.2.6). In most end products, the precursors remain invisible, but in a few they are clearly visible. Such as, for example, the white powder component in powder detergent, which also has an important biocidal effect. This means that, unlike liquid detergents, powder laundry detergents kill viruses and bacteria and are therefore preferable to liquid detergents - and not just in the COVID 19 situation that will determine everything in 2020.

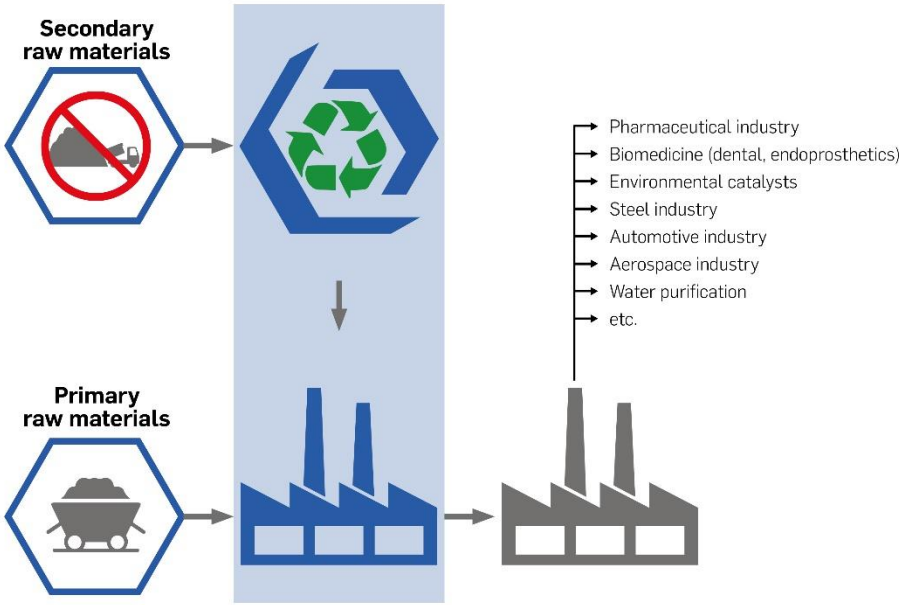
3 Responsibility in the value chain

From raw material to end consumer
[GRI 102-6; GRI 102-9]

The value chains of all relevant business units were taken into account in the preparation of this sustainability report. Important parts of the value chain for TIAG are the procurement of all important raw material groups, production and distribution, including logistics.

With its products, Treibacher Industrie AG is at the beginning of a very long value chain, with Treibacher products being used in a wide variety of customers' products. Although the materials of Treibacher Industrie AG are absorbed into the downstream products and can no longer be seen in the end application, they nevertheless provide improved properties in countless goods of daily use. It is not far-fetched to think that a large proportion of people around the world come into contact with materials from Althofen on a daily basis without even knowing it. Whether during a car ride, traveling on an airplane, handling smartphones, using high-quality tools, or splashing around in a pool.

In order to present the value chain and the large number of raw materials and starting materials at TIAG in a transparent manner, the raw materials were divided into primary and secondary raw materials on the procurement side. The substitution of primary raw materials with secondary raw materials makes a significant contribution to environmental protection and the circular economy. Optimizing the use of secondary raw materials (slags, catalysts, dusts, etc.) is an essential part of TIAG's research & development work, with a main focus on resource efficiency (see also Chapter 4.2. Resource efficiency). A more detailed examination of environmental impacts in the upstream chain is carried out during the annual supplier assessment and as part of the environmental aspect assessment required by ÖNORM EN ISO 14001.



3.1 Raw material procurement

Whenever possible, TIAG takes a multi-source approach to raw material procurement, which reduces supplier dependency and increases flexibility and availability. TIAG's goal is to enter into long-term cooperations and partnerships, and it is constantly on the lookout for new projects and partners to broaden its procurement base. In addition, a safety stock is kept on site for all relevant raw materials in order to be able to compensate for any supply shortages, supply bottlenecks or price fluctuations. Raw materials are not only selected on the basis of quality requirements and price; in certain areas, geographical distance and secure logistics also play a key role.

TIAG has implemented a procurement process that covers all activities from supplier selection to purchasing. It helps to identify and take into account risks in the totality of all downstream processes and is thus an important tool for ensuring long-term and sustainable supply.

3.2 Customer satisfaction, health and safety

[GRI 416-1; GRI 416-2]

All activities and processes in the company are aligned with customer requirements. Treibacher Industrie AG is fully aware of its responsibility towards its stakeholders and the environment. Quality and safety in all areas and the preservation of the environment are integrated components of the entrepreneurial activities of Treibacher Industrie AG.

In cooperation with its stakeholders - customers, the public, suppliers, employees, owners - who are also its most important critics - Treibacher is continuously working on new products and on improving their quality.

Violations of regulations that resulted in a fine or sanction	NO
Violations of regulations that resulted in a reminder	NO
Violations of voluntary codes during the reporting period	NO
Percentage of relevant product and service categories that are reviewed at regular intervals for potential improvements in terms of their impact on health and safety.	100%

3.3 Product responsibility, quality and safety

[GRI 403-7; OI Product Responsibility, Quality & Safety]

TIAG evaluates the safety of its products 100%, starting with research and development, through manufacturing, and ending with delivery to customers.

Treibacher works continuously to ensure that its products do not pose a risk to humans or the environment when used responsibly and appropriately. The European regulations REACH (EC) No. 1907/2006 and CLP (EC) No. 1272/2008 are the legal basis for the classification and labeling of our chemicals. Based on these, in-house technical experts evaluate and prepare high-quality safety data sheets in various languages and the associated labels to ensure safe storage and handling of products along the supply chain.

For TIAG, customer satisfaction is the basis of long-term business success. Quality management is therefore of central importance to Treibacher. The company's aspiration is to continuously and permanently improve its processes and products. The management systems according to ÖNORM EN ISO 9001 and ÖNORM EN ISO 14001 cover the company's development, production and sales of all products. As a supplier to the aviation industry, Treibacher additionally fulfills the increased requirements of EN 9100 in specific areas.

Through an integrated risk management system and compliance with all legally relevant requirements, product quality and safety can be guaranteed throughout the entire manufacturing process.

3.4 Stakeholder Management & Communication

[GRI 102-43; OI Stakeholder Management & Communication]

TIAG is in ongoing dialog with its key stakeholders. This includes employee meetings, visits to customers and suppliers, conferences, trade fairs, expert meetings in various committees of interest groups and industry associations, cooperation with educational institutions (schools, universities) and dialogs with authorities and local residents. The following events are held or attended on a regular basis:

- Open Day (in cooperation with the Federation of Austrian Industries) - every 3 years
- Long Night of Research - every 2 years
- Exhibitor and trade shows - approx. 5-8 per year (varies, depending on trade show cycle)
- Information events for residents and interested parties (as needed)

4 Environment

As a company in the chemical and metallurgical industry, issues such as air emissions and resource consumption as well as the generation of waste are not entirely avoidable. This makes it imperative to implement technical and organizational environmental protection measures in the company.

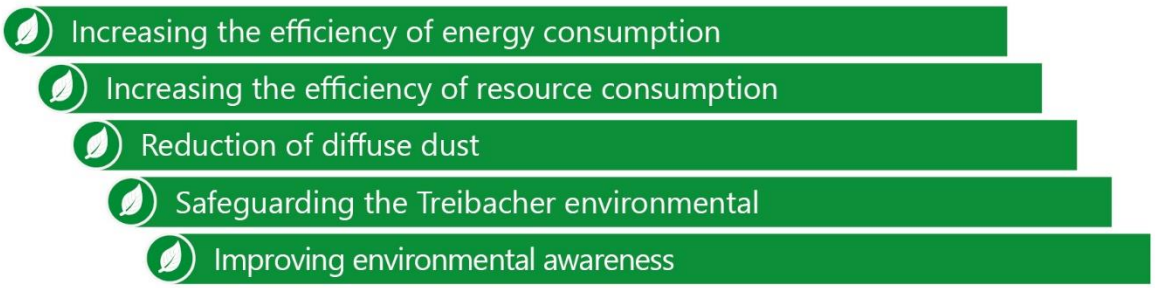
Not only because of the increasingly strict environmental standards, it is essential for Treibacher Industrie AG to work continuously on improving existing technologies and developing new ones in order to make processes more efficient and reduce emissions to a minimum.

Treibacher Industrie AG protects the environment through environmentally compatible processes, operating facilities and logistics, naturally in compliance with all legal and official regulations - in some areas even beyond. Also due to economic considerations as well as the globally increasing scarcity of resources, TIAG feels obliged to actively develop and implement appropriate measures.

The Treibacher production facilities are operated in accordance with the economically justifiable application of the best available technologies in each case, with ongoing work on optimizing the processes and implementing measures to increase efficiency, reduce emissions and save energy in the process.

Among other things, residual materials are returned to the material cycles as far as it makes economic sense, thus making a significant contribution to conserving resources. Treibacher Industrie AG makes an additional direct contribution through energy and metal recovery from metal-bearing residual materials (spent catalysts, steel mill slag).

Environmental management (established environmental management system according to ÖNORM EN ISO 14001) is an important instrument for ensuring an appropriate environmental standard. It ensures compliance with measures to reduce and avoid environmental pollution in all corporate activities. The integration of employees and environmentally conscious behavior of each individual are important pillars for an effectively implemented environmental management system and part of the Treibacher environmental program. Within the framework of this environmental program, 5 environmental goals were defined for TIAG:



4.1 Air quality

[GRI 305-7]

Since process-related emissions cannot be avoided entirely, the production plants are operated with technologically mature flue gas cleaning and filter technologies to minimize environmentally relevant effects on air, soil and water as far as possible.

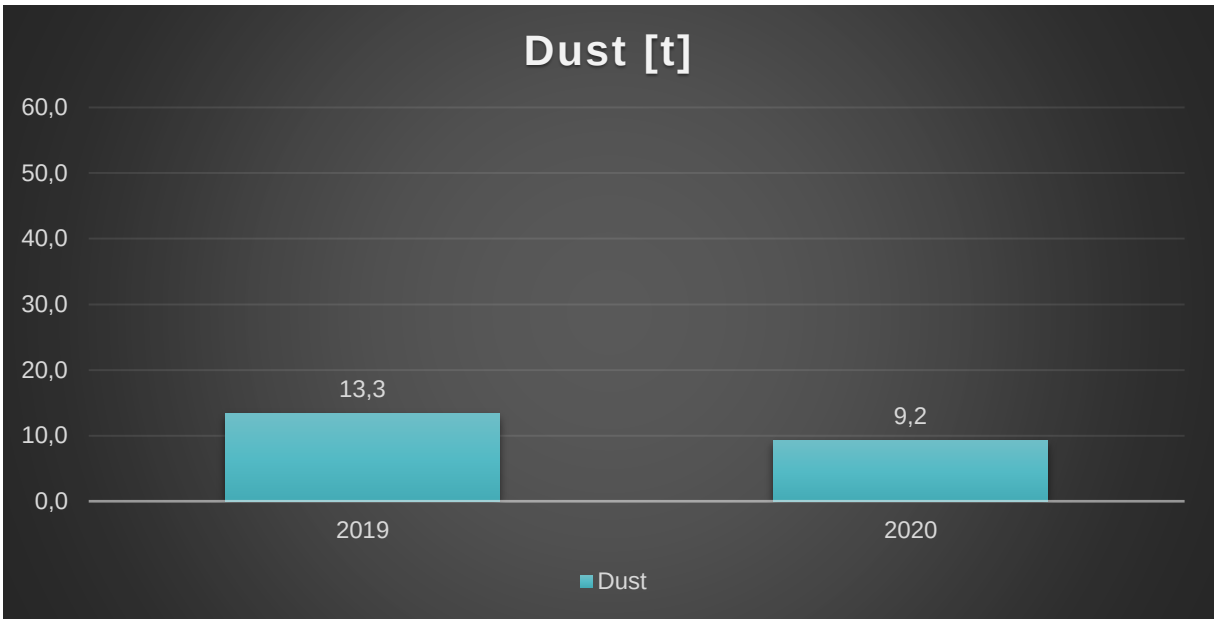
The main air pollutants generated in TIAG's production are **sulfur dioxide (SO_2)**, **nitrogen oxides (NO_X)** and **dust.** All of these emissions comply with the statutory limits and in most cases are well below them.

