



Thinking forward, acting ahead.

ESG Report 2021

Non-financial statement.

The way we work.

ESG Scorecard



Environment

	Greenhouse gases	13,837 t CO ₂ -eq
	Waste	2,563 t
	Water	25,231 m ³
	Electricity	4,874 MWh
	Heating	1,687 MWh
	Business travel (train and flight)	3,633 Tkm
	Vehicle distance driven	17,749 Tkm



Social

	Health and safety	good
	Rate of fatalities*	0.055
	Rate of high-consequence work-related injuries	0.027
	Rate of recordable work-related injuries	0.630
	H&S training hours	144,595 h
	Business ethics	good
	Confirmed incidents of corruption	0
	Collective bargaining agreements	88%
	Workforce	strong
	Employees	4,015
	Rate of employee turnover	23.8%
	Return to work rate	57%
	Employees who received a regular performance review	46.9%
	Diversity	good
	Total percentage of women	11.36%
	Proportion of women in governing bodies	21.43%
	Training and education	good
	Average hours of training	47.19 h
	Community	strong



Governance

	Customer engagement	good
	R&D Projects	10+
	Customers	500+
	Research and development	strong
	R&D Expenses	3%
	Transparency and reporting	strong
	Certificates & Standards	80+
	Procurement practices	good
	Industries served	15
	Suppliers	7,600+
	Code and values	strong
	Subsidiary locations	25
	Structure and oversight	strong
	Revenue	343.50 M€



Learn more about Christof Industries' mission to a brighter and more sustainable future.



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HIGHLIGHTS OF THE YEAR

Achievements

- Founded a new company, Christof Global Impact, focusing on decarbonisation and through this expanded our technology portfolio and partnerships
- Established a new Joint Venture, CMB Well, in Romania, which included the takeover of 275 new employees and aims to put the Oil and Gas industry on an environmentally sustainable path and lower greenhouse gas emissions at the production sites
- Improved global inter-company communication through the launch of SharePoint as our intranet and internal communication platform
- Introduced new functions and expanded our corporate level management, including Controlling and Accounting (February 2021), HR (September 2021), Compliance (January 2022), and Procurement (January 2022)
- Strengthened our Corporate Governance as a key part of our ESG programme, which included implementing new corporate policies on a group level
- Completed and received a group certification according to ISO 14001

Awards



* Top 100 "Innovator of the Year" Oschatz Energy and Environment GmbH

Ratings



**submitted in 2021, received in Q1 of 2022

About the Report

This annual ESG (environmental, social, governance) Report summarises our most essential topics, activities and performance measures from the year 2021, from January 1, 2021, to December 31, 2021 (102-51). The report is a combined and consolidated non-financial report for Christof Industries and its subsidiaries. It outlines our efforts to contribute to and align with the UN Sustainable Development Goals and the UN Global Compact. It has been structured using the framework provided by our ESG Strategy.

This report has been prepared in accordance with the GRI Standards: Core option (102-54) can be found on page 100 of this report.

Christof Industries (CI) is a privately-owned corporation headquartered in Graz, Austria and operating globally with active subsidiaries in Europe and Asia and other subsidiaries with branch office activity in 2021 in North America and Australia. CI is no longer involved in Africa due to the divestment of the South African subsidiary. The report covers all legal entities of CI. An overview of the active and inactive subsidiaries is provided in the annexe (102-45).

All topics mentioned in this report are analysed for the entire group of companies, and data is provided where it is available. Our approaches are implemented within the group, with additional measures implemented locally according to local laws and standards.

This ESG report is our third GRI report and covers data from the financial year 2021 (102-50). CI reports the ongoing evolution and achievements of its ESG engagement annually on a basis (102-52). This report describes the management and performance of the company's material environmental, social, and governance issues. It has been reviewed and approved by CI's Executive Board and is externally assessed by an independent auditor.

In preparing this report, we have set the focus on data quality and implementation of sustainability management within the company. Primary data is used where possible. Where primary data is only partially or not available, calculations were conducted based on assumptions made. Due to a further increase in our focus on sustainability management, the data quality in this report has increased further. However, there are no significant changes in the list of material topics and topic boundaries compared to previous reporting periods (102-49).

For easy reference to our reporting disclosures, the GRI Index is provided at the end of this report.

The current report and reports from previous years can be found on the CI website [Christof.com](https://www.christof.com)

Contact (102-53)

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Letter from the CEO

A warm welcome from the CEO of Christof Industries

Since 1987, I have been shaping the environment and the future of our family business with a great team, thinking in terms of generations.

Today we think circular, which is the crucial aspect of how we have focused on energy efficiency, emission reduction, and a healthy work environment since the beginning of the Christof family business. We understood the impact of pollution in industrial plants right from the start.

We saw obstacles as chances to work on improving technical processes and specifications with our clients and partners from different branches. Now we have a window of opportunities we cannot afford to miss. The past year had its challenges. We found ourselves in a dual crisis of climate change and a pandemic. From the beginning of the pandemic till December 2021, we reported 468 cases of Covid-19 in our organisation. This year we didn't lose any employees due to the virus; we all supported a vital vaccination and hygiene strategy in all countries we work. Critical times like these test us, but they also let us grow more flexible and resilient. As a corporation, we are very aware of scientific developments and forecasts. Hence, we are used to testing the status quo. We know we have enormous responsibilities for our employees, stakeholders, and future generations.

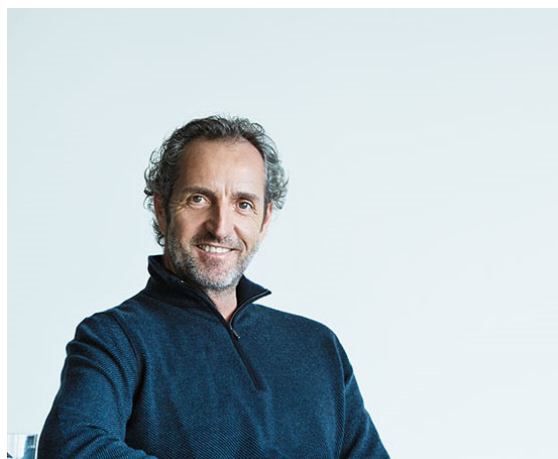
The lockdowns in 2021's first quarter forced us to rethink the way we co-work. So, we took a big step towards digitalisation and communication. The main focus in the industrial work environment is to keep health and safety as high as possible. Zero accidents policy is our strategy. Our decisions are aligned to net zero & zero accidents.

Not all Christof Industries subsidiaries and partners were able to overcome the challenges we faced due to the pandemic's second year. As Covid-19 severely impacted South Africa, we could no longer ensure healthy and safe operations, despite our strong local partner. As a result, we divested all shares of Christof Industries South Africa. A difficult decision, but a necessary step to follow our principles as we think and act in a cycle, we behave in a manner that protects the environment and our people, and we create sustainable growth.

In 2021, we established a joint venture between J. Christof E&P Services S.R.L. and M.B. Well Services GmbH. As a result, a firm called Christof MB Well S.R.L. was created with the sole aim of helping set the oil and gas industry on an environmentally sustainable path with lower emissions at production sites. This new partnership includes taking responsibility for 275 people despite all efforts for a smooth takeover. Unfortunately, we had two casualties during the transition, highlighting the necessity to do even more for our employees' safety and health. A new safety program started in 2021, focusing on education and awareness of precautions. In December 2021, Christof Romania was enhanced with more than 500 people on site. We took over a solid responsibility to develop a clean operation in oil fields.

With all challenges of an experienced entrepreneur, I have reason to be optimistic. Not only because Christof Industries has had many order intakes and won numerous projects, but also because the Christof family collaborates strongly on the various obstacles and because we continue to walk the path of sustainability as we all navigate this new era together.

Yours Johann Christof



Message from the family

Oliver J.Christof; founder of Christof Global Impact

In 2021 we put effort into expanding the Clean City Concept (CCC) into a more comprehensive thinking format - to Christof Global Impact (CGI). CGI aims to deliver technology-led, waste-to-value, and emissions-reducing solutions in all industrial branches, especially with the new focus on food security and CO₂ reduction. All the industry know-how over the last 100 years and partnerships around the globe is put into only one technology & advisory platform, which ensures the implementation of green projects internally and externally.

What is true for Christof Industries is also valid for climate change - it knows no borders. So, we all must deal with sustainable development responsibilities shoulder to shoulder. It deserves to be a priority, and by setting up CGI, we made it one.



Natalie Christof, Director of Corporate Affairs

As the person in our family business responsible for ESG Performance, I'm proud we provide the third ESG Report on a significantly improved database. In 2018, I started putting together the working frame for the transparency reporting under GRI Standards. After four years of learning and understanding how an inherited process landscape can change and move forward, I'm thrilled we extended our ESG team with professionals who lead our sustainable progress.

This ESG report shows our achievements across environmental, economic, and social pillars and portrays our sustainability strategy.



In the year 2021

Together with our new corporate legal & compliance director, we evaluated the code of conduct and ethics, which was the baseline of our work principles since 2016.

We improved contact risk management and enhanced management with new guidelines.

We set up an online reporting system to track suspected misconducts that could affect our company or the well-being of our people.

We started our new digital Intranet platform called CI&ME to provide every single person in Christof Industries access to relevant company information. The tool lets us leap towards a better connection and workflow.

A very ambitious project, The CI Academy, was started in late 2021. This online knowledge management tool provides online courses, tracks offline education, and keeps essential knowledge in the organisation.

We couldn't be more thankful to everyone in the extended Christof Industries family for helping us to do so. "We are one" – sums up our company culture, which enhances Christof Industries into a more agile and future-proof organisation.

Message from Corporate Sustainability Manager

Milan Topic

We have worked consistently to transparently compile together all KPI's of our operations and provide a clear overview of our impact on social and environmental performance.

Receiving our first ESG rating on the EcoVadis platform in 2021, we are committed to improving our status from Bronze, which indicates that we rank in the top 25% of EcoVadis-rated companies within our business sector. In 2021, we conducted our first Product Life Cycle Assessment and worked intensively on implementing several sustainability projects and initiatives. Furthermore, many teams in our organization have been trained on how to act in line with our sustainability strategy and provide a clear ESG statement to the market. Next year, Christof Industries is ready to start setting up the Science-based target's initiative (SBTi) and determine our roadmap to net zero.



We can only achieve our sustainable goals aligned with the SDGs through cross-company collaboration. Therefore, I want to thank all my management colleagues from Christof Industries' 25 companies for providing resources that led to the excellent data in this report. We have collected and analysed our ESG data, introduced KPIs, and improved our ESG performance.

Please enjoy the Christof Industries ESG Report 2021. Our goal is to work safer, better, and cleaner.

A Brief Overview of Christof Industries

WHO WE ARE

Headquartered in Austria (102-3), Christof Industries (102-1) is the global partner for developing, installing and servicing industrial plants. As a full-service provider, we take care of every stage along the lifecycle of a plant through our 360° portfolio - with the highest technical perfection and innovation.

We have repeatedly proven our skills with over 4,000 employees and over 4,500 investment projects worldwide. Christof Industries distinguishes itself with 170 years of experience, a love for innovation and its commitment and responsibility to the environment as a family business (102-2).

As a proprietor-led company, Christof Industries combines the expertise of individual specialist companies with flexible organisational structures. That guarantees decisiveness and rapid decision-making. Christof Industries Global GmbH has majority ownership (102-5, 102-7) of its Austrian and international subsidiaries. It acts as the operating group company, which essentially performs the following functions for the operating companies:

- Provision of financing & financing guarantees, IT, communications and branding, strategic sales, procurement, legal and compliance, accounting and controlling, HR and sustainability
- University partner for education and training programs,
- Industrialisation partner (partly exclusive) for domestic and international industry,
- Central research & development for technologies that can be used across the group.

This structure ensures the most efficient and high-performance provision of shared services. At the same time, the interaction of the operating companies is secured within the 360° portfolio framework. Consequently, sales activities can be better coordinated and expand the group value chain.

By bundling the shared services in Christof Industries Global, corporate management is improved and, in addition to the high level of personal responsibility for the direction of the operating companies, particularly in the area of market development, business initiation, sales and project management, a long-term planned step towards integration and increased efficiency is taken.

Organisational Structure

Christof Industries is a global company with strong international and regional expertise and market knowledge. With key contacts worldwide, we offer all services for tailored solutions. This year we have seen several changes in our organisational structure, as portrayed in Figure 1. A more detailed overview of all subsidiaries can be found in the annexe (102-4).

Organisational Structure

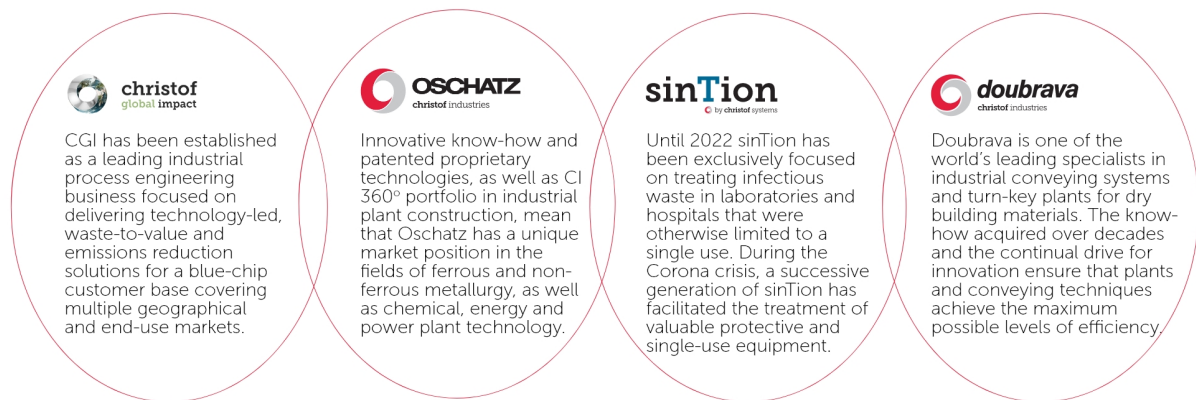
Figure 1



Christof Industries is the global partner for developing, installing and servicing industrial plants. We are a full-service provider and take care of every stage along the lifecycle of a plant through our 360° portfolio - with the highest possible technical precision and innovation.

Since the earliest days of our company, we have cultivated one quality in particular: the resolution to overcome challenges by seeing in them a chance to innovate. We are not satisfied with relying upon successes and solutions that have worked in the past; we expect of ourselves nothing less than perfectly tailored solutions for every single customer through new approaches and innovative ideas. And that's what lies in our mission, vision, and values.

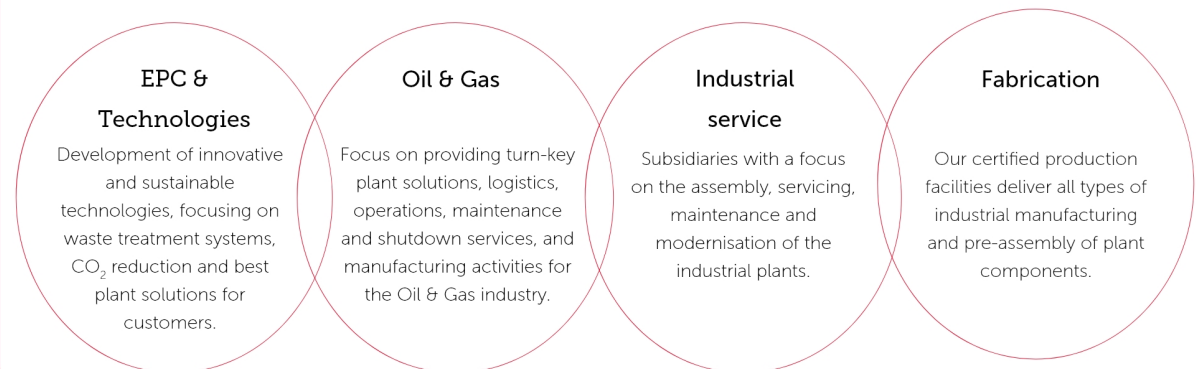
To offer a 360° portfolio of clean technologies and sustainable industrial services to customers in various industries around the world, enabled by our process knowledge, extensive experience and cutting-edge technologies.



Christof Industries Global GmbH

Headquarters at Graz, Austria 

Offices and worksites across the globe.



South African Divestment

Christof Industries South Africa (CISA) was in the local market for several years. Due to massive Covid-19 impacts and no local government support, we decided to divest all shares of CISA in 2021. Unfortunately, the Covid-19 pandemic affected working conditions and market development drastically negative. Despite having a strong local partner, the management in CISA was no longer able to ensure healthy and safe operations on site, which is always our top priority.

Joint Venture C.M.B. Well

In May 2021, J. Christof E&P Services S.R.L. and M.B. Well Services GmbH joined forces to create Christof MB Well S.R.L. (cmbwell). One of the first projects for this joint venture was outsourcing workover and well intervention services for the O.M.V. Petrom Pilot Asset Moesia in Romania. All these activities, as well as the appropriate equipment and personnel of 275 people, are now part of Christof MB Well S.R.L. The objectives of this joint venture are sound intervention, workover and maintenance. From a strategic perspective, we aim to develop a new force that will put the Oil and Gas industry on an environmentally sustainable path and lower greenhouse gas emissions at the production sites.

Christof Global Impact

For 25 years, Christof Industries has focussed on finding ways to innovate the industry with state-of-of-the-art know-how and technologies. Our R&D department, specifically the Christof Clean City (CCC) team, has been pursuing a genuinely circular economy and zero waste solutions. Now, CCC has been restructured and re-branded to Christof Global Impact (CGI). Led by Oliver Christof, CGI will deliver technology-led, waste-to-value and emissions reduction solutions for its customers. With technologies applicable to over a dozen commercial, municipal and industrial waste streams, CGI will make a lasting impact and lead the way toward a greener future.

The scale of the Organisation⁽¹⁰²⁻⁷⁾

Table 1

	2021
Total Number of Employees	4,015
Total Number of Operations	25*
Total Revenue	343.5 mEUR**
Total assets	***
Equity	***
Liabilities	***

*Includes all active and inactive subsidiary locations, including offices and workshops

**Total revenue is the sum of revenues from all active subsidiaries

*** The figures will be updated according to the company's final financial report.

WHAT WE DO

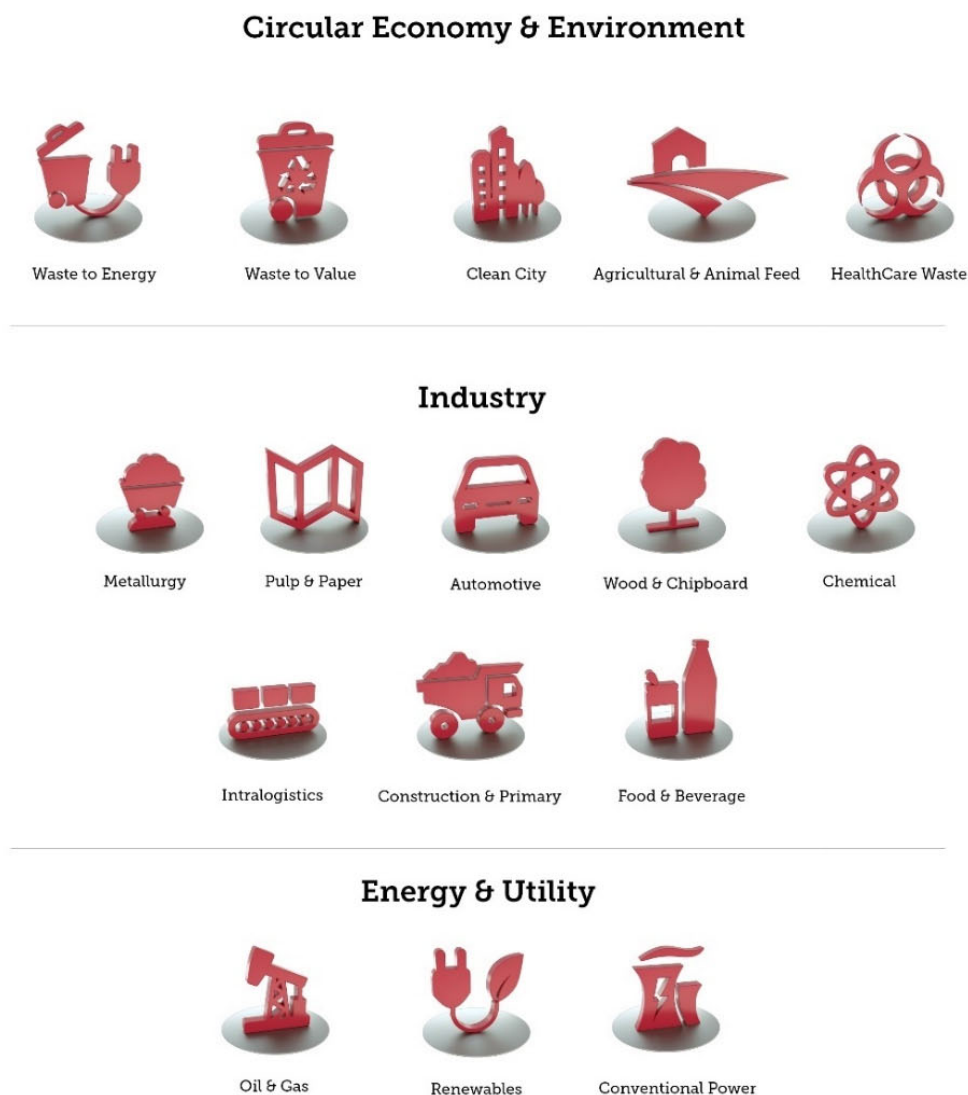
Provision of Services Throughout the 360° Lifecycle of Industrial Plants

We aim to develop the best plant solutions available on the market for our customers – whether they require a turnkey project, a complex, unique plant, or a single piece of machinery. Our seamless 360° portfolio (Figure 2) covers the entire plant lifecycle and is the USP for Christof Industries as an industrial partner (102-2). Our goal is to help customers achieve efficient, environmentally friendly, sustainable plant lifecycles.



Industries and Markets

Christof Industries develops future-oriented plant concepts. We aspire to strengthen the circular economy, implement technological solutions optimally, reduce the environmental impact and generate additional economic value for our customers and plant operators. We serve clients in the following industries (Figure 3) (102-6).



WHAT WE STAND FOR (102-16)

Since the earliest days of our company, we have cultivated one quality in particular: the resolution to overcome challenges by seeing in them a chance to innovate. We are not satisfied with relying upon successes and solutions that have worked in the past; we expect of ourselves nothing less than perfectly tailored solutions for every single customer through new approaches and innovative ideas.

Our Vision

To go beyond innovative ideas and achieve an entirely circular economy, where all industries are efficient, clean and zero waste.

Our Mission

To offer a 360° portfolio of clean technologies and sustainable industrial services to customers in various industries around the world, enabled by our process knowledge, extensive experience and cutting-edge technologies.

Our focus: **innovation**, **experience** and **responsibility** towards our customers, employees and environment.

TECHNOLOGY

Promoting our technologies and expanding our position as a technology leader in clean technologies.

INNOVATION

Conducting intensive research and development in the area of industrial plant engineering.

ENGINEERING

Solving complex and challenging engineering tasks.

SERVICES

Creating value by applying innovative industrial services.

GROWTH

Focusing on continuous growth in future-oriented markets.

PARTNER

Working with customers and partners to realise future-oriented Clean Technologies and Zero Waste concept

Our Values (102-16)

All companies within Christof Industries have committed to specific immutable values and the highest standards defined in our Code of Conduct. Our desire to have open and positive relationships with employees can be traced back to our origins as a traditional Austrian family firm. With all its brands and companies, Christof Industries are people, employees, and a family. As the Christof family, we have been living, thinking and deciding for generations. Foresight and the courage for something new have been with us from the start. Willingness to perform and the determination to master challenges with an innovative spirit have brought us forward. Our four core values are essential to ensure the highest degree of trust and quality, internally and in our dealings with customers, some of which we have accompanied for many years.

RELIABILITY | STABILITY | HONESTY | INTEGRITY

Reliability as a trustful and committed partner to all our stakeholders in today's complex technological, ecological and social environment.

Stability through tradition, thoughtfulness, know-how and courage, fostering our goal to shape a zero-waste future.

Honesty with confidence, transparency, openness and respect towards our employees, customers, environment, communities and children.

Integrity in personal and professional relationships and creating value through respectful collaboration.

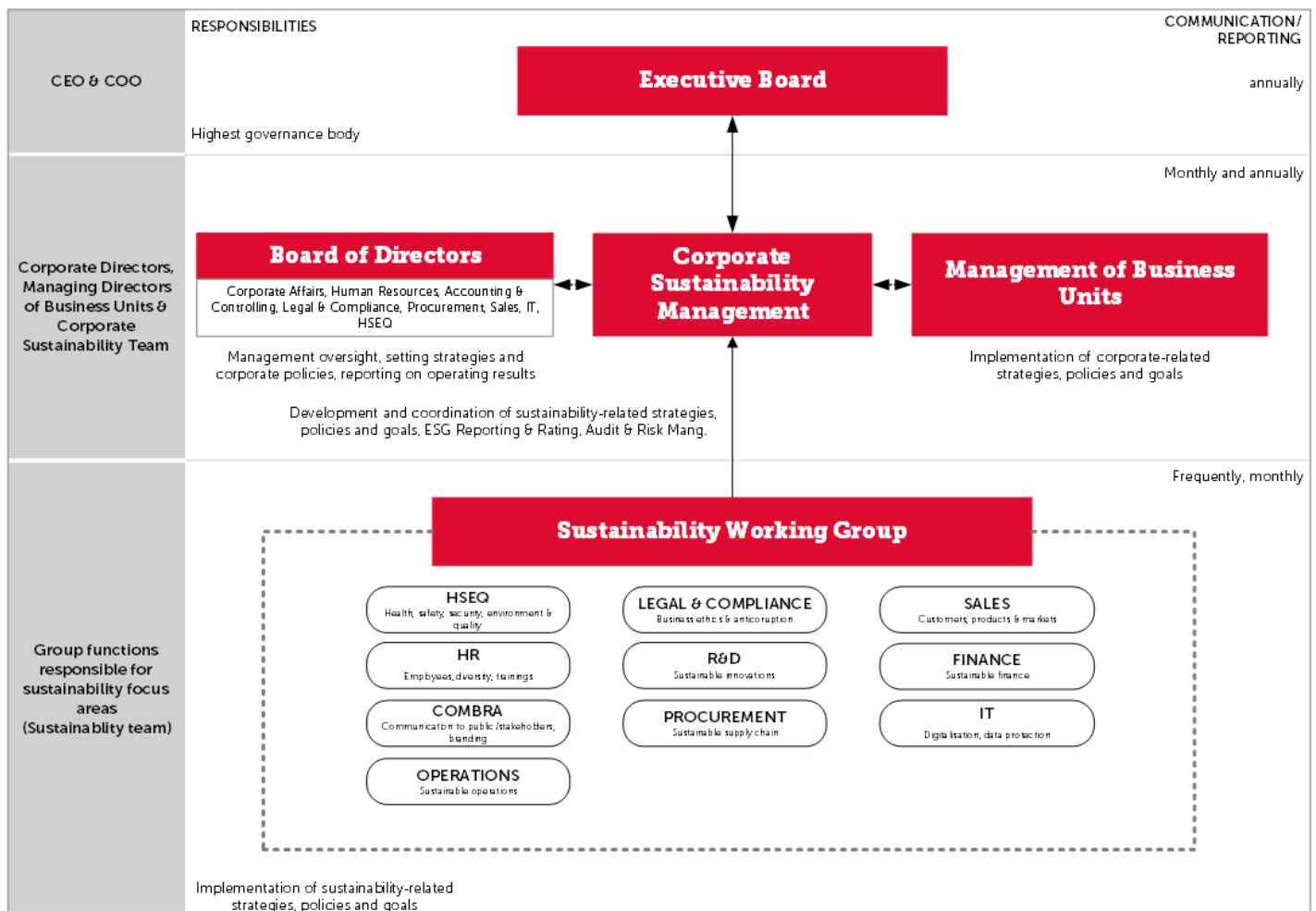
Managing Sustainability

Governance (102-18)

Within Christof Industries, sustainability was managed by individual entities and with limited communication throughout the organisation until 2019. With our revised sustainability strategy, we developed a new and improved governance structure, as seen in the following figure. Given the need for action, we set sustainability governance as one of our key topics. In 2020, we established a sustainability management team led by Dr. Milan Topic as Corporate Sustainability Manager. Our sustainability management team reports directly to the Executive Board. The team is also in regular contact with the Managing Directors (MDs) of our subsidiaries and individual departments, including Finance, HSEQ, Human Resources, Communications and Branding, Operations, Research and Development, Legal and Compliance, Sales IT and Procurement. In 2021, these departments were strengthened at the corporate level to ensure a smoother implementation of practices throughout the group. New appointments included a Director of HR, who started in September 2021, and Directors of Legal and Compliance, and Procurement, who will join the company in January 2022. The Executive Board of Christof Industries approves sustainability policies and monitors the company's performance. Our sustainability team is responsible for outlining the company's strategic approach to sustainability and monitoring how sustainability is reflected in the business units and everyday function operations.

Sustainability Governance

Figure 4



Legal, Compliance, and Data Protection

Christof Industries is building up a compliance organisation to strengthen our governance regarding legal, compliance and data protection. Towards the end of 2021, a new compliance structure was developed, including the appointment of a Director of Legal and Compliance starting in January 2022 and the allocation of compliance officers and data protection officers. This process also included the development of group-wide policies and guidelines, including a new Code of Conduct and Ethics, Anti-bribery and Anti-corruption Policy, Data Protection Policy, Environmental Policy and Sustainable Procurement Policy. It also included procuring a whistle-blower tool internally and externally in early 2022.

Our Precautionary Approach

As an international company, Christof Industries faces several risks related to its business activities and follows the precautionary principle as part of risk management in all operations. Many of our subsidiaries are certified by international standards such as ISO 14001, a voluntary standard integrated within ISO 9001, a global standard for quality management. ISO 14001 specifies requirements for an effective environmental management system (EMS). This standard helps companies manage environmental aspects, fulfil compliance obligations, and address risks and opportunities (102-11). In 2017, the first step towards certification of all Austrian companies in accordance with ISO 9001, 14001, 18001, etc., was taken to map a standardized environmental policy and goals within the group. In 2021, our German location was also included in the group certification according to ISO 14001. In addition to these certifications, we ensure the company is working in compliance with all national regulatory requirements, laws and standards relevant to the company.

