

FREQUENTIS
FOR A SAFER WORLD

FOR A SAFER WORLD

Consolidated
Non-financial
Report

2020





Consolidated Non-financial Report 2020

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Introduction

In keeping with its mission “for a safer world”, the Frequentis Group is committed to sustainability in everything it does. Appropriate initiatives are implemented locally in conformance with local law. The reporting period covered by this Non-Financial Report is 2020.

The basis for the content of this report and the level of detail is the Austrian Sustainability and Diversity Improvement Act (NaDiVeG), which was published in 2017 in the Austrian Federal Law Gazette (Bundesgesetzblatt) and transposes the European Union’s Non-Financial Information (NFI) Directive (2014 / 95 / EU) into Austrian law. This consolidated report was prepared in all material respects in conformance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (Sections 243b and 267a Austrian Commercial Code Act [UGB]) and meets the requirements set out in Section 243b UGB for the individual financial statements of Frequentis AG and Section 267a UGB for the consolidated financial statements. The materiality analysis, risks, and the concepts developed also apply for both Frequentis AG and the Frequentis Group.

The Frequentis Group aims to make a clear statement by publishing this second Non-Financial Report. The topics considered will be integrated step by step into established management systems to emphasise their global significance. The present report does not conform to the GRI standards (Global Reporting Initiative). However, greater attention has been paid to using these as a guide for the key performance indicators and management approaches. In this way, the ultimate goal is to continue to develop this report and give all stakeholders an opportunity to gain an objective and transparent overview of the company and the measures taken in the past year. Key performance indicators in this report that are already compiled and evaluated on the basis of the GRI standards are listed in the section [➤ Reference to GRI standards](#).

In addition to representative initiatives and relevant KPIs, this report includes topics that have had a significant influence on the company’s business activities, together with their social and ecological impact.

Frequentis is committed to continuously improving its social and ecological performance in all aspects, fulfilling its compliance obligations, and actively working towards sustainable development. Topics such as the SDGs (sustainable development goals), respecting human rights, improving working conditions, fair operating and business practices, consumer concerns, the involvement and development of society, developing the supply chain, sustainable product development, and utilisation of resources will be taken into account in the selection of future measures.

The non-financial information is outside the scope of the audit of the consolidated financial statements. The consolidated group on which this report is based is the same as for the financial reporting. If any information applies only to Frequentis AG or to a selected group of consolidated companies, this is specifically stated.

To avoid redundancy, where appropriate the report refers to the notes to the consolidated financial statements for 2020 (“consolidated financial statements”), the Group management report (“management report”), the consolidated corporate governance report for 2020, or the profile of the company. References within this report are indicated by an arrow [➤](#) followed by the title of the section *in italics*.

Business model

Wherever Frequentis' systems are used, people bear responsibility for the safety of other people and of goods. The Frequentis Group is an international provider of communication and information systems for safety-critical control centres. Custom-tailored control centre solutions are developed and marketed by the Air Traffic Management segment (for civil and military air traffic control and air defence) and the Public Safety & Transport segment (for police forces, fire brigades, emergency rescue services, shipping, and railways).

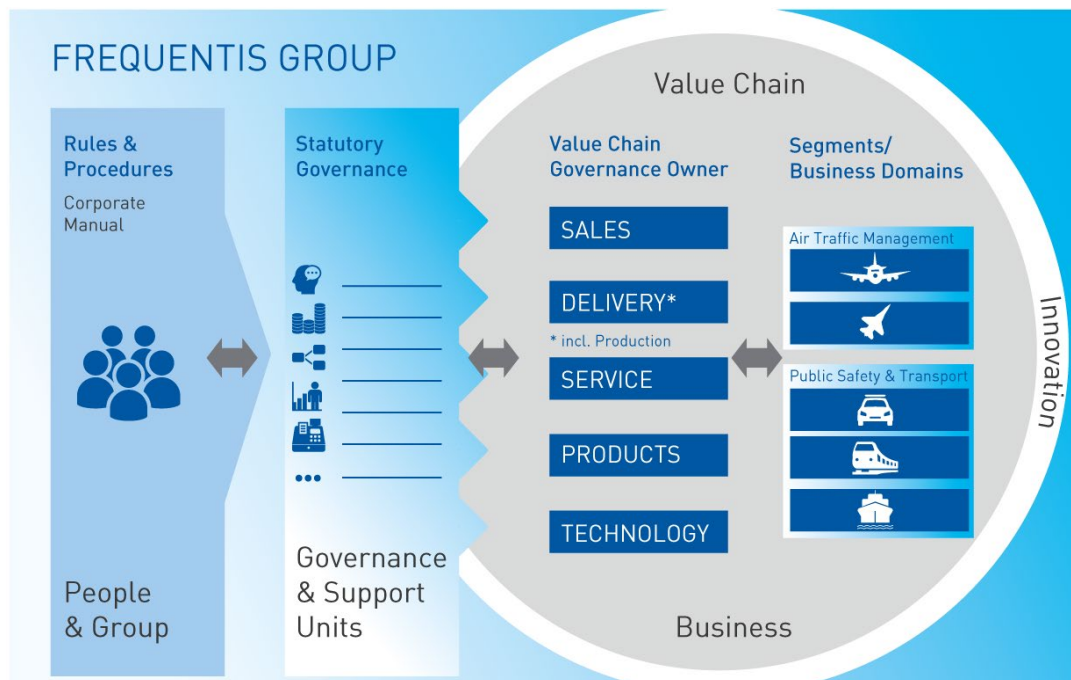
As a recognised specialist for the supply of safety-critical infrastructure, Frequentis develops future-oriented solutions for control centres in collaboration with key customers and makes new technologies usable for safety-critical applications. Using a human-centred design process, integrated systems are created to provide safer and more stable working environments for end-users in control centres, such as air traffic controllers, operators, and dispatchers.

This business model has proven resilient and stable, even in periods of crisis such as the COVID-19 pandemic in 2020. Investment in safety-critical infrastructure cannot simply be put on ice. The increased use of digital opportunities, high flexibility, and creative solutions by both customers and the company have enabled most business processes to continue without massive disruption or changes.

Moreover, the central focus is on long-term customer relationships. Customers – public authorities, organisations, and companies with safety-critical tasks – often use the solutions provided for several decades. That requires a deep understanding of the customers' requirements, maximum reliability, and long-term trust. The extensive installed base also drives the steady and sustained growth of the Frequentis Group ([↗ The Company](#)).

Governance organisation

Frequentis' business model is based on a strong governance organisation introduced in 2018 that ensures optimised interaction between the central units, the business domains, and the international subsidiaries.



Frequentis' two segments (and the business domains grouped in these segments) focus on successful business operations as their contribution to the Group's overall performance. The main responsibility is allocated to local value-generating functions such as Domain Sales, Key Accounts, Product Management, and Project Management. As an integral part of the value chain, the subsidiaries and participations make a significant contribution to the overall success of the Frequentis Group.

The role of the central governance and support functions (which include, for example, Human Resources, IT, Finance & Controlling, Legal, ...) is to ensure smooth global collaboration. These functions focus on supporting the business, minimising risk, optimising workflows, and maintaining a general overview of the company.

Innovations have very high priority at Frequentis. The company is proud to extend its position as an innovation leader in the markets it addresses through sustainable innovations. This is achieved through interdisciplinary collaboration which leverages domain-specific know-how, the strengths of the business domains, and the specialist expertise of the support and governance functions.

People & Group covers units / assignments that are mandatory but do not have a direct impact on the value chain. They are defined in the rules and procedures of the Frequentis Group.

Integrated management system

Frequentis assumes its social responsibility through an integrated management system organised via processes. These processes, which are divided into core processes, management processes, and support processes, form the basis for ongoing optimisation and efficiency improvements.

- The core processes directly create value for customers.
- The management processes define the activities for the strategic alignment and management of the company. They include, for example, innovation and product management.
- The support processes support the core processes. They cover processes such as the supply chain and development.

These processes form the principal basis for initial and ongoing validation of the company in conformance with the following standards:

- ISO 9001:2015 (quality management system)
- ISO 14001:2015 (environmental management system)
- ISO 27001:2013 (information security) & UK Cyber Essentials Certificate
- ISO 45001:2018 (occupational health & safety management system)

The content of these processes and their application are reviewed regularly in the course of recertification and monitoring audits by external certification authorities. The initial certifications are listed in the following table.

Company	ISO 9001	ISO 14001	ISO 27001	ISO 45001	AEO	Cyber Essentials
Frequentis AG, Austria	1993	2005	2011	2005	2008	2016
CNS Solutions & Support GmbH, Austria	2016		2016			
Frequentis (Shanghai) Co. Ltd., China	2014					
Frequentis Australasia Pty Ltd., Australia	2012	2018	2011	2019		
Frequentis California Inc., USA	2000					
Frequentis Canada Limited	2008	2009		2009		
Frequentis Comsoft GmbH, Germany	1993		2018			
Frequentis Czech Republic s.r.o.	2011					
Frequentis Deutschland GmbH, Germany	1998		2011			
Frequentis do Brasil Assessoria, Serviços e Comércio de Sistemas de Informação e Comunicação Ltda., Brazil	2019					
Frequentis Romania S.R.L.	2010					
Frequentis Slovakia s.r.o.	1997					
Frequentis Solutions s.r.o., Slovakia	2018		2018			
Frequentis UK Ltd.	2015		2011			
Frequentis USA Inc.	2003		2011			
GroupEAD Europe S.L., Spain	2004					
PDS GmbH, Austria	2000					
Systems Interface Ltd., UK	2018					
TEAM Communication Technology Management GmbH, Austria	2004					
TEAM Technology Management GmbH, Germany	2020					
ATRICs Advanced Traffic Solutions GmbH, Germany	2010					

In 2020, the ISO monitoring audit was performed almost entirely remotely due to COVID-19. This was particularly challenging but went very well.

Following the merger of Frequentis Solutions and Frequentis Slovakia to form Frequentis Solutions & Services s. r. o., the focus in 2021 is on certification in conformance with ISO 9001 and ISO 27001.