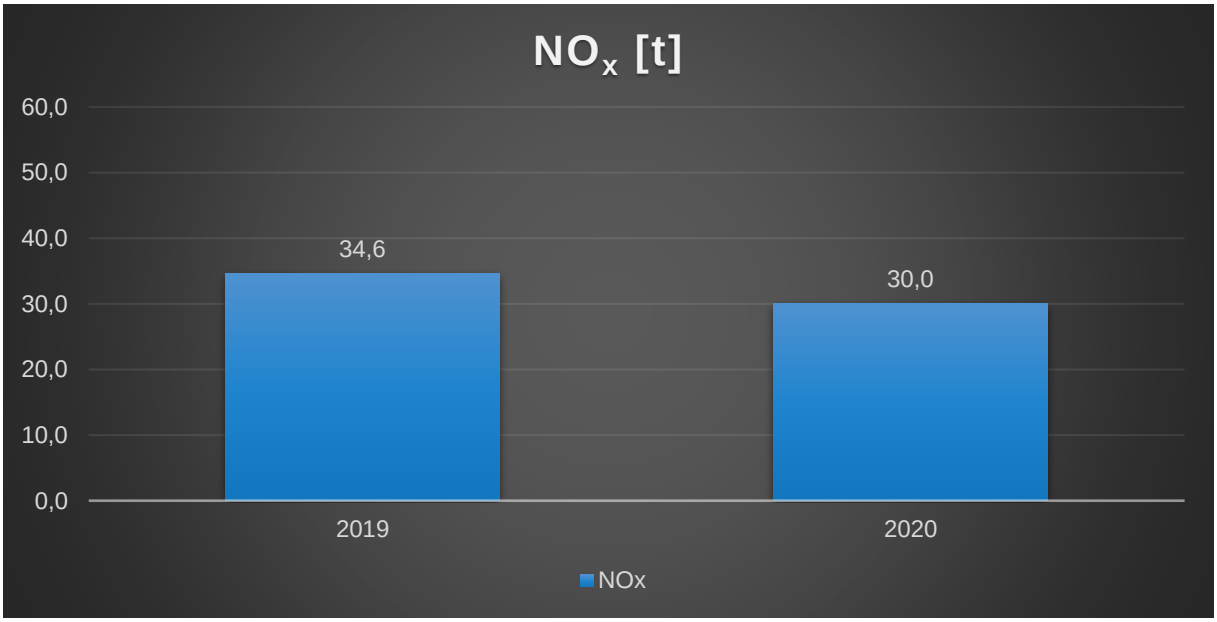
TIAG is constantly engaged in process optimization, with considerable effort spent on reducing emission levels to a technologically achievable minimum. With the aim of reducing emissions (especially diffuse dusts), various investments have been made, such as a hall exhaust system in the ferroalloys plant (see picture).

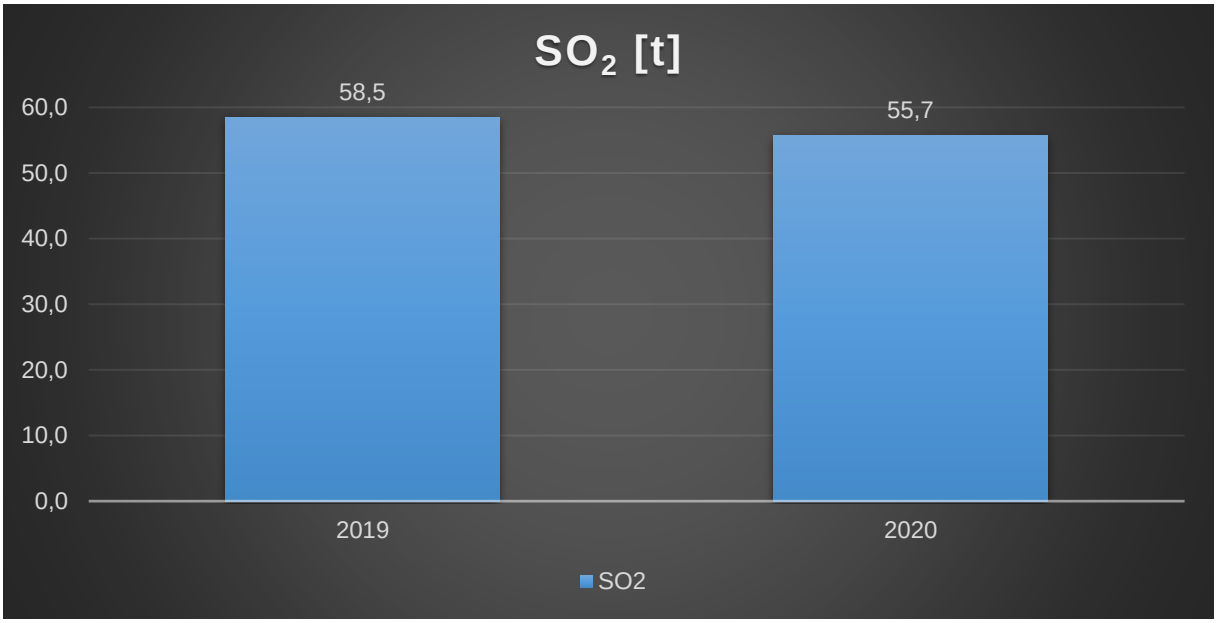
TIAG has an extensive environmental monitoring system, which is an important instrument for monitoring and measuring environmental impacts. Air data is determined by means of continuous and discontinuous measurements. The analyses are carried out by the company's own environmental analysis department and by independent, accredited specialist institutes. An internal reporting system ensures that the management is informed about current developments at regular intervals.

In 2019, dust emissions were 13.3t, NO_x emissions were 34.6t, and SO_2 emissions were 58.5t.

In 2020, emissions of dust decreased to 9.2t, of NO_x to 30.0t, and of SO_2 to 55.7t.


Dust [t]
60,0
50,0
40,0
30,0
20,0
10,0
0,0
13,3
9,2
2019
2020
Dust


NOx [t]
60,0
50,0
40,0
30,0
20,0
10,0
0,0
34,6
30,0
2019
2020
NOx


SO2 [t]
60,0
50,0
40,0
30,0
20,0
10,0
0,0
58,5
55,7
2019
2020
SO2

4.2 Resource efficiency (waste and circular economy, recycling)

[GRI 301-2; GRI 306-1; GRI 306-2; GRI 306-3; GRI 305-5; OI robust supply chains]

Other important topics for Treibacher are resource efficiency, waste - as essential environmental aspects - and in the holistic view the concept of circular economy.

Recycling has been practiced at TIAG for decades, in particular through the recycling track (see chapter 4.2.1 Recycling). Residual materials (e.g. spent catalysts, steel mill slag) are used to substitute primary raw materials in order to obtain supply-critical materials as secondary raw materials. The wastes used have raw material properties and do not lead to any environmentally relevant additional pollution.

There are also by-products of production which, due to their properties or due to their constituents, are used or recycled as internal cycle material or secondary raw materials (e.g. slag formers, fertilizers) in other branches of industry and commerce.

TIAG's experts are constantly working on concepts and possible applications for the residual materials produced, thus helping to conserve resources and capacity at the company's own landfill site in the interests of a sustainable circular economy. This also offers opportunities for potential new business fields.

Conserving resources and avoiding, reducing or recycling waste as far as possible is a top priority in production processes, sometimes also for economic reasons. Waste materials that cannot be recycled are deposited in the company's own landfill site in compliance with the legally required quality standards. Waste that can neither be recycled nor deposited at the landfill site is disposed of by external specialized companies.

The absolute amount of residual waste that was transferred to the company's own landfill site, which was built in accordance with the requirements of the Landfill Ordinance, amounted to 73,484t in 2019 and 71,527t in 2020. In 2019, an additional 1,752t of waste (693t h[1] ; 1,059t nh[2]) was transferred to suitable external disposers. In 2020, the amount disposed of externally was 1,607t (604t h, 1,003t nh). All data are recorded automatically, consolidated monthly and reviewed internally.

Table 2: Overview of waste quantities generated

	2019		2020	
Total amount	75,236.9	t	73,135.2	t
Total nh	74,543.8	t	72,530.2	t
Total quantity h	693.1	t	604.9	t

4.2.1 Recycling

[GRI 102-9, GRI 301-2; OI robust supply chains, GRI 306-1; GRI 306-2]

4.2.1.1 Resource scarcity & importance of secondary raw materials

Since Austria has few bulk mineral resources, the chemical and metallurgical industries in particular are very dependent on primary raw materials from all over the world. However, these are not always available in unlimited quantities. In addition, there are countries that have

[1] h = classified as "hazardous"
[2] nh = classified as "non-hazardous"

monopoly positions in the mining of these materials (e.g. rare earths) and can accordingly dictate the world market by the quantity available (including through export restrictions), which has a direct impact on purchasing and selling prices. Thus, the use of secondary raw materials is becoming increasingly important.

The associated reduction in negative impacts on nature should also not go unmentioned, now that these secondary raw materials do not have to be extracted from primary sources (e.g. mines). This reduces the use of chemicals involved in the extraction of primary raw materials, as well as the energy used in the process, resulting in CO_2 savings. These savings also occur through the reduction of transport movements (see following chapter).

4.2.1.2 Treibacher Recycling Process

For Treibacher, the use of secondary raw materials has been a central issue for years. Already more than 40 years ago, it was started to recover the metals vanadium and molybdenum, which are important for Treibacher, from residual materials in a specially built recycling plant. Many years ago, the plant was then adapted to the recycling of a very specific product, namely metal-containing spent catalysts from the petroleum industry. This conversion was very challenging in terms of process engineering. However, the results are impressive: Of the approximately 20,000 tons of spent refinery catalysts used in the Treibacher recycling process, more than 99% are recycled, which means that less than 1% of residual materials have to be landfilled. This makes Treibacher Industrie AG the market and technology leader in Europe in this area.

The materials obtained in the process - above all the metals vanadium, nickel and molybdenum, which are important for the company - are processed internally in a further production plant to produce high-quality ferroalloys for the steel industry. As a result, several thousand tons of primary raw materials can be saved per year for this alloy production, since around 500,000 tons of ores would have to be mined per year. In this case, just under 470,000 tons would have to be landfilled again. This corresponds to a volume of around 24,000 truckloads, i.e. around 100 truck deliveries per working day.

Secondary raw materials for ferro-alloys are also obtained from vanadium-containing steel mill slag in another plant at the site, which is processed internally in a fourth plant. In the area of its metallurgical operations, Treibacher is therefore very strongly focused on recycling processes. From the company's point of view, recycling in this form makes ecological and economic sense. This forward-looking technology is in line with the objectives of the EU's Green Deal with regard to more efficient use of resources and a circular economy. This is because vanadium is listed as a supply-critical raw material in the EU[3].

However, not only the saving of primary resources is a positive aspect of recycling, but also the utilization of accruing energy and chemicals in the recycling process. Among other things, the process heat is used to generate steam for various internal production processes and for heating the buildings on the plant site (see chapter 4.2.2 Energy).

[3] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the 2017 EU Critical Raw Materials List (2017), p. 7 (https://ec.europa.eu/docsroom/documents/42859/attachments/1/translations/en/renditions/pdf).