Materiality Analysis

Christof Industries launched its sustainability reporting in 2019 by publishing its first materiality assessment. This resulted in the publication of our first materiality matrix, outlining the topics most relevant to our stakeholders and business. Our materiality assessment helps us understand the impacts that matter most to our stakeholders and how our business and related activities are perceived along our value chain. It enables us to capture our impact across various non-financial parameters relevant to our business operations and helps us prioritize and define our strategy. Similar to 2020, in 2021, we reviewed the assessment through discussions with internal and external stakeholders to ensure that the material topics identified are still accurate. Next year we will be reconducting a materiality assessment with broader stakeholder groups.

Our Materiality Assessment Process (102-46)

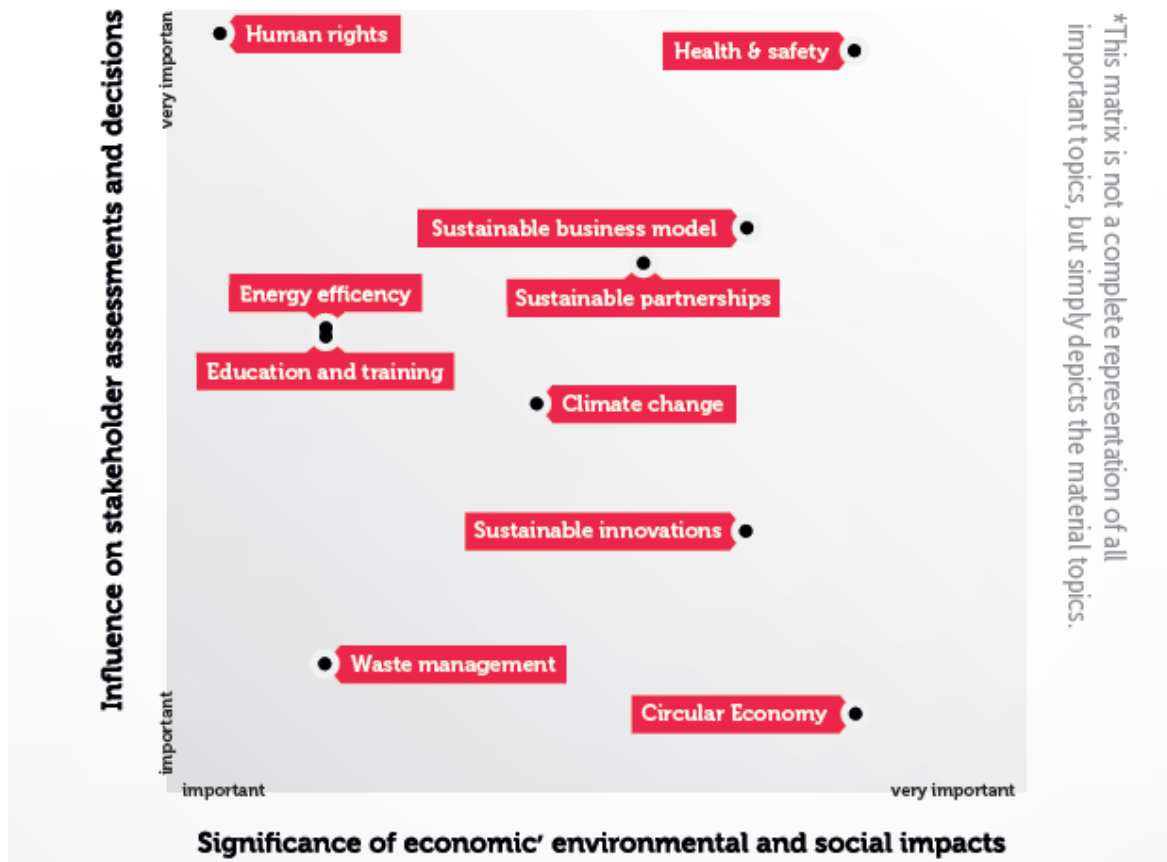
Our first Materiality Assessment was based on GRI guidelines and conducted in four key stages:

1. scope definition,
2. identification of potential topics,
3. a stakeholder survey and
4. the development of a materiality matrix (102-49).

It was essential for this process to consider stakeholder interests as well as significant economic, environmental and social impacts of our business. For this purpose, we identified 30 potential topics based on current trends, GRI standards, ESG rating requirements, peers' sustainability reports, and internal company information. In the next step, we prioritised the topics using the stakeholder survey and by conducting further meetings and informal discussions with key internal and external stakeholders (102-40, 42, 43). Through this analysis, 10 main topics were identified as material, as shown in the figure materiality matrix. Several other topics were still considered essential and will therefore also be included in this report where relevant (102-44). A detailed description of the materiality assessment process is presented in our ESG Report 2019.

Materiality Matrix

Figure 5



List of Material Topics (102-47)

Table 2

Topic	GRI KPIs	SDG Focus	Report
Health and Safety	103 Management Approach 403 Occupational Health & Safety	3, 8, 16	Conducting clean and Safe Operations
Human Rights & Ethics	103 Management Approach 205 Anti-Corruption 405 Diversity and Equal Opportunity 406 Non-Discrimination 412 Human Rights Assessment	1, 5, 8, 10, 16, 17	People & Community
Sustainable Business Model	103 Management Approach 201 Economic Performance	8, 9	Creating sustainable value Sustainable partnerships
Sustainable Partnerships	103 Management Approach 204 Procurement Practices 308 Supplier Environmental Assessment 413 Supplier Social Assessment 413 Local communities	4, 12, 17	Creating Sustainable Partnerships People & community
Sustainable Innovations	103 Management Approach	2, 3, 6, 7, 9, 11, 12, 13, 14, 15	Develop sustainable innovations
Climate Change	103 Management Approach 305 Emissions 307 Environmental Compliance	12, 13, 14, 15	Sustainable innovations Clean and safe operations
Energy Efficiency	103 Management Approach 302 Energy	7	Sustainable innovations Clean and safe operations
Education & Training	103 Management Approach 404 Training and Education	4, 8, 10, 12	People & community
Waste Management	103 Management Approach 306 Effluents and Waste	3, 6, 12, 14	Sustainable innovations Clean and safe operations
Circular Economy	103 Management Approach	3, 6, 7, 8, 9, 12, 14	Sustainable innovations Clean and safe operations

United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) are part of the 2030 Agenda for Sustainable Development adopted by world leaders in September 2015. The aim is for countries to mobilise efforts to end all forms of poverty, fight inequalities and tackle climate change. Christof Industries feels a responsibility to contribute to achieving these goals and therefore focuses on the following SDGs in its actions. Over the years, SDGs have been an integral part of our technologies, and in 2019 we officially added SDGs to core business activities. In 2021, we reconsidered SDGs to establish the true impact of our core business and distinguish this from further essential goals that we support in our activities.

Core business focus

UN SDG

CI SDG action



Christof Industries is working towards ensuring good health and well-being through our focus on clean industry, waste management solutions and green technologies such as SinTion, our medical waste treatment device. With our products and services, we are helping to reduce pollution and toxic waste, thereby protecting the health of citizens. With a core focus on health safety, we also support our employees' good health and well-being.



In our operations and clients, energy efficiency is a top priority for Christof Industries. Many of our sustainable innovations work towards this goal of achieving affordable and clean energy, including the power-to-gas, solar thermic, desalination and biomass power plants.



Christof Industries' main goal is to ensure inclusive and sustainable industrialisation. We aim to upgrade and retrofit industries to be more sustainable and resource efficient and encourage the adoption of clean technologies. Our research and development facilities continuously innovate and have developed sustainable technologies that can be implemented in many industries.



Our new subsidiary Christof Global Impact, an extension of Christof Clean City, focuses on sustainable solutions for cities and communities by investing in infrastructure and ensuring clean water and sustainable energy provision.



Christof Industries focuses on the sustainable management and use of natural resources and waste reduction and reuse. We base our technologies on circular models that support the environmental management of chemicals and waste. We aim to reduce waste generation for ourselves and our clients and encourage the adoption of sustainable practices.



Christof Industries has set the target to address global climate change by meeting the carbon budget. We want to reduce our carbon footprint and also that of our clients. By applying the precautionary principle as a risk management approach, we aim to plan for and avoid environmental damage. Our technologies and services can help increase energy efficiency and reduce GHG emissions to make industries cleaner.

17 PARTNERSHIPS
FOR THE GOALS

Christof Industries fosters and develops partnerships that aim to reach these goals. We ensure long-lasting relationships with stakeholders that value sustainability and share the same values of respecting people and the environment, whether these are our suppliers, technology partners, universities and research institutions, or our customers.

Further important goals

UN SDG

1 NO
POVERTY

CI SDG action

Christof Industries contributes to reducing poverty through paying fair wages to all employees in all countries, supporting economic development in areas of high deprivation, ensuring inclusive business and thus having a positive impact on local communities.

2 ZERO
HUNGER

Through innovations and partnerships such as our Insect Technology and Food Valley concept, Christof Industries aims to ensure food security and provide alternative agricultural solutions.

4 QUALITY
EDUCATION

Christof Industries is committed to quality, inclusive and equitable education. Achieving this goal requires encouraging lifelong learning opportunities for every employee. Education and training are fundamental to ensure our employees have professional development opportunities to improve their skills. We are contributing to SDG 4 of achieving quality education for all through close partnerships with universities and other educational institutions, offering students the possibility to work with us and learn about the industrial sector.

5 GENDER
EQUALITY

Christof Industries is committed to gender equality, empowering and providing equal opportunities to every woman and man employed in the company, wherever they live and work. We believe this is a matter of social justice, a condition for sustained market economy development. We support the UN Women and are committed to promoting greater diversity within our corporate structure.

6 CLEAN WATER
AND SANITATION

We aim to improve water quality by decreasing pollution with our technologies. We want to protect ecosystems by reducing waste to ensure cleaner water and use water more efficiently.

8 DECENT WORK AND
ECONOMIC GROWTH

For Christof Industries, contribution to decent work and economic growth is vital. Our business model generates economic value, and our technologies lead to higher productivity with high-tech exports, training and education. We also aim to support the local economy by using local suppliers and offering inclusive business through partnerships with SMEs. Christof Industries contributes to global resource efficiency by encouraging sustainable production and aims to tackle youth unemployment by providing various opportunities for young adults, such as apprenticeships.

10 REDUCED INEQUALITIES

Promoting economic and social development and creating stable and quality employment are essential to Christof Industries' strategy. We are reducing inequality through our global application of various corporate policies, such as the Code of Conduct & Ethics, that prevents discrimination and promotes respect and diversity, as well as equality between men and women (SDG 5), and provides support to workers.

14 LIFE BELOW WATER

Christof Industries intends to prevent marine pollution through innovative technologies and circular models such as Insect technology, Biocycle, WTE, recondOil, ChemWater to Value and Waterborne Waste Management Solutions.

15 LIFE ON LAND

Conservation, restoration and sustainable use of ecosystems are also vital to us. Especially in the industrial sector, it is crucial to consider these factors, including the impact on soil and the food chain. With our safe and clean operations and services, we aim to protect our ecosystems and use our technologies to avoid waste and reduce emissions to protect life on land.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

As a company active in many countries, we feel a duty to uphold our ethical values in our approach to business. Also, responsible business practices are critical to achieving our mission. Our Code of Conduct helps implement a culture of compliance and reduces related risks. We are acting against corruption and violence by implementing and communicating our values.

Our Sustainability Strategy

THINKING FORWARD, ACTING AHEAD

Our Strategy

In 2019 we developed our first sustainability strategy with the ambition to establish a more focused and impactful ESG programme that maximises the value we bring to our stakeholders. The strategy was developed considering feedback from both our internal and external stakeholders and Christof Industries' materiality analysis, aiming to address ESG risks and drive meaningful impact. During 2020, we established key performance indicators (KPIs) for each strategic pillar to measure and manage our ESG performance. In 2021 we were working to implement projects to improve our performance.

Sustainability Strategy 2020

Figure 6



Our sustainability strategy focuses on three principles: think & act circular, operate green & clean and create sustainable value & growth.

1. Think & act circular

We aim to involve circularity in all we do. We apply circular models both in our business activities and in our technologies. Our 360° portfolio supports businesses at all stages in their industrial plant lifecycle. Our focus on zero waste technologies facilitates the reorganisation and restructuring of resources into a cycle with no waste and maximising value creation. At the core of our company lies research and development, where we concentrate on finding new ways to use resources and prioritise renewable inputs, maximise value and recover waste. The combination of state-of-the-art technologies interlinked using the next generation of industry 4.0 paves the way for treating all waste streams efficiently, emission-free and sustainable, powered by a genuinely circular economy mindset.

2. Operate green & clean

We strive to keep our operations green and clean throughout the entire value chain by minimising emissions, waste and pollution and maximising efficiency. We want to avoid the negative impacts of our business model on the environment and society. Health and Safety are, therefore, a top priority to keep operations safe. Our

focus on green and clean practices and innovative products ensures our own business is sustainable and enables our clients and partners to improve their environmental performance.

3. Create sustainable value & growth

Christof Industries' final principle is to create sustainable value and growth by focusing on economic, environmental and social factors. Economic performance and sustainable value creation are essential for our business and many stakeholders. Our sustainable innovations create economic and environmental value by generating resources from waste products. We also focus on creating social value by empowering people and supporting the community.

Within the three principles described above, Christof Industries has identified four main areas to create a positive impact:

- **Conducting clean and safe operations**
- **Developing sustainable innovations**
- **Creating sustainable partnerships**
- **Empowering people and supporting the community**

These areas have defined the structure of this report, as within these areas, we cover all material topics. We have identified targets to increase performance and enable Christof Industries to contribute to the SDGs. One exception is the material topic "sustainable business model", an over-arching topic considered separately in this report. Our sustainable business model stands at the core of this strategy and is, therefore, a central part of managing sustainability.



OUR SUSTAINABILITY OBJECTIVES

Based on our findings in this report, we have identified the following targets/measures that are to be implemented across the group of companies in the upcoming years.

ENVIRONMENTAL

TARGET 01: Reduce greenhouse gas emissions

TARGET 02: Improve energy efficiency and the use of renewables

TARGET 03: Improve the waste management system, including the tracking of waste data and disposal methods

SOCIAL

TARGET 04: Improve compliance training programmes, including training on human rights and business ethics

TARGET 05: Implement and improve Safety First Strategy, with a goal of zero incidents

TARGET 06: Increase diversity by empowering women, for example through educational programmes in STEM subjects

TARGET 07: Increase employee development by increasing training hours, completing performance reviews & offering a leadership academy

TARGET 08: Increase commitment to social and environmental projects, by increasing volunteering hours, setting up partnerships with relevant organisations

GOVERNANCE

TARGET 09: Implement a group-wide quality management system

TARGET 10: Digitalisation of processes

TARGET 11: Implement a group-wide knowledge management system

TARGET 12: Increase supplier screening on social and environmental criteria

The Future is Circular: Our Sustainable Business Model

MATERIAL TOPIC: SUSTAINABLE BUSINESS MODEL

As traditional linear models significantly negatively impact the planet, we have developed a sustainable business model focusing on circularity. We want to combine our business model with environmental awareness. With our sustainability strategy, Christof Industries aims to create sustainable value and growth through thinking circular and operating with as little environmental impact as possible.

Improving our business model sustainability is crucial, especially as we try to help other companies become more sustainable. We believe that before being a role model for other companies, we must integrate sustainability into our company's corporate governance and business strategy. With our sustainability strategy, we want to ensure that our business processes are sustainable. Additionally, we aspire to have a positive impact on all our stakeholders, both internal and external, as well as on the environment, while at the same time ensuring economic growth and value creation.

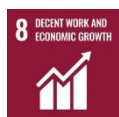
Measures for managing this topic

- ✓ Integration of sustainability strategy into corporate strategy
- ✓ Improvement of corporate governance and sustainability management
- ✓ Development of sustainability targets linked to economic value creation and revenue targets

2021 Highlights

- In 2021 we made key steps towards further integrating sustainability into our business model.
- Challenges due to Covid-19 and climate change highlighted the need to rethink how we work
- Internal changes included:
 - Setting up a compliance organisation
 - HR development, with plans to further integrate sustainability KPIs into the reward structure
 - Sustainable supply chain with a strengthened procurement
- Changes in our product portfolio included:
 - Increasing focus on sustainable solutions for industry
 - Inclusion of further green technologies in our portfolio, both own technologies and partnerships
 - Increasing expertise in green technology through the development of existing employees and hiring additional experts

Related SDGs



Our Business Model Impact and Sustainable Value Creation (201-2)

Our business model enables us to create sustainable value and growth through positive environmental and social impact. However, to ensure sustainable value, we must be aware of the risks that could negatively affect our business and manage them accordingly.

Challenges such as climate change and waste overload may create physical and transition risks for companies. “Physical risks” are direct consequences of climate change and extreme weather conditions, such as rainfall, heat waves, floods and storms that may impact a company’s operations and supply chains. “Transition risks” arise from the switch of society and the economy to becoming more climate neutral. Increasing focus on emissions reduction and limiting global warming will lead to changes in policy, technology, and consumer preferences¹. Our risk analysis has been reviewed and revised where necessary in 2021.

Sustainability Risks

Figure 7

Physical Risks	Transition Risks		
Operational	Technology	Policy/ Legal	Market
Risk from the impact of extreme weather conditions and global pandemic on operations and supply chain	Risk arising from a shift to developing new climate-friendly technologies	Risk arising from new environmental policies and restrictions as well as laws	Risks arising from a change in consumer preferences towards climate-friendly products & services

Business Model Impact

Table 3

Core Business	Sustainability Risk	Positive Environmental and Social Impact	SDG Focus	How Christof Industries creates sustainable value
Innovation, Research & Development	Transition risk: Technology & Market	X	7,8, 9,11,12,13	Through intensive research and development activities, Christof Industries has become one of the world's leading technology companies in many areas, including waste to energy and waste to value. By using such technologies, we have the ability to process all waste flows in a single, integrated system with the elimination of waste and generation of resources and new value. With these activities we are able to prepare for the shifts in consumer preferences and the development of new climate-

¹ Source: FMA

				friendly technologies by competitors.
Project Development	Transition risk: Market	X	7,9,11,12,13,17	<p>When developing new projects, we strive for perfect, individual solutions for our customers and their specific needs. With our process know-how and cutting-edge technologies, we can help clients conceptualise ideas and create shared visions, that trigger great innovations and impact.</p> <p>We integrate technical, commercial and entrepreneurial components into an efficient overall concept. Christof Industries covers all aspects of project development, including consulting, technology and process selection, cost estimation, concept and feasibility studies, FEED with basic engineering, concept modifications, basic technical documentation, approval procedures or authority planning.</p> <p>We successfully bring our own technologies and patents to the market and turn emerging technologies to market maturity. As an „industrialiser“, Christof Industries develops existing pilot or test facilities as well as prototypes to industrial scale.</p> <p>As a technology and development partner we are very active in technology scouting. We test and evaluate third-party technologies and processes for industrial applicability, environmental sustainability and commercial feasibility.</p> <p>Our development teams continuously update the process knowledge, offer optimal customer understanding and thereby guarantee maximum reliability and availability of systems.</p>
Technology	Transition risk: Technology	X	2,3,7,9,11,12,13,17	Tailored to the specific requirements of the respective project, we provide our own patented technologies or cooperate with leading technology providers to ensure superior,

				tailor-made solutions. From incineration to biofuels to infectious waste solutions, we offer new technologies that focus on emission reductions and achieving a circular economy.
Engineering	Transition risk: Policy/Legal, Technology Physical risk: Operational	X	3,7,9,11,12	Every system is unique. Our aim is always to develop the best system solution available on the market for customers - be it as a turnkey project or a complex special plant. Through the international network of Christof Industries engineering teams, innovative, coordinated and cost-efficient engineering services are successfully implemented for our customers. We are committed to ensuring first-class projects and excellent customer service through high-quality work, project and HSE expertise, engineering methods and risk management.
Fabrication	Transition risk: Policy/Legal Physical risk: Operational	X	3,7,9	Innovation and advancement are both found in conceptualising and fabricating. With our own large production facilities in China, the Czech Republic, Slovakia, Austria and Romania as well as individual service workshops, we produce system-specific components, entire systems and spare parts according to European and international quality and safety standards. Our easy to handle solutions are always equipped with cost efficiency and speed.
Erection & Installation	Transition risk: Policy/Legal Physical risk: Operational	X	3,7,9,12	<p>Our installation and assembly services, which are recognized worldwide, enable the highest quality, professional planning, time, benefit and cost-efficient processes and absolute adherence to delivery dates.</p> <p>We cover a wide assembly portfolio across our industries with different technologies - from classic industrial plant construction, mechanical engineering and conveyor logistics to power plant technology with proprietary technologies for grate furnaces, waste heat boilers</p>

				and exhaust gas cooling systems to the oil & gas / petrochemical industry, where we use our expertise in refineries, oil fields and chemical plants.
Industrial Services	Transition risk: Policy/Legal, Market Physical risk: Operational	X	3,7,9,12	As a reliable partner in industrial services, we specialise in upgrading and maintaining existing plants and optimising their lifecycle costs. We guide and support our customers in the area of industrial services with process and asset-focused services for traditional maintenance, repairs and overhauls. We combine our specialised knowledge and human experience with modern digital technology in the context of Industry 4.0 - an exemplary and advantageous coexistence.

Conducting Clean and Safe Operations



At Christof Industries, we ensure our operations are clean and safe throughout the entire value chain, thereby protecting our employees and environment. We protect our employees through our health and safety procedures and the environment by minimising emissions, waste and pollution and maximising efficiency. We want to avoid the negative impacts of our business model on the environment and society.

Health and safety must be adequately managed to keep operations safe. Christof Industries works in offices, workshops and on-site; thus, we must ensure safety for our employees at all locations and in all roles. Each entity has its HSEQ (Health, Safety, Environment and Quality) department, which implements health and safety management systems and quality and environmental management systems according to local and international guidelines and standards. Our managers strive to promote safety, health and environmental protection in all Christof Industries companies and construction sites. Additionally, management teams at all levels are encouraged to adopt a positive attitude towards accident prevention, a safe work environment and environmental awareness.

International standards and certifications help ensure our operations are clean and safe. In 2017 we initiated a group certification of all Austrian companies in accordance with ISO 9001, 14001, and 18001. In 2020 we also transitioned to ISO 45001, a standard for occupational health and safety management systems. In 2021, Oschatz was certified together with Christof Industries' Austrian subsidiaries for the first time. This ensures that all companies of Christof Industries have access to standard certificates in health and safety, environment and quality.

Ensuring Healthy & Safe Working Environments

MATERIAL TOPIC: HEALTH AND SAFETY

Both health and safety are vital for Christof Industries as many of our employees work at workshops or industrial sites. Thus, we must ensure that they are protected in this work environment. Occupational health and safety is a top priority as it provides for the well-being of our staff. Whether in offices or on-site, we want our employees to feel safe and receive the necessary support and health care. Our “Safety First” strategy aims to implement an integrated management system for all our entities. The target is **zero incidents** in offices, workshops and on-site.

ESG TARGET: *Creating a safe, secure, and healthy working environment with zero incidents*

Measures for managing this topic

- ✓ Development and implementation of a group-wide health strategy
- ✓ Implementation of a health and safety management system following international standards, including ISO 45001, SCC/SCCP and OHSAS 18001
- ✓ Regular risk assessments are conducted to ensure safe operations
- ✓ Occupational health services are provided to all employees
- ✓ Health and safety training is undertaken where required
- ✓ Safety First Strategy is in place, with the goal of zero incidents

2021 Highlights

- Offering further occupational health services to employees, including regular doctor visits
- Continuation of Covid-19 measures, including antibody tests and a vaccination campaign
- Increased health and safety training working towards our safety first strategy
- Implementation of increased measures and training in Romania following two incidents

Related SDGs



Managing Health and Safety (GRI 403)

As a family business, we care deeply about the health and well-being of all our employees. We feel responsible for using all resources at our disposal to provide a healthy work environment for all. As we faced critical situations due to the Covid-19 pandemic and other crises, mental and physical health has continued to be a priority. Since 2020 there has been a comprehensive Corporate Health Strategy for the whole group of companies in place. A holistic understanding of health, oriented towards the individual's well-being, is a central component of our corporate culture. The strategy was developed within our comprehensive Corporate Health Care Programme to build up knowledge about strengthening our team's health and immune system during a global pandemic, boost team morale through joint activity, and reduce stress and resulting health problems. By introducing an international and digital health management system, we want to create ideal conditions where all employees can develop their full potential.

Our health strategy focuses on three key areas:

1. **Occupational health and safety and prevention**
2. **Health promotion**
3. **Health literacy**

Occupational Health and Safety Management System (403-1, 403- 8)

Health is our greatest asset, so in everyday working life, we must ensure the safety of all. Our health and safety management system is tailored to the health care systems of the different countries and is therefore managed at individual locations. Even in our smaller subsidiaries, we have established HSEQ departments with safety engineers who take care of our office-based employees' occupational health and safety. With our "safety first" strategy, we aim to implement an integrated management system for all our entities, with a target of **zero incidents** in offices, workshops and on-site.

Standards and management systems vary depending on the country and the type of service offered by our various entities. ISO 45001 and SCC are the most widely used certifications. For example, in our Oil & Gas subsidiaries, an HSSE management system is in place, according to ISO 45001 and IOGP, which is necessary for activities related to the oil and gas industry. There is also a

documented safety contractor certificate necessary for petrochemical activities. The scope also varies by country. In Austria, we have an HSEQ management system certified according to OHSAS 18001, ISO 45001:2018 and SCC. Mentioned standards are valid for planning, erection, commissioning and servicing of industrial plants; design and manufacturing of special machinery, equipment and systems for electrical instrumentation, measurement and control engineering; energy technology, environment technology, modernization, conversion and upgrading of thermal energy production plants, plant service and assembly.

H&S Certifications Table 4 & Standards

Certifications & Standards	ISO 45001: 2018	SCCP: 2011	SCP:2 011	EN ISO 18001: 2007
Slovenia		✓		
Croatia		✓		
Bulgaria	✓			
Russia	✓			✓
Austria	✓	✓	✓	
Romania	✓	✓		
Germany	✓	✓		
China	✓*			
Czechia	✓			

*as part of Oschatz Germany

Work-related Hazards and Risk Assessment (403-2)

Christof Industries uses specific HSEQ and standard risk assessment procedures. LMRA (Last minute risk assessment) and method statements are conducted. In certain countries, companies are required to deliver risk assessment documents. For example, our subsidiary in Serbia provides an annual risk assessment created externally by a professional HSE company. In China, this procedure is done in-house, where each department and the team investigate, collect and identify hazards in the activities, products or services they are involved in and compile a list of their hazards. The HSEQ department then evaluates the hazard sources identified by various departments to determine the most important ones and then summarises and organises these into a company-wide "hazard source list". In Bulgaria, work-related hazards and risk assessments are required annually. The most recent update also includes Covid-19 regulations and preventive actions. The exact process occurs in Austria and Romania, where internal risk assessments are approved yearly, and project risk assessments are

mandatory and approved through ongoing controls.

Occupational Health Services (403-3)

Current occupational health services offered to workers are tailored to local requirements. This ranges from medical controls at each job, such as electrocardiogram, eye control, glycaemia, blood tests and psychological screenings at our O&G subsidiary in Romania, to annual health checks for our employees in our small office in Serbia. In Austria, a doctor is employed as external medical personnel who provides medical services within the company and visits periodically in coordination with our health and safety officer. This secures our employees' easy access to medical services and consultations. In locations with workshops or factories, occupational health services are critical. For example, in Nanjing, China, all employees in occupationally hazardous positions receive annual health examinations and are interviewed annually. The working environment of all employees in occupationally hazardous situations is also monitored annually.

Training on H&S (403-4, 403-5, 403-7)

Training and HSEQ awareness are at the core of our health and safety management approach. The type and frequency of the training conducted depends on the entity and the location. For example, in most European countries, such as Germany, we are certified by SCCP, so training on health and safety is required internally and externally. New employees or employees starting new projects and visiting new sites must undergo additional training. A particularly effective method is used in Romania and Austria, where the HSSE training matrix was developed in 2019, which is then monitored and verified in inspections, audits, MWAs and management analyses. All training is associated with the training matrix, and every training is confirmed with a certificate. In Romania, the topics covered in training follow the legal requirements and typically include lessons learned from incidents in the oil industry. The instructors are specialists and authorised trainers. Training frequency is established in the annual training plan and training matrices at the beginning of each calendar year. In Slovenia and Croatia, employees are trained regularly, with theoretical and practical content and a final exam. The training starts with a presentation and discussion relevant to the assigned project. Once employees have passed the theoretical part of the training, they must demonstrate their skills in a competency test. In Bulgaria, SCC and first aid training are conducted.

In recent years these have taken place online. In China, all personnel in occupationally hazardous positions are trained at least once a year, with a personnel coverage rate of 100%. Training on H&S is free of charge and during paid working hours in all locations. Evaluations of the effectiveness of training courses are carried out and documented regularly. For example, in Austria, training effectiveness is evaluated by internal audits, accident statistics, employee evaluation and customer feedback.

Health promotion (403-6)

Through innovative measures and first-class know-how from renowned experts and in alignment with the needs of our employees, we create health-promoting working environments for all. We attach great importance to communication regarding safety performance. For instance, our HSEQ team members from all locations frequently post information, notices, and guidelines on Workplace's internal communication platform. This communication was beneficial during the pandemic, as we had to pass on up-to-date information to all employees at short notice. With the outbreak of the Covid-19 pandemic, the daily work routine in companies worldwide faced many new challenges. Above all, the pandemic has brought into central focus the significance of health as the most important human good. The company's health promotion, like its occupational health and safety management, focuses on continuous improvement. The aim is to minimize the strain on employees and strengthen their resources. The basis for this is provided by working conditions that support employees' physical and mental well-being.