Frequentis has certified quality management systems in many organisational units to ensure that it meets the high quality specifications for its products and services. The ongoing development of a global process model requires efficient collaboration and the use of synergies within the Frequentis Group.

The concepts developed for individual issues are based on the integrated management system. This system is used to manage them and evaluate the related KPIs.

Materiality analysis – Key elements

The starting point for the Non-Financial Report is the materiality analysis undertaken in 2019. For this, potential aspects of sustainable corporate management were examined in a number of workshops with internal and external experts and evaluated in the light of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). All relevant functions at Frequentis were involved (Procurement, Quality / Environment / Occupational Safety / Safety and Security Management, IT, HR, Investor Relations, Finance & Controlling, Production, Workers' Council, etc.).

This process identified the following four stakeholder groups:

- Customers
- Employees & prospective employees
- Shareholders / representatives of the capital market
- Statutory requirements

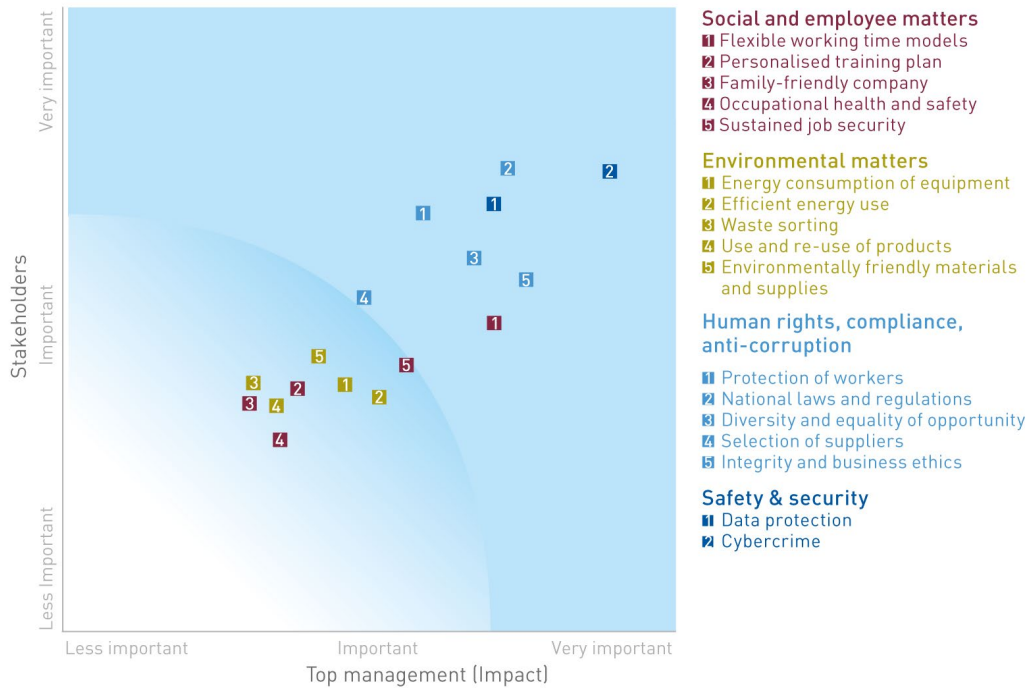
The feedback based on the statements in the survey was allocated among the following four areas:

- Social and employee matters
- Human rights, compliance, anti-corruption
- Safety & security
- Environmental matters

The results were discussed and agreed with the Executive Board at a meeting in November 2019. The concept for the Non-Financial Report was also presented at a meeting of the Supervisory Board in early December 2019.

The results of the materiality analysis, which was performed in autumn 2019 based on a standardised questionnaire, are presented in the following matrix. The assessment of the top management (Executive Board and Vice Presidents) is shown on the x axis. They were asked to assess the significance of the aspects in the light of the statutory requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). The y axis shows the stakeholder assessment. The key topics for Frequentis are thus the nine aspects that have the greatest impact or are most important to stakeholders and that are classified as being most significant for Frequentis' business activities.

An extended materiality analysis is planned for the Non-Financial Report 2021.



The results of the present materiality analysis formed the basis for the Non-Financial Report 2019. They are used unchanged in the Non-Financial Report 2020, although it should be noted that the impact of the COVID-19 pandemic had a significant effect on the aspects listed.

Impact of the COVID-19 pandemic

This section provides an overview of the impact of the coronavirus pandemic on the company in the context of Non-Financial Reporting. The economic effects are outlined in the Group Management Report ([↗ Business performance](#)). The following comments relate to the effects of the crisis on Frequentis' internal and external stakeholders.

To supplement this, each of the stakeholder chapters includes the effects of the COVID-19 pandemic or an estimate of how the individual aspects might have developed without the pandemic.

Overview of the action taken

To optimise management of the pandemic, an internal coronavirus crisis team was set up in March 2020. This is an interdisciplinary team from relevant departments, headed by the Chairman of the Executive Board. At the meetings of this team, which took place twice a week in the early phase of the crisis (once a week from the summer), the present situation was evaluated and the next steps were defined. Overall, the COVID-19 crisis team held 53 virtual meetings between mid-March and end-December.

As well as extensive measures in the areas of health & safety and facility management, the response to the travel restrictions included targeted use of the company's strength in digitisation. One important factor here was that customers have strong confidence in Frequentis, while their flexibility and creativity supported the ability to find effective solutions. Despite the travel restrictions, it was therefore possible to continue a high proportion of projects remotely (via video conferences) and even perform acceptance procedures.

For many years, Frequentis' corporate culture has permitted mobile working practices (working from home or on-site at customers' premises), so both employees and the existing IT infrastructure handled the temporary shift to working entirely from home very well.

In addition to the requirements imposed / recommended by national authorities, the following measures were defined and implemented:

- **Health & Safety:** specific rules and support measures for essential business travel to affected regions, installation of hand sanitiser dispensers, compliance with social distancing rules, mandatory face masks at Frequentis' locations, rules for direct and indirect contact persons
- **External and internal communication:** establishment of a Group-wide email address for questions and suggestions and a coronavirus information point in the intranet, introduction of an internal traffic light system to ensure rapid recognition of the measures to be implemented depending on the current situation
- **IT and facility management:** keeping the IT infrastructure operating and ensuring IT security, limiting the number of people per room / per department at the company's offices (switch to working from home / mobile working), installation of signs
- **HR and legal:** survey at several locations on working from home

- **Business continuity:** stepping up project acceptance by video conference, implementation of the Sales Goes Digital initiative, establishment of a special Project Task Force for end-to-end monitoring of projects (this task force held 40 virtual meetings to manage factory and on-site acceptance procedures)
- **Subsidiaries:** focus on sharing knowledge, implementation of Group-wide measures

The actual implementation and impact of these measures on the individual aspects of the materiality analysis are outlined in the relevant sections.

In addition to the ongoing COVID-19 risk management, Frequentis' Executive Board set up an internal interdisciplinary team to carry out a "black swan" analysis with the support of an external consultant. During the year, the team drew up a list of black swan aspects (risks that are considered very unlikely to materialise, but which would have a very high impact). These risks will be examined in detail in 2021 and risk mitigation concepts will be developed.

In addition, in June 2020 the Executive Board paved the way for "life after the pandemic". A Frequentis Think Tank – a small team of people with diverse skills and experience – is taking a structured approach to innovative topics that should deliver key impetus to continue to drive forward the development of Frequentis in the long term. The aim is, on the one hand, to use lessons learnt from the pandemic - for example, how processes and tools can be aligned optimally for remote working - and, on the other, to drive forward product innovations and step up the development of solutions based on existing products.

Social and employee matters

Employees are the most important factor for the successful achievement of Frequentis' corporate objectives and its international growth. Their commitment and dedication and the innovative capability of multi-cultural teams are the foundations on which Frequentis has built more than 30 years of profitable growth and give the company key competitive advantages on the international market.

The high identification and trust of Frequentis' staff were visible in the overwhelming success of the employee participation programme provided for Frequentis Group companies in Austria and Germany in May 2020. Despite the coronavirus pandemic, the project was completed with extremely high interest from employees.

About 75% of Frequentis' employees are highly qualified engineers and specialists. Their broad and deep specialist knowledge and their extensive practical focus on customer and market needs are widely appreciated. As a high-tech company, Frequentis employs both young, highly trained university graduates and staff with practical experience. It offers them all an attractive working environment characterised by continuity and sustainability. The long-term stability of teams is crucial for customer confidence. Therefore, stability and continuity are key corporate values. Frequentis thus endeavours to provide lasting job security.

In 2020, recruitment of new employees concentrated on technical staff. In addition to system engineers, there was particularly high demand for software engineers, project managers, and IT and sales staff. The company gives high priority to a thorough and exhaustive recruiting process. Alongside professional qualifications, Frequentis looks for an understanding of its business and its specific safety-critical culture. Certain functions where there are frequent recruiting requirements, especially in technical areas where filling vacancies is difficult, have been defined as key functions to draw particular attention to them. A specific salary progression is defined for these functions in the employment contract. This underscores the importance of these functions and gives the new colleagues a perspective, which enhances employee retention. To ensure uniform, transparent, and fair salary structures, the salaries of employees in these functions who had been employed for 1-5 years were reviewed and increased during the year where necessary.

The Human Resources function at Frequentis already made extensive use of the benefits of digitisation and virtualisation and these activities were stepped up during the coronavirus pandemic in 2020. For example, learning & development offered an extended range of virtual courses, recruitment was switched to virtual interviews, and administrative processes were digitised. In this way, support for the Frequentis team was ensured even in the challenging conditions of the pandemic.

Impact of coronavirus

Excessively high staff turnover would be extremely detrimental for the long-term focus of Frequentis' customer relationships. This would lead to a loss of domain know-how, which is particularly important in the safety-critical area, and continuity in customer and project management could not be assured.

Risks

The long-term nature of Frequentis' business relationships and the extensive periods for which its systems are used by customers require special action to secure the know-how and stability of project teams. Therefore, Frequentis has a range of staff retention measures.