TREIBACHER RECYCLING PROCESS

REFINERIES (EUROPE)

Spent, metal-containing catalysts from the oil industry

~~Disposal in a landfill~~

Catalyst

Contents:
Vanadium, Molybdenum, Nickel, Sulphur

Carrier material:
Aluminiu moxide (Al_2O_3)

TREIBACHER INDUSTRIE AG

Energy supply (natural gas) minimal, as adhering oil is used as the main energy supplier

TREIBACHER

Roasting of the catalysts

Sulphur

Converted to an operating material required within the plant

Steam

Used throughout the plant for processes and heating

Internal utilisation

Vanadium (V)
Nickel (Ni)
Molybdenum (Mo)

Aluminium oxide

Converted to Calcium-Aluminate (Calumet®) and sold

Residuals

<1% of the materials must be disposed

TREIBACHER

Production of ferro alloys

Alloys for refining of steel
(ferro vanadium, ferro molybdenum, ferro nickel molybdenum)

STEELWORKS

Production of steel

Production of different, high quality steel grades

TOOL MANUFACTURERS / CAR MANUFACTURERS / CONSTRUCTION COMPANIES

Use of the steel

Production of tools, cars & building skyscrapers

4.2.1.3 Dependence on global supply chains

In addition to the raw materials for the metallurgical operations, Treibacher Industrie AG is dependent on large quantities of raw materials for its broad product portfolio in the manufacturing processes, which it purchases worldwide. Especially in the area of rare earths, however, China is the main supplier - and alternatives that can supply the company with the corresponding amount of raw materials exist only for certain qualities or elements. Treibacher shares this dependence on China with very many European companies. The problems that can arise from a worldwide crisis in relation to global supply chains were clearly demonstrated to us by the Corona crisis. In addition to a sufficient safety stock of raw materials, Treibacher also stocks up early each year on sufficient raw materials due to the Chinese New Year festival in order to survive the shutdown of production in China during this time without danger. This circumstance also benefited the company during the COVID 19 pandemic in 2020.

But even outside such times of crisis, political uncertainties in some countries play a significant role in potential problems in global supply chains.

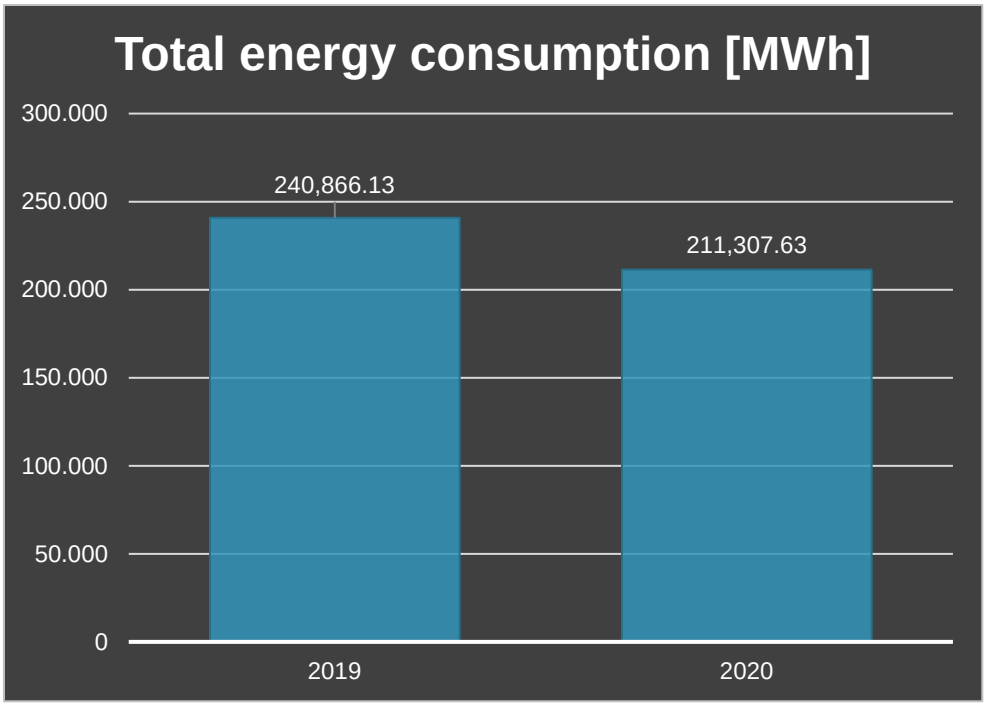
From Treibacher's point of view, greater independence from individual countries outside Europe and the associated global supply chains is definitely something to aim for. The metals vanadium, molybdenum and nickel, which are important for the company, would also come from non-European countries as primary raw materials, while the spent catalysts, from which secondary raw materials are created in the Treibacher recycling process, originate from Europe. Therefore, almost 90 million euros will be invested in a replacement plant for the existing recycling plant in the coming years.

4.2.2 Energy

[GRI 302-1]

TIAG belongs to the energy-intensive industry sector, as the specific energy consumption of numerous products is high.

TIAG's total energy consumption (natural gas, electricity) was 240,866,134kWh in calendar year 2019, and 211,307,627kWh in 2020, with vanadium oxide production being the largest consumer of all production.

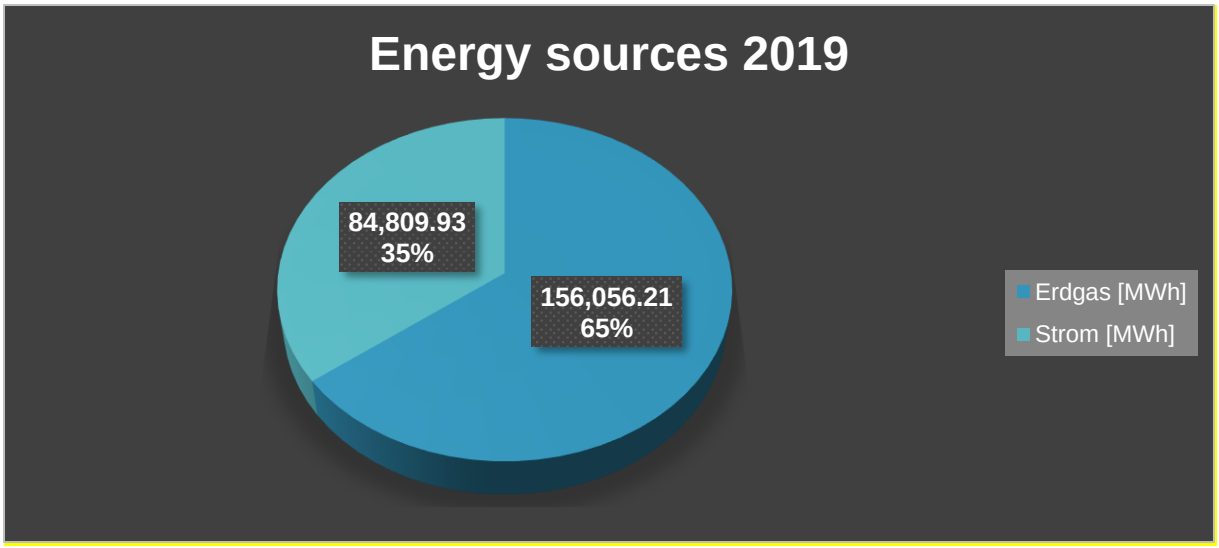


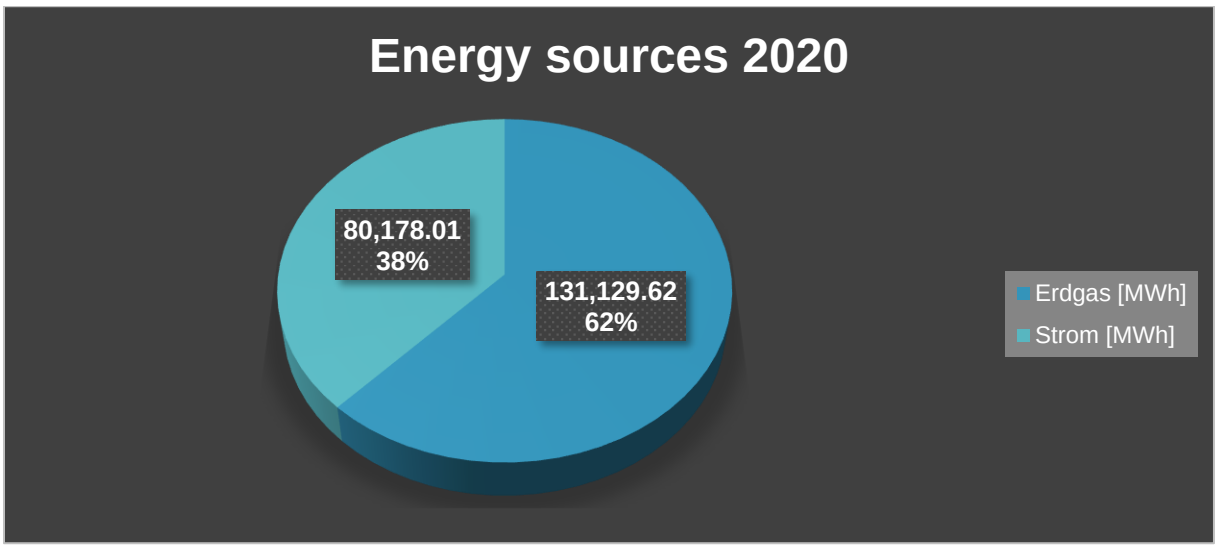
Treibacher has a central process data acquisition system via which the essential operating parameters (in addition to energy consumption, also flow rates, temperatures, pressures, volume flows...) are recorded and can be retrieved online. The data can thus be statistically evaluated and checked for plausibility by means of calculations. This ensures that the data is representative for all operating conditions of a year.

However, TIAG is not only a consumer, but also an energy producer. A recycling plant is operated at the site (see chapter 4.2.1.2 Treibacher Recycling Process), in which spent catalysts from the petroleum industry are processed. The necessary roasting process generates waste heat, which is used entirely as process heat in the company's other production facilities. The energy is mainly used in wet chemical processes in detergent and vanadium oxide production.

However, the most important energy source is natural gas, which is required for the roasting and processing of steel mill slag containing vanadium. In addition, there are also high-temperature processes (reduction furnaces for tungsten powder production, rotary kiln for rare earth production), whereby the furnaces required for these processes are fired with natural gas. For products manufactured by wet chemical syntheses, natural gas is required as burner gas for various drying and reduction furnaces.

Another important energy source is electricity. The electrical energy is mainly required for the numerous drives, electrically heated furnaces and several electric arc furnaces. A not insignificant part is used for environmental equipment (exhaust air purification systems, wastewater treatment).





A natural gas cracking plant for the production of hydrogen is also operated at the site, as hydrogen is required as a reducing agent in production.

The issues of climate protection and decarbonization are increasingly coming to the fore and posing enormous challenges for industry and the economy. In the medium term, this can only be achieved with a strong change in technology, with green hydrogen in particular offering an alternative to conventional fossil fuels, according to many experts.

As one of the first steps in this transformation process, there are concrete considerations to invest in an electrolysis plant that is to be operated exclusively with green electricity instead of the upcoming general renovation of the existing plant for hydrogen production. In this context, there are also initial plans for the installation of a PV system, whereby up to 3 MW can be installed on the available areas.

Since energy consumption is a significant cost factor for TIAG, TIAG's experts are constantly working to use energy as efficiently as possible and to find corresponding savings potential. In accordance with the Energy Efficiency Act, two comprehensive energy audits have already been carried out and numerous potentials have been identified. However, development

projects are still necessary in many cases for implementation, as most of the potentials require conversions or adjustments in the chemical process flows.

In the case of replacement investments, too, the extent to which corresponding optimizations in energy consumption are possible in the course of implementation is examined on an ongoing basis.

The following projects have already been implemented or are in the process of being implemented:

	Savings in MWh/a	**CO_2 savings in t/a [4]**
Utilization of waste heat Hollow shaft cooling air of the deck furnace	2,430 Natural gas	530
ARA VO	1,150 Current[5] 2,350 Natural gas[6]	320 510
Waste heat recovery deck furnaces	6,410 Natural gas	1,400
Process conversion of the wastewater plant	6,700 Natural gas	1,460
Thermal utilization of hydrogen	2,000 Natural gas	440
Total savings	**21,040**	**4,660**

The projects were submitted to the domestic environmental funding, partly co-financed by the Regional Development Fund (ERDF). A description of the ERDF-funded projects can be found on the Treibacher website.

However, Treibacher not only makes a positive contribution to energy efficiency in the manufacturing process, but also through some Treibacher products. For example, ceramic high-temperature coatings make aircraft turbines more heat-resistant, allowing them to be operated more efficiently and thus contributing significantly to CO_2 reduction (see chapter 2.1 Research & Development).

[4] Conversion factor see Federal Environment Agency (https://secure.umweltbundesamt.at/co2mon/co2mon.html)
[5] Annual electricity consumption of approx. 160 single-family households (7,200 kWh per single-family household according to Klimaaktiv.at, as of September
[6] Annual average gas consumption of 1420.7 100 m² apartments (14,000 kWh per 100 m² apartment, see Durchblicker.at)

4.2.3 Water management

[GRI 303-1, GRI 303-2, GRI 303-3]

Water is an indispensable auxiliary and operating resource for many of Treibach's production processes. This also requires a careful and sustainable use of the resource water, taking into account the local conditions.