H&S for subcontractors (403-5,403-8)

If external companies or subcontractors work at our sites, they must be demonstrably instructed, and their activities must be coordinated with our employees and company guidelines. For each external contractor, there must be an internal contact person. The responsible person must communicate our internal safety guidelines based on our HSE regulations.

There are more specific guidelines in Romania, where we work with many subcontractors. All subcontractors must follow our health and safety policies, defined in a separate chapter within the contract. In addition, there is a safety convention signed by both parties, which describes general responsibilities for health and safety and responsibilities in the case of incidents or

accidents. Subcontractors are required to report their monthly safety KPIs with us, and we conduct monthly meetings on safety issues.

Activities and Highlights in 2021

2021 was another year severely impacted by Covid-19. In such challenging times, Christof Industries must guarantee the safety of its employees. Many of our employees work in industrial environments, which are characterised by elevated levels of risk, and where a moment of carelessness or a lack of attention to safety guidelines can have fatal consequences for the person in question or others. We, therefore, attach particular importance to safe workplaces free from accidents.

Health and Safety Performance (403-9, 403-10)

Through our HSEQ departments, we collect annual data such as the number of employees

covered by our health and safety management system, number of accidents in terms of cause, type, number, location/department, and days the affected employee was absent to take appropriate improvement actions.

In 2021, we conducted over 144,595 training hours for H&S. Our goal is to maintain the level of occupational health and safety training and to keep the number of employees covered by an occupational health and safety contract at 100%. In 2021, we had one high-consequence work-related injury and 23 recordable work-related injuries.

There were zero cases of work-related ill-health in 2021. Unfortunately, we had two fatalities in our operations this year. These incidents and the actions taken are explained in detail below.

Occupational Health and Safety Data

Table 5

Training hours (403-5)	2020	2021
	62,490	144,595
Workers covered by H&S mgmt. system (403-8)	2020	2021
	100%	100%
Work-related injuries (403-9)	2020	2021
number of fatalities	0	2
number of high consequence work-related injuries	1	1
number of recordable work-related injuries	22	23
rate of fatalities*	0.00	0.0548
rate of high consequence work-related injuries*	0.04	0.0274
rate of recordable work-related injuries*	0.87	0.63
total number of hours worked	5,044,105	7,305,636
*Rates are calculated based on 200,000 hours.		

Incident summary

Both fatalities occurred in our Romanian subsidiary shortly after establishing a new framework agreement that involved taking over new employees and business activities from our customer. The first accident occurred on August 18, 2021. During a visual inspection of the lifting equipment, the worker had an accident that involved a head injury. While the injury was initially considered minor, his condition worsened and required medical treatment. The second fatality occurred on October 4, 2021. This involved a road accident where the driver lost control and

overturned. Together with our customer, we defined concrete actions and measures to be implemented to prevent such incidents from occurring in the future. The incident prevention action plan for the first accident includes employing a technical expert for all aspects of transportation, ensuring the customer specifies minimum requirements for service standards of transportation fleet beyond legal compliance and developing a plan to shift to preventive maintenance.

The second incident prevention action plan includes improving risk awareness campaigns and more vigorous enforcement of policies, including alcohol policy and consequence management. Implementing a transportation safety system on all company vehicles is also necessary, as well as retraining on all Health and Safety issues, including defensive driving.

Health and safety during the pandemic

The current Covid-19 pandemic has disrupted all aspects of our daily lives and has brought additional challenges to ensuring the health and safety of our employees. During a global crisis, it is imperative to ensure occupational health and safety systems are in place to anticipate, prepare and respond to such a state of emergency.

Over the past year, our local managers and Covid-19 response teams have had to implement, adapt and continuously increase precautions to ensure a safe work environment during the pandemic, for

example, by providing regular testing accessible to our employees. These teams have worked hard to build resilience and ensure our health and safety management systems are fit to face crises in the future.

We also had a vaccination campaign, where we shared videos and other resources that included the views of experienced professionals and people that the pandemic had directly impacted. We shared a video with encouraging words from our CEO Johann Christof and insights from Dr. Uni. Prof. Michael Lehofer from Austria, who, among other things, is the head of the Long Covid Station in Styria, and Liviu Ciovan from Romania, who lost his colleague and friend to Covid-19.

Feedback from our clients on our health and safety procedures is also vital in times like these. In 2021, we received special praise for the execution of the work and the associated occupational safety from our customers.

Outlook

As health and safety are among the most important material topics, this will remain at the top of our agenda in the following years.

The improvement of governance structures on the corporate level will be necessary, with increased collaboration and harmonisation of international HSEQ teams.

There are also plans to continue and expand our digital health strategy implementation, including special training and awareness programmes for health promotion. Mental health is also particularly important in times of crisis.

With the ongoing Covid-19 pandemic, we will continue to focus on keeping our employees safe with necessary protective measures.

Due to the incidents in Romania in 2021, we will be implementing the improvement measures identified and outlined in our incident action plans. This will include predictive maintenance, digitalisation for monitoring vehicles and various training and stricter policies.

There will be a stronger focus on health and safety, including increased communication on our internal platforms and increased digitalisation of health and safety education and training possibilities, with the implementation of a new learning management system, LMS365, in 2022. This will enable HSEQ departments to provide online training for all employees. We will also develop and increase communication on new HSEQ policies, including specific guidelines for subcontractors.

Tackling Climate Change

MATERIAL TOPIC: CLIMATE CHANGE

Climate change is a growing global concern, with ever-increasing carbon dioxide levels leaving harmful effects on the earth's resources and society. Businesses have a crucial role to play in this transition, and there are many reasons why sustainability and social responsibility must be high on every company's agenda. At Christof Industries, we place great value on meeting the legal requirements for a sustainable business but also the expectations of our stakeholders. Our commitment to the UN Sustainable Development Goals aims to fight climate change and protect life on land and below water. Moreover, our goal is to help reduce the adverse impacts of industries such as energy, oil & gas, and infrastructure. By offering technologies and process improvements, we contribute to reducing the negative effects of climate change, both in our own and in our clients' operations.

ESG Target: *addressing global climate change by meeting the carbon budget (reducing our carbon footprint)*

Measures for managing this topic

- ✓ Environmental management: Standards and Certificates, including ISO 9001:2015 and ISO 14001:2015
- ✓ Energy, water and waste management
- ✓ Protection of biodiversity
- ✓ Emissions tracking & emissions reduction initiatives

Highlights of 2021

- Increased focus and awareness on climate change and environmental topics within CI
- A new environmental policy developed towards the end of 2021
- The material flow management project started
- In-depth carbon footprint analysis and investment into a compensation project through the UN

Related SDGs



Environmental Management

For CI, environmental management is more than just complying with legal requirements. We see our commitment to environmental protection, plant safety and occupational safety as the basis for our quality and profitability. Our target is to address climate change by meeting the carbon budget. Therefore, we must reduce our emissions significantly and plan for and avoid environmental damage by applying the precautionary principle as a risk management approach.

By supporting the UN Global Compact and implementing the sustainability strategy, Christof Industries has committed to preserving and protecting natural ecosystems. As a service company, our focus is first and foremost on reducing environmental impacts in our offices and workshops. In the past years, we found that the most significant CO₂ emissions are caused by energy (heating, electricity, etc.) and fuel consumption, and indirectly through business travel, employee commuting and waste management. We, therefore, aim to keep our operations clean by minimising emissions, waste and pollution and maximising efficiency. Protecting and maintaining biodiversity is also essential to ensure our products and services offered are sustainable.

Environmental Compliance

We comply with all environmental laws and regulations in the respective countries (307-1). To ensure this, we have an environmental management system based on ISO 9001:2015 and ISO 14001:2015.

Towards the end of 2021, we developed a new environmental policy for all Christof Industries'

subsidiaries. This outlines our commitment to environmental protection and how we plan to reduce the environmental impact of our operations throughout the entire value chain by minimising emissions, waste, and pollution, maximising efficiency, and improving our partners' environmental footprint. Our commitment to environmental compliance and governance includes operating effectively and under a certified environmental management system, establishing and measuring the significant environmental impacts of our operations, setting targets for performance improvements and monitoring progress against those targets in areas including but not limited to energy, greenhouse gas emissions, water usage/quality and waste, and complying with all applicable laws and regulations regarding the restriction and registration and where necessary, authorization or notification of chemical substances contained in the end product or production process according to statutory requirements that apply to the corresponding market (e.g. REACH).

Maintaining Biodiversity

Maintaining biodiversity is an important criterion used to design more sustainable product ranges. Our environmental policy also outlines our commitment to minimising pollution, and biodiversity is considered through all stages of our activities. In 2021 we had no operational sites owned, leased, managed in, or adjacent to protected areas or areas with high biodiversity value outside protected areas, as well as no significant positive or negative impacts concerning species (304-2). We have started conducting life cycle assessments of selected products, such as SinTion, to set measures to achieve more environmentally friendly products.

Increasing Energy Efficiency

MATERIAL TOPIC: ENERGY EFFICIENCY

We recognize that reducing our energy use has the potential to make a significant impact in mitigating the effects of climate change. We are aiming to make our facilities and operations less resource-intensive, more cost-efficient, and in the end, more sustainable. Our management approach emphasizes reducing consumption and using resources sustainably through technological solutions.

ESG Target: *Driving high energy efficiency and using renewable energies and climate-friendly technologies.*

Measures for managing this topic

- ✓ International Laws and Standards, including EEffG (Austria) and ISO14000
- ✓ Training on energy saving, tracking KPIs, equipment selection and analysis
- ✓ Projects to increase renewable energy sources and energy efficiency
- ✓ Research and Development into new technologies that aim to reduce CO₂
- ✓ Mobility concept for increased use of more sustainable transport methods

Highlights of 2021

- Increased energy usage due to increased activity after Covid-19 restrictions reduced
- Increase in renewable energy as a percentage of total energy consumption, e.g. 100% in Austria
- Started a material flow management project to conduct in-depth analysis and targeted optimization of material and energy flows
- Expansion of electric vehicle fleet

Related SDGs



Energy management (GRI 302)

According to the Austrian Energy Efficiency Act (EEffG), companies must take measures to improve energy efficiency and document and report on emissions. Therefore, energy efficiency audits are carried out annually at the respective locations and the suggestions for improvements listed therein are evaluated. Although this applies to Austria, we have also been improving our energy management and monitoring internationally. For example, our subsidiary in Romania strictly monitors consumption and establishes actions to save energy and resources, where possible.

Energy management within the organisation (302-1)

Our energy consumption within the organisation includes electricity and heating at our locations and the energy used to produce our products. To manage this consumption, our energy management measures throughout the company generally include

1. Training,
2. Energy resource consumption indicators,
3. Equipment selection and process selection, and
4. Supervision and analysis control.

In terms of training, we organize training and education on energy saving and resources for employees. Additionally, each department within the company promotes the knowledge and methods of saving energy and resources through multiple levels and channels.

The company uses energy resource consumption indicators and formulates energy and resource targets based on the provided statistical analysis of energy consumption and the following year's work plan and environmental targets.

Production process technicians must consider resource conservation and pollution prevention when selecting processes and equipment and prefer to use process technology and equipment with mature technology and low energy resource consumption.

Where possible, we collect energy consumption data, such as electricity and heating. As some of

our locations are rented office spaces, we have not had access to this data.

Energy management on long-term projects (302-2)

Since 2020 we have also been collecting energy consumption data from our long-term projects with framework agreements. The framework agreements with our customers define the terms and conditions of contracts for a specific period (between 1 and 8 years). During operational meetings, specialised employees analyse energy efficiency potentials and suggest solutions to clients for approval and implementation. We have those agreements in Romania and South Africa where we realise the projects for our customers. Energy consumption from these projects is illustrated in this report, but not accounted for, as it is outside our scope of responsibility.

Mobility (302-2)

Mobility is extremely important for economic and social development and is significant, especially for Christof Industries as a global company. However, transportation greatly contributes to our energy usage and, thus, GHG emissions. The challenges during the Covid-19 pandemic have drawn attention to the wastefulness of our transportation use and have led to permanent changes in areas such as home working and business travel.

Our fleet consists of petrol, diesel, and electric cars, categorised as personal and commercial vehicles. With over 900 vehicles in our fleet, we significantly impact the environment. We aim to minimise emissions with the increased inclusion of electric cars in the company fleet. For example, at our location in Graz, we aim to ensure that journeys in the city area are carried out with electric vehicles or public transportation where possible.

We also have policies in place for business travel management within the company. Due to Covid-19, we introduced a guideline on business travel in 2020, which meant that only business-critical journeys were permitted. This also included restrictions on the number of persons permitted within a vehicle.

Activities and Highlights in 2021

As a growing company, with increased activity and number of employees, reducing the company's overall energy consumption has significant relevance to us. Due to Covid-19 measures and the influence of the pandemic on our business, we reduced energy consumption in almost all

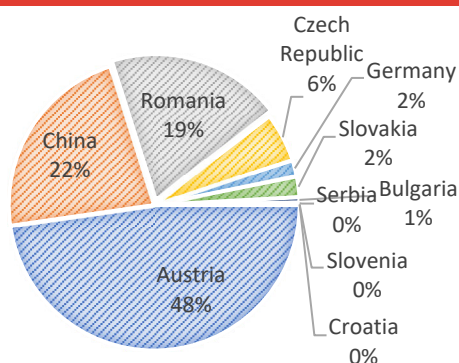
locations in 2020. In 2021, we saw an increase in energy consumption due to increased activity.

Energy Consumption

The company's total energy consumption in 2021 was 6.56 GWh, amounting to 1,634 kWh per employee. Most of our energy consumption is attributable to our sites with workshops.

Energy Consumption (302-1)

Figure 8



Electricity and Heating Consumption

Table 6

All numbers in kWh

Electricity consumption by country	2020	2021
Austria	2,187,959	2,240,875
China	1,157,253	1,466,548
Romania	569,222	585,818
*Projects/framework agreement not in our scope	(3,879,652)	(4,409,387)
Czech Republic	254,125	255,635
Germany	128,005	118,574
Bulgaria	29,640	38,600
Serbia	5,891	9,200
Slovenia	5,269	5,432
Croatia	2,340	2,460
Slovakia	97,377	151,218
TOTAL	4,437,081	4,874,360

Heating consumption by country and type	2020	2021
Austria - District Heating & Natural gas	714,471	886,963
Romania - Natural gas	530,586	687,738
Natural gas **Projects/framework agreement not in our scope	(7,392,026)	(9,236,356)
Czech Republic - Natural gas	120,333	103,918
Slovenia - Natural gas	7,955	8,356
Croatia - Natural gas	454	485
Serbia - Natural gas	791	0
TOTAL	1,374,590	1,687,459
TOTAL ENERGY CONSUMPTION	5,811,671	6,561,819
Energy Intensity (per employee)	1,503	1,634

* Energy consumption in projects/framework agreements, which is in the scope of our customer

** Electricity data for Russia, Italy and offices in UK, USA, UAE, Australia and Mexico are not available as these are rented offices

Renewable and non-renewable electricity consumption by country

Table 7

Country	renewable		non-renewable	
	kWh	%	kWh	%
Austria	2,240,875	100	0	0
China	249,313	17	1,217,235	83
Romania	235,557	40	350,261	60
Czech Republic	16,437	6	239,198	94
Germany	71,500	60	47,074	40
Slovakia	29,820	20	121,398	80
Bulgaria	6,176	16	32,424	84
Serbia	2,649	29	6,551	71
Slovenia	1,700	31	3,732	69
Croatia	369	15	2,091	85
TOTAL	2,854,397	59	2,019,963	41

Mobility

We have reported driven kilometres in all subsidiaries that have company cars. We have also included distances travelled by rented cars used for business travel. In 2021 we again added electric vehicles to our fleet, including ones that

can be used for longer distances. Since Christof Industries is a global company with subsidiaries and projects worldwide, business travel is required in certain situations. Travel restrictions due to the Covid-19 pandemic continued to cause business disruptions across Christof Industries and our external partners globally. Business travel in 2021 was similar to 2020.

Vehicle Distance Driven

Table 8

All numbers in km

Fleet (km)	2020	2021
Diesel	11,203,772	15,824,877
Petrol	1,916,535	1,782,379
Electric	45,489	142,302
TOTAL	13,165,795	17,749,558

Business Travel

Table 9

All numbers in km

Business travel (km)	2020	2021
Flight	3,252,130	3,032,279
Train	322,074	601,239
TOTAL	3,574,204	3,633,518

Implemented efficiency measures (302-4,5)

While energy consumption increased due to increased activity, we continued implementing energy efficiency measures in our international locations.

We started a global material flow management project in the final quarter of 2021. Material flow management is an in-depth analysis and targeted optimization of material and energy flows generated during manufacturing products and services. The energy efficiency part of the project

aims to conduct a systematic analysis of energy use and consumption (goals, current state analysis, evaluation of external energy suppliers), improve energy efficiency through the identification of hot spots, KPIs, and possibly saving potentials and reduce energy consumption through the consideration of optimization potentials for future projects with the goal of CO₂ reduction.

33% of our total electricity consumption is generated by renewables, which we want to continue to increase where possible. Since our workshops operations account for up to 95% of our

global energy usage, we have focused our energy-saving efforts on those facilities.

In Austria, we managed to shift to 100% renewable energy for our electricity consumption. In addition, at the end of May, the go-ahead was given for the investment in a photovoltaic system at our Wels site, which is to be installed in early 2022. Lightbulbs in Austria were also replaced with LEDs to increase energy efficiency.

From a mobility perspective, further electric vehicles were added to the fleet in Romania and Austria. In addition, monitoring devices were

added to vehicles for environmental, health, and safety purposes. In Austria, electric vehicle charging stations were added at all locations, including one in Graz, four in Werndorf, three in Wels and one in Vienna.

To further reduce our mobility footprint, we are increasingly trying to encourage the use of public transportation and bikes amongst our employees. To do this, we have started to offer the option of Climate Tickets, for example, in Austria. We are currently setting up a job bike model in various subsidiaries, including Oschatz in Germany.

Outlook

In the upcoming year, we aim to continue our material flow management project to increase tracking and reporting on energy data and develop transparent energy flow management. We aim to define and implement comprehensive energy efficiency programmes with potential analysis for primary energy consumers. We aim to establish energy efficiency KPIs to measure energy efficiency at business units with workshops. We plan to continue our commitment to energy consumption and contribute to energy efficiency by further training our employees, arranging the work plan to reduce equipment idle time, and gradually replacing and selecting low-energy consumption equipment. As part of this project, we aim to improve monitoring in both workshops and offices, ensuring regular monthly energy usage reporting. Through this, we aim to determine hotspots and subsequently implement improvement measures.

There is enormous potential to increase sustainability in the IT area. While digitalisation may have significant energy requirements, it can also improve efficiency tremendously. Sustainable optimisation of IT infrastructure is possible in many areas through green IT (reduction of CO₂ emissions, electronic waste recycling, cost savings, regulatory compliance). In particular, the energy used for servers, end devices and data centres can be used efficiently and responsibly. In 2022, we aim to align IT management and digitisation with sustainability aspects and set targets for procuring, using and disposing IT equipment.

We plan to further increase the use of renewables at our locations, including the installation of a photovoltaic system at our Wels site in Austria. After the commissioning of the plant in spring 2022, we will generate 30-40% of the annual electricity demand from solar energy, which means we can save around 190,000 kg of CO₂ per year compared to non-renewable energy sources. In Austria, we also plan to analyze energy sources, including determining the possibility of switching from gas to district heating.

One key area where improvements are necessary is mobility, from fleet management and employee commuting to business travel. We must rethink the entire mobility concept and plan to conduct a mobility analysis in the upcoming year. Based on this, we will develop new policies, which we aim to implement at every location. Our goal is to increase transparency on business trips and to implement measures to increase efficiency. We also want to establish guidelines for procuring new vehicles according to sustainability criteria. In Romania and Austria, we are planning to continue expanding our electric fleet. To reduce our carbon footprint, we also plan to develop a guideline and training to encourage our employees to take a train over flying where possible. As some flights cannot be avoided due to international projects, we aim to compensate or offset air travel emissions through climate protection projects. As we implement projects that lead to a reduction in CO₂ emissions, we plan to submit these as offset projects.

Minimising Emissions

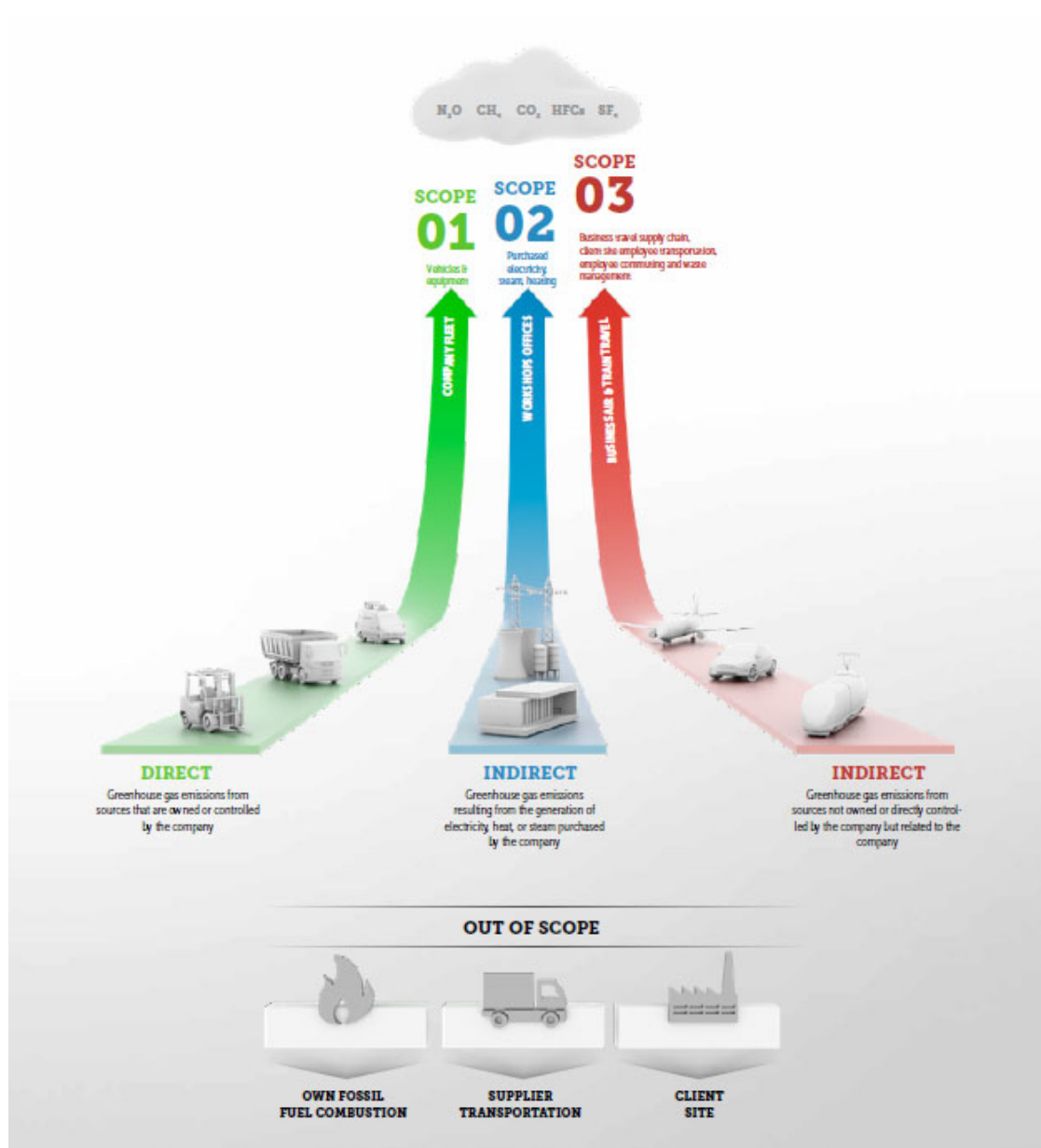
Mapping our Carbon Footprint (GRI 305)

Christof Industries follows the Greenhouse Gas Protocol (GHGP) standards to report CO₂ emissions. This protocol is the most widely used international accounting tool for governments and businesses to understand, quantify and manage greenhouse gas emissions. Our carbon footprint analysis includes the following, based on the GHGP (305-1, 305-2, 305-3).

- Scope 1: Direct greenhouse gas emissions from sources owned by the company. For Christof Industries, emissions in this scope are limited to those from the fuel used by our transportation fleets.
- Scope 2: Indirect greenhouse gas emissions from electricity use. In the case of Christof Industries, these include electricity consumption in offices and workplaces. Electricity consumption in projects is excluded to avoid double accounting from our customers.
- Scope 3: These are the emissions released by third parties when they provide their services to Christof Industries. This report includes emissions related to employee business travel by rail and flights, employee commuting, and emissions caused by waste generated in operations. Employee commuting data is collected through online surveys and internal research and then calculated using distance-based and average-based methods. These surveys will take place annually to provide information on average commuting habits.

Christof Industries Carbon Footprint

Figure 9



Activities and Highlights in 2021

In 2021, Christof Industries produced 13,837 tons of CO₂eq or 3.45 tons per employee. Our Scope 1 emissions also increased significantly, mainly due to increased travel due to the loosening of Covid-19 restrictions. Our Scope 2 emissions decreased

due to the reduction in energy consumption and remote-work measures across our company in response to Covid-19. Our Scope 3 emissions also increased slightly due to implementing further procedures and processes for tracking and reporting data for our environmental management system.

GHG Emissions

Table 10

Tons of CO2 Equivalents		
Scope 1	2020	2021
Fleet		
Diesel	2,317.92	3,873.93
Petrol	147.43	462.53
Electric	0.00	0.00
Scope 1 TOTAL	2,465.35	4,336.46

*Direct emission factor was used for electric vehicles, as it can be assumed that indirect emissions are covered by electricity consumption

Scope 2	2020	2021
Electricity		
Romania	176.52	181.67
China	642.28	813.93
Austria	564.49	31.37
Czech Republic	138.41	139.23
Germany	48.47	44.89
Slovakia	14.71	22.85
Bulgaria	12.96	16.88
Serbia	4.49	7.02
Slovenia	1.28	1.32
Croatia	0.64	0.67
TOTAL electricity	1,604.26	1,259.84

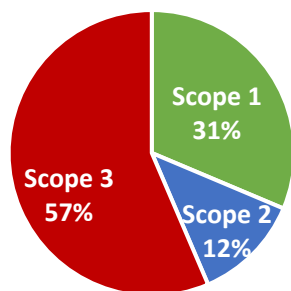
Scope 2	2020	2021
Heating		
Austria - District Heating & Natural gas	163.30	202.74
Romania - Natural gas	137.80	177.18
Czech Republic - Natural gas	31.25	26.77
Slovenia - Natural gas	21.80	22.71
Croatia - Natural gas	1.24	1.32
TOTAL heating	357.56	430.73
Scope 2 TOTAL	1,961.82	1,690.57

Scope 3	2020	2021
Business Travel		
Flight	1,357.90	0
Flight – Offsetting		1,196.45
Train	2.61	7.58
Employee Commuting	6,293.73	6,548.66
Waste Generation and Disposal	825.39	1,254.13
Scope 3 TOTAL	8,348.84	7,810.37
Total GHG Emissions	12,776.00	13,837.40
per employee	3.30	3.45

Due to our international operations, we have used emission factors from various sources to calculate CO₂ equivalents considering the different locations accurately. For emissions within Austria, we used emission figures defined by the Federal Environment Agency. A detailed list of emissions factors used for calculating our emissions is presented in the annexe.

Emissions 2021

Figure 10



Measures implemented to reduce emissions (305-5)

In 2021, we significantly improved our environmental data quality and tracking of KPIs. We started building a reliable environmental tracking system as part of our quality management

system, where data is submitted regularly by the HSEQ departments of our subsidiaries. Reducing our carbon footprint is an important strategic target for Christof Industries and highlights our commitment to the material topic of Climate Change. By implementing a sustainability governance structure, we want to increase awareness of these issues so that quantitative targets to reduce emissions can be set in the future. This year, we have decided to offset our flight emissions. For obligatory reasons, part of our emissions was offset through the Emissions Trading Scheme, as we had to pay the necessary taxes to the EU, Swiss and UK authorities.

All further emissions were voluntarily compensated through an investment into a chosen UN-certified project. A waste-to-energy project was selected due to its relevance to our activities. The project we supported is a rice husk-based cogeneration plant generating electricity and steam in India². In 2021 we also started a life-cycle assessment for our product SinTion to ensure a better understanding of its footprint and environmental impact.

Outlook

In the upcoming year, we plan to commit to the Science-based targets initiative (SBTi) and determine our roadmap to net zero. Over the past two years, we have been working on increasing transparency and improving our data. The next step is a numerical and scientifically based commitment to reaching net zero. To reduce emission, we will be applying further energy efficiency measures such as using renewable electricity, modernizing our equipment and

processes, improving our emissions tracking system and introducing a sustainability mobility (fleet) policy for business travel, reducing waste generation and introducing an efficient waste management system. We are also committed to implementing several emission reduction initiatives that will be key to reducing emissions in the following years. We are currently developing options for carbon offsetting projects to compensate for emissions we cannot avoid in our operations. The LCA project for SinTion will continue and will be finalised in Spring 2022.

²

<https://offset.climateneutralnow.org/vchistory/details?orderId=23732>

Reducing Waste

MATERIAL TOPIC: WASTE MANAGEMENT

Waste has become a massive issue for our environment, with around 3.5 million tons of waste produced daily, many of which end up in landfills and pollute our rivers and oceans. We strive to eliminate waste by providing waste management solutions and encouraging the reuse and recycling of resources and materials. We provide new and innovative systems for managing various types of waste and strive for a zero-waste circular economy.