Concepts

In addition, there is an extensive occupational health and safety programme including measures to avert accidents at work and preventive health measures to enhance the long-term well-being and job satisfaction of Frequentis staff.

The number of employees in the Frequentis Group rose from an average of 1,849 in 2019 to 1,907 in 2020, a growth rate of 3.1%. Nearly 50% of employees work at the Vienna location. Despite COVID-19, thanks to the successful development of Frequentis and the measures introduced in relation to the pandemic, the number of employees was not simply held stable, but actually increased.

Attractive workplaces

As a responsible employer, Frequentis has a genuine desire to actively foster the health of its employees. Vaccinations (influenza, FSME), annual health checks, and specific supplementary measures such as heart check days, lung function tests, eye tests, and vein checks are offered annually to staff at the Vienna location as part of the company's occupational healthcare activities.

Many of these measures could be offered with almost no restriction in 2020, providing that the pandemic-related precautions were observed. However, high-contact series test examinations were not carried out in order to avoid unnecessary exposure to the risk of infection.

These measures are complemented by stress checks and occupational psychology measures to prevent burnout, which were stepped up during the coronavirus pandemic. A bio-impedance analysis and other health promotion initiatives were offered at the company's headquarters in Vienna as part of the vitality programme – in digital format due to the coronavirus pandemic. The programme included many fitness videos, which were accessible through the Frequentis Learning Centre. In addition, in cooperation with the occupational medicine centre, practical webinars were made available on dealing with neck tension and taking breaks from work.

Further, the statutory evaluation of psychological stress in the workplace has recommenced in an extended form (workshops).

A key aspect of the Frequentis vitality programme is healthy nutrition for employees and guests at the Vienna location. Meals are freshly cooked every day and up to four different menus are available. Great emphasis is placed on the top quality of ingredients and on using regional and seasonal products. Cooking and eating also generate waste. At the restaurant on Frequentis' premises, various steps have therefore been taken to reduce food waste and avoid it wherever possible.

Despite the coronavirus pandemic, catering was provided at the Vienna location without interruption and the staff restaurant offered a choice of several lunch menus almost every day. Various take-away offers organised by the catering provider SV were very well received. They comprised a wide range of food and ready-made meals as well as special offers during the year.

Where possible, subsidiaries of the Frequentis Group also offer programmes to promote health, check-ups, and activities to support physical and mental health. These include regular running groups, sometimes accompanied by special trainers, participation in regional runs and other sports events, subsidised or free gym memberships, and joint exercise sessions for office staff in the workplace. Due to country-specific restrictions during the coronavirus pandemic, some of these activities had to be suspended temporarily or were replaced by online courses.

Flexible working hours and the working environment

A flexible working time model aligned to the legal requirements in different regions allows personal needs to be taken into account and encourages a good work-life balance.

Since working from home was already used by the Frequentis Group, the switch to this mode of working during the coronavirus lockdown was quick and easy. More than 97% of employees have IT equipment that enables them to work from home. In addition, at the start of the first lockdown in 2020, the IT systems were tested to check their theoretical capacities and resilience. Using Skype for Business, Microsoft Teams, and other web-based platforms, planned face-to-face events were recast as online meetings, video conferences, webinars, etc.

In the early summer 2020, when staff had been working from home for several weeks, Frequentis started a broadly based internal staff survey. The survey covered all employees with an active employment contract at the Vienna location. By agreement with the relevant managing directors, employees at all subsidiaries were also invited to take part. The aim was to get an initial feeling for the "mood" among employees. The high participation rate of 70% and the feedback itself confirmed the smooth switch to working from home, along with pointers to some problem areas (e.g. childcare). The survey also highlighted a desire for more flexible working practices by improving the ability to combine mobile working with working on the company's premises. To define extended flexibilisation of this type for and at Frequentis, the NewWork@Frequentis pilot project was launched at the end of the year. This involves more than one hundred employees from five organisational units in Vienna and representatives of the Workers' Council. Areas being examined include optimising guidance for the Frequentis Group and specific organisational units. This involves analysing employment law conditions and the impact on the Frequentis culture, as well as the capacity required at company premises and function-specific requirements. The pilot project is scheduled for completion by summer 2021 and will form the basis for further decisions.

*Impact of
coronavirus*

Enabling staff to combine work and family life is important to Frequentis. As a family-friendly company, Frequentis AG has offered the Frequenty Kinderwochen summer activity weeks for employees' children since 2012. This initiative was continued in 2020 despite the challenging conditions. Due to the health risks, it was not possible to organise the activity weeks on the company's premises as in the past. Nevertheless, Frequentis considered it important to support employees with childcare in the very challenging summer of 2020. With the aid of a pandemic-compliant concept, it was possible to organise two exciting weeks for 71 children in partnership with "Science Pool", which offered age-specific workshops on "Save our earth" and "Virtual reality".

The Frequenty Kinderwochen will be organised again in 2021. Through this initiative Frequentis actively contributes to the Austrian Family Ministry's "Companies for Families" programme. Frequentis has been a network partner for this programme since 2015.

To make it easier for staff to pursue their personal interests, in addition to statutory dispensations, Frequentis offers staff throughout the Group temporary part-time working conditions, sabbaticals, and educational leave.

In the Frequentis Group, the responsible managers and, where appropriate, various management and corporate governance bodies, conduct an annual salary review on the basis of statutory requirements and external benchmarks to examine whether salaries meet the minimum requirements and also correspond to market conditions.

Succession planning is supported by a leadership development programme, which can be adapted for international use. Since March 2020, the entire programme has been available digitally. Group-wide building and sharing of knowledge is aided, for example, by ongoing extension of skills management, virtual platforms, and distance learning.

Broadly based staff development

Training and continuing professional development are very important at Frequentis and staff commitment is a key factor in the company's success. To remain successful on the market, it is important to be able to adapt quickly to new challenges and to constantly update knowledge of laws, requirements, technical specifications, and also global issues such as the environment. Frequentis has a lifelong learning concept, which starts when staff join the company. It is important to offer employees an individually agreed training plan. This is discussed at the annual appraisal interview.

An onboarding programme and trainee programmes within the Frequentis Group ensure that new employees, in particular, are rapidly integrated into the company and given the knowledge required for their job, for example, project management, systems engineering, and software development, and can build up a personal network. New staff are supported by a tutor in their first months with the company. The onboarding programme at Frequentis' headquarters in Vienna sets the standard for the other companies in the Group. Subsidiaries offer their new staff a combination of corporate standards and a local touch.

Impact of coronavirus

The onboarding programme also had to be adapted because of the coronavirus pandemic. For example, the monthly welcome workshops are held online and mandatory training sessions have been switched to distance learning or a virtual classroom. The tutors still make sure that new staff get off to a smooth start and provide virtual onboarding.

Appraisal interviews are the main tool used for employee development and leadership. In 2020, a documented appraisal interview was held with 83% of staff in the Frequentis Group. This included agreeing and defining targets for the coming year.

The aim of these appraisal interviews is to reflect on work and the results achieved in the past year, establish the status quo, and make plans for the coming year. That includes a two-way discussion of expectations, mutual feedback on performance and personal development, and defining binding targets.

In addition to the Frequentis career model, which places management, expert, and project management careers on an equal footing, specific attention is paid to cross-departmental and cross-border development of talented employees and those with potential. Talent management, which covers more than three-quarters of all employees in the Frequentis Group, provides an overview of the distribution of performance and potential in the company and its organisational units and teams. At the same time, it provides a specific case-by-case insight into where development measures are necessary. Company-wide vocational training and continuing professional development programmes are aligned to these needs. Further, identifying key staff and key functions allows long-term succession planning. Data on succession planning for management and key staff also formed the basis for the ongoing development of the Group-wide talent programme in 2020.

Thanks to the extensive training offering, Frequentis employees participated in more than 5,800 training sessions in 2020. These were mainly held by internal trainers. This is an important element in passing on knowledge and safeguarding Frequentis-specific know-how.

Impact of coronavirus

In 2019, Frequentis worked intensively on a digitisation strategy for learning & development. This made it easier to respond to the coronavirus pandemic as many training courses had to be reorganised and switched to digital and blended learning concepts at very short notice. To provide the best possible support for the large number of internal trainers, a special intranet platform was set up under the acronym FIT (Frequentis Internal Trainers) to provide training tools, useful content, and tips on how to prepare training sessions.

In the area of personal development, the focus was on intercultural training and training in lateral leadership. Training was also provided in specialist areas and new technologies. This was supplemented by well-attended security training sessions and mandatory training on protection of personal data.

A survey of Frequentis subsidiaries in 2018 showed enormous interest in extending the distance learning modules. The findings were taken into account in planning, extending, and sharpening the offer in recent years. As a result, the number of distance learning modules available to employees in the Frequentis Group almost doubled from 83 to 165 in 2019. This trend continued in 2020 and more than 311 distance learning courses are now available.

Frequentis sees informal learning as an important element in modern vocational training and continuing professional development: it enhances the effectiveness and durability of learning processes. Communities of practice provide a platform for communication and for sharing knowledge across functional and organisational boundaries at Frequentis. Two such communities were established in 2020 and another three were in the process of being set up. By year-end 2020, there were therefore eight Group-wide expert communities, covering a wide range of topics, from security aspects to engineering challenges. New areas of focus are data science, artificial intelligence, and cloud technologies.

Sales Excellence Programme

The Sales Excellence Programme, which was introduced in 2013, is an extensive training programme for all sales staff at Frequentis. Staff from the strategic business domains, regions, and international subsidiaries who work in the areas of sales & operations were involved in designing this programme. The aim is to ensure that all sales staff in the Frequentis Group have a uniform knowledge base, and to provide individuals with opportunities to deepen their knowledge.

The programme is divided into two parts: the "basic" training is mandatory and includes legal and compliance modules. "Advanced" training is tailored to the precise requirements of the individual's functions and personal skills. A certificate is awarded when both parts have been completed. The programme is now provided increasingly or exclusively virtually or via distance learning.