TIAG has its own drinking water well, with water being drawn from a powerful aquifer. The well water is mainly used as process water in wet chemical processes. Smaller quantities are used as cooling water. However, the main volume of cooling water is taken from the local Gurk river, which flows directly through the plant site, and returned to it chemically unchanged, except for the permissible thermal load.

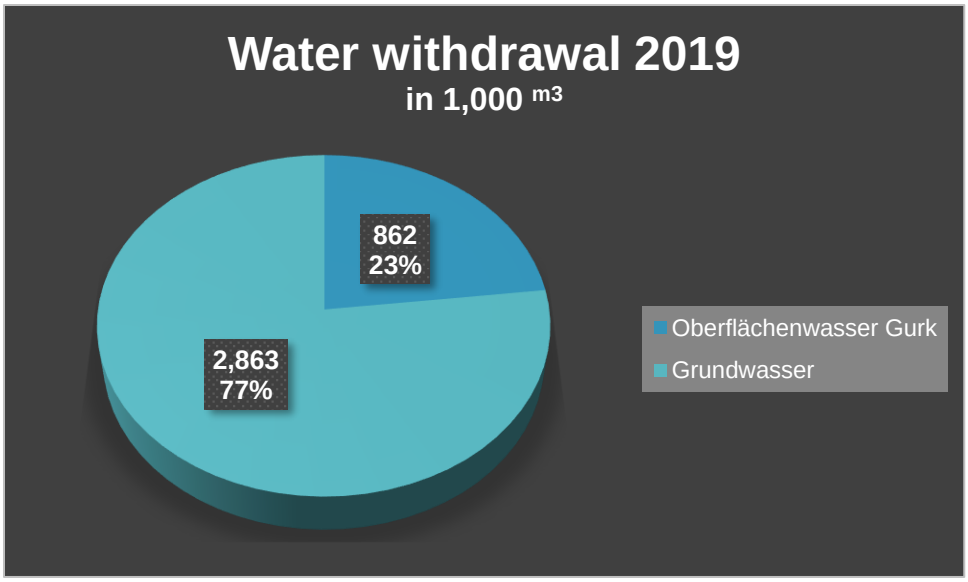
In addition, demineralized water is required for steam generation and the production of high-purity chemicals, for which the well water must be treated accordingly.

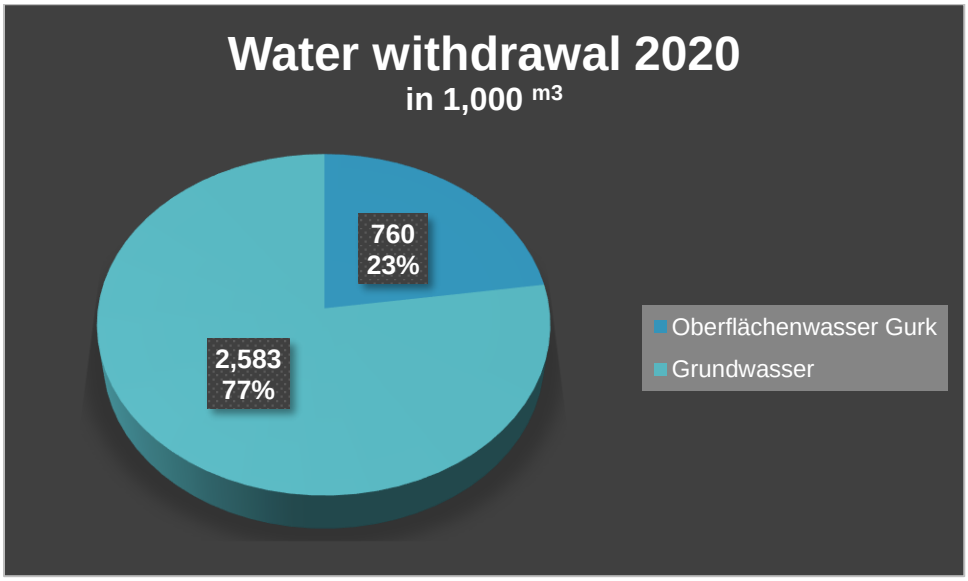
In the interests of optimum use of water and energy efficiency, part of the process water is previously used as cooling water. In this way, the energy content can be optimally used for processes that have to be operated at elevated temperatures, and the overall efficiency can be increased. For example, the waste heat of the exhaust air from the deck furnaces in vanadium oxide operation is used entirely to heat the process water. For this purpose, the exhaust gas cleaning system had to be rebuilt (see chapter Energy and ERDF-funded project on the Treibacher website[7]).

Another project to conserve water resources was implemented in the detergent production plant. In order to reduce the volumes of cold and hot water circulating in the plant, a heat pump was used to implement a circulation system, which significantly reduced the volumes of fresh water.

For operational purposes, approximately 3,725,804 m³ of water was withdrawn from the Gurk river and well in 2019 and approximately 3,343,064 m³ in 2020. For the entire reporting period, the share of groundwater withdrawn was 23% (2,863,332 m³ in 2019 and 2,583,136 m³ in 2020) and water from the Gurk River was 77% (862,472 m³ in 2019 and 759,928 m3 in 2020).

[7] https://treibacher.com/de/unternehmen/umwelt-sicherheit/umweltrelevante-efre-projekte.html





Wastewater treatment

The process waters are mainly used for the extraction of valuable substances and, to a lesser extent, for the production of product solutions. Accordingly, wastewater is produced which must be treated in accordance with strict legal requirements. This is done in the company's own wastewater treatment plants. In addition, the seeping water produced at the company's own residual waste landfill is also treated in the wastewater treatment plants.

Through all these measures, Treibacher ensures that no untreated water is released into the environment and that the resource water is used as efficiently and responsibly as possible.

5 Compliance

Treibacher Industrie AG understands compliance to be not just adherence to standards, laws and regulations, but also to principles, values and standards that guide the behavior of its employees.

5.1 Values, principles, standards and norms of conduct

[GRI 102-16]

TIAG has defined a large number of standards of conduct for all its employees, which are intended to help avoid such misconduct and to create or maintain trust among the stakeholders concerned.
These rules of conduct and principles are integral parts of Treibacher's corporate culture and are binding for all Treibacher employees.

First and foremost, the principles of how Treibacher employees treat each other, their company and their business partners can be found in detail in TIAG's **Leadership Principles.**

As a **guiding principle,** TIAG has a **Code of Conduct that** applies equally to employees as well as suppliers and partners, and which helps to maintain the high standard of compliance. This defines how **business is** to be conducted in an **ethical** and **socially responsible** manner. In combination with the respective **management principles** and **quality, safety and environmental guidelines, standards and directives** are defined to ensure **respectful** and **dignified treatment of employees, safe working conditions** and a **sustainable approach to the environment.**

Further commitments and principles for sustainable economic and ecological development can be found in the Integrated Management Manual (IM Manual). The IM handbook describes the scope and content of the management systems including sustainability management. Important topics here are responsibility towards the environment and all stakeholders, satisfaction of stakeholders and employees, and management principles.

Full documents can be found at:

- Mission/Vision
- Code of ethics and conduct
- IM Manual

5.2 Legal Compliance

[GRI 102-11]

As one of the largest industrial companies in Carinthia, TIAG considers itself responsible for conducting all of its activities in accordance with legal regulations and fundamental ethical values.

Compliance with laws, regulations, guidelines and internal requirements (work instructions, procedural instructions, code of conduct) is ensured at Treibacher Industrie AG through various measures and is also ensured - depending on the legal matter - by various bodies within the company.

Treibacher Industrie AG operates several IPPC[8] plants and Seveso plants[9] at the Althofen site. Thus, internally a focus is placed on compliance with environmental law and on safety in the company.

The company's environmental management system ensures that all corporate activities comply with and meet the highest environmental standards in order to implement the specifications of the company's management as well as the official and legal requirements with regard to environmental protection.

5.3 Compliance with environmental regulations

[OI Risk Management; GRI 102-13; GRI 307-1; GRI 403-7; GRI 419-1]

Treibacher Industrie AG is certified according to ÖNORM EN ISO 9001 and ÖNORM EN ISO 14001 and has a comprehensive environmental program in which environmental goals have been defined for the company.

In order to comply with **environmental regulations** (Austrian and European waste law, trade regulations and trade law ordinances, etc.), the services and software of the company GUTWINSKI MANAGEMENT are also used. Treibacher is thus informed about legal changes on a weekly basis.
The legal register in the GUTWIN software is updated at least once a year to check which laws/regulations have expired or which have been newly enacted.

In the reporting years 2019 and 2020, no cases of non-compliance with various laws (incl. environmental protection laws) and/or regulations were identified. As a result, there were also no fines or gross deficiencies in the course of inspections by authorities (e.g. environmental inspection).

Furthermore, through active participation in committees and exchanges of experience in the bodies of the professional association for chemistry, the professional association for non-ferrous metals or in the Carinthian Chamber of Commerce, legal developments are monitored in order to be able to react promptly.

Internal work instructions specify, for example, how to prepare submission documents or how to proceed internally in the case of changes in commercial law that do not require notification. All submissions to the authorities are handled by the Health, Safety, Environment and Quality Management (HSE&QM) department.

[8] IPPC: Integrated Pollution Prevention and Control
[9] Seveso establishment: Seveso establishments are establishments in which hazardous substances may be present above certain substance-dependent quantity thresholds.

The tasks and notices to be complied with are managed and continuously updated in the GUTWIN software. The responsible persons or the responsible representatives are written down in a work instruction and in a list.

Verification of compliance with internal instructions and other legal requirements takes place during management reviews and through internal audits.
Employees are instructed or informed about new procedures by means of training courses. Verbal training, departmental meetings or software (UWEB) are used for this purpose.

Another important topic for TIAG is chemicals law. Companies that place chemicals (substances or mixtures) classified as hazardous on the market or use them in production must comply with the requirements of the European Regulation "Registration, Evaluation, Authorisation and Restriction of Chemicals" (REACH). It was enacted to improve and sustainably ensure the protection of human health and the environment from the risks that can arise from chemicals. The task of in-house chemical management is to ensure that all national, European and international chemical regulations and application-specific laws and specifications are recorded and monitored. The experience gained under REACH is also used globally to meet new or additional legal requirements (see also chapter 3.2 Product responsibility, quality and safety).

An internal staff unit is responsible for the company-wide organization of patents, utility models and trademarks.

Experts or responsible persons have also been appointed internally for compliance with customs law and for compliance with accounting regulations.

A dedicated legal department (a lawyer is on site several times a week) is available to deal with all legal issues within the company, particularly those relating to contract law, non-disclosure agreements and competition law.

Essentially, the measures described above

- An assessment of the environment and compliance risks (identification of obligations).
- the definition of responsibilities and competencies,
- a systemic management and control measure (see internal regulations such as work instructions and code of conduct),
- a training of employees and information sharing to employees,
- a monitoring through e.g. internal audit and management reviews.

6 Employees

Highly qualified employees are Treibacher's most important resource. As a large industrial company with approximately 800 employees, personnel management plays a central role at Treibacher.

Employees in numbers

[GRI 102-8]

797 people were employed by TIAG in 2019 *(694 TIAG, 74 TPS, 16 MIGU and 13 ETG)*. In 2020, despite the difficult economic situation, the number of employees remained at 772 *(680 TIAG, 68 TPS, 14 MIGU and 10 ETG)*, down only 3.25% from 2019.

As a rule, new employees are given fixed-term contracts, although the aim is always to take these employees on as permanent employees. The proportion of fixed-term employees was around 10% in 2019 and around 7% in 2020.

We also offer our employees part-time models, which are mainly used by women. In 2019, 70 and in 2020, 73 employees were in part-time employment, with the proportion of women here being just under 90%.