ESG Target: *Striving for zero waste to be sent to landfill by reducing, reusing and recycling waste*

Measures for managing this topic

- ✓ International environmental standards and set group environmental standards
- ✓ Waste management system including allocated waste officers
- ✓ Waste management solutions

Highlights of 2021

- Increase in waste due to expansion in Romania
- Actions to recycle include donations of computers to charities in Austria and Germany
- Started a material flow management project to conduct in-depth analysis and targeted optimization of material and energy flows

Relevant SDGs



Waste Management (GRI 306)

Waste management is integral to our company's environmental management system, which our HSEQ departments conduct. There are nominated waste officers for the several branches to evaluate the actual data and to set corrective measures for the future. Information is communicated regularly to all employees regarding environmentally conscious behaviour, including reducing waste. We educate our employees on waste and the possibility of using reusable boxes for food and refilling water bottles, resulting in reduced kitchen and plastic waste.

In China, we also aim to reduce chemical use by adjusting the number of chemicals purchased.

In addition, our services and technologies focus on waste management (see Section on Sustainable innovations).

We have also adopted an environmental policy focusing on environmental protection and awareness, waste and energy reduction, and risks and opportunities related to climate change.

Classification and Disposal of Waste (306-4)

The classification of waste differs by country. We mainly produce two categories of waste: household waste and hazardous waste. Relevant parties dispose of household waste after classification. Hazardous waste is classified according to national laws and regulations and is then handed over to qualified manufacturers for disposal and transported in licensed vehicles authorised by environmental agencies. All waste streams are collected and segregated as required by legal regulations. All waste produced by Christof Industries and its subcontractors is disposed of through a licensed and approved vendor and is sent to a licensed and approved disposal facility. Within Christof Industries, waste generation occurs in our office buildings, workplaces, and operations. For some subsidiaries, such as those in Russia, Serbia, Germany, UK, USA or UEA, where we only have offices, it is impossible to report waste data. In locations where waste significantly impacts the environment, waste quantities are recorded in a waste management concept and updated regularly.

Waste management in our operations/projects is the responsibility of our customers. However, we are actively participating in making those processes efficient and ensuring that waste containers are provided to clients where necessary and according to the contract.

Recovery, recycling or disposal of non-hazardous waste is conducted by authorized companies based on documents in accordance with the provisions of the specific legislation, prepared and maintained by the environmental manager. For example, a waste manager in Romania uses several documents to manage this topic, including scale notes, forms for loading/unloading non-hazardous/hazardous waste, goods consignment notes, waste type characterization, reports and warehouse statements for waste delivery.

Hazardous waste streams are carefully monitored, managed and stored in specially arranged places. A safety data sheet accompanies each hazardous substance. Management involves registering the quantities entered, the quantities consumed and stocks. It is reported annually to the environmental agency. The hazardous waste is mainly disposed of in a landfill. However, a part of the hazardous waste is recovered by our subcontractor, who recycles paraffin and uses it to produce candles. Electric and electronic waste from our subsidiaries in Austria, Czech Republic and Slovenia is completely recycled by our subcontractor.

The transport of hazardous materials to and from construction sites is carried out within the scope of Christof Industries hazardous materials transport management in compliance with all relevant legal requirements, e.g. the ADR guidelines. Ongoing training courses for our employees ensure the effectiveness of the system. The hazardous materials officer carries out regular documented inspections of the transports (306-4). External companies do the management and transportation of hazardous wastes.

Water management

Water consumption and discharges are being managed under local rules and regulations. Water discharges are measured, calculated or estimated depending on available sources of information and requirements. To control these measures, each department is responsible for managing the water supply within its scope, adding measurement devices for statistics and supervision, and organizing and implementing corrections for the leakage of water pipes and faucets.

In our office-based locations, wastewater is not an issue. However, we must track water discharge at workshops and sites and monitor quality and destination. For example, a certified laboratory analyses relevant parameters (agreed with environmental agencies) of wastewater at sites in Romania and Austria. Results are recorded and

monitored by us, and if results are over the maximum limit, actions are established. Measures include cleaning filters, identifying the cause, cleaning decanters, changing cleaning substances or monitoring PH. In Romania, no water bodies are affected by the water discharge, as all our

wastewater is eliminated from the site by certified suppliers. Our Nanjing factory entrusts a qualified third-party monitoring agency to monitor our sewage outlet annually. The Yangtze river is the only water body that could be affected by water discharges.

Activities and Highlights in 2021

We continued to work on our waste management in 2021. With our new environmental policy, we took the first step in improving internal environmental procedures, which can be monitored and reviewed annually, or as required to ensure relevance and effectiveness. Our material flow management project also included waste management, with a goal to increase transparency and tracking of waste data and develop transparent material and energy flow management for the whole company.

Water consumption and discharge (306-1, 5)

The efficient use of water is a cost-efficient factor for Christof Industries. In 2021, the group consumed 24,339 m³ of water, amounting to 6.06 m³ of water per employee. We were unable to report on water usage in buildings where water meters are shared with other building tenants or where it is included in total rental costs (e.g. Italy, Serbia, Russia).

Water Performance (306-1)

Table 11

	2020	2021
Total volume of water consumption (m ³)	26,031	25,231
Total volume of water consumption (m ³) Projects/framework agreements		(14,515)
Total volume of water discharges by location (m ³)	26,031	22,894
Municipal untreated	4,817	5,114
Municipal treated	19,553	15,923
Other recipients untreated	1,102	1,857
Total water consumption per employee (m ³)	6,73	6,28

Waste generated

In 2021, Christof Industries generated around 2,563 tons of waste (previous year: 1,635 tons) which corresponds to 638 kilograms of waste per employee. This year there was significantly more waste in Romania due to the expansion resulting in an increase in metal and hazardous waste and more work in cleaning the pipes, which increased other hazardous waste. The calculation of organic waste for Romania is based on employee numbers. Metal waste in Austria was also significantly higher due to warehouse optimisation. We now only have one warehouse in Werndorf.

Approximately 30% of the waste was hazardous. The majority of hazardous waste comes from our subsidiary in Romania, where paraffin wax is used in operations.

In 2021 we did not have any significant spills of oil, fuel, waste or chemicals (306-3), and no cases of non-compliance with environmental laws and regulations related to any type of environmental issue were applicable to the organization (307-1).

Actions to recycle waste

Rather than throwing old computers away, our teams in Austria and Germany decided to give them another life. In Austria, the electronics were given to Note Nasen. In Germany, through the initiative, Hey, Alter!, Oschatz donated 30 computers to children and young people, ensuring equal opportunities. As the Covid-19 pandemic sent us all into lockdown, kids could no longer attend school. This meant that homeschooling was the new norm, but not all students had access to computers at home.

"In terms of sustainability, we are glad that the computers serve another purpose," says Monique van den Boogaard, Managing Director at Oschatz.

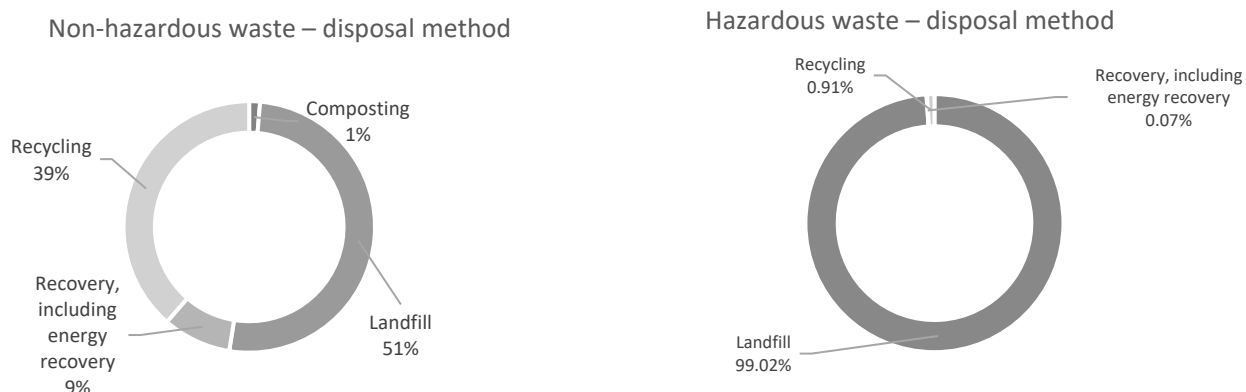
Oschatz also organised an initiative for old phones. Using a collection box from NABU (Nature And Biodiversity Conservation Union), one of Germany's oldest and largest environment associations, phones were collected and then

donated to the non-profit organisation AfB Group. By doing so, work was provided for people with disabilities who had to check and sort out the phones, which were then refurbished or recycled.

Due to the warehouse optimisation in Austria, we hosted a flea market in Wels to sell old equipment, drilling machines and any tools that were no longer needed for reuse. In addition, a contained was organised for the destruction of old files.

Waste by Disposal Method (306-2)

Figure 11



Waste by Type in kg (306-2)

Table 12

	2020	2021
Hazardous waste		
phones	1	0,6
batteries	12	28
oils	1,590	7,139
monitors	120	0
electric & electronic scrap	1,811	3,074
refrigerators, air conditioner	0	50
cooling agents	0	0
chemicals	2,389	577
medical waste	0	0
other hazardous waste	447,352	778,212
Total weight of hazardous waste (kg)	453,274	789,080
Non-hazardous waste		
paper	38,708	40,897
glass	720	3,237
plastic	13,138	14,214
metal	262,158	625,170
kitchen waste	27,016	369,501
building waste	1,350	1,940
other non-hazardous waste	839,579	718,825
Total weight of non-hazardous waste (kg)	1,182,669	1,773,784
Total waste	1,635,943	2,562,864
Total waste per employee	423	638

Outlook

In 2022, we plan to continue the material flow management project to improve our waste management. This includes: identifying, measuring, and offsetting the environmental footprint of our waste generation, reducing our environmental impact through waste reduction initiatives, striving for zero waste to be sent to

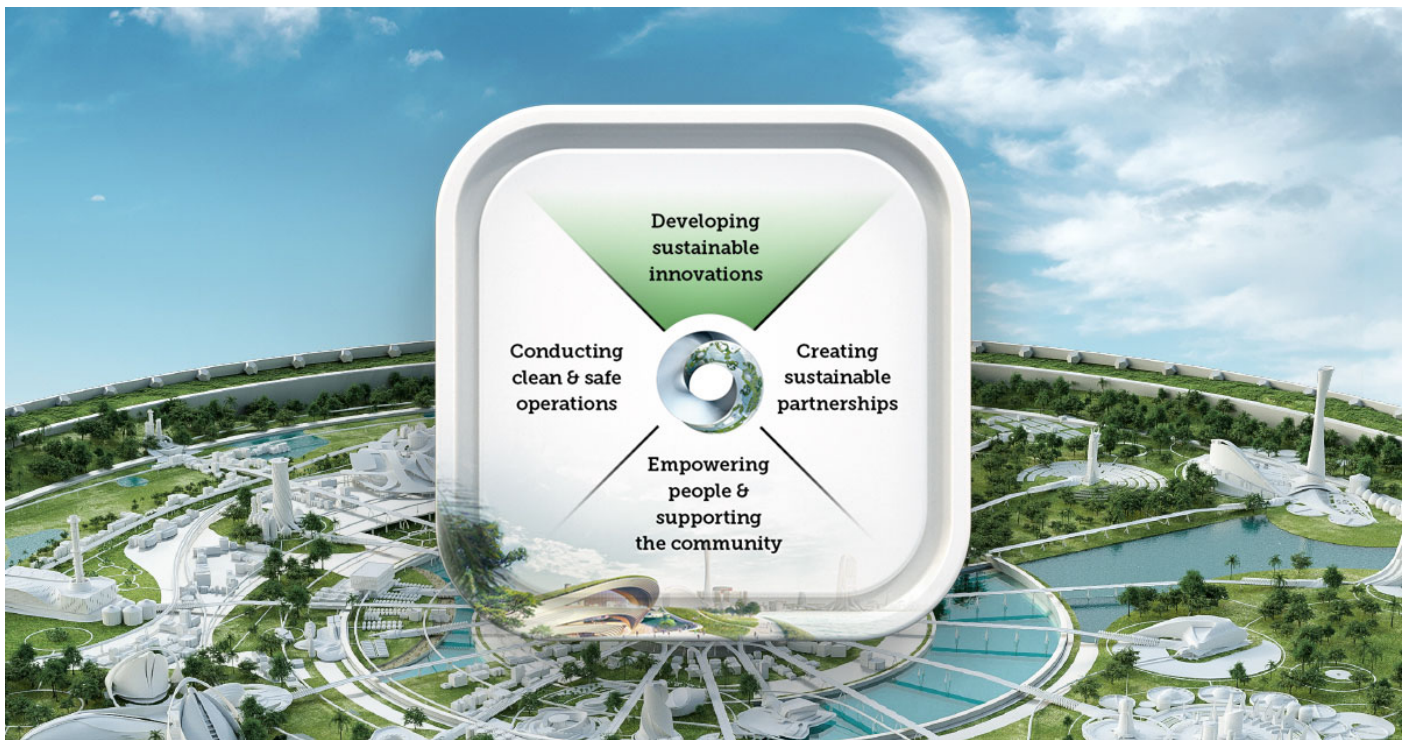
landfill by reducing, reusing and recycling waste, and working with our stakeholders on activities that promote environmental protection and stewardship, increasing waste tracking and improving recycling process, developing transparent sustainability waste flow management including project sites, increasing monitoring and reporting on water consumption data and defining and establishing comprehensive waste management programme.

Certifications and Standards 2021

- Ecovadis Bronze 2021
- EN ISO 9001
- EN ISO 14001
- OHSAS 18001
- ISO 45001
- EN 1090-2 EXC 4 (steel manufacturing „Execution Class 4“)
- SCCP / SCP
- Pressure Equipment Directive 2014/68EU, BgBl. Nr. 336/2014, §14, BgBl. Nr. 161/2015, §51, BGBl. I Nr.59/2016
- Approval acc. WHG (§19 I, Federal Water Resources Law)
- License for Fabrication and Welding (EN 3834-2 and AD 2000-HP 0)
- Panel Shop Approval (UL 508A / CSA C22.2 No.14)
- JQS Certificate for suppliers to the Oil Industry (Norway, Denmark)
- Manufacture License of Special Equipment (Chinese Boiler Certificate)
- GOST R, EAC (all Russia)
- ANRE & IGSU Authorisation, ISCIR, TÜV SÜD, ISU, INSEMEX GANEX, ARR/RAR, Environment Authorisations Romania
- (18 regional licenses) (all Romania)
- ASME
- Periodic safety training
- Own in-house welding academy



Developing Sustainable Innovations



Developing sustainable innovations lies at the core of our strategy to think and act circular and create sustainable value. Christof Industries is an innovator and a pioneer in the field of clean technologies for both megacities and smaller communities. With projects in waste to energy, waste to value and waste to nutrient, the Christof teams around the globe are trendsetters in industrialisation for modern, sustainable and circular economies. We are leading experts in state-of-the-art industrial waste heat recovery units and special plant engineering, which ensure that environmental impacts are kept to a minimum by reducing emissions to levels well below those required by legislative limits. As part of our 360° portfolio, we offer our own cutting-edge technologies. Depending on the specific requirements of each project, we tailor our patented technologies or collaborate with leading technology providers to ensure our customers receive superior bespoke solutions (102-2).

Discovering and Developing Sustainable Technologies

MATERIAL TOPIC: SUSTAINABLE INNOVATIONS

Sustainable innovations are at the core of our business model, as our R&D departments have developed cutting-edge technologies for the circular economy that we are constantly increasing our focus on. We believe that combining and integrating these technologies is the future of industries and cities and offering these already industrialised technologies distinguishes us from our competitors. Such innovations have a substantial economic and environmental impact. They can help secure economic growth while at the same time tackling climate change.

Measures for managing this topic

- ✓ Research and development investment in internal research projects
- ✓ Cooperative research projects with universities and institutions as well as accelerators and innovation hubs
- ✓ Technology scouting and partnerships for industrialisation of sustainable innovations

Highlights of 2021

- Rebranding and restructuring of Christof Clean City (CCC) to Christof Global Impact (CGI)
- Innovations added to the technology portfolio

Relevant SDGs



Research and Development

In-House Engineering Masterclass

Christof Industries engineering teams in Austria, Germany, the Czech Republic as well in China ensure that our superior solutions integrate the latest technologies. As we are a provider of a 360° range of services, it is standard practice to draw upon in-house engineering knowledge covering entire plant lifecycles. This provides the basis for continual improvements to existing solutions.

Our international engineering teams – with a capacity of around 140,000 man- hours per year – design complete industrial facilities, systems, custom--built machinery and plant components. The approach is multi-disciplinary and covers the areas of piping and steelworks, process technology, mechanics, machinery, electronics, instrumentation and automation.

Solutions That Look to the Future

We strongly focus on our research and development activities, patented in-house processes and cooperation with leading technology pro-viders. We develop trend-setting technologies from the ground up and pre-prepare them for industrialisation or commercialisation once they have reached technical maturity. This closes the engineering cycle and ensures our plants are sustainable. R&D at Christof Industries is organised across companies, providing an information and science exchange with all companies within the group and with management. To secure and expand market shares, investments are continuously made in further developing the company's products.

Our technologies play a vital role in creating sustainable value and growth. With new and innovative solutions, we provide a portfolio like no other industrial service provider. We can therefore ensure value creation not only for Christof

Industries from a financial perspective but also for our employees, suppliers and customers.

Our annual R&D expenditure is approximately 3% of revenue. In 2021, we applied for one patent for the Catalytic methanation plant. Our company currently holds over 50 different patents.

R&D

Table 13

	2020	2021
R&D expenditure of revenue	3%	3%
Number of applied patents	3	1
Number of patents	over 50	over 50

Many Paths – One Goal: Revolutionary Technologies

Research is everywhere – within Christof Industries, we are open-minded, keen to explore the unknown and find ways to develop theoretical concepts into industrial scale projects. As a result, Christof Industries' research and development activities cover three major fields of activity:

Autonomous research projects

New technologies that are kind to the environment and use less natural resources in processing or reusing raw and waste materials. Examples: Biodiesel, wood gasification etc.

Cooperative research

New, future-ready technologies in cooperation with universities and other (academic) research institutes. Examples: power-to-gas technology, incineration technologies.

Technology scouting

Research engineers address the feasibilities of RFQs from investors, inventors, developers and academic institutes and enter into cooperation with developers or start-ups.

Focusing on the Circular Economy

MATERIAL TOPIC: CIRCULAR ECONOMY

For us, an ideal world would be where a circular economy is a norm. Christof Industries' collective know-how in the construction of industrial plants, in waste utilisation, and the research and development of innovative technologies; means that we can process all waste flows in a single, integrated system. Our goal is not just to completely eliminate waste but also to use it to generate resources and new value, including protein for the animal feed industry, biodiesel, and other innovative products. This is a cornerstone of a sustainable circular economy. Waste is a massive issue in our society, whether that's general waste going to landfill or chemical and toxic waste polluting our water bodies. We strive to eliminate this issue by simultaneously closing the loops and ensuring economic stability and growth.

Measures for managing this topic

- ✓ Research and Development into a circular economy
- ✓ Christof Clean City Concept: a state-of-the-art zero waste facility with a no-landfill policy and complete closed-loop recycling management (now part of Christof Global Impact)

Highlights of 2021

- Rebranding and restructuring of Christof Clean City (CCC) to Christof Global Impact (CGI)
- Further implementation of existing circular economy technologies, including Insect Technology, SinTion and Waste-to-energy
- Expanded portfolio from waste-to-value technologies to emissions reduction technologies

Relevant SDGs



From Linear to Circular Economy

Looking beyond the current take-make-waste extractive industrial model, a circular economy aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from consuming finite resources and designing waste out of the system. Underpinned by a transition to renewable energy sources, the circular model builds economic, natural, and social capital.

The circular economy encompasses a range of processes, or 'cycles', in which resources are used for their maximum utility throughout their lifetime, thus maximizing sustainable use and eliminating waste. The goal is for the world to move towards a more sustainable future, ultimately reaching a zero-waste situation. This stands in sharp contrast to the traditional and still widely used 'linear' approach, in which goods are manufactured from raw materials, sold, used and then discarded in landfills, into the sea or on currently unwanted land.

Our Circular Economy Concept: Christof Clean City (CCC)

Landfills worldwide exacerbate the risk to human health and the ecosystem, making them a priority to be avoided and deconstructed. The straightforward setup of the overall CCC solution with the newly established platform of competence centres turns critical residues into valuable materials. For our visionary goal, Christof Clean City combines top-notch skills and innovative technologies for a circular economy with 100% waste recycling and upcycling. We aim to turn a city's entire waste streams into valuable products (protein or biodiesel) and create a proper "Zero Waste City" with no more landfill. We are already one step ahead in recycling organic waste thanks to our cutting-edge technologies. Our goal is to **optimise** by improving product efficiency, removing waste from supply chains and **loops**, and keeping components and materials in "closed loops" through manufacturing and recycling.

The competence and holistic approach of the Christof Clean City (CCC) integrated solution comes from decades of experience in the core business, the implementation of projects in the

industrial sector and the learned handling of residual materials. CCC offers 360° competence to perform industrial plant engineering and waste-process construction. By combining experience from many successfully executed projects, Christof Industries can help solve municipal, corporate and industrial waste challenges. The holistic concept is technology agnostic and driven by the experience of waste audits, project development, industrialization, engineering, construction, EPC(M) execution, service maintenance, operation and upgrades. This concept can be applied and adjusted to any waste sorting system implemented by a city regardless of transportation or waste fractions. regardless of its transportation or waste fractions.

From CCC to CGI: Christof Global Impact

CCC was first developed at the Dubai Future Accelerators programme in 2017 and has been under continuous development ever since. In 2021, the CCC team has been restructured and rebranded to Christof Global Impact (CGI). Led by Oliver Christof, CGI will deliver technology-led, waste-to-value and emissions reduction solutions for its customers. CGI has leveraged the requisite knowledge and experience from Christof Industries and developed proprietary process engineering capabilities across over 20 different waste-to-value and emissions reduction technologies, applicable to over a dozen commercial, municipal and industrial waste streams. CGI has developed from a waste management system to a global impact platform to reduce greenhouse gas emissions and improve food security.

By combining developed and innovative technologies into a future-oriented total solution, 12 of the 17 UN SDGs are supported. The main goal of Christof Industries is to ensure innovative and sustainable industrialization (SDG9). We aim to upgrade industries to be more sustainable and resource-efficient. Our technologies focus on sustainable production (SDG12), the prevention, reduction and reuse of waste, and the generation of value offsets such as clean energy (SDG7). Therefore, CGI ensures sustainable companies, cities and communities (SDG11) and contributes to climate protection (SDG13).

Zero Waste Concepts

Figure 12



Our Green Technologies

The combination of various technologies results in a state-of-the-art zero waste facility with a no-landfill policy and complete closed-loop recycling management. This makes all valuable waste resources. Our solution offers 100% waste recycling for cities or municipalities and includes self-developed technologies, third-party

technologies, and generic technologies, such as solar power. The various technologies can be combined in a modular system depending on the specific requirements.

These technologies are now being implemented in specific project developments with other international companies and with strong local partners in their respective countries.

CGI - Technologies and Services

Figure 13



Activities and Highlights in 2021

In 2021, we continued to put great effort into developing and implementing green technologies.

Organic Waste to Value

This year we continued to develop and implement our insect technology and expanded our capabilities to offer full implementation in-house. We started a collaboration with the Austrian insect rearing company Insektianer, who were already collecting organic waste and therefore provided a fantastic partner for the industrialisation of our insect technology.

We also began with the expansion of our technology to South America. In 2021 we started contacting various stakeholders, including Carbon Turnaround and Campsol, the largest food producer in Peru. This expansion is significant as this market has massive potential for implementing insect technology. However, development support will be required.

Dr. Friedacher highlighted that “our goal is to turn the good ideas that exist in the environmental field into reality.”

Waste 2 Energy

Our subsidiary Oschatz is the leading specialist for thermal treatment technologies, energy recovery and waste utilisation in industrial plants and has completed several successful projects this year. In addition, Oschatz has earned a place among the TOP 100 league of the most innovative medium-sized enterprises in Germany. Every year, TOP 100 names Germany's most innovative medium-sized enterprises based on a scientific assessment. It has been doing so for 25 years. Applicants are asked to answer questions in five different categories to find out how well they are structured to promote innovation and how innovatively they use their resources.

Biodiesel

In 2021, we conducted an expansion of a biodiesel plant in the Netherlands. The engineering started in 2019 when the biodiesel production capacity of the plant was still 66,000 tonnes per year. The construction phase began in May 2021 and resulted in an increase in production by 142%. The plant can now produce 160,000 tonnes of biodiesel annually.

SinTion

We continued to install solutions for the microbiological treatment of infectious medical waste, particularly in response to Covid-19. SinTion was approved for sale on the Russian market. Our local Oschatz Sales Office successfully coordinated the complex approval process with the relevant Russian authority Roszdravnadzor. This approval permits sinTion to be marketed in its current form and has no expiry date.

In September, clients from Indonesia visited our workshop in Graz to learn about the technology and the container system. We also delivered a container system to a Bulgarian hospital in 2021.

ReNox

Technologies ReNox & InduRed, developed in collaboration with Montanuniversitaet Leoben, involve the recovery of ammonium and phosphorus from wastewater treatment plants. As a result, phosphorus will be used as fertilizer, and the ammonium extracted from the wastewater will be used for flue gas cleaning in power plants or as renewable CO₂-free fuel in the future. Currently, there is a mobile ReNox demonstration plant for ammonium recovery in operation at the Knittelfeld wastewater treatment plant. The recovery of phosphorus is now the next step in research and development. The "InduRed" process is currently in the planning stage for a pilot plant. The aim is to build a first demonstration plant in cooperation with partners. This would enable the phosphorus produced in Vienna to be recovered from the sewage sludge and put to use. The InduRed technology will be further developed for the complete recovery of essential metals (lithium, cobalt, etc.) while recycling lithium-ion batteries. This should make full battery recycling possible.

Sustainable use of oil

We manufactured and delivered further plants for sustainable use of industrial oil.

CGI decided to start research into algae oil and the possibility of being used for mobility and aviation fuel. As a first step, we found a partner that produces algae oil.

We also signed an exclusivity contract with SKF. The licensing agreement gives Christof Global Impact exclusive rights to commercialise SKF's Multi-Feed Recovery (MFR) slop oil regeneration technology. The MFR slop oil regeneration technology was part of the SKF's RecondOil

acquisition in 2019 and is not core to SKF's current or future business. SKF retains its focus on developing the RecondOil Double Separation Technology (DST), which is explicitly used for industrial lubricants and oils.

"We are delighted to have signed this licensing agreement with SKF to deploy the MFR slop oil recovery technology in projects we are currently considering with large industrial and marine customers. This agreement, combined with others in negotiation, forms part of CGI's strategy to create the world's leading waste-to-value CO2 reduction platform."

Oliver Christof, CEO of Christof Global Impact

Sustainable agriculture and food production

In 2021 we expanded our focus on sustainable agriculture and food production. We extended our technology portfolio to Hydrodots and supported the research and development of this technology in 2021. Hydrodots are highly water-absorbent hydrogel substrates. The unique hydrophilic properties of this biopolymer allow it to hold large amounts of water, thus maintaining the soil's moisture.

We are involved in a project of the Presidential Initiative on Banana Industrial Development (PIBIT) in Uganda that focuses on the industrialization of the technology for the production of banana flour and completed Phase I in 2021. Our role in this multi-stage project is to support the Banana Industrial Research & Development Centre (BIRDC), which is part of the PIBIT, by developing a larger plant (than the existing one) with a correspondingly larger output. Subsequently, the products (in addition to banana flour, also a range of finished products) can be exported to Asian and European markets. Our industrial engineers designed the process that enables the production of 7,000kg of banana flour, aka Tooke flour, daily.

Hydrogen

As a plant engineering company, Christof Industries is a significant development and implementation partner in constructing systems and plants in hydrogen and e-fuel production, storage and distribution. Together with our partners, we have conducted several industrialisations and research projects. This year we teamed up with AVL to work on a project proposal for the IPCEI on Hydrogen. By targeting innovation and quality, we proposed developing

manufacturing the world's first 1 MW high-temperature solid oxide electrolysis (HT-SOEC) system, which will bring advantages not only to Europe but on a global scale. An HT-SOEC system enables green hydrogen production as it uses water as feedstock. Our system produces hydrogen with significantly higher efficiency while reducing the costs of such systems and doubling their current durability.

Integrated waste management

In addition to individual technologies, we continued to work on integrated concepts for sustainable waste management. In 2021, we developed several concepts for integrated sustainable waste management solutions. For example, we developed a complete integrated waste management solution for Agra in Ghana. This involved a 1,500 t waste management concept, which gained the interest of a local partner. We

also continued to develop our Clean City Concept for Dubai, which was adjusted and details provided. We also included an insect concept and starter package for Dubai.

Carbon Offsetting

With the establishment of CGI, a further step was taken toward carbon reduction, particularly by creating a technology platform that focuses on reducing emissions in heavy industries. We strongly believe that carbon offsetting should be the last step to reduce emissions that cannot be avoided. In our research, we identified that current programmes do not offer insights into real-time emissions reduction but rather provide estimates. In 2021, we, therefore, got in contact with a number of institutions to discuss the possibility of developing a real-time GHG reduction platform. We made the final decision to work with Cambridge University on a new method for real-time reduction.