Despite constant changes in the target group (employees move and take on different jobs) and the challenges of the pandemic, the participation rate was increased from 50% to 53% in 2020.

These activities will be continued in 2021 (for information on mandatory training in data protection and security ↗ *Safety & security*).

Equal treatment and equal opportunities

Customers greatly appreciate the internationality of Frequentis' teams. The culture on which this is based is a key competitive factor on the international market. That is why every effort is made to ensure that it is a sustainable, Group-wide element in the fast-growing Frequentis Group.

An optimum work-life balance should be possible for all employees, irrespective of their age, gender, culture, religion, or background. Frequentis established the conditions for this many years ago. This is reflected in the international composition of its teams – the Frequentis Group employs staff from 55 nations – and in long-term employment relationships, which support the aim of retaining knowledge in the Frequentis Group.

Since the Frequentis Group encourages long-term employment, the average age of the workforce is naturally increasing. This trend is also reflected in the figures for part-time employment for older employees and retirement. In the past five years, there has been a considerable rise in the number of employees retiring and this will continue in the coming years. To counter the ageing workforce, for many years now Frequentis has focused on a healthy mixture of experienced experts and graduates. Trainee programmes are run every year and early planning and development of successors is ensured for positions where staff are retiring.

The Frequentis Group does not tolerate any form of discrimination, especially not on the grounds of gender, age, sexual orientation, race, ethnic background, or religion. Compliance with the legal framework is a matter of course. Frequentis is an equal opportunity employer. All personnel decisions, from recruitment and training to remuneration and promotion, are based on suitability, performance, qualifications, integrity, and similar criteria.

The present low proportion of female specialists and managers is due to the fact that the proportion of women in technical professions is still comparatively low. For instance, only 28.1% of the over 3,000 job applications received by Frequentis AG in 2020 were submitted by women. The situation is different at Frequentis Romania. In view of the high number of qualified women with a technical background in Romania, the percentage of female employees at this development company is over 34% (which is well above the Frequentis average of 22%).

From the perspective of a high-tech company like Frequentis, a higher number of female staff in technical professions would be desirable. Mixed teams are generally more effective and enrich the company. Talented female colleagues are always highly respected. In addition, Frequentis strives to take such aspects into account in its cooperation with schools and universities.

Human Resources International

An in-house competence centre is responsible for the main tasks required to provide continuous support for international employees and to set up international assignments. The Human Resources International competence centre also provides valuable assistance for the rollout of HR processes and for knowledge sharing and knowledge transfer across the Group.

These services were expanded further in 2020, for example, in the area of learning & development and for international assignments.

To tailor training more specifically to the needs of each location, greater responsibility is being delegated to them and central management in Vienna is being scaled back. The aim of this rollout is to establish a learning & development role at selected locations as a first line of contact for local staff.

An important element to increase foreign assignments is the successful reintegration of returning staff. Discussions with (new) managers, tax advice for returning employees, and individual coaching pave the way for ongoing career success at the headquarters in Vienna. The International Assignment Programme gives staff an opportunity to gain experience of working at a subsidiary in a different country, which also helps to spread the Frequentis culture throughout the Group. All assignees took part in a global survey in 2020 and the insights gained were published as "Assignment Voices" in the form of articles or short videos. These contributions provide a valuable platform for staff interested in a foreign assignment, offering a mixture of information and experience by present and new assignees and those who have already returned.

Another goal is to establish local HR managers or HR support staff. In this context, considerable attention is paid to knowledge transfer and sharing know-how. To achieve these goals and network content and all international HR employees, an International Human Resources Community was established in 2020.

Knowledge transfer extends to recruitment activities. Throughout the Frequentis Group, selected recruiting platforms and events, such as job fairs, are used to position Frequentis as an attractive employer in the IT sector. Social media platforms are becoming increasingly important, especially in the area of active sourcing.

Generally, it should be noted that the exceptional forms of collaboration required in the coronavirus pandemic have brought staff in the entire Frequentis Group closer together. International collaboration was stepped up. For example, various locations were closely involved in all activities of the coronavirus crisis team. Worldwide, everyone worked under the same conditions, despite different time zones.

This increased sense of community was strengthened by regular video messages from members of the Frequentis Executive Board and various social elements such as a virtual coffee lounge. One particularly noteworthy initiative was a virtual advent calendar with a wide range of contributions from Frequentis Group companies and a variety of interactive elements.

*Impact of
coronavirus*

KPIs

	2020	2019	2018
Average no. of employees in the Frequentis Group	1,907	1,849	1,763
thereof male	77.8%	78.5%	78.4%
thereof female	22.2%	21.5%	21.6%
Average no. of employees at Frequentis AG	984	993	971
thereof male	77.0%	77.1%	77.1%
thereof female	23.0%	22.9%	22.9%
New employees in the Frequentis Group	207	198	286
thereof male	75.8%	69.7%	78.0%
thereof female	24.2%	30.3%	22.0%
New employees at Frequentis AG	73	85	140
thereof male	56	64	119
thereof female	17	21	21
Employees leaving the Frequentis Group	177	190	184
Employees leaving Frequentis AG	78	87	80
Employees in the Frequentis Group			
Part-time	241	198	162
Parental leave	49	49	59
Special dispensation	60	60	58
Training leave	5	3	6
Part-time training	8	4	6
Employees at Frequentis AG			
Part-time	129	122	92
Parental leave	43	42	50
Special dispensation	38	36	37
Training leave	2	1	6
Part-time training	8	4	6

	2020	2019	2018
Average age – Frequentis Group	42	41	41
Average age of new employees – Frequentis AG	32	34	34
No. of appraisal interviews held – Frequentis Group	83%	n.a.	n.a.
No. of appraisal interviews held – Frequentis AG	89%	89%	87%
No. of courses offered Group-wide	420	386	311
thereof distance learning	311	165	83
No. of classroom training sessions – Frequentis Group	216	524	633
thereof with internal instructors	84.3%	84.7%	78.2%

In principle, all of these concepts are being continued in 2021. The aim is to maintain the already high rate of appraisal interviews. With regard to training, increased attention will be paid to distance learning because this is not tied to a particular time or location. Video-based training will also be extended.

Professional employer branding, purposeful recruiting, and frank and open treatment of job applicants are very important in the competition to attract the best brains and secure qualified staff.

Impact of coronavirus

The recruitment process also went digital due to the coronavirus pandemic. Video calls with candidates became the new norm. Since 16 March 2020, the recruitment team has held 300 interviews via Skype and this trend is continuing. A digital format was also used for job fairs such as TUDay@HOME, organised by Vienna Technical University. The new format was well-received by both students and exhibitors.

In the “Best Recruiters” study 2020 / 21, Frequentis AG was awarded the silver seal in the IT / software / telecommunications sector for its open and professional HR activities.

The measures outlined above to strengthen Frequentis’ position as an attractive employer and to retain staff will be continued in 2021.

Social responsibility

In keeping with its mission “for a safer world”, Frequentis sees making a contribution to disaster relief as a social responsibility and an expression of solidarity with those affected.

Impact of coronavirus

Disadvantaged social groups have been particularly badly affected by the coronavirus pandemic and its emotional consequences, for example isolation, job losses, and health worries. Moreover, many disabled people have been even less visible than usual during the crisis and have felt sidelined and less involved. Frequentis’ Christmas donation in 2020 therefore went to the social projects organised by the Austrian initiative “Licht ins Dunkel” (“bringing light into the darkness”).

Solidarity within the team at Frequentis’ headquarters was also reflected in a spontaneous collection organised by the Workers’ Council for the benefit of system-relevant workers (cleaners, kitchen staff, security staff, ...). A substantial sum was collected within a short time and distributed to the external service providers particularly affected by the coronavirus pandemic.

Frequentis also supports innovative projects such as the involvement of staff members in the development of an app for emergency calls by deaf people.

Sponsoring education

For many years, the Frequentis organisation in Austria and some of its subsidiaries, for example, in Germany, Romania, Slovakia, and Australia, have provided selective educational sponsorship for technical schools and universities. Special technically oriented training facilities require considerable financial resources and basic state funding generally only covers part of the cost. Exchange with industry is also vital to ensure top-quality, practice-oriented training that is state-of-the-art. Close collaboration between business and education is therefore essential.

Therefore, Frequentis AG offers work-experience placements for students and co-supervises dissertations and theses for bachelor's and master's degrees. Other activities include sponsorship, workshops, and study trips for higher technical colleges in Vienna and Lower Austria. Various activities were planned for students from higher technical colleges at Frequentis' headquarters in 2020. Regrettably, these were only possible to a very restricted extent due to the coronavirus pandemic.

For many years, Frequentis has also been committed to helping various universities in Austria improve the quality of training. In cooperation with Vienna Technical University, it has held joint training events for a number of years where experts from Frequentis give students an insight into control centre know-how and examples of best practices. "Adventure in Computer Science", another cooperation with Vienna Technical University launched in 2019, targets a younger age group: this permanent exhibition is designed to encourage school children's enthusiasm for computer science.

Start-up activities

The Frequentis Start-Up Centre, which was established in 2001, helps entrepreneurs set up their own businesses. Support is provided for a few years. In addition to an inexpensive and flexible location with appropriate infrastructure, during this time the young entrepreneurs have opportunities to access direct business opportunities at Frequentis. In this way, Frequentis has already supported the establishment of more than 50 IT, hardware, software, and technology consulting enterprises with over 200 employees.

The concept has now been extended with an international focus, increased virtualisation, and a link to Frequentis' strategy playing an important role. Organisationally, support for these start-up activities is assigned to the New Business Development department at Frequentis. Attention is paid to integrating, fostering, and shaping relevant start-ups with a focus on key technologies or through collaborative development of new products, features, and services.

In this context, start-up activities can also grow within the Frequentis Group. The first New Business Development spin-off is skyzr GmbH, which is currently developing cloud-based services for commercial drone service providers and their customers.

Human rights & anti-corruption

Combating corruption and the violation of human rights is important for the Frequentis Group. Frequentis operates internationally and is therefore increasingly active in countries that have a high score on Transparency International's Corruption Perception Index (CPI).