Table 3: Summary of information on salaried employees and other employees

	2019	**2020**
Total number of employees - **temporary**	81	57
Thereof **men**	64	44
Thereof **women**	17	13
Thereof in **AT***	81	57
Total number of employees - **permanent**	716	715
Thereof **men**	556	555
Thereof **women**	160	160
Thereof in **AT***	716	715
Total number of employees - **full-time**	727	699
Thereof **men**	612	592
Thereof **women**	115	107
Total number of employees - **part-time**	70	73
Thereof **men**	8	7
Thereof **women**	62	66
TOTAL Men	620	599
TOTAL number of women	177	173
TOTAL NUMBER of employees	**797**	**772**

*Figures include TIAG, TPS, MIGU and ETG

In addition to the total number of employees, we also employ temporary workers who are usually taken on after two years. The number of temporary workers depends on the order volume of the respective companies and internal departments.

6.1 Employee satisfaction

[GRI 102-41]

Highly qualified employees from all disciplines are TIAG's most valuable resource and form the basis for all successful entrepreneurial activities. The focus is on retaining employees in the long term. Especially in the competition for the best specialists, TIAG therefore strives to be perceived as an attractive employer. In addition to fair remuneration (all employees are paid in accordance with the applicable collective bargaining agreement depending on their job and qualifications), there are a large number of attractive offers and additional benefits:

- Flexible working hours (flexitime, teleworking)
- Employee participation in the company's success
- Travel allowances
- Higher anniversary bonuses
- Offers of occupational health care
- Plant sports communities
- Opportunity for further training through extensive continuing education program
- Balanced and affordable lunch in factory canteen
- Employee events
- Measures to reconcile work and family life

The issue of family friendliness in particular plays a major role for many employees and is a reflection of the increasingly changing world of work.

The fact that Treibacher is fundamentally an employee-centric company is reflected in the loyalty of its employees to the company. Over the past seven years (2013-2020), 64 employees have been honored for 25 years of service, 87 employees for 35 years and 28 employees for 45 years.

Parental leave - Reconciliation of work & family life

[GRI 401-3]

Treibacher Industrie AG always strives to find individual solutions for its employees in order to be able to reconcile private and professional life in the best possible way and to meet all requirements.

For this reason, Treibacher offers its employees a variety of options such as flexible working hours, flextime models and the possibility of home office, which can be used differently and individually in the individual areas, depending on the agreement with the manager.

In 2019, 20 female employees were on parental leave. In 2020, the number of women on parental leave was slightly higher at 22, accounting for 12.7% of the total number of female employees.

Table 4: Summary of parental leave at TIAG

Parental leave	**2019**	**2020**
Total number of employees entitled to parental leave	70	79
Thereof **women**	22	27
Thereof **men**	48	52
Total number of employees who took parental leave	27	30
Thereof **women**	20	22
Thereof **men**	7	8
Total number of employees who returned to work within the reporting period after termination of parental leave	15	19

Thereof **women**	8	11
Thereof **men**	7	8
Total number of employees who returned to work after completing parental leave and were still employed twelve months after returning to work	14	17
Thereof **women**	8	9
Thereof **men**	6	8

Several men (7 in 2019 and 8 in 2020) also took advantage of paternity leave or the paternity leave month, and a return rate of 100% shows that these models are also supported and promoted by the company and are very positively received by employees.

Table 5: Summary return rate[10]

Return rates	**2019**	**2020**
Return rate - women	40%	50%
Return rate - men	100%	100%
Return rate - total	56%	63%

Table 6: Summary retention rate[11]

Retention rates	**2019**	**2020**
Retention rate - women	40%	41%
Retention rate - men	86%	100%
Retention rate - total	52%	57%

TIAG strives to stay in touch with employees who are on parental leave/maternity leave and to help them not to lose touch with the company. With this motivation and the goal of informing them about the latest developments in and around the company, a first parental leave breakfast was launched in 2019.

This includes information about the company as well as expert presentations on child development and nutrition.

The high number of participants (13 out of 17 invited) and the positive feedback showed that this novel event was very well received. Unfortunately, the maternity breakfast had to be suspended in 2020 due to health safety risks (COVID-19).

In addition, all young mothers and fathers receive a baby package from the company for the birth of their child.

This package includes, in addition to a colorful variety of products that the newborn may need, its own baby romper printed with the company logo to welcome the Treibacher Next Generation worthily.

[10] The return rate indicates how many employees returned to the company after their respective maternity leave (paternity leave).

[11] The retention rate describes the percentage of employees who went on maternity leave (Papamonat) who continued to work at the company 12 months after the end of their maternity leave (Papamonat).

6.2 Employee development, training and continuing education

[GRI 404-1]

As training and further education is an essential topic at Treibacher and is pushed, TIAG annually compiles a course book with a wide range of courses and further education opportunities for all areas.

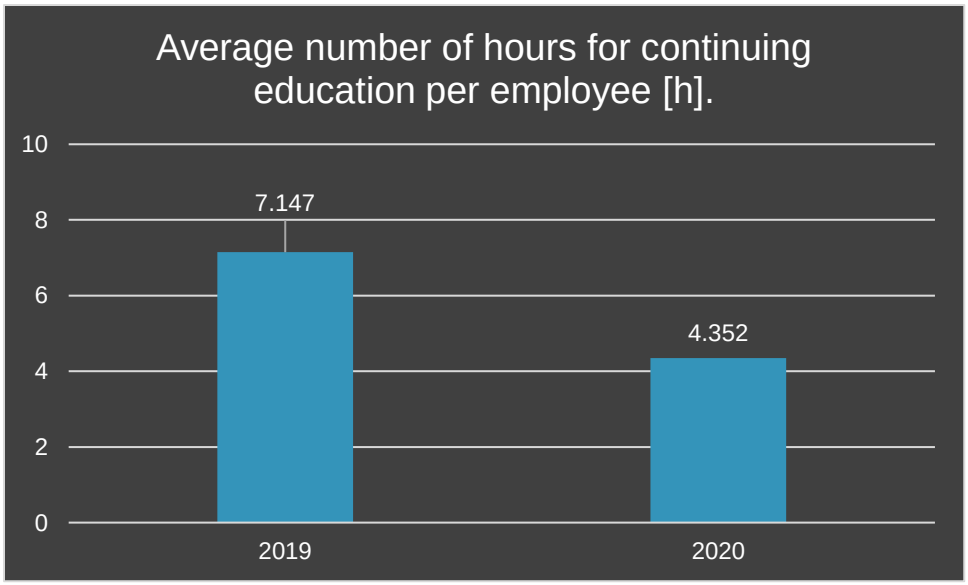
Based on the Treibach competence model, the Treibach seminar program is divided into the following five competence areas and, with over 50 courses, includes a wide range of offerings for all divisions, departments and areas of responsibility:

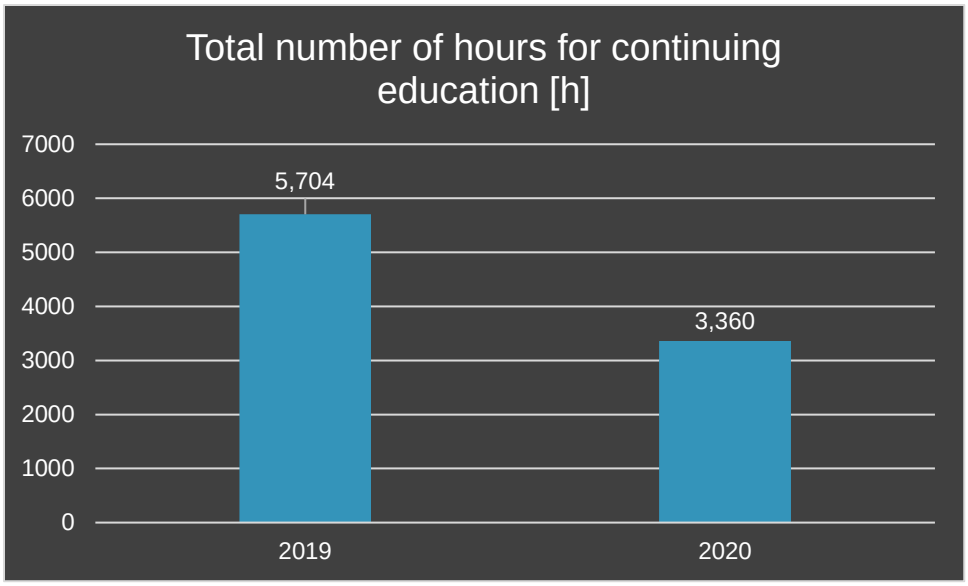
- Professional competence - "subject" (professional, job-related further training)
- Personal competence - "I" (individual, personal training)
- Methodological competence - "way of working" (further training for specific working techniques, tools)
- Social competence - "Group" (further training for interaction with others)
- Tools of personnel development - (advanced programs for the individual professional career)

Participation in these courses is coordinated in the course of the annual employee appraisal and planned and implemented by the HR department (HR development) in the following months. Additional, individually adapted offers/courses (special courses, individual seminars, ...) for employees can also be submitted to the HR department at any time by means of a training application.

In 2019, a total of 121 training days took place, in which a total of 713 employees participated. This means that around 80% of all employees attended a course/training in 2019 and thus made a significant contribution to building up knowledge and know-how in the company.

In 2020, there were significantly fewer, with 73 training days and 420 employees participating, due to the prevailing Corona pandemic. The following figure shows the further training expenditure of Treibacher employees recorded by the HR department.





The internal "Monday Academy" rounds off TIAG's training and development offering and, with its workshops, is a fixed component of the corporate strategy.

These workshops take place regularly, always on Mondays between 1:00 and 5:00 p.m., and always offer employees and managers a selection of workshops on current trend topics (e.g. teamwork, leadership in the field of tension between generations, etc.).

Work is also currently underway on an e-learning project to offer employees a range of courses independent of time and location. In the current situation (COVID 19 pandemic), this could also bring the advantage of still being able to hold courses and thus increase the level of training for employees.

The "Treibacher Mentoring Program" (TIM) is also an important part of the company policy. This concept includes various programs to accompany and support new employees when they join the company (and also in the long term), as well as for the personal and professional development of long-serving employees or for passing on technical and interpersonal skills.

High quality & excellent apprentice training

In order to meet the increasing digitalization and tougher competition for well-trained specialists on the labor market, a modern training center was built at the Althofen site in 2018. A total of almost 2.4 million euros was invested in the construction of this training center, in which all technical apprenticeships of Treibacher Industrie AG are now united under one roof.

One reason for this training center was to improve the coordination of the various apprenticeships in terms of congruent content. For this purpose, the technical training centers were united under one roof. As part of the realization of this project, an existing building was converted accordingly. Training workshops, additional machine stands and the implementation of a needs-based IT infrastructure as well as the construction of a state-of-the-art process engineering and pilot laboratory were also implemented in the course of the large-scale project. In addition, a new building was erected to house the necessary training, social and sanitary rooms.

State-awarded apprenticeship training

Since 2014, Treibacher has been allowed to bear the national emblem for state-awarded companies as well as that for state-awarded training companies. Among other things, the professional training of the almost 60 apprentices in the various apprenticeships at Treibacher was recognized. In addition to these apprenticeships and the possibility of completing them with a general qualification for university entrance, the apprentices are taught the practical content in the company's own training workshops. In addition, the apprentices are trained in the area of social skills as well as in additional training modules within the framework of an apprentice academy.

In order to increase the quality of apprenticeship training not only within the company, but throughout Carinthia, several training companies have joined together to form a training network. Here, for example, at Treibacher apprentices are trained in the area of chemical laboratory technology from the companies W&P Zement GmbH, Donau Chemie AG, Evonik Peroxid GmbH and Veitsch Radex GmbH & Co. OG, among others.

Preparation for the final apprenticeship examinations for chemical process engineering as well as the examination itself also take place at Treibacher Industrie AG.

6.3 Occupational safety & employee health

[GRI 403-1; GRI 403-2]

Occupational safety & health are fixed components of Treibacher's corporate culture and firmly anchored in the company's integrated management. Treibacher works intensively on the continuous further development of operational employee protection, whereby the main focus of activities in this area is on prevention, with the aim of preventing occupational accidents and work-related illnesses in advance. Central elements here are the comprehensive identification of work-related hazards and their evaluation within the framework of risk assessments, the effective training and further education of all employees, and the promotion of safety- and health-conscious behavior.

Professionally organized and fully integrated!