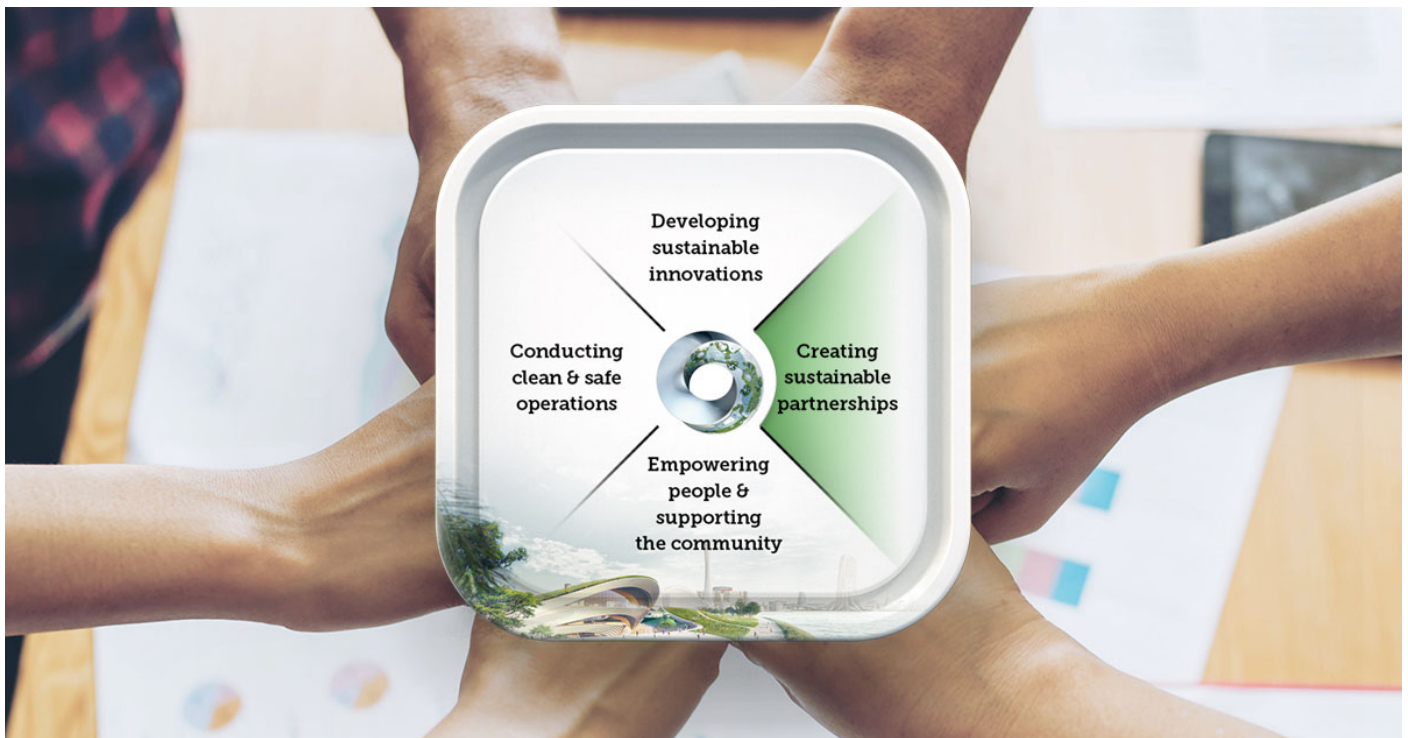
Outlook

CGI will become an important player in the carbon reduction space over the next years and remain an important focus area. We plan to develop further and expand our technology portfolio, focusing on waste to value in mining, energy, oils and organic protein, CO₂ negative fuel and energy feedstock. A number of projects are already planned for 2022. Our insect technology will be expanded to South America, with plans to work with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) to deliver a starter package, which includes a 1-tonne insect plant in either Colombia or Peru. We are also continuing our collaboration with Insektianer, with plans to set up an R&D centre and a production site. Continuing our

exclusive partnership with SKF, we will implement a slop oil plant in 2022. Together with MANIC, we plan to complete our pilot plant in 2022, which will enable the production of green metals, including metallic iron, copper, gold and manganese.

Regarding our partner technologies, we will start the IPCEI hydrogen project with AVL, develop production plants for Hydrodots and begin with the implementation of algae oil. The integrated waste management project in Ghana will also continue over the following years. After our local partner has received the waste contracts, the next step would be to conduct a feasibility study. In 2022, our integrated sustainable waste management concept (CCC) will be expanded to include food security with technologies such as vertical farming.

Creating Sustainable Partnerships



At Christof Industries, we believe in joint success. Reliable partnerships are an essential element in the successful realization of projects and sustainable value creation. With our commitment to the UN SDGs, we believe sustainable partnerships to achieve the goals are extremely important, as outlined in SDG 17. We try to ensure long-lasting relationships with stakeholders that value sustainability and share the same values of respecting people and the environment, whether these are our suppliers, technology partners, universities and research institutions, or our customers. At the heart of sustainable partnerships lies transparency toward all internal and external stakeholders, which requires stakeholder dialogue at different levels.

One of the most important components of our sustainability and responsibility strategy is creating sustainable partnerships and meaningful stakeholder engagement. Considering important stakeholders' perspectives on how particular ESG issues relate to our organization is critical in setting the focus of sustainability reporting and programmes. Particularly due to Covid-19, the importance of this topic has increased rapidly.

Engaging Stakeholders and Developing Sustainable Partnerships

MATERIAL TOPIC: SUSTAINABLE PARTNERSHIPS

Sustainable partnerships are important for our business, whether suppliers, partners or clients. As a family business, we value good relationships and strive to maintain these over many years. Such partnerships help us grow as a company on an economic and social level. Ensuring that our partners and suppliers have the same values regarding human rights, health and safety, and sustainability is crucial and will help us achieve our goal of a better and cleaner future.

ESG Target: *integrate ESG criteria into supplier screening processes to ensure procurement practices are sustainable*

Measures for managing this topic

- ✓ Stakeholder engagement through internal and external communication methods
- ✓ Sustainable procurement practices, including supplier assessments
- ✓ Technology partnerships and collaborations with universities, institutions etc.
- ✓ Meeting customer expectations through customer satisfaction and customer privacy measures

Highlights of 2021

- Improved website and social media presence
- Increased internal communication, including a new intranet platform
- Sustainable procurement measures, including a Supplier Code of Conduct and Sustainable Procurement Policy
- Received our first ESG rating: Ecovadis Bronze 2021
- Digitalisation project, including the implementation of a new ERP in Austria
- New partnerships in industry and projects with universities
- Increased ESG awareness and requirements among customers

Relevant SDGs



Stakeholder Engagement

Stakeholder engagement occurs in various ways, depending on the stakeholder and their interest in Christof Industries (102-43). Our key stakeholders (102-40) are shown in the diagram below and are classified as individuals and organisations impacted by our operations or can impact our business.

Open and transparent communication is the cornerstone of successful partnerships. We, therefore, rely on an active dialogue with all stakeholders. We provide ongoing information about active projects and initiatives on our website and social networks. Investors receive detailed information in the form of financial and ESG reports. Customer contact is continuous, and targeted improvement measures are implemented with the help of satisfaction measurements. There is also active communication with residents at all sites.

Stakeholders

Figure 14

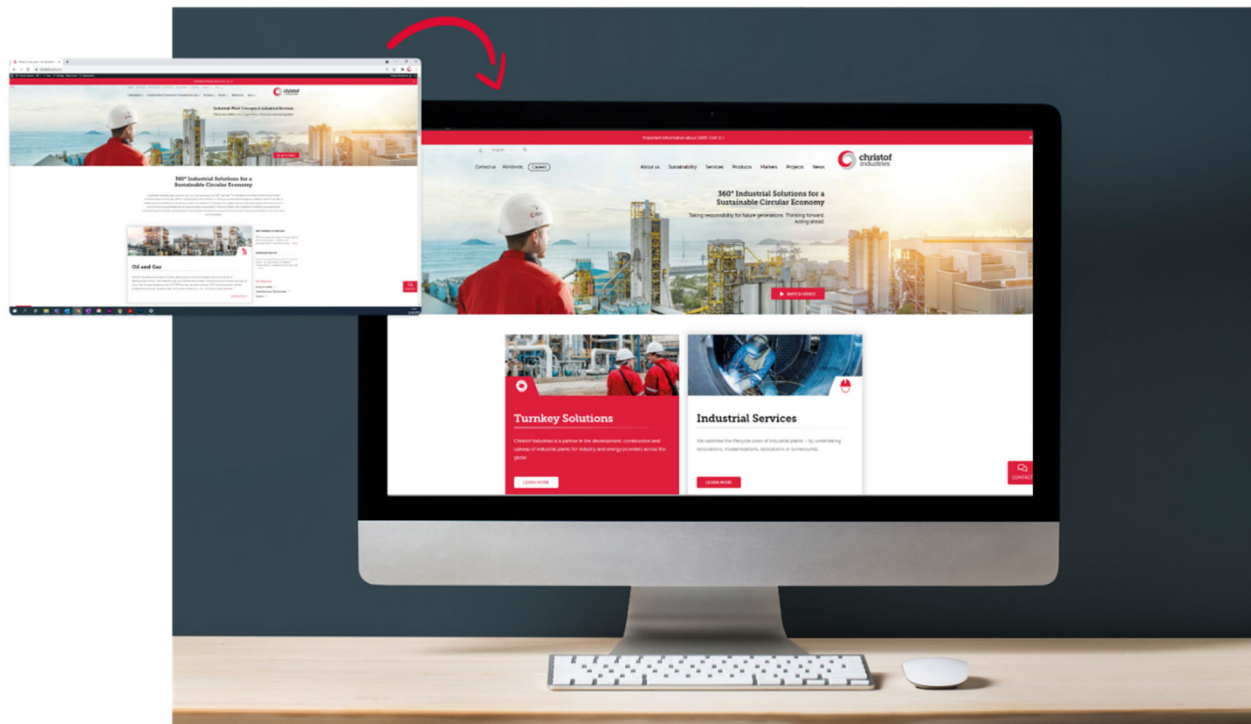


Activities and Highlights in 2021

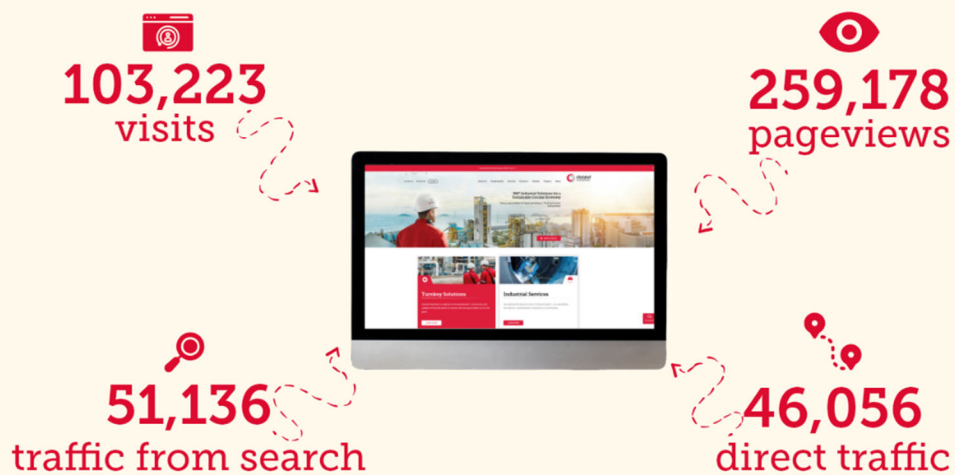
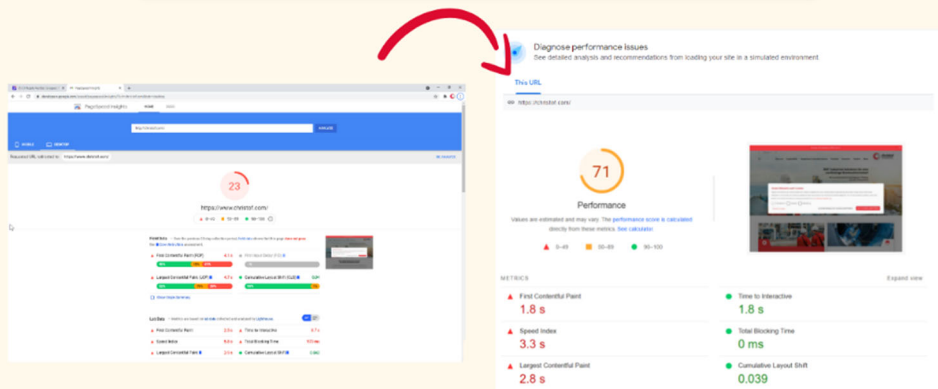
Website

Our website and social media pages provide regular updates and information and allow stakeholders to learn more about what we offer. Our website contains information about who we are and what we do and includes detailed information on projects and sites. In 2021, we updated our homepage with a new clean, comprehensive

design, making its navigation more accessible. We also improved it technically, providing a better user experience for our visitors. In addition, we created a blog section, where we publish articles about sustainability, technology, research & development, and team members. This way, our website always has new content, which is essential for SEO, and, at the same, we always have exciting and engaging content to post on our social media channels.



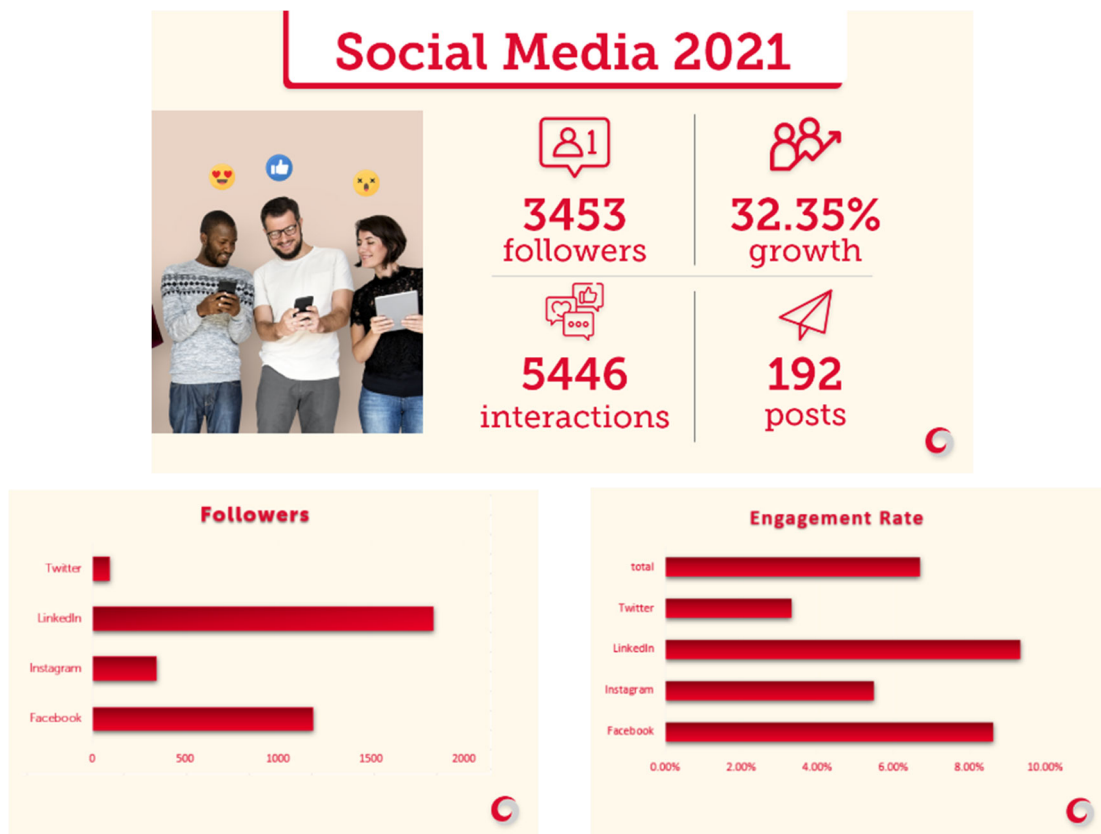
Website Vitals



Social media

Social media is essential in communicating what we stand for as a company and engaging with customers, employees and institutions. In 2021, we set the goal to increase our visibility on social networks. For this purpose, we appointed a Digital

Brand Manager. The results of these actions are already noticeable. We continuously inform our stakeholders about our activities, values, and performances on LinkedIn, Facebook and Instagram. We started posting more carousel and video content on LinkedIn, and we publish more frequently, which boosted our engagement rate.



“In the upcoming year, we plan to work on our organic traffic by focusing on keywords and increasing our rankings on search engines, which will help us attract the right audience to our website. We plan to continue improving the user experience of our visitors by making content and backend improvements. We also plan to start new online ad campaigns to increase brand awareness and boost conversions through our digital platforms. To improve our brand identity presence, we also plan to work with a new design agency that will create a toolbox to help us be visually consistent in all our communications.”

- Elisa Mourão, Digital Brand Manager

Internal Communication

We also recognise that continuous internal communication is vital for our international teams' efficient collaboration and our corporate strategy's success. Therefore, we put a new focus on this crucial topic in 2021 by initiating our internal SharePoint platform CI&ME, which will serve as an over-arching intranet solution for all units.

Members of several CI units made up the project team to reflect the distinct needs in its conception.

The soft launch of CI&ME took place at the end of the year. Now, the team is continuously working on building up sites for different departments according to their specific needs.

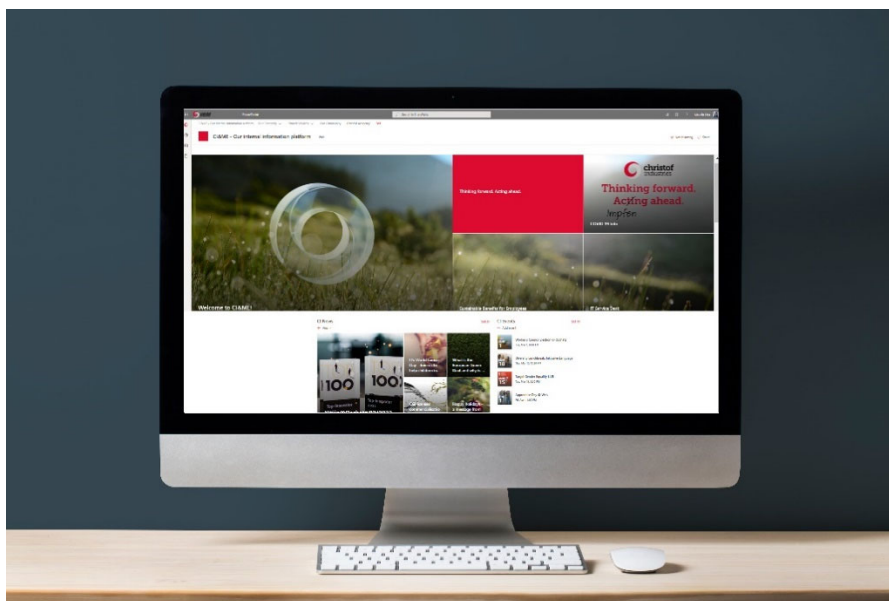
The integration of CI&ME will lead to increased transparency and improved collaboration within our teams. All up-to-date information and relevant resources will be accessible to all CI team members in one central platform firmly integrated into our existing IT infrastructure.

In parallel, we used Workplace as our internal communications channel, allowing us to share important information on any relevant topic in real-time and engage our employees in discussions. For instance, we provided information about the pandemic and how the company dealt with it, introduced new employees, and highlighted success stories and company news.

Active communication via Workplace also aims to increase knowledge management within the company. Thus, it was an essential tool for implementing a group-wide knowledge management system (strategic objective 11).

“In 2022, we aim to fade out the use of Workplace and instead integrate active communication opportunities for all employees within the centralised platform CI&ME.”

- Julia Reiter, Communications Manager



Public Reporting

In 2019 we published our first annual sustainability report, prior to which only CSR reports and updates for individual entities were communicated. Through group-wide reporting, we have increased our transparency to all stakeholders. The ESG report can be found on the Christof Industries website Christof.com and is available for download. In the creation of the first report, our key stakeholders were involved in the materiality assessment by supporting the identification and prioritisation of material topics. In 2020, we also published our first annual sustainability report for our subsidiary in Romania.

Events and Trips

Every year there are various events that representatives from Christof Industries visit and take part in to engage with stakeholders. Our managers attend conferences and trade fairs worldwide to connect with partners, clients and industry peers. Representatives from different entities also participate in recruiting events at Universities and Colleges. Furthermore, the top

management level engages with key external stakeholders such as government bodies and clients in business trips and visits to international projects. However, due to Covid-19, many events in 2021 were cancelled or organized online. The following events took place.

Heat to Fuel Workshop, 9th March

Our Director of Research and Development, Dr. Alfred Friedacher, participated as a speaker in an online workshop on the Horizon 2020 project "Heat to Fuel". The event provided essential insights into the technical processes of power-to-gas and power-to-liquid technologies and discussed key market opportunities. These technologies significantly reduce greenhouse gas emissions by using CO₂ from various sources to produce advanced fuels. Thereby, they are not only valuable in our work at Christof Industries but are also essential to achieving SDG 7 - Affordable and Clean Energy. Dr Alfred Friedacher presented the topic "Last flexible methanation in an advanced power-to-gas system".

Techhouse Accelerator – Executive Innovation Talks, October

Dr. Alfred Friedacher took part in the "Executive Innovation Talks" at Unicorn - Startup & Innovation Hub Graz held by our partner, TECHHOUSE. This event aims to answer the question: How can start-ups and established companies work together? Dr Alfred Friedacher presented the "Green House Gas Calculator." The calculator was developed by Christof Industries jointly with the Munich-based start-up Unetiq.

"One example of real added value from an international collaboration is the speed with which we can bring new products and services to the market." – Alfred Friedacher

GROW Lehlingsfestival, Online Days, 30th September – 1st October

The GROW Apprenticeship Festival is a two-day event with exhibitor stands, side events and lectures from top speakers. Due to Covid-19, the in-person event was rescheduled to March 2022. However, an online event was organised with influencers and guest speakers as a warm-up. Our apprentices participated in the event, and we will be an exhibitor at the in-person event in March 2022.

Job fair in Wels, 6th and 7th October

Our global HR team, and our apprentices, attended the job fair in Wels to represent Christof Industries and attract young people to apply for apprenticeships or internships.

Oliver Christof at COP 26, 31st October – 12th November

The UK hosted the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow from October 31 till November 12, 2021. COP26 aimed to bring parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. Oliver Christof, CEO of CGI, attended the event with the CGI team, some of whom were on the panel and had the chance to talk about our technology solutions.

Presentation at University of Split, 25th November

On Thursday, 25th of November, Ferromont Croatia followed an invitation of the University of Split(FESB) to give an overview of industrial services bundled in our 360° portfolio. The event took place in front of professors and students from the faculties of Electrical Engineering, Mechanical Engineering and Industrial Engineering. This initiative was taken by Ante Simic (Materials Manager on our project at General Electric in Höchst), who received his diploma from the University of Split 4 years ago and Professor Nikola Gjeldum, who leads the faculty of Mechanical Engineering. Our Croatian Team was supported by Goran Golubic (Technical Director) and Andrej Denac (Head of Mechanical Installations). The objective was to attract young technicians and engineers to apply for a job or an internship in one of Christof Industries' companies. As the University of Split is among the TOP 400 technical universities in the world, we can expect a good number of well-prepared engineers and technicians wanting to become a future members of Christof Industries.

Alpbach Finance Symposium, Oktober 2021

The representatives from our top management have attended the Alpbacher Finance Symposium. The Symposium is the largest financial event for CFOs, CEOs and Treasurers of big Austrian real economy companies. It took place from October 6th to 8th, 2021, for the 35th time in Alpbach / Tyrol. A general theme of the event was Sustainable Value Chain Management.

Networks & Memberships (102-13)

Another way of engaging with stakeholders is through membership in industry or other associations and international organisations. Since 2020 Christof Industries has been actively supporting the UN Global Compact, a voluntary initiative based on company commitments to implement universal sustainability principles and to advance the UN Sustainable Development Goals (SDGs).

In 2020 we became an active member of UN Women, a global organization for gender equality, working to develop and uphold standards and create an environment where every woman and girl can exercise her human rights and live up to her full potential. In 2021, we joined the UN Global Compact's Target Gender Equality programme to further work towards gender equality in a traditionally male-dominated field.

Christof Industries' current memberships are outlined in the following table.

Overview of Memberships

Table 14

Headquarters and companies in Austria		Subsidiaries
Accountant & Controller Club	AHK - German-Norwegian Chamber of Commerce	Bulgarian Building Chamber
Austrian Managers Association	ANKÖ - Austrian Register of Tenderers	Serbian Chamber of Commerce
Austrian-Romanian Society	BMÖ - Federal Association of Materials Management, Purchasing and Logistics	IHK-Chamber of Commerce and Industry Germany
b-wise - Knowledge platform	Chamber of Commerce Switzerland-Austria-Lichtenstein	Austrian Business Club Bucharest
Federal Association of Accountants and Controllers	Creditreform - Creditor Protection Organization	Haus der Technik, Essen
German Chamber of Commerce	DNHK - German-Dutch Chamber of Commerce	GDMB Society of Metallurgists and Miners
Green Tech Cluster	ECIA - Electronic Components Industry Association	VGB Powertech
ICV - International Controller Association	FH Support Association Wels	
IV - Federation of Austrian Industries	Human Technology Styria	
KSV 1870 - Credit Protection Association	ICC. International Chamber of Commerce	
KSW	ÖGfZP - Austrian Society for Non-Destructive Testing	
ÖGSW - Austrian Society of Tax Consultants and Certified Public Accountants	ÖGS - Austrian Society for Welding Technology	
ÖPWZ - Austrian Productivity and Profitability Center	ÖVIA - Austrian Association of Maintenance and Asset Management	
SWV - Social Democratic Business Association	ÖZEPA - Austrian Association of Pulp and Paper Chemists and Technicians	
THI Techhouse	School Association of the Austrian Paper Industry	
Vienna Business Club	SupplyOn - The Supply Chain Business Network	
VWT - Association of Austrian Tax Consultants and Certified Public Accountants	VÖSI Association of Austrian Security Experts	
WKO - Austrian Economic Chamber	Wels Marketing & Tourism	
Zellcheming - an independent technical-scientific platform for the pulp and paper industry		

Ensuring a Sustainable Supply Chain

Christof Industries works with many suppliers in different countries, ensuring the sustainable supply chain is of utmost importance (102-9). Where possible, we work with local suppliers to support the local economy and minimise our environmental footprint.

Sustainable Procurement Practices (308-1, 414-1)

We work hard to build long-term business relationships with our partners and suppliers based on mutual respect, trust, and reliability. Together with our suppliers, we work on providing optimal solutions for our customers. We are also committed to increasing sustainability in our relationships with our suppliers. We do not have business relations with suppliers that are known violators of the principles on which the UN Global Compact is based.

Types of Suppliers

We work with various types of suppliers, including GOODS (materials, consumables, tools, devices, equipment etc.), WORKS (civil, electrical & instrumentation, mechanical installation, painting, insulation etc.) and SERVICES (tests, inspections, rentals, transportation etc.). Suppliers include brokers, consultants, contractors, distributors, licenced home workers, independent contractors, manufacturers, primary producers, sub-contractors and wholesalers. The types of

suppliers used to depend on the subsidiary and the location. For example, Christof Systems mainly works with suppliers that provide raw materials, electric parts, piping fittings, valves and isolation, standard parts and consumable materials.

Our Procurement Process

Our individual entities handle the procurement process. Christof Industries monitors and engages with suppliers, conducting risk assessments, where applicable. Every supplier undergoes a screening process before Christof Industries decides to purchase from them. The supplier assessment is based on quality-specific and HSE risk categories, procurement-specific risks and a credit rating. The suppliers are then classified based on a calculated score. Supplier assessments are carried out annually to evaluate the performance of external suppliers. Based on the results of the supplier evaluation, recurring discussions are held with the suppliers. Quality assurance is already prioritised at the beginning of the value chain. Christof Industries also attaches significant importance to quality and reliability when selecting suppliers.

Activities and Highlights in 2021

Our suppliers

In 2021, we identified over 7,600 different suppliers across our business, the majority of them being small and medium-sized enterprises.

Over 64% of suppliers were local, 25% regional, and 11% global. Local suppliers are companies or

industries operating in the same country as the business unit and regional in neighbouring countries. For example, in our Romanian subsidiary, out of 4,365 suppliers, roughly 94% are Romanian, 5% are from neighbouring countries and under 1% are global suppliers (204-1). This year we extended the report to the number of suppliers by geographical region (country). In terms of the economic impact of the local market, we purchase over 64% of our total cost of products and services from local suppliers.

Our suppliers

Table 15

	geographic location of suppliers in %			Total number of suppliers	Total number of small and medium-sized suppliers
	local	regional	global		
Romania	93.83	5.25	0.92	4,840	4,267
Austria	50.57	48.12	1.31	1,653	n.a
China	79.00	1.00	20.00	540	336
Czech Republic	70.00	15.00	15.00	47	40
Germany	86.00	12.00	2.00	249	n.a
Bulgaria	7.00	75.00	18.00	218	206
Serbia	50.50	49.50	0.00	70	65
Slovenia	60.00	20.00	20.00	4	4
Croatia	60.00	20.00	20.00	5	4
Russia	85.00	0.00	15.00	9	9
TOTAL	64	25	11	7,635	4,931

Sustainable procurement measures

Although we do have procedures in place, we believe that an improvement of the process is required. The long-term objective of our supply chain management is to reduce business risk by further enhancing sustainability performance throughout the value chain. To achieve this, we strive to increase the degree of digitalisation of procurement practices and also want to increase our supplier assessments with a higher focus on ESG topics. To do this, we initiated a sustainable supply chain management (SSCM) project in 2021. The main objective of this project is to

conduct an in-depth analysis of our supply chain management and our relationships with customers. The main goal is to define the concept of sustainability within the context of supply chain management and determine how our supply chains can achieve long-lasting success even in a hostile operating environment. As part of this, we developed a Supplier Code of Conduct and a Sustainable Procurement Policy, in addition to improving our Code of Conduct and Ethics. In this reporting period, we have not identified any suppliers as having significant actual or potential negative environmental and social impacts (308-1, 414-1).

Sustainable procurement

Table 16

	2020	2021
Percentage of new suppliers that were screened using environmental criteria	6.83%	13.33%
Total number of suppliers assessed for environmental impacts	40	25
Total number of suppliers identified as having significant actual and potential negative environmental impacts	0	0
Percentage of suppliers identified as having significant actual and potential negative environmental impacts	0	0
Total number of suppliers assessed for social impacts	-	4
Percentage of new suppliers that were screened using social criteria	-	0.62%
Total number of suppliers identified as having significant actual and potential negative social impacts	0	0
Total sustainability performance by Eco Vadis	-	bronze

ESG Ratings

As a family business, open and transparent communication is very important to Christof Industries. In 2021, we decided to increase our transparency through an external sustainability rating. This year we were evaluated by EcoVadis. EcoVadis operates an evidence-based online platform, providing supplier sustainability ratings and allowing companies to assess the ESG performance of their global suppliers. It considers a range of CSR issues, which are grouped into four themes: 'Environment', 'Labor & Human Rights', 'Ethics', and 'Sustainable Procurement'. Such ratings are helpful for us as an external verification and measure of our ESG performance. We have seen the increasing importance of these ratings for our customers and business partners. Our first assessment was conducted in 2021 and resulted in a bronze medal. While we were still placed above the industry average in most categories, the assessment identified several improvement areas. These included reporting on measurements and actions to increase sustainability, KPIs and targets, and specific topics, including sustainable

procurement, supplier code of conduct, risk analysis, information security, anti-corruption, waste, and water management.