The employees of the Frequentis Group are required to act lawfully in all business dealings and to show clearly through their conduct that they reject all forms of bribery and corruption.

Risks

Corruption and violation of human rights can have serious implications for the company and its employees. The principal risks are the loss of orders and exclusion from future tender processes, fines, reputational damage, and criminal prosecution of the company and the employees involved. Moreover, a loss of reputation could make the Frequentis Group less attractive to new employees or customers and suppliers might no longer regard it as a reliable business partner.

Concepts

The principles of integrity and business ethics at Frequentis are set out in the Code of Conduct and internal anti-corruption policies and form the basis for internal and external collaboration.

To draw attention to the importance of this issue, Frequentis adopted a Group policy on "Anti-Corruption, Invitations, and Gifts" in September 2018. This is an operational instruction designed to avoid all forms of corruption and provides guidance on ensuring legally compliant conduct when dealing with the Frequentis Group's business partners.

The Code of Conduct was drawn up by the Executive Board of Frequentis AG and applies to all employees of the Frequentis Group. Alongside Frequentis AG, it covers all companies in which Frequentis AG has a direct or indirect stake of at least 50% or in which it exercises control in a different manner.

The Code of Conduct defines principles and guidelines for responsible conduct and integrity. It is a key element in Frequentis' corporate culture and shapes the Frequentis Group.

In addition to the written version, the basic principles of the Code of Conduct were presented to employees through an awareness video. The video is also used in compliance training and in the onboarding programme for new employees.

Furthermore, it is in the interest of the Frequentis Group to ensure that all significant business partners (suppliers, consultants, contractors, ...) who provide services for the Frequentis Group or operate on its behalf are familiar with the Code of Conduct. These business partners are expected to respect the principles set out in the Code of Conduct and to observe them in their business relationship with the Frequentis Group.

In 2020, there were no cases of corruption, nor any disciplinary measures, court cases, or dismissals linked to corruption. Moreover, no contracts with suppliers had to be terminated as a result of violations of human rights ([↗ The Company](#)). The Frequentis Group did not receive any fines in the reporting period in connection with corruption or competition law.

KPIs

	2020	2019	2018
Cases of corruption resulting in disciplinary action	0	0	0
Termination of contracts with suppliers due to violation of human rights	0	0	0
Fines in connection with corruption or competition law	0	0	0

Preventive measures will continue to be implemented over the coming year to make sure that employees can recognise corruption and violations of human rights and the company can take any necessary action.

A whistle-blower hotline will be set up in 2021 so that employees, customers, and suppliers can anonymously report suspected cases of corruption, breaches of the law, and failure to comply with internal regulations. Various systems are currently being evaluated. The system will first be implemented at Frequentis AG and the subsidiaries where such a system is mandatory in order to comply with the EU directive. It will then be rolled out to the entire Frequentis Group.

Compliance

The Executive Board of Frequentis AG has appointed a Compliance Officer for the Frequentis Group. The Compliance Officer's main role is to raise awareness and to take steps to ensure exemplary conduct in compliance with the law and guidelines. Employees of Frequentis AG and its subsidiaries, agents, and sub-suppliers are required to respect country-specific laws and regulations.

As a producer of communications equipment for safety-critical applications, Frequentis AG has an enormous responsibility to its customers, society, and its shareholders. Their trust is indispensable for Frequentis' business activities. The reputation and business success of a company can be put at considerable risk by breaches of compliance.

Risks

The compliance management system is based on the following principles:

- **Prevention:** defining corporate policies, training, creating compliance awareness, providing advice on complex compliance issues
- **Early detection:** performing compliance audits and special audits in response to specific circumstances
- **Response:** taking any necessary measures and imposing sanctions

Concepts

*Impact of
coronavirus***Training**

At the start of 2020, a face-to-face training session was held for sales staff in the Frequentis Group. Because of the coronavirus pandemic and the associated precautionary measures introduced within the Frequentis Group, training was switched to a virtual classroom format during the year. Two virtual training sessions were held in 2020.

The Compliance for Sales training course is a compulsory part of the Sales Excellence Programme for all sales staff. 53% of sales staff were trained in 2020 ([↗ Sales Excellence Programme](#)).

Advice

The Compliance Officer is also the first line of contact for staff on compliance issues. 12 enquiries were dealt with in 2020. These were submitted by email to a special email account, compliance@frequentis.com, or asked personally or over the phone.

Compliance audits

Since 2020, receipts and travel expense claims have been monitored for compliance with the limits set out in the Group policy on "Anti-corruption, Invitations, and Gifts". The focus is on receipts relating to gifts, invitations, and hospitality. An internal process has been implemented to automatically submit all receipts relating to gifts and invitations that exceed the defined limit set in the policy to the Compliance Officer for further checking and clarification.

*Impact of
coronavirus*

Hospitality costs dropped sharply in 2020 due to the coronavirus pandemic and the restricted ability to visit customers and to receive visitors at headquarters in Vienna. As a result of this and the increased awareness of the internal limits, there was a noticeable drop in the number of expense claims that exceeded the limits.

Agent management

Frequentis AG has a network of 60 representatives and agents around the world. Agent management is responsible for supervising and managing them. To ensure optimum collaboration, they submit regular reports on their activities covering a defined period.

In 2020, continuous efforts were made to improve the quality of these reports (quality assurance of their content, digital workshops for partners / agents, monthly reporting to the regional sales managers at Frequentis) and increase the response ratio.

In view of the international structure of Frequentis' agents and the associated compliance risks, the agent management process includes a compliance questionnaire that has to be completed and submitted before an agent agreement can be signed. In addition, it has to be checked by the Vice President Sales.

KPIs

	2020	2019	2018
Processed enquiries from employees	12	14	9
Face-to-face training / virtual classroom sessions	3	4	n.a.
Checking invoices for compliance with the requirements of the Group policy on anti-corruption, invitations, and gifts – cases referred	5	40	n.a.

Making staff aware of the key principles is a declared aim of the Frequentis Group. Compliance is obligatory, not optional.

Greater use is continuing to be made of virtual classroom training sessions in 2021, partly due to the COVID-19 pandemic, and partly to achieve a steady increase in the training rate. This also gives international employees easier access to compliance training.

In 2020, an internal gap analysis was conducted to assess the present compliance management system versus ISO 19600. The findings were presented to the Audit Committee. Certification of the compliance management system was defined as a target.

Other focal areas of future compliance activities will be preventing and identifying compliance violations that harm the company's interests, avoiding liability risks and reputational damage, training, and advising and protecting the senior management, managers, and staff.

Capital market compliance

To implement capital market-relevant laws and regulations within the Frequentis Group, a capital market compliance policy was drawn up following the IPO in 2019. It covers, in particular, the handling and publication of capital market-relevant information, the prohibition of trading in shares and other financial instruments of Frequentis AG, and the obligation to report transactions by members of the management ("Directors' Dealings"). In addition, the position of a Capital Market Compliance Officer was established. The Capital Market Compliance Officer is responsible for implementing the capital market compliance policy and reports directly to the Executive Board of Frequentis AG. This is designed to ensure that the Frequentis Group acts with integrity on the capital market and to enhance employees' understanding of what is meant by capital market compliance.

Failure to comply with laws and regulations relating to the capital market can have legal and financial consequences for Frequentis AG and / or its employees. Furthermore, serious violations can cause reputational damage including long-term damage to the confidence of investors and other stakeholders, making it more difficult for the company to execute any further capital measures on the capital market.

Risks

The measures set out in the capital market compliance policy are designed to ensure compliance with the laws and regulations relating to the capital market. The Capital Market Compliance Officer is responsible for implementing the policy in the Frequentis Group and monitoring the measures it describes. To enhance understanding of this policy, employees also receive training.

Concepts

No further face-to-face training sessions were held in 2020.

KPIs

Mandatory online training on capital market issues was introduced in the first half of 2020. The main focus is on raising awareness of potential insider knowledge. The training module has to be repeated every two years and includes a test at the end.

Around 94% of employees successfully completed the module in 2020.

	2020	2019	2018
Classroom-based training in capital market compliance for specific target groups in 2019	n.a.	4	n.a.
Online training in capital market compliance for all employee groups (mandatory) from 2020			
Frequentis Group	85.1%	n.a.	n.a.
Frequentis AG	94.4%	n.a.	n.a.

Selection of suppliers

The criteria used by Frequentis to select suppliers include ethics, compliance with labour standards, and environmental protection, as set out in the Corporate Social Responsibility (CSR) code for suppliers and sub-contractors.

Operating in the safety-critical area requires reliable partners on the supply side and ongoing, long-term business relationships. A stable procurement base is vital for project execution.

The CSR code for suppliers and subcontractors highlights Frequentis' commitment to protecting the environment, respecting human rights and labour standards, and fighting corruption. Frequentis' suppliers give an undertaking that they will act in accordance with these principles. The focus is first and foremost on respecting labour standards. Frequentis explicitly rejects forced and compulsory labour, child and youth labour, moonlighting, and discrimination of employees. Observing working hours, ensuring a safe working environment, and paying the statutory minimum wage are other key elements of the CRS code.

Risks

As a result of the large number of business relationships, there is a significant risk that suppliers could fail to respect human rights, labour standards, and social welfare legislation. That could result in inhumane living and working conditions and non-compliant business relationships with third parties. Moreover, in this context there are delivery risks, reputational risks, and a risk of losing customers.

Concepts

Supply chain management staff and managers receive training in the principles of transparency along the supply chain, including strict avoidance of slavery, human trafficking, any form of forced or compulsory labour, child labour, and all types of discrimination.

"Modern slavery" is included in the Code of Conduct (CoC) and the Corporate Social Responsibility (CSR) code for suppliers and sub-contractors, and in the contractual documents for sub-contractors, suppliers, coaches, and employment agencies.

The Frequentis CSR code is an integral part of the master agreement with suppliers.