[GRI 403-1; GRI 403-2; GRI 403-3; GRI 403-4; GRI 403-5]

The internal organization ensures that **all employees** - from management and executives to administrative staff, production employees and employee representatives - are involved in the topic of occupational safety & health. Within the Health, Safety, Environment & Quality Management (HSE&QM) department, two safety specialists, two occupational physicians (external) and an occupational psychologist (external) are tasked with continuously optimizing operations and all internal processes with regard to occupational safety & health, providing support and advice to all employees and promoting company-wide cooperation. Another

important task is the introduction of uniform measures to sustainably reduce accident frequency. In the operating areas, more than 10% of employees are trained as safety officers. If something does happen, there are numerous first-aiders and an in-house first-responder service, which currently includes five employees with valid paramedic training. These employees are alerted in the event of an emergency at the company and move out to the scene of the emergency with a rescue backpack to provide first aid until the emergency services arrive.

Employee participation is encouraged and supported by management and executives. In addition to personal discussions, various options and tools are available for contributing ideas and reporting events and identified hazards. Examples include the company's suggestion scheme and the Shiftconnector. The information chain is also guaranteed throughout. The company newspaper, the intranet and an intranet-based training and information system (UWEB) are available here. In addition to the annual meeting of the Occupational Safety Committee (69 members), the topics of occupational safety & health are dealt with in regular management meetings, departmental jour fixes, and plant and shift meetings. Furthermore, all employees are integrated into the company UWEB, with the necessary training topics being developed and defined by the divisional managers in consultation with the preventive specialists.

Health as the highest good

[GRI 403-3; GRI 403-6]

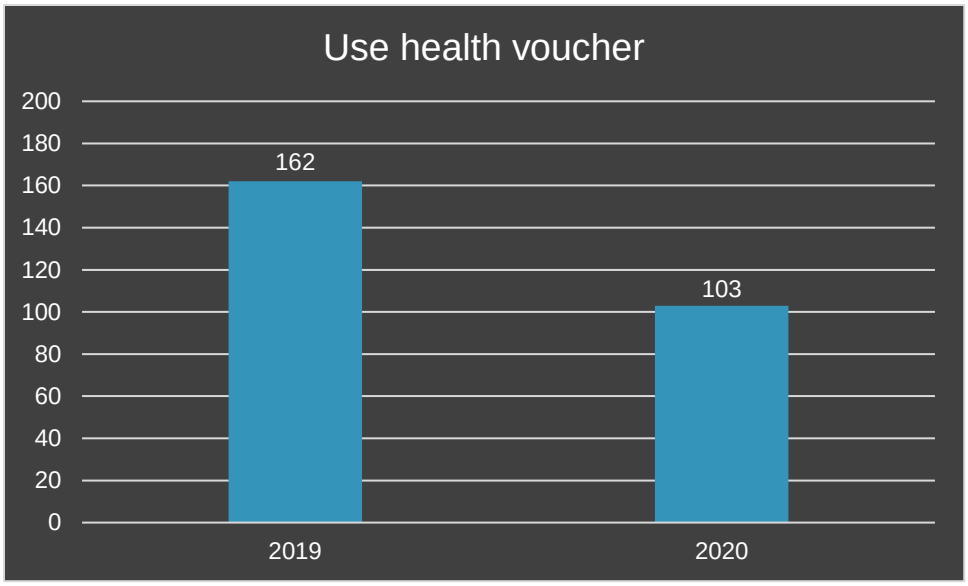
The health of its employees is of great concern to Treibacher Industrie AG. Therefore, the company continuously invests in health promotion and health maintenance. In addition to classic occupational medical care, the company operates a company physician's office where occupational health physicians are present for employees at least once a week. In addition, a health program and a vaccination program are offered as part of workplace health promotion.

The health program includes offers with which employees can consolidate and maintain their health in the long term through preventive physical and mental training. For the most part, Treibacher works together with regional partners. The offers range from classic fitness training, physiotherapy, shiatsu and yoga practices to nutritional counseling, smoking cessation and psychological counseling.

The internal vaccination program offers vaccinations that employees can take advantage of either free of charge or by sharing the costs. Vaccinations that are included in the annual vaccination program are, for example, the TBE vaccination and the flu vaccination.

Participants in the health program

The participation rate in the health program is around 22% per year. In 2020, there was a drop of around 37% compared to 2019 due to the regulatory measures associated with the coronavirus.


Use health voucher
200
180
160
140
120
100
80
60
40
20
0
162
103
2019
2020

Occupational accidents

[GRI 403-9]

Comprehensive incident analyses are carried out after occupational accidents and appropriate measures are derived. The accident statistics prepared annually are also used for the overall assessment of the types of injuries and accidents. No fatal occupational accidents occurred in 2019 and 2020. The main accident types for these reporting years were the use of hand tools and simple equipment, and tripping and falling. This represents more than 50% of all accidents. Accordingly, the body parts affected by injuries are predominantly the arms and hands, as well as the feet and legs. Here, the share of total accidents is more than 75%. Accident types typical for the sector, such as irritations/corrosion and burns, were successfully minimized by implementing a wide range of measures.

Table 7: Extract from accident statistics

	2017	2018	2019	2020	Change from previous year in %.
Employees					
Employees - total	**671**	**716**	**725**	**701**	**- 3.31**
thereof salaried employees	337	351	362	355	- 1.93
thereof apprentices	47	52	58	55	- 5.17
thereof blue-collar workers	287	313	305	291	- 4.59
Working hours					
Hours worked	**959,817**	**1,002,674**	**1,023,058**	**970,319**	**- 5.16**
Occupational accidents					
Occupational accidents - total	**15**	**16**	**14**	**16**	**+ 14.29**
thereof reportable	11	9	14	14	+/- 0
thereof not reportable	4	7	0	2	+ 100.00
Accident figures					
Accident rate (accidents per 1,000 employees)	22,35	22,35	19,31	22,82	**+ 18,18**
Accident frequency (accidents per million hours worked)	15,63	15,96	13,68	16,49	**+ 20,54**
Accident severity (lost hours per occupational accident)	171,98	99,53	87,03	108,84	**+ 25,06**

Behavioral safety - "Leadership through positive reinforcement"

In order to sustainably reduce accident frequency and achieve the internal target of zero occupational accidents, a focus on behavior-oriented safety has been in place since fall 2020. The basic idea is to strengthen safe behavior among employees and promote the development of safe work habits. The central element here is leadership through positive reinforcement. In safety talks (BBS talks), work procedures and work processes are examined and behavior is analyzed together with the employees. The result of these safety talks, which are conducted by all managers, is either the recognition of work-safe behavior (positive reinforcement) or the agreement of arrangements (corrective intervention) that includes safe working practices for the future.

Coronavirus (COVID-19)

The year 2020 was characterized by many innovations and challenges that arose in connection with the occurrence of the coronavirus. These include, for example, the implementation of additional hygienic standards, the provision of sufficient items of personal protective equipment and means of disinfection, and the realization of organizational and technical/structural measures. To prevent the virus from being introduced and spread within the company, an in-house testing station was also put into operation at the end of October, where a total of 846 rapid antigen tests were carried out as part of internal contact person management in 2020. This enabled 15 infected persons to be removed from operational processes at an early stage.

A dedicated internal information page on the intranet kept employees up to date with recommended behaviors and the current internal measures in place.

7 Security and risk management incl. data security

[GRI 102-11, GRI 102-15; OI risk management; OI process and plant security, OI data security].

Safety and risk management is essential for Treibacher Industrie AG. On the one hand, the aim is to make risks that may arise due to the company's activities (production of chemical and metallurgical materials) controllable and to minimize them. On the other hand, the economic risk of a supply failure is counteracted by establishing and maintaining robust supply chains.

7.1 Risk management for critical incidents

TIAG has a comprehensive risk management system in place to identify potential hazards and risks in good time and to avoid or minimize any resulting damage. This deals with all risks along the value chain and fulfills all normative and legal requirements. The interests of the stakeholders concerned (e.g. customers) are also taken into account.

The production of Treibacher products is carried out with complex process engineering plants and processes. In order to avoid and minimize risks for employees, residents and other affected stakeholders, both the plants and the processes, methods and procedures are continuously monitored and improved.

An elaborate plant safety management system has been implemented to prevent environmental risks at the production site. Safety measures for plants and chemicals are derived, implemented and monitored on an ongoing basis.

7.2 Process and plant safety

[OI Process and Plant Safety]

There is also an extensive annual official inspection on the subject of process and plant safety, which did not reveal any serious deficiencies or other violations during the reporting period. In addition, a disaster drill is held regularly in coordination with the regional emergency response authority and the local emergency response organizations in order to identify any weaknesses and implement improvements in the process.

The company's risk-based approach is also reflected in its consideration of critical customers and suppliers, production processes and products, and in the continuous evaluation of value-creating processes.

7.3 Data security and data protection

[GRI 418-1; OI Data Security]

TIAG is fundamentally committed to the careful and responsible handling of data of all its relevant stakeholders (especially suppliers, customers and employees). Advancing digitalization in particular brings new challenges and poses a great risk with regard to the loss or misuse of sensitive data. To counter this risk and to comply with data protection regulations, numerous technical and organizational measures are taken. The aim is to protect sensitive information about products, processes or private data of individuals or to avoid data protection breaches.

To ensure data and information security, an information security management system has been implemented that systematically presents the relevant IT risks, assesses them according

to the state of the art, and derives and implements the optimum measures for dealing with them.

Data protection and data security are anchored in internal guidelines and business processes. In principle, the data is protected by a system with access authorizations for the respective users.

In addition, security systems such as anti-virus, anti-spam, firewalls, NAC (network access control), DMZ (protection against unauthorized access from outside), MDM (mobile device management), etc., as well as various organizational policies are used.

To back up the data, it is stored on a central server and synchronously mirrored in a second data center. A backup of the data is created every day, with selected data also being backed up in a service provider's external data center. With these measures, the risk of data loss due to an unforeseen event can be reduced to an acceptable level.
Treibacher commissions an external service provider to audit the internal security systems on an annual basis. In order to ensure a high security standard, an IT security management and risk management system (IS-MS) has been introduced, which is reviewed at least once a year by an external, independent body. The head of the responsible IT department then reports to the Executive Board at regular intervals on current developments.
In addition to the ongoing revision of the IT security management system, employees are sensitized to handle confidential data with care.

Despite high technical and organizational security standards, data leaks or data protection breaches cannot be completely ruled out. However, no losses of customer data, thefts or data leaks in any other form were identified in the reporting years 2019 and 2020.

The **requirements of the** European **General Data Protection Regulation** and the Austrian **Data Protection Act** are met, among other things, by creating a data protection register with the help of purchased software and an external consultant, which is updated annually.
There is no obligation to appoint a data protection officer for TIAG (no core activity in the performance of processing operations or in the extensive processing of sensitive data or data on criminal convictions or criminal offenses), but a data protection officer and two deputies have nevertheless been appointed.
To date, there have been no inquiries, complaints in the sense of the basic data protection regulation and no control by the data protection authority.

7.4 Robust supply chains, raw material procurement, supplier management

[GRI 102-6, GRI 102-9, OI robust supply chain, GRI 403-7; GRI 308-1; GRI 414-1]

The COVID 19 pandemic in 2020 has relentlessly demonstrated the fragility of global supply chains. For TIAG, which is heavily dependent on international supply chains, securing the supply of raw materials is therefore a top priority and forms the basis for the company's sustainable economic success.

Due to natural deposits or availability, the majority of raw materials (primary and secondary raw materials alike) are sourced worldwide. The supplier map includes, for example, Russian steel producers, European refinery operators, Asian rare earth producers, American metal producers/mining operators and many other raw material suppliers from a wide variety of industries and almost all regions of the world. Regionality plays a greater role due to availability mainly for services and auxiliary and operating materials.

The strong international network of Treibacher Industrie AG is also reflected in the export ratio of its products, which is 84% (of which 87% Europe, 6% Asia and 7% America). The company supplies a wide variety of industries: steel industry, tool industry, automotive industry, aviation industry, electronics industry, medical technology, pharmaceutical industry, consumer goods (detergents) and many more.

Supplier management / Suppliers / Optimization of supply chains

[GRI 403-7]

As an internationally active company, transparency and the enforcement of high standards in the supply chain play an important role for TIAG.