At the end of 2021, we resubmitted our Ecovadis rating and will receive results in early 2022.

Digitalisation

To achieve a more sustainable supply chain, we are implementing a new ERP system in our Austria subsidiary. In 2021, we started the project to implement a new ERP (Enterprise Resource Planning) system AP+, to control the company's activities at CI-AT comprehensively.

Since the existing Navision system is now more than outdated, it was high time to look for a replacement. We found it in AP+ from the German software provider Asseco. AP+ is a software solution mainly used in mechanical and plant engineering and thus meets our requirements. We are supported by Asseco's Austrian location in St. Florian.

Outlook

In the upcoming years, we plan to continue to focus on increasing sustainability in our procurement process. For this reason, we will be improving our procurement governance structure in early 2022, with the appointment of a new Director of Global Procurement.

In 2022, we will continue our sustainable supply chain management (SSCM) project, which will include conducting due diligence on the procurement process in various entities. The goals and measures for the following years include the

integration of sustainability criteria in the purchasing processes, ensuring transparency of our sustainability performance for customers and suppliers through a corporate sustainability rating and increasing the number of assessed suppliers for environmental and social impacts.

We plan to continue to increase sustainability performance, particularly along our supply chain. As part of this, we plan to increase transparency further and implement measures suggested in our EcoVadis assessment. We will also receive our second EcoVadis rating in the first quarter of 2022 and hope to improve our score.

Fostering Global Partnerships

Christof Industries engages in intensive cooperation with global partners. Our goal is to achieve a stronger and more independent market position through our own technologies, as well as intensive permanent worldwide technology screening, and ultimately to continue our successful path by bundling the specialist skills of these partnerships.

Our Partnerships

Our partners include industry organisations, universities, and university institutions. We collaborate on research and industrialisation projects, especially in energy, waste to energy, waste to value and CO₂ reduction.

Technology Partners

Christof Industries has an extensive network of tried and tested technology partners. Together with our partner STEAG in Germany, we offer incineration plants. Projects have been implemented in locations such as Indonesia, where they have colossal waste management issues, as seen in viral pictures of Bali's soiled beaches.

Another exciting partner we work with is the international oil and gas company OMV, with whom we are involved in a "plastics to oil" project, where we reuse plastic waste and produce oil from it. It has been developed on a small scale, and possible upgrades are currently under discussion.

Wien Energie is the largest regional energy provider in Austria. We cooperate with Wien Energie in different circular economy and waste management projects.

SKF is a Sweden-based company engaged in the supply of products and services within rolling bearings, seals, mechatronics, services and lubrication systems. Services include technical support, maintenance services, condition monitoring and training. CGI is working with RecondOil and SKF and making high-quality lubricating oil ready for reuse in the market.

AVL is the world's largest independent company for the development, simulation and testing of powertrain systems, their integration into the vehicle, and new fields like ADAS/AD and Data Intelligence. For AVL, for example, CGI produces devices for engine test benches that precisely control the air intake of combustion engines. We are also participating together in a hydrogen research project.

Manic Technology WorX is a company located in South Africa focused on developing and commercialising innovative, energy-efficient metal recovery technologies that lower CO₂ emissions that are set to disrupt the metals industry globally. CGI is an exclusive partner for manic technology - clean metal.

Cooperations with Institutions

Many of our research projects, including those supported by the Austrian Federal Ministry of Science, Research and Economy, are dedicated to researching procedures based on which new technologies can be developed. For this, we work closely with universities, particularly on questions related to sustainable energy production. The universities provide basic knowledge in different fields, and we provide industrial knowledge. Through these relationships and our investment in R&D, we have the chance to patent new technologies and bring them to the market.

In Austria, we have partnerships with universities in Graz, Leoben, Linz and Vienna, including the TU Vienna, Montanuniversitaet Leoben, TU Graz, University of Applied Sciences Graz, and Johann Kepler University Linz. We also have partnerships with universities outside of Austria, such as Wiesenburg in Germany and Cape Town in South Africa. Several of our employees are actively giving various lectures to students at the Montanuniversitaet Leoben.

Since 2020, we have also been cooperating with AIT (Austrian Institute of Technology) with the aim of developing revolutionary networks of sensors and environmental solutions. This cooperation will make a significant contribution to reducing CO₂ emissions and air pollution through environmental monitoring at the municipal level. The goal is to record and evaluate levels of environmentally harmful substances in urban regions with high levels of air pollution, particularly in Asia.

We are also a member of the Green Tech Cluster, which provides a network for developing green technologies. We have taken part in several events and have supported projects.

Activities and Highlights in 2021

In 2021, we worked on several projects with both industrial partners and institutional partners.

New partnerships in Industry

While SKF was already one of our partners, this year, we signed an exclusivity contract which gives CGI exclusive rights to commercialise SKF's Multi-Feed Recovery (MFR) slop oil regeneration technology. The industrialisation project with international partners is an essential step towards the realisation of SDG 12 by ensuring responsible consumption and use of goods and sustainable production processes. The first plants were shipped from Austria to Germany and Sweden.

Together with Unetiq, we formed a partnership to develop a flexible carbon emission calculation tool for waste management facilities. Munich-based start-up Unetiq creates solutions that apply Artificial Intelligence to the next level. The tech pros combine AI, software development, and design thinking to build innovative products with impact. We took part in TECHHOUSE - Architects of Digital Transformation Accelerator, where we presented the results of our work together.

We have also formed a partnership with Carbon Turnaround, a consulting and advisory firm committed to transforming our economy and society into a net-zero carbon society. Together we are working on developing insect projects in South and Central America.

Projects with Universities

In 2021, there were several projects with universities. We work closely with students on both Bachelor and Master theses and PhD dissertations. BSc student at the University of Leoben Lena Zaismann completed her thesis on the "Potential of biogenic residues for nutrient recycling with black soldier fly larvae in Austria". Lena Bernkopf from our Sustainability team completed her MSc thesis at Imperial College

London together with CGI, conducting a "Feasibility Study of Integrating Insect Farming and Aquaponic Farming into a Symbiotic Food Production System using System Dynamics Modelling". Process Engineer Lukas Himler finalised his PhD dissertation on the "Development of a plant model for the production of alternative organic protein". Several Master theses were also started with students from the University of Leoben in 2021. Birgit Mifka is researching the "Development of a neonate counter system for the production of alternative organic protein". Theresa Fritz is conducting a "Life Cycle Assessment of Innovative Medical Waste Treatment Products", and Jakob Kompatscher is working with our ESG Team on Sustainable Supply Chain Management.

We also supported a quality management seminar with the University of Leoben. This course aimed to give an overview of different approaches to quality management and to line out aspects of quality management in various areas of an organisation. Furthermore, students got an idea of the basic methods and instruments of quality management. The practical part of the course dealt with the basics of the Design of Experiments, developing different case studies in practical exercises and using a recognised CAQ system. In 2021 we conducted the following practical studies with students:

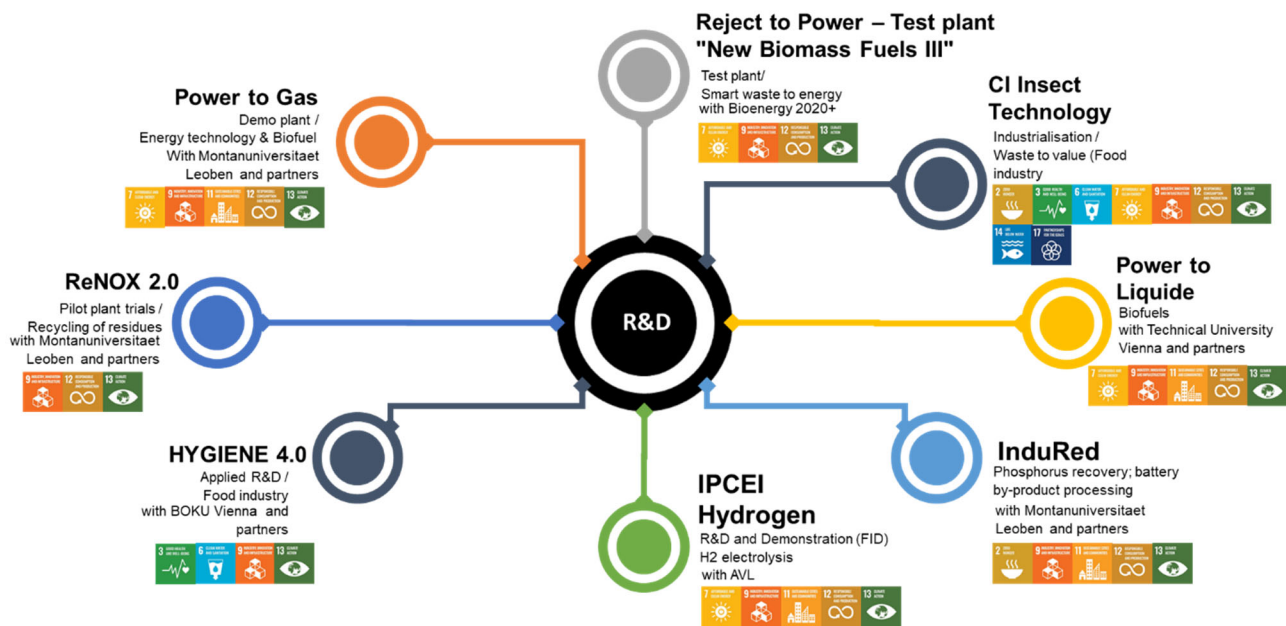
- Integration of ESG reporting into the company's integrated management system – development of guidelines/procedural instructions
- Establishment of quality requirements for the welding shop and preparation of related quality management documents

Cooperations with HyCentA Research, Association Wiva P&G – Hydrogen Initiative and Best – Bioenergy and Sustainable Technology are also worth mentioning.

The following figure shows our ongoing R&D projects with our partners.

Ongoing R&D projects

Figure 15



Outlook

Over the following years, we plan to further expand and foster relationships with global partners. In particular, will be looking to find and develop partnerships for our technology platform Christof Global Impact.

The current projects and partnerships will be continued; additionally, we want to increase our

work with universities and institutions, particularly by offering projects and roles to students and expanding our work with international research partners. In the upcoming year, we have several Master's students completing their thesis with us, including Birgit Mifka's research on the neonate counter system for producing alternative organic protein, Theresa Fritz's LCA of SinTion and Jakob Kompatscher's Sustainable Supply Chain Management project.

Building Lasting Customer Relationships

As a family-run company, we believe that success cannot be measured only in economic categories, but above all in the satisfaction of our customers. We have been working with many of our customers for decades, which is an affirmation of our efforts to provide high-quality individual solutions.

Meeting Customer Expectations

Over the years, we have been focused on providing complete solutions and services in industrial plant engineering and construction. That includes technologies that have been developed in-house, industrial and assembly services, construction of specialised plants, alternative heating and alternative energy production, and project development and project financing. Thus, one of our primary goals is to meet and, if possible, exceed our customers' expectations. We hope to offer our customers long-term business relationships by providing solutions that are both fit for the task, efficient, reliable, value for money, and sustainable. We have sales representatives responsible for maintaining good and personal relationships with customers. To create a better future, we want to focus on lasting customer relationships by embedding a culture of sustainability in our business that enables us to support our customers in the present and future.

Customer satisfaction

We measure customer satisfaction through customer relationship surveys. These reviews provide deep insights that drive further actions and improvements and enable us to exceed customer expectations consistently. For example, in our subsidiary in Romania, the performance indicator related to evaluating the degree of customer satisfaction, established at the company level and on each project, is to obtain at least the grade "Good".

Customer privacy (GRI 418)

Customer privacy is managed through non-disclosure agreements and contracts and through our corporate IT department, which ensures data privacy. We have also outlined our general terms and conditions on our home page.

Activities and Highlights in 2021

This year we conducted projects for a total number of 519 customers.

Customer satisfaction

Customer satisfaction measurement is essential for the company, and in almost all subsidiaries, we have procedures in place. However, we believe

that an improvement and alignment of the process are required. In 2020 we started with the alignment of this process; a current status analysis has been performed, and goals and actions for upcoming years will be planned. Customer feedback is important to us and necessary to enable us to improve, so we are glad to hear back from our customers after project completion. For example, this year, as a part of a management meeting between the owner (Infraserv) and our customer (GE), our site team was praised for executing the work.

Our customers

Table 17

Lasting Customer Relationships	2021
Total number of customers	519
Customer satisfaction survey rate	6 %
Total number of customers' satisfaction surveys	30
Total number of environmental surveys conducted by customers	19
Customer Privacy (GRI 418)	
Total number of substantiated complaints received concerning breaches of customer privacy	0
Total number of identified leaks, thefts, or losses of customer data.	0

Customer Privacy

In 2021, we did not receive any complaints regarding breaches of customer privacy, neither complaints from outsiders substantiated by the organisation nor complaints from regulatory authorities.

ESG Importance

This year we have seen increased importance of ESG for our customers. We have been invited to

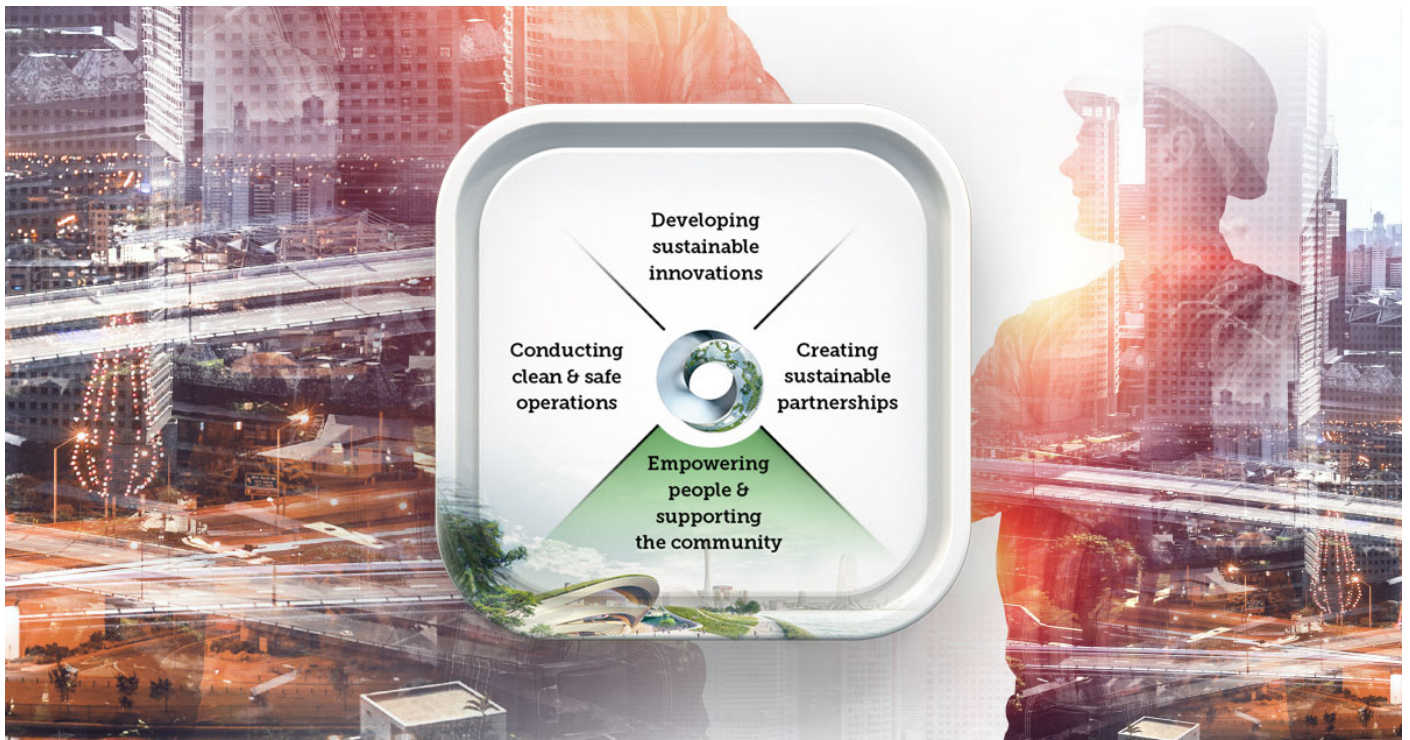
sustainability days and have had many conversations and calls with customers on these matters. Our customers have also asked for our ESG report and an overview of our ESG targets and activities. We have received numerous requests for our ecovadis rating and scorecard and have seen many customers conduct supplier due diligence questionnaires. To meet our customer's requirements and ensure our key accounters can communicate with customers about ESG topics, we conducted training and workshops with our management and sales teams.

Outlook

Over the following years, we want to continue to ensure our customers are satisfied with our work. Our goal is to implement a customer satisfaction rating in each business unit and develop, evaluate, and monitor aligned KPIs for customer satisfaction evaluation. As a first step, we aim to conduct an analysis of current procedures regarding the measurement and management of customer satisfaction. Following this, we aim to increase the total number of customer satisfaction surveys.

We also aim to increase the availability and transparency of ESG data and our ESG performance for our customers. As part of this, we also plan to conduct a demand assessment from customers about our products' environmental characteristics and the company's overall environmental performance. We expect increased interactions with clients on ESG matters, with upcoming events such as OMV's Sustainability Supplier Day in 2022.

Empowering People & Supporting the Community



As a family-run company, we focus on people. Management's importance on open and positive employee relationships can be traced back to the group's origins as a traditional Austrian family firm. We want to be transparent and create a company culture where everyone feels like part of the family to ensure the highest degree of trust and quality. Human rights and labour laws are a top priority for us, as well as ensuring diversity and non-discrimination. We also feel a certain obligation to our employees and communities affected by our business practices.

Empowering Our Employees

We are over 4,000 employees at home in 18 countries and on 5 continents. We speak over 10 languages, come from different structures and have different origins. We are open to the world, live in the present and look forward to what's to come. We respect intercultural and country-specific customs. We rely on security, reliability and trust. As colleagues, we act with mutual respect and positive interaction.

We are men and women; we are personalities. We are old hands and young beginners, talented specialists, meticulous inventors, resourceful problem solvers and empathetic motivators. We are designers and implementers. We are well trained and highly motivated. We are managers, designers, researchers, analysts, specialists and trainees. We are committed to innovation and further development. Together we live technical perfection, solution orientation and innovation in every step and move. Our strength lies in our diversity - our know-how, and our performance.

"Thinking forward, acting ahead" is our guiding principle - and at the same time, our motivation and conviction, which unites us as a team and allows us to pull together. Because we are passionate, we are determined, we are know-how, we are innovative - our future is happening now.

We are the employees of Christof Industries.

Our commitment to our people

As a group of companies where the owners are active members of management, we feel a traditional closeness to our employees. We employ over 4,000 people in 18 countries with different cultures and local particularities. We are proud of our international and diverse workforce. Our managers and leaders take on a role as models of responsible behaviour and as persons of trust for team members if any conflicts arise. We make an effort to recruit our employees locally, thereby supporting the local job market. We find it only natural that our employees outside of Austria should, whenever possible, enjoy the same standards of workplace safety, access to medical care at work, and technical safety as our employees in Austria. We also assist our partners in implementing the high standards we take for granted in these areas. Our company's greatest strength is our people, whose diversity, energy and creativity are crucial to our success.

Our HR Strategy

In addition to the high level of environmental awareness and the development of technologies, great importance is attached to strategic improvements and further personnel developments. The goal is to achieve a continuous increase in job satisfaction among employees. In this context, extensive measures in the area of evaluation, training and further education, as well as a focus on active internal communication about organisational and strategic goals, are set, and the contents of the company are allocated to the individual employees. With the creation of a group-

wide HR department led by a new CHRO, Petra Spreitzhofer and the increased cooperation between all departments dealing with personnel, we aim to increase efficiency and harmonisation in this area. In alignment with our Sustainability Strategy, our HR team has set the following targets:

- **Target 1** – Establishing and harmonising professional basic HR processes, including extensive automation and digitalisation
- **Target 2** – Establishing and implementing an ambitious group-wide sourcing strategy as an urgent measure against the increasing shortage of skilled workers
- **Target 3** – Designing and enabling diverse career paths

To achieve these targets, we developed a specific action plan which includes: setting up a functional organisational structure and creating synergies through shared services, developing a competent and trustworthy management team with clear responsibilities, sharpening and communicating our corporate strategy and business model, defining key positions and people throughout the company, reorganising and exploiting synergies, and developing specific measures to implement our strategy.

Digitalisation of HR

Over the past years, we have focussed on digitising the HR system and digital self-employment. In December 2020, we introduced a new self-service system for our employees in Austria called BMD Web. This

system enables efficient and digital time and travel management for our employees. In 2021, employees were trained and fully implemented the system.

We also have a guideline for mobile teleworking. This guideline allows our employees to respond flexibly and in a mutually optimal manner, particularly considering the risks and impacts

posed by Covid-19. In addition, we use Microsoft Teams as a platform for digital communication. The increased use of digital tools during the pandemic helped us ensure our employees' safety, protect the health and well-being of the communities in which we operate, and provide technology and resources to our customers to help them do their best work while remote.

Activities and Highlights in 2021

Managing people continued to be a challenge in 2021, as it was a year before, mainly due to the ongoing Covid-19 pandemic. However, we continued working hard to ensure the well-being of our teams. We maintained and even increased the number of employees in our operations despite this challenging environment.

Employee Numbers (102-8)

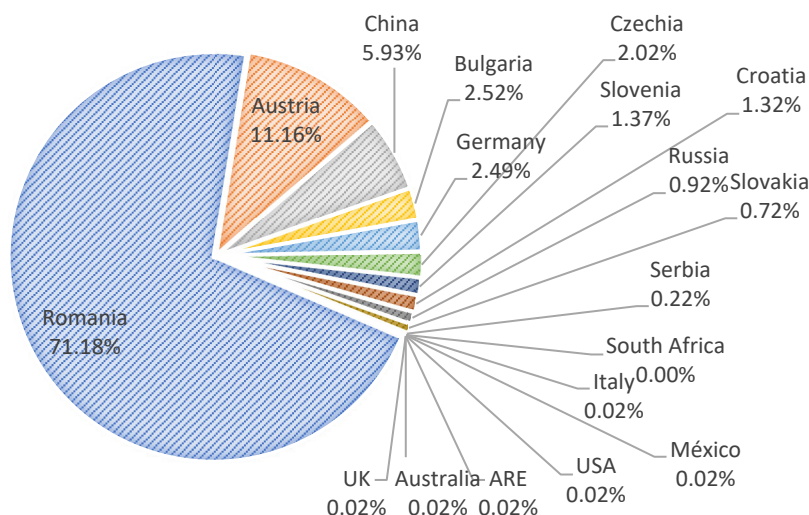
Romania grew further in 2021, making up more than 70% of our employees. Through our activities

and projects in Romania, we have become the largest provider of maintenance, repair and upkeep services for upstream and downstream plants in South-Eastern Europe.

Christof Industries hired or increased by acquiring 1,132 new employees in 2021. 10.7 % of new employees are female, slightly higher than in 2020 (9.1%). In 2021 we had a 57 % return to work rate, and 23 of our employees took parental leave. Across the Group, our employee turnover was 23.8 % in 2021 compared to 13.9 % in 2020. We believe the pandemic and recent developments in the labour market have impacted this decrease.

Employees by Region

Figure 16



Employee Data (102-8)

Table 18

	2020	2021
Total	3,867	4,015
Female	420	456
Male	3,447	3,559
Permanent	3,480	3,863
Female	352	425
Male	3,128	3,438
Temporary	387	152
Female	68	32
Male	319	120
Age Structure	3,867	4,015
under 30	256	262
30-50	1,851	1,714
over 50	1,760	2,039

New Employee Hires and Employee Turnover (401-1)

Table 19

	2020	2021
total number of new employees	1,888	1,132
under 30	121	161
30-50	801	521
over 50	966	450
female	171	121
male	1,717	1,011
rate of new employees	49%	28%
under 30	47%	61%
30-50	43%	30%
over 50	55%	22%
female	41%	27%
male	50%	28%
total number of employee turnover	539	956
under 30	85	89
30-50	202	322
over 50	252	545
female	56	87
male	483	869
rate of employee turnover	13.9 %	23.8%
under 30	33%	34%
30-50	11%	19%
over 50	14%	27%
female	13%	19%
male	14%	24%

Parental Leave (401-3)

Table 20

	2020	2021
total number of employees that took parental leave	28	23
female	9	16
male	19	7
total number of employees that returned after parental leave	23	13
female	5	7
male	18	6
total number of employees that retained 12 months after returning to work following a period of parental leave	16	16
female	5	10
male	11	6
return to work rate	82%	57%
female	56%	44%
male	95%	86%
retention rate	70%	70%
female	100%	100%
male	61%	33%

Developments from our HR Team

In 2021, our CHRO developed a new strategy and a clear focus on improving our processes. The first step was aligning international HR teams and integrating them into the global HR community. Building a global HR community was done through online workshops and local visits to Germany, Romania, the Czech Republic and Slovenia. The visits also included discussions about synergies concerning international HR project responsibilities distribution. Cross-group collaboration is crucial, primarily due to increased international projects. For example, this year, our subsidiaries in Austria, Romania, Serbia and Croatia are collaborating on a large joint project. We have therefore seen the need to harmonise

basic processes and structures, including cleaning up contracts and framework conditions, and move away from silo thinking and using synergies at the corporate level. In 2021, our HR team communicated this corporate strategy and its implications for HR and defined initial measures and priorities.

One of the most important HR topics is developing a talent pipeline. Currently, our employees are working long hours, and many jobs are available within the company, but there are not enough workers. This is not just a problem for our organisation; we are seeing a general skilled worker shortage in the industry. Therefore, developing a sourcing strategy for and with HR representatives from different countries is a priority.

Outlook

We plan to continue our strategic organisational development in the upcoming year, including further developing our HR strategy. We will build a clear corporate structure, including job descriptions and salary bands. Building a talent pipeline is a key goal for the upcoming years. This will include international trainee programmes, measures of international permeability of career paths for employee development and retention, and an international training programme.

We also plan to increase the promotion of the focus on training and recruitment of skilled workers. Another aspect includes strengthening internal and external employer branding through improved internal communication and developing external contacts with universities and schools to attract young talent. To further increase the attractiveness of our company and as well employee happiness, we will also be considering developments in the area of new work and increasing diversity and inclusion. In the upcoming year, we also plan to analyse the digitalisation potential within HR. Particularly systems and services that enable the harmonisation of international HR systems.

Honouring Human Rights and Ethics

MATERIAL TOPIC: HUMAN RIGHTS

Our employees are vital to us. We aim to empower and support people and, thus, ensure that they are being treated well. We work ethically and respect all human rights. Good and fair labour practices can help ensure employee well-being and satisfaction, leading to overall company success.

Measures for managing this topic

- ✓ Group-wide standards outlined in our corporate policies, including Code of Conduct and Ethics
- ✓ United Nations Universal Declaration of Human Rights and UN Global Compact Principles
- ✓ Local and international labour rights laws

Highlights of 2021

- New policies, including the Code of Conduct and Ethics and our Anti-bribery and Anti-corruption Policy
- Definition of new KPIs to be tracked starting in 2022
- Whistle-blowing tool purchased in 2021, to be implemented next year

Relevant SDGs



Our Approach to Human Rights and Ethics

At Christof Industries, we stand for peace and justice and are committed to working with respect for internationally recognized human rights. As an international company with subsidiaries and projects in various countries, we feel a duty to uphold our ethical values in our approach to business. We want to avoid getting into conflicts of interest or loyalty in the interest of our employees and in our own interest. Our approach to this work is guided by our Code of Conduct and Ethics, available for all employees (GRI 205-2). We align our business with human rights and labour laws and see health and safety as a top priority for all employees, regardless of country or role. Our commitment starts with our employees, ensuring they have safe, supportive and respectful workplaces.

Business Integrity and Ethics

We view integrity as an essential prerequisite for good workplace interaction from both the employer's and the employee's perspectives.

Conduct with integrity creates an open and positive work environment and builds strong and resilient teams. Managing this topic includes complying with the law and essential standards and actively working to prevent unfair competition, bribery and corruption. These are outlined in our Code of Conduct and Ethics and our Anti-bribery and Anti-corruption Policy.

Human Rights and Working Conditions

The United Nations Universal Declaration of Human Rights and the UN Global Compact Principles have defined our stance on human rights. We have been committed to these values for many years and became a member of the UN Global Compact initiative in 2020 to officially commit to the principles and ensure better implementation across our group of companies. Within CI, we define our employees as our most valuable asset. We, therefore, ensure fair working conditions for all employees and any form of forced or bonded labour or any kind of (modern) slavery or human trafficking will not be tolerated and is strictly prohibited. We have expectations of suppliers concerning human rights and have no tolerance for violations.

Activities and Highlights in 2021

This year we tried to further increase our focus on human rights and ethics. Towards the end of the year, we conducted a compliance project that focused on developing policies specific to human rights and ethics and establishing a corporate-level compliance department. New compliance policies include a code of conduct and ethics and an anti-bribery and anti-corruption policy.

Human Rights (GRI 412)

In 2021, we continued to enhance our efforts to understand and manage human rights impacts and embed human rights considerations into responsible business decision-making processes across the company. In 2021, there were no indications of violations of human rights or incidents of discrimination within Christof Industries. The total number of employee training on human rights policies or procedures in this reporting year was over 560 hours (412-2). This includes the study and required acceptance of our Code of Conduct for all new employees.