Supplier audits

Frequentis AG regularly audits its suppliers. The audits are conducted at the end of a year for the following year. There are various reasons for a supplier audit:

- To get to know a potential new supplier
- The supplier accounts for significant order volume or has increased risk potential
- Difficulties in the relationship with the supplier over the past year (e.g. delivery, quality, communication problems, etc.)

The audit plan can be modified in the light of events during the year, planned audits may be dropped or postponed, and new audits may be added to the plan. This flexibility is necessary to respond to current requirements.

Supplier audits are performed at subsidiaries as required.

Supplier assessments

In addition to the supplier audits, Frequentis AG assesses its established suppliers once a year. They are assessed in the first quarter of the year using the following criteria:

- Quality: e.g. product quality, product complexity, quality assurance system
- Price: e.g. development of prices and comparison with the previous year and market prices
- Support quality: e.g. commercial, personal, and technical support
- Delivery performance: the main criteria here are adherence to delivery dates and volumes; attention is also paid to environment-friendly and sustainable packaging
- The supplier's operating environment: this covers, on the one hand, the business environment (stability, performance, flexibility, environmental management, etc.) and, on the other, social aspects (CSR code, social competence, etc.).

These assessment criteria are weighted and included in the overall assessment, which is generated with the aid of the ERP system (SAP).

Assessments are performed for the suppliers that account for the highest order volume (top 50) and those that play a key role in the supply of specific groups of products. The 2020 assessment is currently in progress. The 2019 assessment covered 60 suppliers accounting for procurement volume of EUR 22.7 million at Frequentis AG.

The top three suppliers received performance awards and certificates. A range of measures is agreed with suppliers whose performance needs to be improved and implementation is monitored.

As well as price, reliability, and service, responsible procurement emphasises the importance of respecting human rights, humane working conditions, and environment-related issues.

At Frequentis and its subsidiaries, whose business activities comprise production and integration, other key criteria are short supply lines and improving local value-added. Apart from intra-group procurement, 96% of Frequentis AG's procurement is from suppliers in Europe. Even when taking into account the subsidiaries that provide independent production and integration services, Europe still accounts for around 94% of procurement. This indicator was compiled for the first time for 2019 specifically for the Non-Financial Report.

	2020	2019	2018
Supplier audits performed by Frequentis AG	4	7	7

KPIs

Geographical structure of suppliers and service providers based on order volume by Frequentis AG	2020	2019	2018
Europe	95.6%	92.5%	n.a.
North America	1.5%	3.1%	n.a.
Asia	1.3%	2.4%	n.a.
Africa	1.1%	1.1%	n.a.
Middle East	0.1%	0.5%	n.a.
South America	0.3%	0.4%	n.a.
Australia	0.0%	0.1%	n.a.

Geographical structure of suppliers and service providers by order volume ¹	2020	2019	2018
Europe	93.5%	77.4%	n.a.
North America	2.7%	16.0%	n.a.
Australia	1.3%	2.7%	n.a.
Asia	2.0%	2.5%	n.a.
Africa	0.7%	0.8%	n.a.
Middle East	0.1%	0.3%	n.a.
South America	0.2%	0.3%	n.a.

¹ Product and project-related procurement by Frequentis AG, Frequentis Deutschland GmbH, Frequentis Comsoft GmbH, Frequentis USA Inc., Frequentis Australasia Pty Ltd.

Impact of coronavirus

The performance of supplier audits was greatly restricted by the COVID-19 pandemic in 2020. Two of the four audits were performed at the beginning of the year and the other two in periods when travel was possible. Seven further supplier audits had been planned but were not performed due to the pandemic. Virtual audits were not used because visiting the supplier's premises to check quality is a very important part of supplier audits.

The goal is a continuation and Group-wide rollout of supplier assessments in order to achieve a continuous improvement in supplier management. Further, supplier assessments include examining scope for improvement. However, meeting this target depends to a large extent on the future development of the coronavirus pandemic.

In addition to the criteria listed above, the procurement function aims to avoid long procurement distances to further reduce the Frequentis Group's carbon footprint.

Safety & security

Handling safety-critical systems is a central feature of Frequentis' corporate culture. It is based on many years' experience of safety-critical systems. That responsibility is reflected in Frequentis' mission "for a safer world". It expresses a deeply rooted technical and emotional understanding of customers' needs, along with a highly developed ability to understand current challenges and working processes, and strong identification with the task in hand. Other key attributes are openness, flexibility, and transparency – both in internal collaboration and in customer relationships.

Digital security is becoming more and more of a challenge for companies. Increasingly sophisticated cyberattacks on critical infrastructure require special knowledge and specific measures to harden technical systems to such attacks. This has a dual impact on Frequentis: firstly, because it needs to protect its own working environment and IT structure and secondly, because Frequentis Group companies need to provide the best possible support and assistance to help customers handle this new threat.

In line with its motto "for a safer world", Frequentis addresses both safety and security. Safety means avoiding unacceptable operating risks, while security refers to the ability to defend against external attacks. In terms of the sustainability of the Frequentis Group's activities, safety and security are therefore closely interlinked: there is no safety without security.

Measures to prevent cybercrime have high priority at Frequentis. Special attention is paid to endpoint protection technologies to identify and ward off phishing attacks – a problem that has definitely increased – including the remote operation of devices. This was accompanied by an internal awareness campaign.

*Impact of
coronavirus*

Safety and security are both fundamental to the Frequentis Group's safety-critical business operations. Failures and shortcomings in these areas would result in an immediate loss of confidence by our customers and business partners and have a lasting negative impact on our business.

Risks

Safety awareness as an element in the Frequentis culture

Wherever Frequentis' systems are used, people are responsible for the safety of other people and of goods. This aspect of the Frequentis culture is important for internal collaboration and for external interaction with customers, business partners, and other stakeholders. It is also a key determinant of behaviour and attitude when dealing with risks.

To sharpen the awareness of employees and, especially, new colleagues for this important aspect of culture, an awareness-raising video on safety-critical behaviour was produced and published in mid-2020. In this video, the Executive Board explains the specific features and importance of safety-critical behaviour and how it can be implemented optimally in day-to-day working practices, for example through proactive risk management, high safety and security standards, and professional project management.



This introduction to safety-critical behaviour has been designed as a mandatory training module that has to be refreshed every two years. The penetration rate was 74% at year-end 2020. The goal is 100%.

Safety

Safety means avoiding unacceptable operating risks, while security refers to the ability to defend against external attacks. System safety is achieved by operating a system on top of the actual system to analyse the environment, users, or third parties. With reference to Frequentis, this means that the safe operation of Frequentis systems always has to be guaranteed. Frequentis has been a global leader in safety for many years. Since 1995 it has run its own competence centre for system safety management, which provides safety expertise for customer projects. Numerous awards, published papers, and international accolades testify to Frequentis' enormous expertise in this field.

Concepts

Safety management system

Safety is an integral part of Frequentis' business processes and therefore a key competitive advantage.

To perform the required system safety tasks in regulated areas of operation, Frequentis introduced an extensive safety management system back in 1999. An important element is the management's commitment to safety, which is set out in Frequentis' safety policy, together with the goal of upholding safety standards in all activities and improving them wherever possible.

Everyone in the company has to understand the importance of safety and to constantly strive to optimise safety in cooperation with customers, suppliers, and authorities. That allows early identification and evaluation of risks so that appropriate risk mitigation measures can be taken.

The basic elements of the safety management system are consistent application of international safety standards after adaptation for the relevant business unit, an obligatory safety assessment for all product developments, a Group-wide hazard management system for preventive risk minimisation, and the in-house Safety Academy for staff training.

Safety certificate

In response to rising international requirements, in 2005 a Group-wide training concept was established through the Safety Academy, together with specialised safety training leading to the award of a certificate. So far, 150 employees have gained this safety certificate, including 17 employees from Frequentis subsidiaries. In this way, extensive safety know-how is disseminated within the Frequentis Group and corresponding Group-wide safety expertise is generated.

The training programme leading to the safety certificate is used to train safety peers in a wide range of organisational units. Safety competence is a key corporate characteristic in safety-critical activities.

Following initial collaboration with the FH Campus Vienna, since 2012 training has been carried out in cooperation with the International Safety System Society (ISSS). This has been made possible by the Regional Vice President Europe at the ISSS as Director of Safety Management at Frequentis.

This programme comprises fundamental, generic system safety training in modular form (ranging from hazard management through safety-critical project management and safety-critical system design to software safety). The three-week course ends with an assessment based on Frequentis-specific safety analyses.

	2020	2019	2018
Total number of safety certificates issued – Frequentis Group	150	143	132
thereof newly issued “Basic” certificates	7	12	11
Additional “Upgrade” certificates	9	25	18
Total number of safety certificates issued – Frequentis AG	133	128	117
thereof newly issued “Basic” certificates	5	11	11
Additional “Upgrade” certificates	9	25	18

KPIs

Training for this certificate – which has to be upgraded every two years – will be continued in the coming years. That will further strengthen Group-wide safety competence. In addition, the results of the analysis are used for continuous improvement of products and internal workflows.

Security

Within the context of safety, security has been an important area of focus at Frequentis for many years. High-tech security centres involve the integration of data from the Internet of Things (IoT), the use of software as a service (SaaS) to provide safety-critical applications, big data analyses, and, in particular, the networking of control centres and organisations. A Security Expert Community is responsible for systematic Group-wide bundling of activities and their ongoing development. Frequentis has a sophisticated security organisation that makes sure that everything possible is done at Frequentis to ensure the highest possible level of security.

Concepts

The Frequentis Security Organisation

The security organisation at Frequentis comprises three areas:

Governance and Support

This area of the organisation is authorised to issue policies. It is responsible for supporting the operational units in the implementation of these policies and for checking and reporting on their implementation. Support comprises training, providing tools, know-how, and experts and, in certain cases, taking on specific security tasks.