This begins with the selection of suppliers. A new supplier is approved on the basis of defined selection criteria (e.g. ISO certification, acceptance of the TIAG Code of Conduct, conflict-free material, human rights, anti-corruption), and supplier audits can also be carried out if required.

A supplier evaluation is carried out once a year for quality assurance purposes. In addition, ongoing work is carried out with existing suppliers to optimize supply chains with the aim of making them efficient and sustainable. Far beyond the usual supplier audits and responses to supplier questionnaires, there is an ongoing dialog that helps to identify and eliminate any weaknesses in the supply chain.

8 Sustainability Targets

As a globally active but regionally strongly anchored company, Treibacher Industrie AG considers it its duty to comprehensively fulfill its ecological, social and societal responsibilities.

8.1 Vision / Mission

Excerpt from Vision of TIAG

Treibacher Industrie AG is a globally thinking and internationally producing group of companies. Its employees work in several countries around the world - this allows the group to continue to grow.

Innovations are developed together with customers and suppliers, resulting in long-term partnerships. The group consists of independent business units, which ensures a balanced risk situation. Each business unit plays a significant role in its market.

Mission: Innovation is our tradition

We are an Austrian metallurgical and chemical company that operates internationally. We are a competent partner for sophisticated, high-quality product solutions in our diversified business areas. We are a strategically important and reliable partner and create trust through continuity, flexibility, market knowledge and financial stability. We convince through customer proximity, competence and solution orientation. We are open to new ideas and drive innovation. We support our customers' success through a secure supply of raw materials, **efficient production processes** and high-quality products that reliably meet specific quality standards. We stand for **sustainable, resource-conserving production** and act with a full **sense of responsibility towards our stakeholders, our own employees, society and the environment.** We know that our **employees** contribute significantly to the success of our company. We **challenge and encourage them, provide optimal working conditions and a good working atmosphere**.

8.2 Sustainable Development Goals

At a United Nations (UN) summit in September 2015, all 193 member states adopted the "2030 Agenda for Sustainable Development". This plan addresses global challenges and aims to combat poverty, inequality and climate change, among other things. At its heart are the 17 Sustainable Development Goals (SDGs), which emerged from a comprehensive process involving governments, business and civil society.

Treibacher Industrie AG **supports** the following Sustainable Development Goals (SDGs) through ongoing measures and the implementation of various projects:

8.2.1 SDG Goal 1: No poverty

Initiative Auerlicht (food vouchers)

Since 2013, food vouchers have been handed over by Treibacher Industrie AG to the initiative "Team Österreich Tafel - Althofen" every year in December as part of the donation campaign "Auerlicht". These vouchers are distributed to people who - especially before Christmas - are very happy about a financial donation.

The vouchers are provided alternately by Treibacher Industrie AG, the support association and the company's employees.

Since then, a total of 57,875 euros worth of food vouchers from regional retailers have been distributed.

Collective agreement and additional voluntary benefits

All Treibacher employees are remunerated in accordance with the valid collective agreement depending on their job and qualifications. However, Treibacher offers its employees even more voluntary social benefits. Among other things, there is an employee participation in the company's success, travel allowances and higher anniversary bonuses than stipulated in the collective agreement.

8.2.2 SDG Goal 2: Zero Hunger

Initiative Auerlicht (food vouchers)

See "Initiative Auerlicht" in SDG Goal 1: No Poverty

8.2.3 SDG Goal 3: Good health and well-being

“Art at Work" Initiative

As one of the largest industrial companies in Carinthia, Treibacher has made it its business not only to play a significant role in the economy of this state, but also to provide impetus and set the tone in important social areas.

Innovation, know-how, flexibility and creativity - this is what Treibacher Industrie AG stands for, not only in its core business of chemicals and metallurgy. The company also promotes this economic dynamism in the field of culture and art out of conviction.

The initiative "Kunst im Werk" (Art at Work), born out of this impulse, began in 2001 with the basic idea of promoting cultural life in Althofen and, above all, inviting young Carinthian artists to creatively interpret apparent opposites of art and industry.

The project has since grown to include music as a focus of the company's cultural activities.

<u>Fine arts</u>

At regular intervals, Treibacher Industrie AG opens its doors to a selected group of artists. Over a longer period of time, they deal intensively with the company's areas of activity and incorporate their impressions into their projects in a wide variety of ways.

These extraordinary works have already been made accessible to the public in almost 20 vernissages, thus creating a lively platform for exchange and encounter with artists such as Luka Anticevic, Helmut Machhammer, Peter Kohl, Richard Klammer, Michael Kos, Larissa Tomasetti, Ute Aschbacher, Dietmar Franz, Ulrich Plieschnig and many more.

Treibacher is particularly proud of the fact that every year employees also get involved and present their works of art at the vernissages. This not only brings the art to the employees, but also the employees to the art.

Music Art

Since 2007, Treibacher Industrie AG has also been organizing top-class concerts with unusual performers. And right in the middle of the industrial action.

For one day, a historic production hall will be converted for this purpose and a unique stage for musical encounters will be created with a great deal of effort. The conversion of the hall is a real logistical tour de force and only possible with the help of the energetic support of numerous employees.

Until 4 a.m. on Friday, the furnaces in the production hall for ferroalloys are glowing, before they are tidied up, cleaned and rearranged in piecework, because the trucks of the sound, lighting and stage technicians roll in at 12 a.m. already. After just a few hours, the hall shines in a new light and is transformed into the Festival Lounge.

In recent years, we have offered around 500 visitors per concert exclusive and unique experiences from world music of the most diverse musical genres at an international level. Stars such as Nigel Kennedy, Hindi Zahra, The King's Singers, Sarah Ferri as well as an ensemble of members of the Vienna Philharmonic Orchestra, accompanied by the chamber singer Ildikó Raimondi and a dance couple of the youth company of the Ballet Academy of the Vienna State Opera have already performed in Althofen.

In order to increasingly promote still Austrian artists, this concert was moved to a biennial rhythm in 2016, with jazz sessions featuring Austrian artists taking place on the premises of the company canteen in the intervening years.

Employees of Treibacher Industrie AG receive tickets at a greatly reduced price.

For more information, visit www.kunstimwerk.at (German only).

Employee Health

See chapter 6.3 Occupational safety and health

8.2.4 SDG Goal 4: Quality education

Promotion of education in the region (industrial business school Althofen)

Against the backdrop of trends such as Industry 4.0 and digitization, the requirements for new employees have also changed significantly. In order for young people to be equipped for these new challenges in the world of work, an appropriate foundation is needed in training. With the industrial business school, a project that is unique in Austria has been put into practice.

Together with other companies from the region, Treibacher Industrie AG proactively approached those responsible for education and with the 2018/19 school year, this new type of school, unique in Austria, could be launched.

The training focuses on industrial, technology and process management as well as corporate social responsibility and English as a business language. Treibacher supports this pilot project both through technical input in the classroom and through guaranteed internships and learning close to the company. In addition, the modern digital learning infrastructure was provided by the initiator companies at the beginning. After an initial pilot phase, other companies have already joined in, recognizing the unique value of this regional collaboration.

More information at https://www.hak-althofen.at/our-school/schultypen (German only)

Education, training and apprenticeship

See chapter 6.2 Education and training

8.2.5 SDG Goal 5: Gender equality

Treibacher strives to offer equal opportunities for all genders. Nevertheless, women are still clearly underrepresented in the company with a female quota of 21.2%* (2019) and 22.4%* (2020).

Treibacher is trying to counteract this by means of the following measures and initiatives:

- Gender-conscious job advertisements
- Participation in initiatives such as Girls, Apprenticeship, Technology; Girl's Day, etc.
- Increased application for apprenticeships among young women
- Sanitary rooms for women in companies, in the apprentice training center and in the locksmith's shop (this has not been the case everywhere)

Currently about one-sixth of all management positions (2nd management level) held by women.

On the other hand, Treibacher also offers its male employees the opportunity to take parental leave and maternity leave. In the 2019/2020 reporting period, a total of 15 men were on parental leave.

*see consolidated area

8.2.6 SDG Goal 6: Clean water and sanitation

Treibacher products for water purification (drinking water, mine wastewater, pool)

One rare earth element, lanthanum, has the ability to bind impurities in water, such as arsenic and phosphates. This makes lanthanum compounds ideal for purifying drinking water.

Toxic arsenic compounds can be leached out of rocks in nature and thus enter the groundwater. In many parts of the world, such as the USA, South America or Asia, there are high concentrations of arsenic in the groundwater, from which a large proportion of the drinking water in these regions also originates. With the help of a lanthanum compound produced by Treibacher Industrie AG and marketed under the name NXT, arsenic can be bound and the drinking water thus purified. NXT can also be used to purify mine wastewater, which also releases large quantities of arsenic into the groundwater and subsequently into drinking water.

The lanthanum compounds are also suitable for removing phosphates from swimming pools, fountains or water features. In this way, algae and bacteria are deprived of their basis of life, thus combating the causes instead of the symptoms. In this way, algaecides can be reduced or completely substituted.

8.2.7 SDG Goal 7: Affordable and clean energy

TIAG's production processes are largely energy-intensive: The improvement of energy efficiency is already stipulated in the Treibach environmental program. A large number of projects to increase efficiency have been implemented (see chapter 4.2.2 Energy)

The Treibacher recycling process generates a large amount of energy that is used internally. (see chapter 4.2.1.2 Treibacher Recycling Process).

An electrolysis plant powered by green electricity is also being planned for hydrogen production. The green electricity could come from the plant's own PV system (see chapter 4.2.2 Energy).

8.2.8 SDG Goal 8: Decent work and economic growth

Investment in the site

See chapter 2.5 Economic performance

Exemplary working conditions

See chapter 6.3 Occupational safety & health

Cooperation with Caritas Day Workshop Benedikt in Althofen

Treibacher Industrie AG has been supporting Werkstatt Benedikt, a Caritas day workshop in Althofen, since 2008. On the one hand, with annual financial contributions to support the "ARTelier", where the assisted people with impairments can express themselves artistically. And on the other hand, some of the assisted persons are offered the opportunity to become involved in the daily work routine by performing auxiliary activities (e.g. gardening) on the factory premises of Treibacher Industrie AG.

Once a year, Treibacher invites the people in its care to create works of art together with a pedagogically trained artist, which are subsequently exhibited as part of the "Kunst im Werk" concerts and can be purchased by all visitors. After the concert, the artworks will be on display for about a month in the administration building of Treibacher Industrie AG.

8.2.9 SDG Goal 9: Industry, innovation and infrastructure:

Innovation management - generating ideas within the company

See chapter 2.1 Research and development as well as chapter 2.2 Innovation and chapter 2.4 Digitalization

Traffic optimization through new construction of logistic area & infrastructure

A modern logistics center is currently being planned at the expanded plant site to the west of the existing location, which, in addition to making the plant logistically fit for the future, should also relieve truck traffic on one of the main access roads to the town of Althofen. This will have a positive impact on commuter and local traffic. In addition, the new logistics area can also save quite a few truck kilometers in or around the plant premises.

8.2.10 SDG Goal 11: Sustainable cities and communities

Constructive cooperation with the municipality of Althofen [GRI 102-12].

Treibacher Industrie AG is one of the largest employers in the municipality of Althofen and has helped shape the development of the town over the decades. Over the past 120 years, a separate district with housing estates and sports facilities has developed around the Treibacher factory premises, which were originally built or founded by the company. Incidentally, the company name goes back to the name of this plant and settlement area "Treibach".

The company and the municipal government have always worked together very cooperatively. The municipality of Althofen is very progressive and is breaking new ground, especially in terms of electromobility, urban planning and alternative mobility concepts. In this context, all local companies are also included in the planning activities in order to elicit and take into account their needs or those of their employees.

For example, Treibacher Industrie AG plays a significant role in the promotion of electric mobility (e-car sharing), the expansion of the cycle path network and other local projects that aim to make the town of Althofen even more livable.

8.2.11 SDG Goal 12: Responsible consumption and production

Planned replacement investment for existing recycling plant

Construction of a new recycling plant for spent catalysts from the petroleum industry is scheduled to start in 2021. Around 90 million euros will be invested in this.

The new plant will be built using state-of-the-art technology and will be even more environmentally friendly.