Anti-Corruption (GRI 205)

In Russia, every bank financial transaction was subject to an anti-corruption check, and we assessed 12 operations for corruption risks this year. This includes contracts with all customers. Our governance body members, therefore, receive annual training from the bank about anti-corruption policies (GRI 205-1). In 2021, we did not have any confirmed incidents of corruption in which employees were dismissed or disciplined for corruption or confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption (GRI 205-3).

Along with our new Anti-bribery and Anti-corruption Policy, we have defined the following KPIs, which will be reported starting in 2022:

- Total number of operations assessed for risks related to corruption
- Total number of governance body members that the organisation's anti-corruption policies have been communicated to

- Total number of employees that the organisation's anti-corruption policies have been communicated to
- Total number of business partners that the organisation's anti-corruption policies and procedures have been communicated to
- Total number of governance body members that have received training on anti-corruption
- Total number and percentage of employees that have received training on anti-corruption
- Total number of confirmed incidents of corruption
- Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.

In 2021, we also made the decision to purchase a whistle-blowing tool, which allows both internal and

external parties to report unethical behaviour in the company in a completely secure, anonymous and confidential way.

Collective Bargaining Agreements (102-41)

Our company and all our business activities are subject to laws, directives, and the norms that derive from these laws and directives. In this context, it is imperative to uphold international, national, regional, and local rules, for example, concerning workplace safety or environmental standards. According to Austrian law, all employees must be covered by collective bargaining agreements. In many other countries, this is also the case. Globally, 88% of our employees are covered by collective bargaining agreements. Currently, company employees are represented through formal bargaining agreements in the countries: Austria, Romania, Germany, Croatia, Slovenia, Russia, South Africa, Italy and USA. The company provides a framework for consultation, grievances, and collective agreements through dialogue in locations where official unions do not exist or are not reported within this report.

Outlook

Although we have stood by our values since our inception, we are aware that we still need improvements in this area, particularly in educating our employees on these matters and ensuring systems for assessment and corrective measures are in place.

With our new Corporate Director of Legal and Compliance, we will be developing a compliance programme. This will include compliance officers in all our entities. Moving forward, we believe that further training on these matters is required and will be implemented as part of our compliance programme. Human rights awareness and training of our staff will promote the understanding that it is everyone's responsibility to make human rights a part of all decision-making. We aim to develop

programmes to improve human rights and business ethics and increase the percentage of employees trained on human rights policies.

As well as human rights training, in the following years, compliance training will be integrated into the onboarding processes and our compliance programme for existing employees. We plan to implement e-learning and on-site training. To improve communication and enable more accessible declarations of conflict, we will implement a whistle-blowing tool starting in 2022. In addition, in 2022, we plan to communicate all new policies with the subsidiaries and provide guidelines for action, for example, for whistle-blowing cases.

Improving Diversity and Equal Opportunity

At Christof Industries, we believe in gender equality and are proud to be an equal-opportunity employer. Our employees have different cultural backgrounds and bring various skills and talents to the company, which helps us to improve and innovate.

Our Approach to Diversity and Inclusion (GRI 405)

Our stance on diversity, inclusion and gender equality is outlined in our Code of Conduct and Ethics. We provide equal pay for all women in leadership and offer parental leave, childcare and flexible work options. We also have a zero-tolerance policy for violence against women.

Incidents of discrimination are met with corrective actions. Over the past few years, improving gender equality and diversity has been a key priority within our industry sector. Our goal is to make our company more attractive to working parents and women who have years of experience but feel they cannot return to work after starting a family due to a lack of flexibility. We aim to achieve equal rates for basic salary and remuneration of women to men.

Activities and Highlights in 2021

In 2021, working towards a more equal workplace was a crucial part of our sustainability programme.

Target Gender Equality Programme

We took part in the UN's Target Gender Equality accelerator programme to set and achieve corporate goals for promoting gender equality. This programme aimed to contribute to achieving SDG 5, specifically 5.5, to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

The programme offered performance analysis, capacity-building workshops, peer-to-peer learning and multi-stakeholder dialogue. The goal was to set ambitious corporate targets for women's representation and leadership and to find strategies to reach them. The programme started in September 2021 and will continue until March 2022. The programme's first step was to commit to the Women Empowerment Principles. As an industrial and technological company, Christof Industries is set in a traditionally male-dominated field. It is, therefore, tremendously important for us to actively support the Women Empowerment Principles. The Women's Empowerment Principles (WEPs) provide a holistic framework for companies to promote gender equality and women's empowerment in the workplace, marketplace and community and drive positive outcomes for society and business. Signing the WEPs is a key milestone in the WEPs

implementation journey. Transparency around the commitment is key to ensuring strong accountability and sustained efforts. We signed the WEPs in July 2021 and thereby committed to the following seven principles:

Principle 1: Establish high-level corporate leadership for gender equality

Principle 2: Treat all women and men fairly at work – respect and support human rights and non-discrimination

Principle 3: Ensure the health, safety and well-being of all women and men workers

Principle 4: Promote education, training and professional development for women

Principle 5: Implement enterprise development, supply chain and marketing practices that empower women

Principle 6: Promote equality through community initiatives and advocacy

Principle 7: Measure and publicly report on progress to achieve gender equality

The second step was conducting a performance analysis using the WEP Gap Analysis Tool. This included 18 multiple choice questions across four areas: leadership, workplace, marketplace and community, and covers commitment, implementation, measurement and transparency. We received an overall score of 43%, classifying us as an improver. This means that we recognise the importance of gender equality and are taking steps to introduce policies and practices. However, we still have a lot of room for improvement,

particularly in developing a strategic approach to implementing our commitment and measuring and reporting progress. The programme's final part has included participating in capacity-building workshops to define targets, and strategies, measuring and communicating improvements.

Campaigns

In 2021, we also took part in several campaigns. For International Men's Day, we participated in the He for She campaign. This focussed on how to engage men as allies in gender equality, which is particularly important in a male-dominated industry where we need men to support gender equality. We took part in a webinar on this and also advocated for it in the social media campaign, with the support of our CEO Johann Christof.

For International Women's Day, our social media team organised a campaign for the entire month, highlighting some of the achievements of women within our company and showcasing their positions on our platforms. This included our Director of Corporate Affairs Natalie Christof, Chief Financial Officer in China Stella He, Managing Director of Oschatz in Germany Monique van den Boogaard, our HSEQ managers in Romania, a process engineer from Austria and our welders in Romania.

Diversity in Numbers

Our focus on increasing representation resulted in the total percentage of women employed increase from 10.9 % in 2020 to 11.4 % in 2021. At the management level, 21.4% of our governance bodies are women. In 2021, we did not have any cases of discrimination.

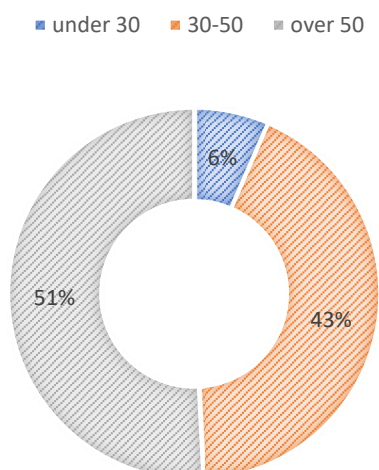
Diversity

Table 21

	2020	2021
Total percentage of women	10.9%	11.4%
Proportion of women in governing bodies	13.8%	21.4%
Proportion of women among part-time employees	56.5%	48.0%
Proportion of women with permanent contracts	10.1%	11.0%
Proportion of women with temporary contracts	17.6%	21.1%
Proportion of women among new employees	9.1%	10.7%

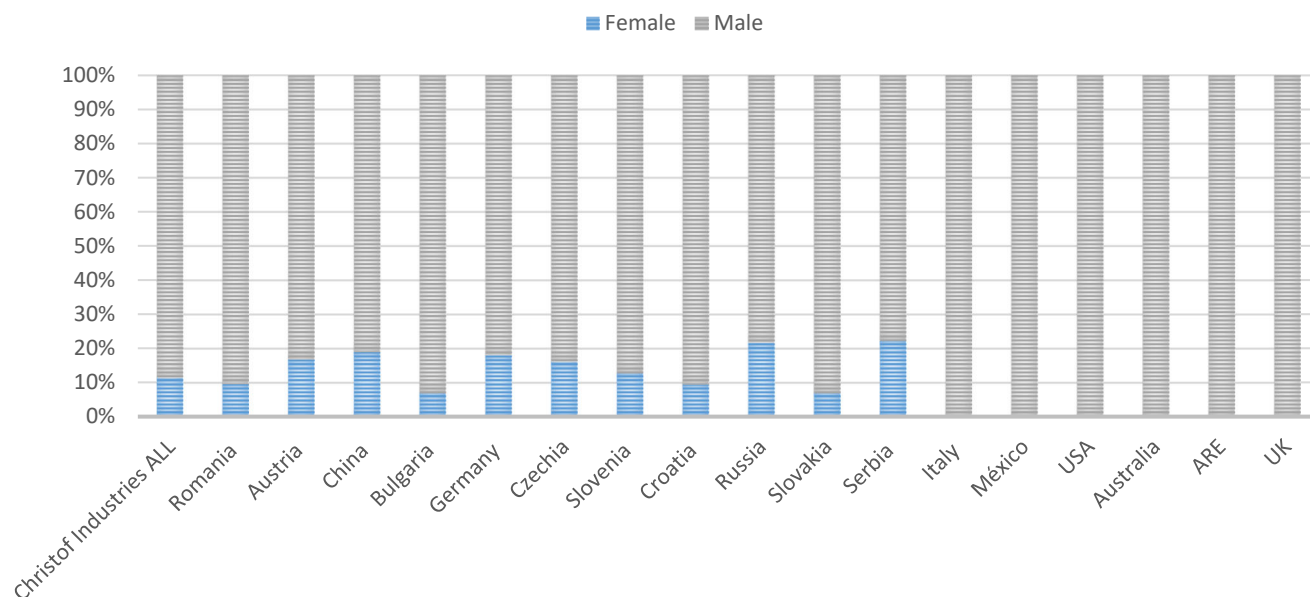
Age Structure

Figure 17



Gender Ratio

Figure 18



Outlook

Ensuring that we offer a collaborative and inclusive workplace that prioritises employee engagement is a top priority for Christof Industries. Diversity and inclusion will remain critical areas of focus in the future.

In 2022, we will finalise the TGE programme and hope to derive clear targets and set the first steps to achieve these targets. The first steps will include data collection disaggregated by gender and ensuring inclusive language in corporate communications by providing a gendering guideline to all employees.

We also plan to set targets to increase representation and diversity. We believe that to

increase the proportion of women working in this sector; we must invest in education. In the following years, we aim to implement programmes encouraging girls and women to consider careers in STEM subjects. Developing a diversified workforce is a goal we are following and something that our company is very passionate about. Our company operates in multinational and multicultural environments. Being present in over 80 countries, Christof Industries engages daily with customers, suppliers and colleagues from different nationalities. To succeed in this industry, it is paramount to understand cultural differences to engage and better serve our customers. Training on unconscious bias and cultural sensitivity will help with this.

Encouraging Employee Learning and Development

MATERIAL TOPIC: EDUCATION & TRAINING

Education and training are extremely important to ensure our employees are provided with professional development opportunities to improve their skills. Empowering and supporting our employees will help improve not only their individual performance but also our overall business performance.

Measures for managing this topic

- ✓ Various training programmes, including Leadership Academy, employee skills and health and safety training
- ✓ Apprenticeships and Internships for students
- ✓ Performance and career development reviews

Highlights of 2021

- Significantly increased health and safety training, particularly in our Romanian subsidiary
- Conducted training in response to Covid-19, including certifying Agile coaches
- Hosted skills competitions for employees in China
- Offered workshops and competitions for our apprentices and interns to help further develop skills
- Further discussion about implementing a digital learning platform for all companies

Relevant SDGs



Our Approach to Training and Education (GRI 404)

"Good employees are hard to come by, that's why training your people is very important. We have to take special care of the qualified young talent." CI HR Department

Christof Industries aims to take a holistic approach to learning and development, encompassing a combination of knowledge and skills acquired through on-the-job experiences, collaborative projects and digital learning, supported by activities such as mentoring and coaching. Due to the imminent risk of increasingly limited availability of skilled workers, we plan to increase our access to higher qualifications for employees and further qualify them through ongoing state-of-the-art training. Christof Industries offers education and training within the organization, ensuring that learning never stops. We plan to develop this further and believe that employees should recognize their talents and be responsible for bringing them to light in their work. We actively support that but also believe it is helpful to create an opportunity for this personal development. Every employee has a unique talent, so we must support our employees in identifying and developing these talents within the company.

Leadership Pipeline

We offer long-term employment in interesting fields and use staff development programmes to support employees' careers in various companies. For example, our "Leadership Pipeline" allows us to identify top managers and heads of specialist departments from among our ranks. By doing so, we keep skills and knowledge within the group. Simultaneously, this ensures such skills and knowledge are transferred from one part of the group to another.

Leadership Academy

Our Leadership Academy intends to significantly contribute to solidarity, development and mutual appreciation in our company. In September 2020, we started the Leadership Academy in Austria. The goal is to optimally develop and train our managers for their everyday management work. This Academy encompasses different topics: Meaning, Performance, Development, Collaboration and Goal Achievement. Participation is based on the nomination of the directors and approval of management. We plan to establish,

organise and manage a Christof Industries Academy in the upcoming years.

Developing Young Talent

We try to contribute to SDG 4 of achieving quality education for all through close partnerships with universities and other educational institutions, offering students the possibility to work with us and learn about the industrial sector. Apprentice training plays a significant role in training and education. Across our business units, we also offer development opportunities through internships. Our programmes provide interns with first-hand experience and a chance to learn crucial skills in our business sector. They also provide us with an excellent opportunity to identify future talent for our business. Our Austrian subsidiary has even been recognised for its exemplary training of apprentices by the Chamber of Commerce in Upper Austria, receiving the INEO certificate „exemplary training company 2019-2022“. In Romania, we also work to develop young talent with two programmes for training together with the local high schools and the Ministry of Education. For three years, two teams of students are trained in our workshops, and after the training period, they can choose to be employed by the company.

Programmes for Upgrading Employee Skills and Transition Assistance Programmes (404-2)

Employees receive training to upgrade skills where necessary and where requested. All welding personnel receives training and certification as required by EN3834-2. Further training depends on upcoming jobs (tube-to-tube welding, overhead pair welding, mirror welding, etc.). Administrative workers obtain training according to their focus (Finance - VAT extended training, QM - ASME training/ IWE training, Warehouse - hard stamping materials by TUV, etc.). In our German subsidiary, we also organise specialised training, including specific engineering training and software training.

Health and Safety Training

Health and safety training plays an essential role in our company. All subsidiaries have health and safety training plans. Employees in the manufacturing or installation division receive annual health and safety training. All employees are encouraged to extend their skills concerning First Aid, Fire Posts, Confined Space Guards, etc. At the same time, all necessary licenses are obtained or further extended (hot work license, working on elevated platforms, forklift license, overhead crane operator license, rigging and lifting, etc.).

Activities and Highlights in 2021

We increased training efforts significantly in 2021, having recognised this as a key area for improvement in previous years. We expanded our hours of training from 12.78h in 2020 to 47.19h in 2021. This can be mainly attributed to the drastic increase in health and safety training in our Romanian subsidiary, particularly following the fatalities. In Austria, we also increased our training efforts in various areas, with our employees having visited over 87 different training programs and courses.

Health and safety training

Health and safety training played a key role this year due to the incidents in Romania and our goal of zero incidents in all subsidiaries. In Germany, most training programs were also occupational safety training, including first aiders, fire protection and health and safety instructions.

Training in response to Covid-19

The Covid-19 pandemic taught us that we need to improve our business resilience. By the end of the year, our companies were able to successfully absorb and adapt to the challenges of Covid-19 and, by definition, become resilient. In 2021, we

continued to build resilience by emphasizing flexible and agile values. We conducted specialized agility training and trained and certified five agile coaches.

Skills competitions

Staff skills competitions are essential to our internal company training and a crucial means to challenge staff skill levels. In May and June 2021, our subsidiary Oschatz China held its first Welder Skill Competition and Assembly Skill Competition. These competitions aimed to identify and award outstanding welders and fitters who can be potential team leaders and role models for others.

In the welding competition, six welders were rewarded for their excellent craftsmanship. The welders enjoyed the competition and showed tremendous professional confidence through their superb skills, manifesting the craftsmanship spirit of Oschatz.

The assembly skill competition determined the first batch of "Iron Tailors" of Oschatz. Six highly skilled fitters were rewarded with a certificate of honour and bonus for their excellent performance. This competition allowed for the staff's knowledge, skills and practical operational levels.

Education and Training

Table 22

Average hours of training per year per employee (404-1)	2020	2021
Average hours of training	12.78	47.19
for female	11.28	41.18
for male	13.74	47.96
Average hours of training by employee category	13.14	47.19
Top Management	14.29	23.31
Upper Management	10.63	30.70
Middle Management	16.67	46.77
Entry/Junior Level	13.93	23.86
Operational Functions	10.03	50.71
Other	8.33	42.01

Apprentices and Interns

Starting in 2021, we collected data for the number of apprentices and interns within the organisation. This year we had 9 apprentices and 20 interns.

To offer further learning and development possibilities for apprentices, we organised workshops and apprentice competitions. In our

Austrian subsidiary, an apprentice workshop took place from July 7-8. At the workshop, the apprentices got a deeper insight into the fields of activity of Christof Industries, as well as the company image and team cohesion. They also chose small projects which they implemented in the following months. On April 17, some of our apprentices took part in the Apprentice Competition Upper Austria 2021 at Wifi Linz. The

apprentices put their knowledge and skills to the test in this competition. About 700 apprentices from various industrial companies took part. The

participants were spread over 22 locations throughout Upper Austria.

Apprentice & Trainees

Table 23

	2021
total number of apprentices	9
female	4
male	5
total number of trainees/interns	20
female	8
male	12

Performance and career development reviews

Performance and career development reviews are required to ensure our employees are meeting the company's expectations and vice versa. Due to the

importance of such a process, we tried to increase the number of reviews that take place annually. We have managed to increase the percentage of employees who received a regular performance and career development review from 36.4% in 2020 to 46.9% in 2021.

Regular Performance and Career Development

Table 24

	2020	2021
Percentage of total employees who received a regular performance and career development review	36.4	46.9
for female	37.3	48.2
for male	36.2	46.6
Percentage of total employees who received a regular performance and career development review by employee category	36.4	46.9
Top Management	50.0	40.9
Upper Management	40.9	49.1
Middle Management	52.1	42.3
Entry/Junior Level	32.0	21.8
Operational Functions	44.0	37.7
Other	50.0	12.7

Outlook

To remain a competitive employer, we aim to give people the opportunity to grow and develop their careers within the organization. Our goal is to build strong internal mobility, making moving between roles, functions, businesses, divisions and countries easier. At the same time, we aim to continuously develop the HR strategy and align the programmes for upgrading employee skills and transition assistance programmes for the entire company. A continuous dialogue between managers and employees, focusing on development and growth, is also defined as an improvement area. We strive to offer exciting roles in which employees can make a meaningful contribution to the business relevant to the employees' experience, capabilities and interests. Our goal in the following years is to increase the

percentage of employees receiving regular performance and career development reviews. This is important to help our employees develop and allow them to receive and give feedback.

The digitalisation of learning content and delivery methods will continue to play an essential role in the development of our employees. In 2020 and 2021, we started planning the development of a Christof Academy and digital intranet, which should provide access to digital learning courses and enable our employees to create, curate and share content. We have decided to start implementing the tool LMS 365 in 2022, which will be available via our Sharepoint platform and Microsoft Teams.

Building a Positive Corporate Culture

As a family-run company, corporate culture is very important to us. Behind Christof Industries, with all its brands and companies, are people, employees and a family. As the Christof family, we have been living, thinking and making decisions for generations. Far-sightedness and the courage to try new things have been with us from the start. Motivation and the determination to master challenges with a spirit of innovation have brought us forward. We strive to build a corporate culture that represents these things.

Developing Our Corporate Culture

Creating a work environment where everyone feels comfortable and enjoys spending time is vital to maintaining employees and creating a place of constant innovation and creativity. To ensure we develop an excellent corporate culture, we have a Director of Corporate Affairs whose primary focus

is corporate culture. Managing this includes supporting and encouraging employees by giving them a voice and showing appreciation, for example, by offering corporate benefits and organising corporate events.

To ensure our employees treat each other well, we have established guidelines for mutual respect in our Code of Conduct and Ethics, which we expect all our employees to follow.

Activities and Highlights in 2021

In 2021 we continued to work on improving our corporate culture through idea management, online corporate events, team events, inter-company communication, and the introduction of various new benefits.

Giving employees a voice

We want to continuously develop as an organisation to be successful and optimize our working methods. To achieve this, we want every employee to be heard. Their ideas and suggestions for improvement are fundamental in making our processes more straightforward, effective and successful. For this reason, we introduced a digital "Suggestion Box" in 2021. Using this tool, our employees can submit their contributions in different languages and directly to our communication office.

Within our German subsidiary, we also enabled employees to submit ideas to our idea management team. The process and revising the collective labour agreement were essential parts of easing the burden on the idea management team to evaluate and expedite the implementation of a potential idea. Fifty-three ideas have been submitted since the relaunch of the idea management. Of the ideas submitted, 28 proposals were rejected. The main reason for one rejection was non-compliance with the company agreement. Sixteen ideas are still under consideration, as some proposals are going through the appropriate professional review and need to include other sites.

In total, we awarded prizes to 9 ideas, which corresponds to a rate of 17%. Award-winning suggestions are already integrated into everyday life and are used by employees.

Corporate events

Due to the Covid-19 pandemic, in-person events for our employees were still limited in 2021. This year we again hosted some major online events.

In summer, we organised a mid-year event, the CI Townhall. This aims to update employees and international teams on current development and projects within the company. We also organised a CI Austria Management Info event, a virtual management information event to inform our employees about the newest developments within the Austrian subsidiary.

The third edition of our company-wide virtual event took place on December 15. It allowed us to reflect on the challenging yet successful year 2021 and find out what's in store for our company in 2022. It included insights into exciting CI projects and developments and receiving messages from our teams worldwide. The Christof family also used the opportunity to announce the winners of the CI Globe Award 2021.

CI Globe Award

In 2018, we began hosting the CI Globe Awards at the annual Christmas party in Austria. The Christof family set this up to highlight the outstanding achievements of some of the teams. In 2020, the Christof family decided to extend these awards to highlight the most remarkable achievements of our

international teams. Within our End of Year Celebration 2021, our fourth annual award ceremony took place with the following categories:

Outstanding Project

Outstanding Project is our category that awards individuals and teams that ensure the success of projects even in challenging circumstances.

Hidden Champion

Hidden Champion recognises the people who are natural institutions but do not usually stand in the spotlight. This year we had 4 hidden champions.

Safety Advocate

Safety Advocate is about an individual or team that goes out of their way to ensure their co-workers' health and safety and helps us reach our most important target: zero incidents.

Sustainability Hero

Sustainability Hero awards an individual or a team who helps us achieve our sustainability goals through their projects, innovations, or day-to-day actions.

New Talent

New Talent puts the spotlight on the next generation of Christof Industries.

Inhouse Champion

Inhouse Champion awards those who make our days a little easier; they help wherever they can and light up any workplace. With this award, our teams can thank their favourite colleagues for their constant inspiration.

Team events

Our teams and departments also work closely together, and to strengthen this bond, they regularly self-organise team events.

In our Chinese subsidiary, to celebrate the success and achievements of the year, our team organised a field trip on the beautiful Nanjing Jinniu Lake. 210 team members, following all the Covid-19 regulations, got ready and travelled to the lake, where they had a full day of activities.

In Germany, the works council and management organised a barbecue party at the seaside beach on Lake Baldeney, which included the Oschatz Olympic games. Another great initiative from Oschatz was their Young @ Oschatz programme, which aims to connect young employees, enabling them to exchange ideas and get to know each other

personally and professionally. Initially, meetings were held online, where various activities were organised, such as speed dating and group work via Teams. The in-person meeting included a visit to the construction site in Marl and a treasure hunt in the city centre of Essen. Smaller events, such as a BBQ evening for the mechanical and electrical engineers on-site in the Netherlands, also took place. At the end of the year, our team in Austria organised a small gathering for the apprentices. In addition to the review of the training year 2021 by Gerhard Panholzer, we honoured our apprentices, who received various awards and successes this year.

Intercompany communication and trips

To strengthen relationships between our international teams, we organised several trips and on-site visits this year. Our corporate sustainability manager and CHRO travelled to Romania in November to introduce ESG management, ESG reporting, the current situation in health and safety and several workshops on ESG and HR projects. Our CHRO also visited various other locations, including Germany and the Czech Republic. To minimise the gap between our office workers and on-site teams, we organised visits to sites for some of our office-based employees. This enabled them to understand better what happens on sites and projects.

Sustainable Benefits

In 2021, we started a collaboration with FutureBens, a new employee benefits platform with purpose. We teamed up with FutureBens so that the entire team can consume sustainably and consciously, with the added perk of having a discount. FutureBens offers exclusive discounts in their growing portfolio of more than 80 sustainable brands – offering conscious alternatives in lifestyle, consumption, wellness, and body care, among many others.

Another new partnership was with the tree-planting platform Treedom. Treedom is an initiative that plants trees in agroforestry projects that promote virtuous interaction among different species and sustainable use of resources and land.

Christof Industries is planting trees through Treedom in Tanzania, Kenya, Nepal and Colombia to further the positive impact we can have on our environment through sustainable action. 200 trees were purchased as a Christmas action in 2021 and will be distributed for various causes in 2022.

Outlook

Over the following years, strengthening our corporate culture will be essential to bring our company together and strengthen the communication and relationships of our international teams.

Over the past years, the strengths and weaknesses of the CI brand have become evident. We have identified the need to evaluate our approaches at all levels and align them with our common goal. Values and vision have evolved from the complex history of our organization and found their origins in a wide variety of our units' pasts. Our organization is represented by many voices, which also brings enormous potential. We, therefore, plan to conduct a culture project in the upcoming year to shape our new brand landscape,

create a common story and develop our very own Christof Industries Culture.

Crisis management will also play a key role in the upcoming years; through Covid-19, we have seen how much disruption can be caused and how important it is to be better prepared for uncertain situations in the future.

To further strengthen our corporate culture and purpose, we plan to kick off our Sustainability Ambassadors Programme at the beginning of 2022. The programme aims to work together as a community to create lasting change for a more sustainable future. Through communication and collective action, we are building an international community within the company to discuss and work on sustainable initiatives considering environmental, social, and economic factors that will ensure a better future for the next generations.

Supporting the Community

As a family business, supporting and giving back to the community and assisting others is very important to us. We strive to help those in need and make the earth and our community a better place to live for everyone. Volunteering is a way to broaden our employees' horizons, better understand the community and bring people together.

Corporate Citizenship

We believe corporate citizenship is about integrity, business ethics and responsible governance. We adhere to the highest standards and conduct our business responsibly to build further confidence with all stakeholders. Therefore, we use corporate citizenship as an approach to business where we work to impact society, the environment and the economy positively.

Supporting the local economy and community is extremely important to us. We believe respectful interaction with local communities and businesses is critical to the success of projects and long-term operations. We, therefore, focus on creating jobs and always ensure local employment where possible. For example, our location in South Africa helps bring high-end jobs to the marginalised community in Cape Town. Due to high levels of unemployment in South Africa, having a positive impact on our communities will allow us to operate while sharing value.

Activities and Highlights in 2021

Social and Environmental Projects

Christof Industries is also involved in various social and environmental initiatives across the globe. As mentioned previously, we were involved in a project of the Presidential Initiative on Banana Industrial Development (PIBIT) in Uganda that focuses on the industrialization of the technology for the production of banana flour. This contributes significantly to the local region's and farmers' sustainable development, as the market potential for gluten-free flour in developed countries is enormous. It also helps to reduce environmental impact by introducing a circular economy with waste utilization by saving disposal costs and producing energy and organic fertilizers. To protect against such projects' political and financial risks, we work very closely with OeKB and are in constant contact with OeEB, DEG and KfW.

Social Initiatives and Fundraising Campaigns

Christof Industries sponsors and supports several sporting teams, cultural clubs, associations and events.

We also supported several smaller social initiatives at our various subsidiaries, including supporting the RNIB in the UK, Mission Hoffnung and Kinder-Krebs-Sozial Hilfe in Austria and Kindernothilfe

Essen in Germany. Our German subsidiaries also took part in the citizens' initiative "Essen packt an!", which mainly supports the homeless and people in need in Essen. In Serbia, we supported the local equestrian club to help kids with special needs to have so-called "Hippo Therapy", which has proven to be healing. We have supported children from low-income families with the electronic equipment needed for education. Christof Industries also made a donation to the Wings for Life Foundation for Spinal Cord Research. The foundation supports cutting-edge international research. 36 Christof Industries employees from around the globe took part in the virtual Wings for Life World Run. The Christof Industries team ran 250 kilometres for a good cause and donated around 1,050 EUR. Another running event our employees joined was the Stainzer Schilcherlauf in Austria.

Around Christmas time, there are several fundraising campaigns. For example, team member Jürgen Welz and the charity group Gruppe Prosecco organised a Christmas fundraising campaign for children in the haematology/oncology department of the Graz Children's Hospital. The total amount of this year's fundraising campaign was 11,000 €.

This year for Christmas, we purchased the book "Heroes. What we can learn from our heroes" for our clients and employees in Austria. In very personal essays, authors tell stories about how heroes have given them support and orientation. Instead of paying fees to the publishers and authors, the proceeds from the sale of the book were donated to Hospiz Österreich.

Outlook

As we have integrated our social and environmental initiatives into our sustainability strategy, we plan to increase the focus on our commitment to non-governmental organisations

that tackle environmental issues and plan to organise and support numerous projects in the coming years. Our Sustainability Ambassador Programme will also play a role in organising social and environmental projects and supporting the community.

Our Commitment to the UN Global Compact Principles (102-12)

We support the UN Global Compact and have integrated the principles of the UN Global Compact into our Code of Conduct and Ethics through our commitment to upholding fully human rights, standards at work, environmental protection and the fight against corruption. We expect the same commitment from our internal and external stakeholders.