Governance and Support is structured as follows:

- **Chief Information Security Officer (CISO):** responsible for security risk management at corporate level, the information security management system, and shaping the security organisation
- **Security Incident Response Team Manager (SIRT Manager):** responsible for security notifications and security incident response
- **IT Information Security:** responsible for the security of the IT and communications infrastructure at Frequentis
- **System Security Team:** responsible for the security of systems delivered to customers (security of Frequentis products and solutions)

Business processes

Security has to be practised by all employees and integrated into their daily working processes. That applies, above all, to system security, which involves implementing specific security activities for Frequentis products along the entire value chain, from product design to delivery of a ready-to-use system to the customer and subsequent security cooperation during the operational phase. Explicit security roles have therefore been created. These are anchored in the operational units and work together with the governance and support units. They are:

- **Security engineers** in product and project teams: security engineers are responsible for correct implementation of security specifications at the technical level, e.g. design guidelines, coding guidelines, system hardening measures, and security tests. The principal target group for training comprises system engineers, integration engineers, test engineers, software engineers, and software architects. The training was focused on participants in Vienna.
- **Security agents** in the business units: the security agents support the management of their business unit in security-related aspects. These include the security offering, management of security-specific risks in products, offers, and projects, market presence, and communicating with customers on security notifications. Frequentis currently has eight security agents, each of which is allocated to a specific unit.

Virtual cross-functional teams

These teams support the implementation of security throughout the Group. They are:

- The **Security Incident Response Team (SIRT):** this team is composed of selected experts from various operational units and is headed by the SIRT Manager. It is responsible for security notifications and incident response.

- The **Security Council**: the Security Council is a team of top managers from relevant units (Development, Maintenance, Communications, Legal, IT). Its role is to coordinate and monitor vulnerability and incident management processes at Frequentis. The Security Council meets regularly once a quarter and as required.
- The **Security Community**: this is a community of security-oriented employees. It is open to all employees and is moderated by the SIRT Manager. Topical security issues are analysed and discussed at monthly meetings. The community also provides a framework for informal exchange.

Networking with international communities

Many of Frequentis' customers operate "critical infrastructure". Such infrastructure is especially important for people, the environment, essential supply services, transport, and safety. As a supplier of safety-critical systems, Frequentis is aware of its special responsibility. Therefore, it gives high priority to active participation in national and international safety and security communities, platforms, and bodies. These assess future risks, develop strategies, and share experience. In critical circumstances, it is therefore possible to rely on exchange with trusted experts, for example, in the event of a major infrastructure attack.

In 2020, Frequentis actively contributed to the following communities:

- Austrian CERT (Computer Emergency Response Team) network
- FIRST (global Forum of Incident Response and Security Teams)
- EUROCAE (European Organisation for Civil Aviation Equipment) Working Group 72
- Cyber Security Platform Austria
- CANSO (Civil Air Navigation Services Organisation) Cyber Safety Task Force
- CANSO Human Performance Working Group
- EASA (European Union Aviation Safety Agency) rule-making task analysis
- ISSS (International System Safety Society)

IT measures

Companies around the world have been a focus for hackers and cybercrime for many years. Identity theft and data theft are major areas of cybercrime. As a company operating in the safety-critical area, Frequentis takes special precautions to avoid cybercrime in the form of attacks on its in-house IT infrastructure. Protection of the Frequentis network, including all subsidiaries and external access, is therefore always state-of-the-art.

Employees are an important factor in this. To ensure the greatest possible awareness of this issue within the company, for around 10 years all new staff in Vienna have taken part in an Information Security Awareness Training course, a web-based version of which has been offered throughout the Frequentis Group since 2015. Information Security Awareness Training is a compulsory course that has to be repeated every two years.

To further sharpen employees' awareness, there are also regular Group-wide phishing campaigns. Here, a random sample of people at the company receive simulated phishing mails. Their response is automatically evaluated on an anonymous basis and feedback is published in the intranet and the employee magazine. This is supplemented by lectures held by experts across the year and by other opportunities for sharing information within the community. In 2020, IT services were not affected by any outages caused by cyberattacks.

Moreover, at the start of 2020, Frequentis ran a physical security awareness campaign to remind people of the mandatory requirement to wear their staff badge visibly. Further physical security measures are planned for the Frequentis headquarters in Vienna in 2021.

These activities are supported by a range of communication measures under the motto "You are the key to security".

Data protection

The European Union's General Data Protection Regulation (GDPR) requires every company to apply the European data protection principles in its corporate activities and to require staff to respect data privacy and the confidentiality of business and operating secrets.

Data protection (employees, customers, suppliers) is very important to Frequentis. Frequentis appointed its own Data Protection Officer when the European Union's General Data Protection Regulation (GDPR) came into effect in May 2018. At the same time, Frequentis introduced mandatory e-learning modules on personal data protection, which have to be completed every two years. These give equal priority to protecting the data of employees, customers, and suppliers.

KPIs

	2020	2019	2018
Completed system security training sessions – Group			
System Security Overview for Engineers	44	46	n.a.
System Security Advanced for Engineers	26	42	n.a.
Completed system security training sessions – Frequentis AG			
System Security Overview for Engineers	33	42	
System Security Advanced for Engineers	16	36	
Successful completion of "Security Awareness Training" – Group	84%	79%	83%
Successful completion of "Security Awareness Training" – Frequentis AG	91%	92%	93%
Successful completion of "Personal Data Protection" training – Group	83%	99%	n.a.
Successful completion of "Personal Data Protection" training – Frequentis AG	91%	95%	n.a.
Training in safety-critical behaviour – Group	74%	n.a.	n.a.
Training in safety-critical behaviour – Frequentis AG	79%	n.a.	n.a.
No. of Group-wide events organised by the Security Community	13	12	4 ¹
Average no. of participants	22	20	n.a.
Proven IT service outages due to cyberattacks	0	0	n.a.

¹ Meetings introduced in May 2018

These compulsory training modules still have a firm place in the training programme at Frequentis. The concepts for security awareness and the security organisation are subject to ongoing development and are revised to reflect the latest conditions.

Environmental matters

Environmental aspects and careful use of resources are important to Frequentis at all stages in the value chain. Sustainability and environmental awareness are integrated into production workflows: careful use of primary energy resources and raw materials, reducing harmful emissions, and the use of environmentally compatible production processes are documented and checked as part of the management review in the regular HSE (Health, Safety & Environment) report.

Another Group-wide contribution to the sustainability and the conservation of resources is that Frequentis products and solutions are used by customers for many years, often decades. Frequentis supports this long life cycle by providing extensive service and maintenance programmes and through life cycle management. Customer Service offers various service levels and service teams are available worldwide around the clock.

In addition, Frequentis solutions help optimise traffic flows and therefore reduce pollution.

The coronavirus pandemic had a major impact on environmental matters at Frequentis in 2020. For example, there was a massive drop in business trips, resulting in an extensive reduction in CO₂ emissions – one of the targets for 2020. In view of the altered conditions caused by the focus on dealing with the pandemic, the development of a Group-wide CSR & Sustainability concept with a focus on environmental aspects, which had been planned for 2020, has been postponed. There are now plans for it to be developed by a diverse team in 2021.

Impact of coronavirus

Without corresponding energy efficiency concepts and their implementation, Frequentis would not be able to make a significant contribution to international climate protection guidelines (e.g. United Nations, EU). Inefficient use of energy resources would also mean higher costs for the company.

Risks

Equally, high energy consumption by Frequentis systems affects the energy efficiency of the customers who use them.

Frequentis uses various concepts to reduce environmental impact in the production and use of its systems. In procurement processes, Frequentis looks for environmentally friendly materials and suppliers. Moreover, in development processes Frequentis strives to optimise the energy consumption of its systems and software to help customers optimise the energy consumption of their installations.

Concepts

Long-standing partner in the EU's SESAR programme

SESAR – the Single European Sky ATM Research programme – is a key element in the creation of a uniform airspace as part of the European Commission's Single European Sky initiative. The aim is to do away with the present fragmented national flight management systems and processes, pool the expertise of the aviation sector, and establish a uniform flight management network in Europe. For the first time in history, the entire sector, including the armed forces, is working to meet commonly defined specifications and requirements, especially for capacity, safety, the environment, and cost-efficiency for the next 30 years. One focus is on improving environmental compatibility, for example, by cutting carbon emissions by 10% to improve air quality and reduce noise. Frequentis has been a major industrial partner in this initiative since it started.

Frequentis systems also provide direct support for environment-friendly solutions. Specific product examples are solutions provided by Frequentis' subsidiary ATRiCS to integrate and automate workflows for air traffic controllers to reduce their workloads and draw attention to potentially dangerous situations. These technologies can reduce runway taxi time by aircraft, which helps to decrease carbon emissions.

In addition, Frequentis is playing a key role in research projects that aim to reduce carbon emissions. One example is its involvement in LDACS (L-band Digital Aeronautical Communications System). This high-performance data link enables the realisation of modern air traffic management processes. As a terrestrial-based communication system, it also has the potential to take on navigation and surveillance activities in order to make flying more environmentally friendly.

Re-use / refurbishment of products

Frequentis pays attention to the re-use and refurbishment of products. The central element in this is actively repurchasing hardware components originally delivered by Frequentis to customers. Repurchased parts are subject to a visual quality control check and stored in conditions with ESD protection until they can be reused. For customers, this avoids the special disposal process that would otherwise be required when an old system is taken out of service.

Some of these system components can be refurbished by Frequentis for re-use in new components and therefore remain in use for many years. Normally, only a few components have to be replaced in the refurbishment process, which reduces the energy that would otherwise be required in Frequentis' production facilities to manufacture new system components.

Efficient use of energy

Frequentis gives priority to efficient use of energy. Frequentis has used a variety of measures such as free cooling, heat pumps, and solar installations – to manage power consumption carefully in recent years, despite the increase in revenues.

Since 1 January 2019, all electricity used by Frequentis AG has been sourced from KELAG Energie & Wärme GmbH, which supplies hydroelectric power, wind power, and electricity from other ecological sources. This contributes to reducing pollution by climate-damaging gases (e.g. carbon dioxide) and radioactive waste. It is also a clear signal for sustainability and efficient use of resources.