This efficient and environmentally friendly recovery of valuable metals contributes to global resource conservation and thus meets the objectives of the European Green Deal.

If the recyclable materials obtained through recycling were purchased as primary raw materials, about 500,000t of ore would have to be mined for this purpose each year. This corresponds to about 25,000 truckloads. (see also chapter 4.2.1.2 Treibacher recycling process).

8.2.12 SDG Goal 13: Climate action

See chapter 4.2.2 Energy

8.2.13 SDG Goal 14: Life below water

Fish ladder

The European Water Framework Directive stipulates that all water bodies in Europe must be continuously navigable for fish by 2027. Particularly in the case of hydropower plants, this is usually not the case. At least not in both directions. Such a hydropower plant - dating back to the times of the founder Dr. Carl Auer von Welsbach - is also located at Treibacher Industrie AG on the Gurk River. It was completely renovated in 2017 and equipped with new turbines. On this occasion, a fish ladder was also designed to enable fish to bridge the power plant with its weir in both directions. Due to the limited space available, a conventional fish ladder was out of the question. Therefore, a then novel system was implemented with a regional partner: a "fish lift". In this system, the fish are gently lifted from the tailwater to the headwater area in the powerhouse using a special system and can continue their journey there. This fish lift not

only takes into account the common fish species, but its function also takes into account bottom-oriented small fish species and the rarely occurring huchen.

Cooperation with the Fisheries Inspectorate of the Gurk river

Through close cooperation with the supervisory fishermen of the downstream fishing districts and the Carinthian Fisheries Inspectorate, openings and closings of the weir system of the plant's own hydropower plant are only carried out at certain times, to a certain extent and after consultation with the responsible persons in order to take into account the spawning periods of the native brown trout and grayling.

From time to time, fish are also restocked in the area to maintain the species population.

8.2.14 SDG Goal 15: Life on land

Treibacher Industrie AG owns, manages and looks after around 20 hectares of forest in the form of various locally separated forest parcels. Through targeted silvicultural measures, the forest ecosystem is maintained in accordance with the principle of sustainability to ensure that their regeneration and production capacity, biodiversity and the relevant ecological and social functions are preserved for present and future generations.

In order to be able to ensure these forest functions, Treibacher promotes silviculturally near-natural, site-appropriate mixed forests that are as close as possible to the natural forest community. TIAG regularly invests in a wide variety of measures (e.g. silvicultural maintenance measures) to ensure that its forests form stable, well-structured and healthy stands.

Thus, TIAG contributes significantly to the preservation of natural habitat.

9 GRI Index

GRI Standard	Specification	Chapter / Page(s)	Notes & Omissions
GRI 101: Basics			
GRI 102: General data	**102-1** Name of the organization	1.2 (p. 3)	
	102-2 Activities, brands, products and services	1.2 (p. 6)	
	102-3 Headquarters of the organization	1.2 (p. 3)	
	102-4 Operating sites	1.2 (p. 3)	
	102-5 Ownership and legal form	1.2 (p. 3)	
	102-6 Markets supplied	1.2 (p. 3)	
	102-7 Size of the organization	1.2 (p. 3 ff.)	
	102-8 Information on employees and other staff	6 (p. 35)	
	102-9 Supply chain	3 (p. 17); 4.2.1 (p. 24); 7.4 (p. 47 f.)	
	102-10 Significant changes in the organization and its supply chain		Initial report
	102-11 Precautionary approach or precautionary principle	5.2 (p. 33); 7 (p. 46)	
	102-12 External initiatives	Preface; 8.2.10 (p. 57)	
	102-13 Membership in associations and interest groups	5.3 (p. 33)	
	102-14 Statement of the highest decision maker	Preface	
	102-15 Main impacts, risks and opportunities	7 (p. 46)	
	102-16 Values, principles, standards and norms of conduct	5.1 (p. 32)	
	102-18 Management structure	1.3 (p. 8)	
	102-40 List of stakeholder groups	1.4 (p. 8)	
	102-41 Collective bargaining agreements	6.1 (p. 39)	
	102-42 Stakeholder identification and selection	1.4 (p. 8 f.)	
	102-43 Approach to stakeholder engagement	1.4 (p. 8); 1.5 (p. 9); 2.2 (p. 15); 3.4 (p. 20)	

	102-44 Important topics and concerns raised	1.5 (p. 9 f.)	
	102-45 Entities included in the consolidated financial statements	1.1 (p. 1 f.)	
	102-46 Procedure for determining the content of the report and the delimitation of topics	1.5 (p. 9 f.)	
	102-47 List of essential topics	1.5 (p. 9 f.)	
	102-48 Information redisplay		Initial report
	102-49 Changes in reporting		Initial report
	102-50 Reporting period	1.1 (p. 2)	
	102-51 Date of last report		Initial report
	102-52 Reporting cycle	1.1 (p. 2)	
	102-53 Contact details for questions about the report	Imprint	
	102-54 Statements on reporting in accordance with the GRI standards	1.1 (p. 2)	
	102-55 GRI content index	1.1 (p. 2); 9 (p. 60 ff.)	
	102-56 External examination		This sustainability report was prepared voluntarily. This report has not been subjected to an external audit.

Essential topics			
Essential theme: environment			
GRI 103: Management approach	**103-1** Explanation of the main topics and their delimitations	4 ff. (p. 20 ff.)	
	103-2 The management approach and its components	4 ff. (p. 20 ff.)	
	103-3 Assessment of the management approach	4 ff. (p. 20 ff.)	
Core area: Resource efficiency			
GRI 301: Materials	**301-2** Recycled starting materials used	4.2 (p. 23 ff.)	The figure shown relates only to catalyst recycling in the SGI business unit.
Core area: Air quality			
GRI 305: Emissions	**305-7** Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions.	4.1 (p. 21 f.)	
Other relevant topics			
Energy			
GRI 302: Energy	**302-1** Energy consumption within the organization	4.2.2 (p. 26 ff.)	
Waste			
GRI 306: Waste	**306-1** Waste generated and significant waste-related impacts.	4.2 (p. 23 ff.)	
	306-2 Management of significant waste-related impacts.	4.2 (p. 23 ff.)	
	306-3 Accumulated waste	4.2 (p. 23)	

Water & waste water			
GRI 303: Water and wastewater	**303-1** Water as a shared resource	4.2.3 (p. 30 f.)	
	303-2 Dealing with the effects of water recirculation.	4.2.3 (p. 30 f.)	
	303-3 Water withdrawal	4.2.3 (p. 30 f.)	

Essential topics Essential topic: employees			
GRI 103: Management approach	**103-1** Explanation of the main topics and their delimitations	6 (p. 35 ff.)	
	103-2 The management approach and its components	6 (p. 35 ff.)	
	103-3 Assessment of the management approach	6 (p. 35 ff.)	
Core area: Employee health and occupational safety			
GRI 403: Occupational health and safety	**403-1** Occupational health and safety management system	6.3 (p. 42)	
	403-2 Hazard identification, risk assessment, and incident investigation.	6.3 (p. 42)	
	403-3 Occupational health services	6.3 (p. 42 f.)	
	403-4 Employee participation, consultation and communication on occupational health and safety	6.3 (p. 42)	
	403-5 Employee training on occupational safety and health protection	6.3 (p. 42)	
	403-6 Promoting employee health	6.3 (p. 43)	
	403-7 Avoidance and minimization of occupational health and safety impacts directly related to business relationships.	3.3 (p. 18 f.) 5.3 (p. 33 f.); 7.4 (p. 47 f.)	
	403-9 Work-related injuries	6.3 (p. 44)	Reporting of temporary workers, as well as separate designation of work-related injuries with serious consequences, will be targeted for future reporting

Core area: Employee development, training and continuing education			
GRI 404: Education and training	**404-1** Average number of hours of education and training per year per employee	6.2 (p. 38 ff.)	A breakdown between men and women, as well as between the different employee categories (FK, AN, AR) will only be kept in detail from 01.01.2021 and can be shown in the next report! The basis for 2019 is 798 total employees and for 2020 772 total employees (TIAG, TPS, MIGU and ETG). Any training courses, seminars or other further training events that run through the individual departments and are not recorded by the HR department are not included here.
Core area: Employee satisfaction			
GRI 401: Employment	**401-3** Parental leave	6.1 (p. 36 ff.)	

Essential topics			
Essential topic: Responsibility in the value chain			
GRI 103: Management approach	**103-1** Explanation of the main topics and their delimitations	3 (p. 17 ff.)	
	103-2 The management approach and its components	3 (p. 17 ff.)	
	103-3 Assessment of the management approach	3 (p. 17 ff.)	
Core area: customer satisfaction, health and safety			
GRI 416: Customer health and safety	**416-1** Assessing the health and safety impacts of different product and service categories.	3.1 (p. 18)	
	416-2 Violations related to the health and safety impacts of products and services.	3.1 (p. 18)	
Core area: Raw material procurement			
GRI 308: Environmental assessment of suppliers	**308-1** New suppliers screened against environmental criteria	7.4 (p. 48)	An exact percentage of new suppliers evaluated against environmental criteria cannot be reported at this time due to lack of data availability.
GRI 414: Social evaluation of suppliers	**414-1** New suppliers screened against social criteria	7.4 (p. 48)	An exact percentage of new suppliers assessed against social criteria cannot be reported at present due to lack of data availability.
Core area: product responsibility, quality & safety			
Organization-related indicator (OI)	Qualitative description of the implemented quality management systems	3.3 (p. 18 f.)	

Core area: Stakeholder management & communication			
Organization-related indicator (OI)	Qualitative description of relevant stakeholder events	3.4 (p. 19)	

Essential topics			
Essential topic: Company and management			
GRI 103: Management approach	**103-1** Explanation of the main topics and their delimitations	2 (p. 12 ff.)	
	103-2 The management approach and its components	2 (p. 12 ff.)	
	103-3 Assessment of the management approach	2 (p. 12 ff.)	
Core area: Economic performance			
GRI 201: Economic performance	**201-1** Direct economic value generated and distributed	1.2 (p. 4)	A GRI-compliant presentation is currently not possible for reasons of confidentiality.
Core area: Innovation, R&D and technology			
Organization-related indicator (OI)	Research and development expenses in relation to total capital expenditure	2.1 (p. 12)	
Core area: Life-enhancing products			
Organization-related indicator (OI)	Qualitative description "Life-enhancing products	2.6 (p. 16); 8.2.6 (p. 55)	

Essential topics			
Essential topic: Compliance			
GRI 103: Management approach	**103-1** Explanation of the main topics and their delimitations	5 (p. 33 ff.)	
	103-2 The management approach and its components	5 (p. 33 ff.)	
	103-3 Assessment of the management approach	5 (p. 33 ff.)	
Core area: environmental compliance			
GRI 307: Environmental Compliance	**307-1** Non-compliance with environmental laws and regulations	5.3 (p. 33)	
Core area: Legal Compliance			
GRI 419: Socio-economic compliance	**419-1** Non-compliance with laws and regulations in the social and economic sphere.	5.3 (p. 33)	
Other relevant topic			
Privacy			
GRI 418: Protection of customer data	**418-1** Substantiated complaints regarding breaches of customer data protection and loss.	7.3 (p. 46 f.)	

Essential topics			
Essential topic: safety and risk management			
GRI 103: Management approach	**103-1** Explanation of the main topics and their delimitations	7 (p. 46 ff.)	
	103-2 The management approach and its components	5 (p. 33 ff.)	
	103-3 Assessment of the management approach	5 (p. 33 ff.)	
Core area: process and plant safety			
Organization-related indicator (OI)	Share of certified sites	5.3 (p. 33 f.); 7.1 (p. 46)	
	Percentage of sites whose health and safety impacts have been assessed for potential improvement	5.3 (p. 33 f.); 7.1 (p. 46); 7.2 (p. 46)	
	Number of violations related to equipment and process safety	7.2 (p. 46)	
Core area: critical incident risk management			
Organization-related indicator (OI)	Share of certified sites	5.3 (p. 33 f.); 7.1 (p. 46)	
Core area: Robust supply chains			
Organization-related indicator (OI)	Qualitative description of the supply strategy	7.4 (p. 47 f.)	
Other relevant topic			
Data security			
Organization-related indicator (OI)	Description on the subject of data security (incl. audits)	7.3 (p. 46 f.)	