- We respect and support the protection of human rights within the limits of our means.
- We ensure that we do not become complicit in violations of human rights.
- We respect the right of assembly and the meaningful recognition of the right to collective bargaining.
- We advocate the elimination of all forms of forced labour.
- We advocate the abolition of child labour.
- We advocate the elimination of discrimination during selection and employment.
- We support a preventative approach to environmental problems.
- We take initiatives at home and abroad to encourage greater awareness of environmental responsibility.
- We support the development and spread of environmentally friendly technologies, and we are involved in the development of some of these technologies.
- We take a stand against all forms of corruption.

We work hard to build long-term business relationships with our partners and suppliers based on mutual respect, trust, and reliability. Together with our suppliers, we work on providing optimal solutions for our customers. We are also committed to sustainability in our relationships with our suppliers.

Review and Outlook

2021 was a very challenging year and successful year for Christof Industries. We have grown as a company and have had many positive developments in the second half of 2021 as we have received many new orders and won many projects, which means that we have a good forecast for 2022 and have reason to be optimistic. We have particularly seen the importance of sustainability and have been increasing our focus on this topic. This has included restructuring and rebranding our Clean City Concept (CCC) to Christof Global Impact (CGI), which develops and delivers technology-led, waste-to-value and emissions reduction solutions to our customers. Furthermore, We have also worked with large organisations to find ways to implement sustainability solutions (e.g. oil and gas industry, paper, chemical, etc.). We have also increased our focus on strengthening the governance at our corporate level to ensure our standards are lived throughout the organisation. Through this, we are aiming to improve our risk management and adapt more quickly to challenging situations, which is an incredible market advantage for Christof Industries and will strengthen our position internationally. Digitalisation, an increase in efficiency and effectivity, and the improvement of internal communication will also play an important role in making us more agile and creating a future-proof organisation. Our focus in the following years will be on further implementation of sustainability management in our operations. We are especially setting the spotlight on developing our CI Academy to improve our knowledge management, implementation of the ESG aspects in our projects and operations, improvement of our ESG performance and introduction of sustainability in our procurement processes.

The following table outlines our ESG targets, measures and their implementation progress.

ESG Roadmap

Table 25

Commitment/Strategic objectives	Target	Measures	Status
ENVIRONMENTAL			
Reduce GHG emissions	<ul style="list-style-type: none">Reduction of scope 1 & 2 emissionsReporting of scope 3 emissions	Emissions tracking with an environmental management system	↑
		Carbon offsetting of business travel	↑
		Development of a new environmental policy	↑
		Tracking of employee commuting	↑
		Increased inclusion of electric cars in the company fleet	↗
		LCA for selected products	↗
		Development and support of new technologies that can help to reduce CO ₂ emissions	↗
Improve energy efficiency and use of renewables	<ul style="list-style-type: none">Driving high energy efficiency and using renewable energies and climate-friendly technologiesTracking and reporting on energy dataDevelopment of transparent energy flow managementDefinition and establishment of comprehensive energy efficiency programmesDevelopment of a training plan to increase energy efficiency	Installation of photovoltaic systems for the production of renewable energy	↗
		Increased tracking and reporting on energy data (office, workshops & projects)	↗
		Identification of energy sources (renewable and non-renewable)	↑
		Changing the energy provider to renewable energy	↗
		Implementation of efficiency measures	↗
		Strategic global projects for energy efficiency (Project MFM)	↗
Improve the waste management system	<ul style="list-style-type: none">Striving for zero waste to be sent to landfill by reducing, reusing and recycling wasteTracking and reporting on waste data inclusive project sitesDefinition and establishment of comprehensive waste management programmesTracking and reporting on water consumption dataMaintain the number of significant spills and non-compliance cases with environmental laws and regulations at zero cases	Identification of disposal methods	↑
		Increased tracking and reporting on waste and water data	↗
		Promoting material recycling, recovery and reuse	↗
		Technologies for waste treatment and CO ₂ reduction	↗
		Strategic global projects for waste management (Project MFM)	↗
		Investing in R&D for circular economy	↗
SOCIAL			
Improve compliance training programmes, including training on human rights and business ethics	<ul style="list-style-type: none">Develop programmes for the improvement of human rights and business ethicsImplementation of compliance policiesIncrease the number of training hours devoted to human rightsIncrease focus on anti-corruption education and communication with employees, suppliers, and customersIdentification of anti-corruption measuresImplementation of whistle-blower toolDevelopment of anti-corruption training materials	Publication of new Code of Conduct and Ethics and Anti-bribery and Anti-corruption policy	↑
		Training for Code of Conduct & Ethics, and other relevant compliance policies	↘
		Integration of compliance in business governance	↗
		Continuous development of compliance programmes	↗
		United Nations Global Compact initiative	↑
		No indications of violations of human rights or incidents of discrimination	↑
		Implementation of whistle-blower tool	↘
		Development of whistle-blower guidelines	↘
Implement and improve Safety First Strategy, with a goal of zero incidents	<ul style="list-style-type: none">Maintain the level of training on occupational health and safetyIncrease HSEQ AwarenessCreate a safe, secure, and healthy working environment with zero incidentsEnsure 100% of workers are covered by the occupational health and safety management system	Health and safety strategy	↑
		Safety first strategy	↑
		Development of health and safety protocols and guidelines to protect employees, suppliers, and customers in the context of the Covid-19 pandemic	↑
		Health and safety training	↗

	<ul style="list-style-type: none"> • Increase knowledge and awareness about strengthening our team's health and immune system of employees • Increase communication and awareness programmes regarding the epidemic Covid-19 	<ul style="list-style-type: none"> • 100% of workers covered by H&S system • Action list and measures to prevent fatalities • ESG processes for subcontractors 	<ul style="list-style-type: none"> ↑ ↗ ↘
Increase diversity by empowering women	<ul style="list-style-type: none"> • Increase focus on women's empowerment to enhance diversity and reduce discrimination • Develop programmes for women & educational programmes for girls to increase diversity • Achieve equal rates for basic salary and remuneration of women to men 	<ul style="list-style-type: none"> • Commitment to UN Women • Target Gender Equality accelerator programme • Development of equal pay analysis • Campaigns: He for She campaign; Awareness campaign for international women's month • Increase in the total percentage of women employed from 10.9 % to 11.4 %. At the management level, over 20% of governance bodies are women 	<ul style="list-style-type: none"> ↑ ↗ ↗ ↑ ↗
Increase employee development	<ul style="list-style-type: none"> • Establish and harmonise professional basic HR processes, including extensive automation and digitalisation • Establish and implement an ambitious group-wide sourcing strategy as an urgent measure against the increasing shortage of skilled workers • Design and enable diverse career paths • Continuously improve employee development and satisfaction 	<ul style="list-style-type: none"> • Building and integrating the international HR community • Communication of updated HR strategy • Definition of initial measures/priorities • Harmonisation of basic processes & structures • Development of sourcing strategy for/with HR for units • Training for upgrading employee skills • Apprenticeships and Apprentices competitions • Performance reviews • Leadership academy 	<ul style="list-style-type: none"> ↗ ↗ ↗ ↗ ↗ ↗ ↗ ↗ ↗
Increase commitment to social and environmental projects	<ul style="list-style-type: none"> • Increase the number of operations implemented for community engagement • Develop programmes to support the local community, increase volunteering hours, and set up partnerships with relevant organisations 	<ul style="list-style-type: none"> • Corporate events • Sponsorship of community events • Social projects • Corporate citizenship • Integration of social and environmental initiatives into our sustainability strategy, focussing on our commitment to NGOs focussing on environmental issues • Digital corporate events 	<ul style="list-style-type: none"> ↗ ↗ ↗ ↗ ↑ ↑
GOVERNANCE			
Implement a group-wide quality management system	<ul style="list-style-type: none"> • Align and harmonise policies and processes within the company • Increase the availability and transparency of the ESG data, as well our ESG performance for stakeholders • Increase the availability and transparency of the relevant company data • Increase customer evaluation • Implement customer satisfaction ratings in each business unit • Improve customer and data privacy • Increase the sustainability performance of the company 	<ul style="list-style-type: none"> • EcoVadis rating • External audit for ESG Reporting • Group certification for specific standards • Update of data protection policy • Project sustainable supply chain management (Identification of assessment procedures, KPI's, improvement measures) • Development of sustainable procurement policy 	<ul style="list-style-type: none"> ↑ ↑ ↗ ↑ ↗ ↑
Increase supplier screening on social and environmental criteria	<ul style="list-style-type: none"> • Implement supplier evaluations with ESG aspects • Integrate sustainability criteria in the purchasing processes 	<ul style="list-style-type: none"> • Development of Supplier Code of Conduct 	<ul style="list-style-type: none"> ↑
Implement a group-wide knowledge management system	<ul style="list-style-type: none"> • Maintain relationships with global partners and customers to bundle specialist skills and achieve a stronger market position • Develop the Christof Academy • Improve organizational capabilities through better use of the organization's individual and collective knowledge resources 	<ul style="list-style-type: none"> • Worldwide technology screenings • Close partnerships with universities and other education institutions • Supporting scientific works and R&D projects 	<ul style="list-style-type: none"> ↗ ↗ ↗

	<ul style="list-style-type: none"> Ensure further R&D investments and application of patents Increase the presence in scientific conferences and relevant events 	Christof Global Impact	↗
Digitalisation of processes	<ul style="list-style-type: none"> Develop a programme for the implementation of digitalisation projects Ensure the usage of digital platforms for internal communication and data management Increase the number of activities on internal digital platforms Develop sustainability activities in the IT infrastructure 	Implementation of digital tools and solutions	↗
		Development of intranet platform	↗
		Start of initiative sustainability and IT	↗
Legend	↗ achieved ↗ on track ↘ not started		

GRI and UNGC Content Index (102-55)

GRI Standard	GRI Disclosure		Section	Page Number	Reason for Omission
GRI 101 Foundation 2016					
GRI 102: General Disclosures Including UNGC	102-1	Name of the organization	About the report, A brief overview of Christof industries - who we are	9	
	102-2	Activities, brands, products, and services	A brief overview of Christof industries - Who we are, what we do	9, 11, 53	
	102-3	Location of headquarters	About the report, A brief overview of Christof industries - who we are	9	
	102-4	Location of operations	A brief overview of Christof industries - Who we are, what we do	9	
	102-5	Ownership and legal form	A brief overview of Christof industries - who we are	9	
	102-6	Markets served	A brief overview of Christof industries - what we do	12	
	102-7	The scale of the organization	A brief overview of Christof industries - who we are	9, 11	
	102-8 UNGC 6	Information on employees and other workers	A brief overview of Christof industries - who we are, Empowering people & Supporting the community	9, 80, 81	
	102-9	Supply chain	Sustainable Partnerships: Sustainable Supply Chain	70	
	102-10	Significant changes to the organization and its supply chain	Letter from the CEO, A brief overview of Christof industries - who we are	6, 9	
	102-11	Precautionary Principle or approach	Managing Sustainability: Our precautionary approach	16	
	102-12	External initiatives	Sustainable Partnerships	62, 97	
	102-13	Membership of associations	Sustainable Partnerships: Networks & Memberships	69	
	102-14	Statement from senior decision-maker	Letter from the CEO	6	
	102-16	Values, principles, standards, and norms of behaviour	A brief overview of Christof industries - what we stand for	13, 14	
	102-18	Governance structure	Managing Sustainability: Governance	15	
	102-40	List of stakeholder groups	Sustainable Partnerships: Stakeholder Engagement	16, 64	
	102-41 UNGC 3	Collective bargaining agreements	Empowering people & Supporting the community	78	
	102-42	Identifying and selecting stakeholders	Managing Sustainability: Materiality Analysis, Sustainable Partnerships: Stakeholder Engagement	15, 16, 62, 63, 64	
	102-43	Approach to stakeholder engagement	Managing Sustainability: Materiality Analysis, Sustainable Partnerships: Stakeholder Engagement	15, 16, 62, 63, 64	
	102-44	Key topics and concerns raised	Managing Sustainability: Materiality Analysis	16	
	102-45	Entities included in the consolidated financial statements	About the report, A brief overview of Christof industries - who we are, Annexe: Organisational Matrix & financial data	5, 10, 105	
	102-46	Defining report content and topic Boundaries	Managing Sustainability: Materiality Analysis	16	
	102-47	List of material topics	Managing Sustainability: Materiality Analysis	18	
	102-49	Changes in reporting	There have been no significant changes to the organisation's reporting boundary	5, 16	
	102-50	Reporting period	About the report	5	

	102-51	Date of the most recent report	About the report	5	
	102-52	Reporting cycle	About the report	5	
	102-53	Contact point for questions regarding the report	About the report	5	
	102-54	Claims of reporting in accordance with the GRI Standards	About the report	5	
	102-55	GRI content index	Annexe: GRI Content Index	100	
	102-56	External assurance	Annexe: External Assurance	105	

Material Topics / Health and Safety

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary	Conducting Clean and Safe Operations	30, 31	
		103-2	The management approach and its components	Conducting Clean and Safe Operations	30	
		103-3	Evaluation of the management approach	Conducting Clean and Safe Operations	30	
GRI 403	Occupational Health and Safety	403-1	Occupational health and safety management system	Conducting Clean and Safe Operations	32, 34	
		403-2	Hazard identification, risk assessment, and incident investigation	Conducting Clean and Safe Operations	30, 32	
		403-3	Occupational health services	Conducting Clean and Safe Operations	30, 33	
		403-4	Worker participation, consultation, and communication on occupational health and safety	Conducting Clean and Safe Operations	30, 33	
		403-5	Worker training on occupational health and safety	Conducting Clean and Safe Operations	30, 33, 34	
		403-6	Promotion of worker health	Conducting Clean and Safe Operations	30, 33	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Conducting Clean and Safe Operations	30, 33	
		403-8	Workers covered by an occupational health and safety management system	Conducting Clean and Safe Operations	30, 33, 34	
		403-9	Work-related injuries	Conducting Clean and Safe Operations	30, 34	
		403-10	Work-related ill health	Conducting Clean and Safe Operations	30, 34	

Material Topics / Human Rights & Ethics

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103 UNGC 1 UNGC 2 UNGC 4 UNGC 5 UNGC 6	Management Approach	103-1	Explanation of the material topic and its Boundary	Empowering People & Supporting the Community	25	
		103-2	The management approach and its components	Empowering People & Supporting the Community	25	
		103-3	Evaluation of the management approach	Empowering People & Supporting the Community	25	
GRI 205 UNGC 10	Anti-Corruption	205-1	Operations assessed for risks related to corruption	Empowering People & Supporting the Community	78, 84	
		205-2	Communication and training about anti-corruption policies and procedures	Empowering People & Supporting the Community	78, 84	
		205-3	Confirmed incidents of corruption and actions taken	Empowering People & Supporting the Community	78, 84	
UNGC 10			Compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Empowering People & Supporting the Community	78,	
GRI 405 UNGC 1 UNGC 6	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Empowering People & Supporting the Community	78	
		405-2	The ratio of basic salary and remuneration of women to men	Empowering People & Supporting the Community	78	
GRI 406 UNGC 1 UNGC 2	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Empowering People & Supporting the Community	78	
GRI 412 UNGC 1 UNGC 2 UNGC 10	Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Empowering People & Supporting the Community	78	
		412-2	Employee training on human rights policies or procedures	Empowering People & Supporting the Community	78, 84	
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Empowering People & Supporting the Community	78	

Material Topics / Sustainable Business Model

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103 UNGC 7 UNGC 9	Management Approach	103-1	Explanation of the material topic and its Boundary	The future is circular: Our sustainable business model	25	
		103-2	The management approach and its components	The future is circular: Our sustainable business model	25	
		103-3	Evaluation of the management approach	The future is circular: Our sustainable business model	25	
GRI 201	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	The future is circular: Our sustainable business model	25	
GRI 419 UNGC 2 UNGC 7	Socioeconomic	419-1	Non-compliance with laws and regulations in the social and economic area	Empowering People & Supporting the Community	25	

Material Topics / Sustainable Partnerships

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103 UNGC 8 UNGC 9	Management Approach	103-1	Explanation of the material topic and its Boundary	Sustainable Partnerships	62	
		103-2	The management approach and its components	Sustainable Partnerships	62	
		103-3	Evaluation of the management approach	Sustainable Partnerships	62	
GRI 204	Procurement Practices	204-1	The proportion of spending on local suppliers	Sustainable Partnerships	62, 70	
GRI 308	Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable Partnerships	62, 70, 71	
GRI 414	Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Sustainable Partnerships	62, 70, 71	
GRI 418	Customer Privacy	418-1	Substantiated complaints received concerning breaches of customer privacy	Sustainable Partnerships	62	

Material Topics / Sustainable Innovations

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103 UNGC 7 UNGC 9	Management Approach	103-1	Explanation of the material topic and its Boundary	Developing Sustainable Innovations	53	
		103-2	The management approach and its components	Developing Sustainable Innovations	53	
		103-3	Evaluation of the management approach	Developing Sustainable Innovations	53	
Own KPI	Research & Development		Percentage of revenue spent on R&D	Developing Sustainable Innovations	53	
Own KPI	Research & Development		Number of patents	Developing Sustainable Innovations	53	

Material Topics / Climate Change

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103 UNGC 7 UNGC 8	Management Approach	103-1	Explanation of the material topic and its Boundary	Conducting Clean and Safe Operations	30	
		103-2	The management approach and its components	Conducting Clean and Safe Operations	30	
		103-3	Evaluation of the management approach	Conducting Clean and Safe Operations	30	
GRI 304	Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Conducting Clean and Safe Operations	30	
		304-2	Does the operational site have direct and indirect impacts on biodiversity with reference to one or more of the following? (304-2)	Conducting Clean and Safe Operations	30, 37	
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	Conducting Clean and Safe Operations	30, 43, 45	
		305-2	Energy indirect (Scope 2) GHG emissions	Conducting Clean and Safe Operations	30, 43, 45	
		305-3	Other indirect (Scope 3) GHG emissions	Conducting Clean and Safe Operations	30, 45	
		305-4	GHG emissions intensity	Conducting Clean and Safe Operations	30, 45	
		305-5	Reduction of GHG emissions	Conducting Clean and Safe Operations	30, 45, 46	

GRI 307 UNGC 7 UNGC 8	Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Conducting Clean and Safe Operations	30, 37, 50	
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Material Topics / Energy Efficiency

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary	Conducting Clean and Safe Operations	30	
		103-2	The management approach and its components	Conducting Clean and Safe Operations	30	
		103-3	Evaluation of the management approach	Conducting Clean and Safe Operations	30	
GRI 302 UNGC 7 UNGC 8 UNGC 9	Energy	302-1	Energy consumption within the organization	Conducting Clean and Safe Operations	30, 39, 40	
		302-2	Energy consumption outside of the organization	Conducting Clean and Safe Operations	30, 39	
		302-3	Energy intensity	Conducting Clean and Safe Operations	30	
		302-4	Reduction of energy consumption	Conducting Clean and Safe Operations	30, 42	
		302-5	Reductions in energy requirements of products and services	Conducting Clean and Safe Operations	30, 42	

Material Topics / Education & Training

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103	Management Approach	103-1	Explanation of the material topic and its Boundary	Empowering People & Supporting the Community	78	
		103-2	The management approach and its components	Empowering People & Supporting the Community	78	
		103-3	Evaluation of the management approach	Empowering People & Supporting the Community	78	
GRI 404 UNGC 6	Training and Education	404-1	Average hours of training per year per employee	Empowering People & Supporting the Community	78, 91	
		404-2	Programmes for upgrading employee skills and transition assistance programmes	Empowering People & Supporting the Community	78, 90	
		404-3	Percentage of employees receiving regular performance and career development reviews	Empowering People & Supporting the Community	78, 92	

Material Topics / Waste Management

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103 UNGC 7	Management Approach	103-1	Explanation of the material topic and its Boundary	Conducting Clean and Safe Operations	30	
		103-2	The management approach and its components	Conducting Clean and Safe Operations	30	
		103-3	Evaluation of the management approach	Conducting Clean and Safe Operations	30	
GRI 306	Effluents and Waste	306-1	Water discharge by quality and destination	Conducting Clean and Safe Operations	30, 49	
		306-2	Waste by type and disposal method	Conducting Clean and Safe Operations	30, 50, 51	
		306-3	Significant spills	N/A	30, 50	
		306-4	Transport of hazardous waste	Conducting Clean and Safe Operations	30, 48	
		306-5	Water bodies affected by water discharges and/or runoff	Conducting Clean and Safe Operations	30	

Material Topics / Circular Economy

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 103 UNGC 9	Management Approach	103-1	Explanation of the material topic and its Boundary	Developing Sustainable Innovations	53	
		103-2	The management approach and its components	Developing Sustainable Innovations	53	
		103-3	Evaluation of the management approach	Developing Sustainable Innovations	53	
own KPI	Value Creation		Value, new products and energy created from waste input	Developing Sustainable Innovations	53	

Other Important Topics / Employees

GRI Standard		GRI Disclosure		Section	Page Number	Reason for Omission
GRI 401	Employment	401-1	New employee hires and employee turnover	Empowering People & Supporting the Community	78, 81	
		401-3	Parental leave	Empowering People & Supporting the Community	78, 82	

ANNEXE

Organisational Structure

Table: List of the companies

Id.	Country	Name of the company
1.	Austria	Christof Industries Global GmbH
2.	Austria	Christof Industries Austria GmbH
3.	Austria	Christof Systems GmbH
4.	Austria	FMT Personalservice GmbH
5.	Australia	Oschatz Australia Pty. Ltd
6.	Bulgaria	Ferromont Bulgaria Ltd.
7.	China	Oschatz Energy and Environment Co. Ltd
8.	Croatia	Ferromont-KR d.o.o
9.	Czechia	Oschatz Bohemia s.r.o
10.	Czechia	Oschatz Services & Solutions s.r.o
11.	Germany	Oschatz Energy and Environment GmbH
12.	Italy	Christof Project Italia Srl
13.	Mexico	FMT Christof Industries Mexico S.De R.L. de C.V.
14.	Romania	Christof MB Well S.R.L.
15.	Romania	J. Christof E & P Services S.R.L
16.	Romania	JCR Christof Services S.R.L
17.	Russia	Ferromont Russia Ltd
18.	Serbia	Ferro-Montage-Technik SE d.o.o.
19.	Serbia	JCR Consulting d.o.o.
20.	Slovakia	Oschatz Services & Solutions s.r.o
21.	Slovenia	Ferromont-SL d.o.o
22.	UK	Christof Global Impact Ltd.
23.	UK	Ferromont UK Ltd.
24.	USA	FMT US Inc.

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21	Diversity	87
22	Education and Training	91
23	Apprentice & Trainees	92
24	Regular performance and career development	92
25	ESG Roadmap	98

Emission Factors

Emissions	Unit	2021	Source
Petrol vehicle km (direct & indirect)	kg CO ₂ e / Fzkm	0.2595	https://www.umweltbundesamt.at/fileadmin/site/themen/mobilitaet/daten/ekz_fzkm_verkehrsmittel.pdf
Diesel vehicle km (direct & indirect)	kg CO ₂ e / Fzkm	0.2448	https://www.umweltbundesamt.at/fileadmin/site/themen/mobilitaet/daten/ekz_fzkm_verkehrsmittel.pdf
Electric vehicle km (direct)	kg CO ₂ e / Fzkm	0.0000	https://www.umweltbundesamt.at/fileadmin/site/themen/mobilitaet/daten/ekz_fzkm_verkehrsmittel.pdf
Green electricity" eco-label Austria	kg CO ₂ e / kWh	0.0140	https://secure.umweltbundesamt.at/co2mon/co2mon.html
Electricity Production Mix Slovenia	kg CO ₂ e / kWh	0.2439	https://www.aib-net.org/facts/european-residual-mix
Electricity Production Mix Croatia	kg CO ₂ e / kWh	0.2732	https://www.aib-net.org/facts/european-residual-mix
Electricity Production Mix Bulgaria	kg CO ₂ e / kWh	0.4374	https://www.aib-net.org/facts/european-residual-mix
Electricity Production Mix Serbia	kg CO ₂ e / kWh	0.7625	https://www.aib-net.org/facts/european-residual-mix
Electricity Production Mix Germany	kg CO ₂ e / kWh	0.3786	https://www.aib-net.org/facts/european-residual-mix
Electricity Production Mix China	kg CO ₂ e / kWh	0.5550	https://www.climate-transparency.org/wp-content/uploads/2019/11/Brown-to-Green-Report-2019.pdf
Electricity Production Mix Romania	kg CO ₂ e / kWh	0.3101	https://www.aib-net.org/facts/european-residual-mix
Electricity Production Mix Czech Republic	kg CO ₂ e / kWh	0.5447	https://www.aib-net.org/facts/european-residual-mix
Electricity Production Mix South Africa	kg CO ₂ e / kWh	0.9280	https://www.climate-transparency.org/wp-content/uploads/2019/11/Brown-to-Green-Report-2019.pdf
Electricity Production Mix Slovakia	kg CO ₂ e / kWh	0.1511	https://www.aib-net.org/facts/european-residual-mix
District Heating Austria	kg CO ₂ e / kWh	0.2000	https://secure.umweltbundesamt.at/co2mon/co2mon.html
Natural gas	kg CO ₂ e / m ³	2.718	https://secure.umweltbundesamt.at/co2mon/co2mon.html
Airplane travel (km per person)	kg CO ₂ e / Pkm	0.3958	https://www.umweltbundesamt.at/fileadmin/site/themen/mobilitaet/daten/ekz_pkm_tkm_verkehrsmittel.pdf
Rail travel (km per person)	kg CO ₂ e / Pkm	0.0126	https://www.umweltbundesamt.at/fileadmin/site/themen/mobilitaet/daten/ekz_pkm_tkm_verkehrsmittel.pdf
Electric & electronic waste - landfill	kg CO ₂ e / kg	0.02	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Electric & electronic waste - recovery	kg CO ₂ e / kg	0.89	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Hazardous waste – recovery	kg CO ₂ e / kg	0.43	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Paper - landfill	kg CO ₂ e / kg	0.95	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Glass. Plastic, metal – landfill	kg CO ₂ e / kg	0.02	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Paper – recycling	kg CO ₂ e / kg	0.07	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Glass – recycling	kg CO ₂ e / kg	0.05	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Plastic – recycling	kg CO ₂ e / kg	0.22	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Metal – recycling	kg CO ₂ e / kg	0.23	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Building waste – recycling	kg CO ₂ e / kg	0,05	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Kitchen waste - landfill	kg CO ₂ e / kg	0.55	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
Kitchen waste – composting	kg CO ₂ e / kg	0.09	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html
other non-hazardous waste - landfill	kg CO ₂ e / kg	0.63	https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol5.html

Independent Limited Assurance

for the ESG report 2021 of Christof Industries Global GmbH

Based on the selected Information, evidence for the fulfilment of GRI-Standards, as reported in the ESG report 2021, has been validated.

The audit scope includes information on the Environmental Social Governance Report 2021. The nature of non-financial information allows for different but acceptable evaluations, and measurement techniques can result in materially different measurements, affecting comparability between entities and over time.

Considering the level of assurance and our assessment of the risk of material misstatement of the selected information, whether due to fraud or error, our work included, but was not restricted to:

- Assessing the appropriateness of the Reporting Criteria for the selected information.
- Conducting interviews with Christof Industries management to understand the key processes, systems and controls in place over the preparation of the selected information.
- Agreeing on a selection of the selected information to the corresponding source documentation.
- Assessing a selection of formulae used and manual calculations performed over the selected information (including the appropriateness of unit and carbon conversion factors by reference to widely recognised and established conversion factors).
- Reperforming a selection of the carbon conversion factor calculations and other unit conversion factor calculations.
- Performing analytical review procedures over the aggregated selected information, including comparing the prior period's amounts due to changes in business volume and the business portfolio.
- Reading the Environmental Social Governance Report 2021 and the narrative accompanying the selected information concerning the reporting criteria in the Environmental Social Governance Report 2021.

In accordance with the terms of the engagement contract, no interest of any other party has been considered. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any party for our work for the statement of assurance for the conclusions reached.

About the audit

Audit type	Validation of ESG-Report 2021
Standard	GRI
Audit scope	Conformity with GRI standards, effective implementation of Sustainability Management System
Certificate No.	AT-ESG-2021100 valid until September 2024
Date Audit on site	24. October 2022
Location	Christof Industries Global GmbH Headquater Graz

About the company

Organisation	Christof Industries Global GmbH
EA Code	Engeneering services (EAC 34)
Auditor	DI Thomas A. Reautschnigg (C&P)

General remarks

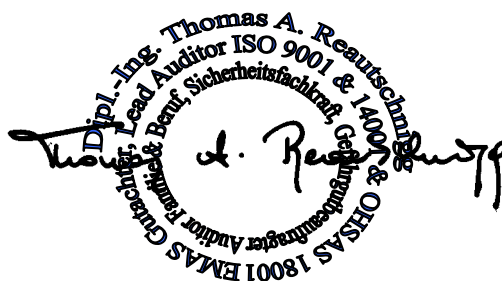
The representative of top management of the respective company must ensure that all observations made during the audit are registered in all systems and that all correction measures are defined and implemented. The audit is based on the company's documents valid at the time of the audit.

Audit findings are based on samples. Audit results reflect C&P's best observation and judgement in light of the information available during auditing. C&P accepts no responsibility for damages, suffered by any third party as a result of decisions made or actions taken by such a third party based on this report.

Limited assurance conclusion based on the work performed and the evidence obtained: Herewith, it is declared that Datas and Details of the Environmental Social Governance Report are a reliable, believable report of the organisation within the scope stated in this report.

Reg.-Nr. AT-ESG-2021100

Next validation of the full sustainability report has to be done before September 2024.
Updated reports have to be validated and published on a yearly basis.



Dipl.-Ing. Thomas A. Reautschnigg

EMAS Verifier, Lead Auditor ISO 9001 & 14001, 50001, 45001
Auditor Familie & Beruf, Sicherheitsfachkraft, Gefahrgutbeauftragter
Lead Auditor Emissionszertifikatgesetz (EZG)
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