At Frequentis' headquarters in Vienna, there was an increase in the proportion of gas in the energy mix in 2020 despite the reduction in operating activity. At the same time, electricity consumption decreased (the corresponding figures contain the data for both gas and electricity.) Due to a reduction in the amount of waste heat generated, it was not possible to achieve the target temperature in the heat exchanger, resulting in additional use of the gas-fired boiler.

Efficient use of resources and waste separation

In the context of efficient use of resources, Frequentis makes a sustained effort to reduce the resources used within the company and to minimise the use of hazardous materials in production. An annual HSE audit evaluates the action taken and recommends new initiatives to ensure correct sorting of waste and help avoid waste.

Environmental protection plays an important role throughout the value chain at Frequentis, from the selection of materials to processing and recyclability. Considerable attention is paid to reducing the use of hazardous materials in production. At the same time, Frequentis takes environmental relevance into consideration by using environmentally compatible production processes such as lead-free soldering and reducing power consumption in the production and operation of its systems. Attention is also paid to resource-saving packaging in the shipment of equipment, for example, by using reusable transport boxes.

Systematic sorting of different types of waste is compulsory. There are many waste collection points at the company's headquarters in Vienna. Each office has separate containers for recyclable paper (data protection regulations are observed in the disposal of paper) and other refuse. For all other types of waste, there are waste sorting points in every kitchenette and at the large copy centres. Used electrical appliances are collected centrally by Logistics (Material & Transport Department). At subsidiaries, waste is sorted in accordance with local regulations.

The print-run for the "Frequente" employee magazine, which is published three times a year, has been reduced considerably. The magazine is offered preferably for download from the intranet. Since the spring 2020 edition, PEFC-certified paper has been used for the remaining printed copies (e.g. for mailing to employees on leave and pensioners).

Careful use of food resources is also a focus of the catering firm at Frequentis' headquarters in Vienna: SV Österreich has taken a conscious approach to the environment and resources for many years. In particular, it endeavours to reduce its environmental impact along the entire value chain, from considering the origin of products in the procurement phase to their preparation and disposal.

It has also taken specific steps to reduce food waste. These include careful planning of supply and the related purchases, fresh preparation, regular preparation of the dishes on the lunch menu, and careful replenishment of the salad buffet. All this requires knowledge and conviction, therefore much value is placed on raising the awareness of the employees. To draw attention to the need to avoid food waste and ways of doing this, a special action week was organised in the staff restaurant from 28 September to 4 October 2020 in cooperation with the United Against Waste initiative.

Business trips / reducing CO₂ emissions

Business trips are very important at Frequentis because of the international nature of its business activities. For Frequentis AG and selected subsidiaries, business travel is organised centrally by Frequentis Travel Management. Group-wide, all business trips are organised in compliance with a defined travel policy, which applies to all business travel by members of staff on behalf of the Frequentis Group.

Business trips may only be undertaken for business reasons and if the tasks cannot be undertaken in another form (email, phone, online meetings, or video conferencing). Decisions on business travel are taken on the basis of cost-efficiency and sustainability. In 2021, these criteria will be supplemented by the lessons learnt during the pandemic.

In its efforts to reduce carbon emissions, Frequentis welcomes the rising interest shown by staff in switching to electric or hybrid vehicles when ordering new company cars. This is supported, for example, by subsidies for electric cars and the installation of charging stations in the company's car park. These source their power, among others, from in-house photovoltaic installations. At Frequentis in Germany, a fleet policy was introduced in 2020 which gives preference to electric and hybrid vehicles. Hybrids already make up 50% of the fleet of company cars at Frequentis Comsoft.

KPIs

	2020	2019	2018
No. of flight legs on business trips ¹	3,474	14,663	16,510
CO ₂ in tonnes relating to these flights ¹	634	2,635	2,788
Environmentally friendly vehicles – Frequentis AG			
Electric cars	6	3	1
Hybrid cars	2	0	0
PCs and workstations equipped with Skype functionality	100%	100%	100%
Average no. of Skype meetings per month	17,095	5,446	4,627
Energy consumption ² at head office in Vienna in kWh	6,513,575	6,258,770	6,346,070
Total consumption in kWh in % of operating performance	2.9%	2.7%	3.0%

¹ Frequentis AG and subsidiaries served centrally by Frequentis Travel Management

² Electricity and gas

Reference to GRI Standards

The following list refers to the GRI Standards, which were used as a guide in selecting the key performance indicators.

Title of the standard	No.	Title of the disclosure	Page
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Report 2020: page 118
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	28
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	24
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	22, 24
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	23
GRI 302: Energy 2016	302-1	Energy consumption within the organization	38
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	36, 37
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	27
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	19
GRI 401: Employment 2016	401-3	Parental leave	19
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	7
GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services	14
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	14
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	16, 17, 18, 19
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	16
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	22
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	27

Independent limited assurance report on the consolidated Non-Financial Report

We have performed an independent limited assurance engagement on the consolidated Non-Financial Report of Frequentis AG (referred to as “the Company”), Vienna.

Management’s responsibility

The company’s management is responsible for the proper preparation of the consolidated Non-Financial Report in accordance with the requirements of the Austrian Sustainability and Diversity Improvement Act and § 267a of the Austrian Commercial Code (UGB).

The company’s management is responsible for the selection and application of appropriate methods for Non-Financial Reporting as well as the use of appropriate assumptions and estimates for individual non-financial disclosures given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the Non-Financial Report within the meaning of § 267a UGB. It shall be free from material misrepresentation, intentional or unintentional. This includes the creation of adequate documentation and the establishment of internal controls.

Auditor’s responsibility

We have been charged with providing a judgement, based on our audit procedures and on the evidence we have obtained, as to whether anything has come to our attention that would cause us to believe that the Non-Financial Report does not conform in any material respect to the requirements of the Austrian Sustainability and Diversity Improvement Act and § 267a of the Austrian Commercial Code (UGB).

We have performed our audit in accordance with the professional principles in force in Austria relating to general assurance engagements (KFS / PG 13) and International Standards on Assurance Engagements (ISEA 3000). In this respect, we have to comply with our professional obligations, including the provisions on independence, and are bound to plan and carry out our assignment with regard to the principle of materiality in such a manner as allows us to deliver our judgement with limited assurance.

In a limited-assurance engagement, the audit procedures undertaken are less extensive than in a reasonable-assurance engagement, and therefore a lesser degree of assurance is obtained.

The choice of audit procedures is at the due discretion of the auditor and included in particular the following activities:

- Inquiries of personnel at the Group level, who are responsible for the materiality analysis, to gain an understanding of the processes for determining material sustainability topics and corresponding reporting boundaries of Frequentis AG;
- A risk assessment, including a media analysis, on relevant information on the Company’s sustainability performance in the reporting period;
- Inquiries of personnel who are responsible for providing, consolidating and implementing internal control procedures regarding data;
- Assessment of the design and implementation of systems and processes for identifying, processing and monitoring of disclosures and data on sustainability including the consolidation of this data;
- Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;

- Analytical evaluation of the data and trend of quantitative disclosures;
- Assessment of whether the requirements according to § 267a UGB have been adequately addressed;

Our assignment does not include

- the audit of prior year figures, forward-looking disclosures, or data from external studies
- the verification of references to GRI standards

The subject-matter of the engagement does not consist of performing either an audit or an audit-related review of the financial statements. Neither are the detection and investigation of criminal offences, such as misappropriation or other acts of defalcation or administrative offences, nor an assessment of the effectiveness and efficiency of the Management a part of that subject-matter.

Conclusion

On the basis of our audit procedures and the evidence we have obtained, nothing has come to our attention that would cause us to believe that the consolidated Non-Financial Report 2020 of the Company has in any material respect not been established in compliance with the Austrian Sustainability and Diversity Improvement Act and § 267a of the Austrian Commercial Code (UGB).

Restriction on Use

As our report is prepared exclusively at the Company's request and in the Company's interest, there exists no basis for third parties to place any reliance on its content. It therefore provides no grounds for third-party claims arising from it. Consequently, this report may not be disclosed to third parties either in whole or in part without our express agreement.

General Conditions of Contract

We make this report on the basis of the engagement concluded with the Company. Our responsibility and liability toward the Company and any third-party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions in the version of April 18, 2018 (AAB 2018).

Vienna, 16 March 2021



BDO Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gerhard Posautz
Certified Auditor

Mag. Gerhard Fremgen
Certified Auditor

Statement by all legal representatives

We confirm to the best of our knowledge that the consolidated Non-Financial Report contains the disclosures pursuant to Section 243b (2) and Section 267a (2) of the Austrian Commercial Code (UGB) that are necessary for an understanding of the business performance, results of operations, and situation of Frequentis AG and its subsidiaries, and the impact of their activities and which relate, at a minimum, to environmental, social, and employee aspects, respect for human rights, and combating bribery and corruption. The disclosures include a description of Frequentis' business model and the concepts used with regard to the above aspects, including the due diligence processes applied, the material risks, the probable negative impacts on these aspects, the results of the concepts and the key performance indicators.

Vienna, 15 March 2021



Norbert Haslacher
Chairman of the Executive Board



Sylvia Bardach



Hermann Mattanovich

Notes / Disclaimer

The terms “Frequentis” and “Frequentis Group” in this publication refer to the Group; “Frequentis AG” is used to refer to the parent company.

Minimal arithmetical differences may arise from the application of commercial rounding to individual items and percentages.

The forecasts, plans, and forward-looking statements contained in this publication are based on the knowledge and information available and the assessments made at the time that this publication was prepared. As is true of all forward-looking statements, these statements are subject to risk and uncertainties. As a result, actual events may deviate significantly from these expectations. No liability whatsoever is assumed for the accuracy of projections or for the achievement of planned targets or for any other forward-looking statements.

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All references to people are gender neutral.

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Frequentis AG
Headquarters
Innovationsstraße 1, 1100 Vienna, Austria
Tel: +43 1 81150 0
investor@frequentis.com

www.frequentis.com



www.frequentis.com

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FOR A SAFER WORLD