

SUSTAINABILITY REPORT **2019**

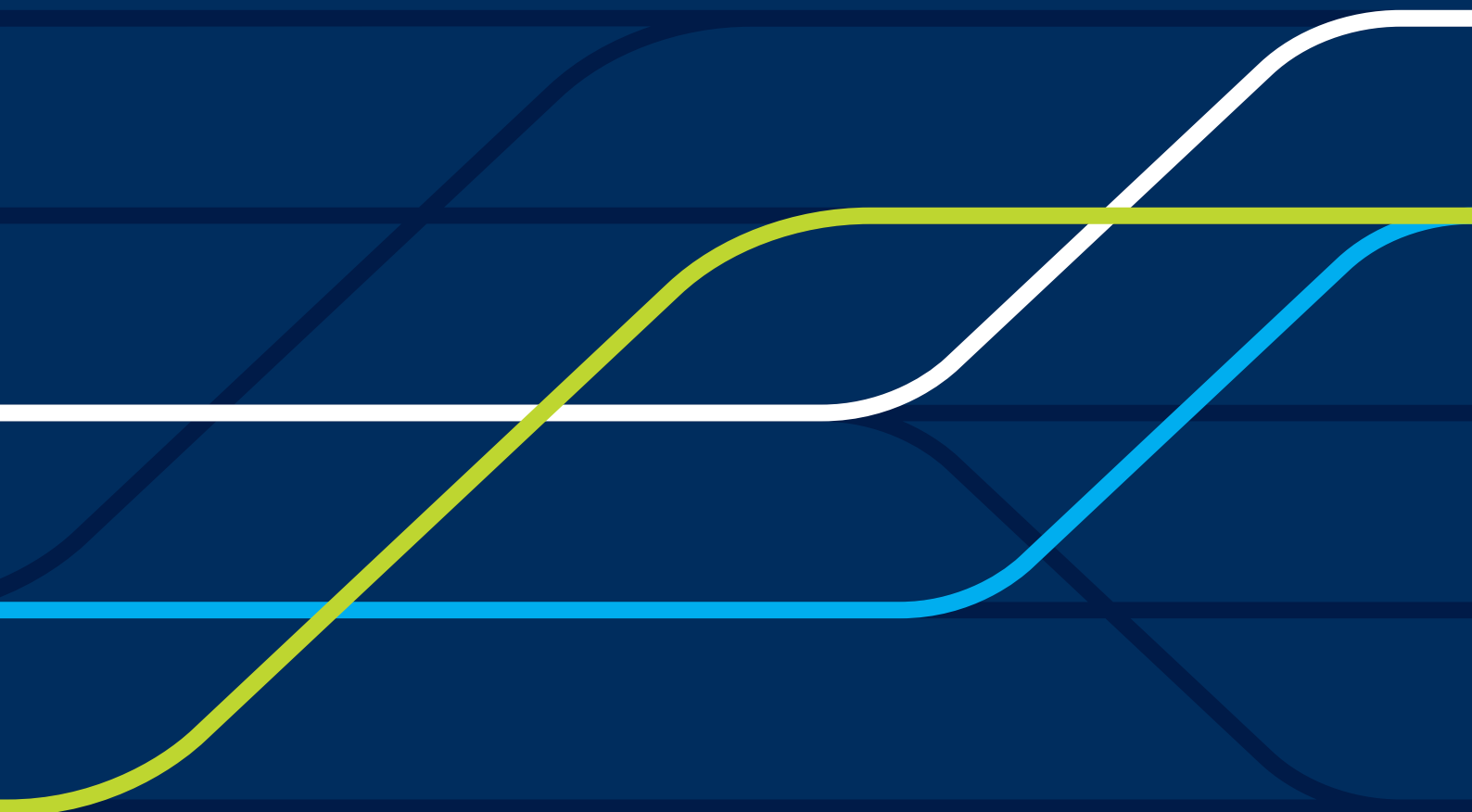




Image: Deutsche Bahn AG / Georg Wagner



CSR REPORT

IVU Traffic Technologies AG

6	COMPANY
8	Profile
9	Goals
10	CSR STRATEGY
10	Initial situation
12	Analysis
13	Management
13	Report
14	ENVIRONMENTAL RESPONSIBILITY
14	Green mobility
14	Climate protection
15	Report
18	RESPONSIBILITY FOR EMPLOYEES
18	Employee rights
20	Equal opportunities
21	Training
22	Employees in transport companies
22	SOCIAL RESPONSIBILITY
22	Public transport as development aid
23	Human rights
23	Community
23	Exerting political influence
25	Conduct conforming to laws and directives
26	OUTLOOK

NATURALLY RESPONSIBLE

CEO Martin Müller-Elschner on IVU's CSR activities

Mr Müller-Elschner, where does IVU stand at the beginning of 2020?

The annual result for 2019 shows: We are on a sustainable growth path – public transport, digitalisation and climate protection are on everyone's lips. And we are pleased with the high profitability we are achieving, which led to a record profit last year. At the moment, however, I would like to thank all my colleagues who continue to work so hard on their projects in times of Corona and thus contribute to ensuring that buses and trains run reliably even in periods of difficulty.

IVU published its first CSR report last year. How were the reactions?

Above all, it was very interesting to see everything we do in the area of social responsibility systematically processed and collected in one place. I think that we can be quite proud of ourselves as a company. From conversations with colleagues, I know that many other people also see things this way and appreciate it. In this respect, the report has strengthened our identity and confirmed that we are doing the right thing. This is also reflected in the encouragement we have received from outside the company. Our investors especially reacted very positively to the publication.

Has the CSR report changed anything?

For a start, we have stayed true to ourselves, which is a good thing. After all, we want to preserve the heart of IVU and the way we work with each other and with customers. And I can already see a change here. For example, we are now even more conscious of our unique corporate culture. Especially as a rapidly growing company, we are constantly faced with the challenge of maintaining and further developing this special cooperation between employees. But we have also seen that we can do more here and there. That's why we try to travel by train even more and have started to compensate for business flights with Atmosfair.

“THE CSR REPORT HAS STRENGTHENED OUR IDENTITY AND CONFIRMED THAT WE ARE DOING THE RIGHT THING.”

Is there also a certain 'Greta effect' involved?

Of course this also plays a role and has also caused a change in consciousness in us. Many employees are now making a conscious decision to take the train and are also accepting longer travel times. For example, one employee has been travelling to Stockholm by night train for some time now. Especially in our industry, where sustainability is a daily issue, people are open to such ideas. Anyone who works for us wants to make a difference and contribute something meaningful to society. These are all people who are very concerned about the topic.

Where does IVU stand on social debates about climate protection?

On the good side, of course! And it has been this way for over 40 years. IVU offers intelligent solutions to improve transport and protect the environment. Our systems help to use buses more efficiently, conserve resources and save energy. This in itself helps to reduce greenhouse gas emissions. At the same time, we make public transportation more attractive – thus encouraging even more people to travel by bus and train instead of using their own car.

And you? Do you use your own car or public transport?

I like to use "our" product myself, but if I am honest, I also have a company car in addition to my monthly ticket. Here in Berlin, we have a very well-developed local transport network that serves as a model for many cities in Germany and around the world. Berliners like to grumble, but if we are honest, it works really well here. We want to promote this and subsidise the monthly tickets for our employees with the maximum amount. And out and about around the world, it's always exciting to get to know local public transport there first hand.

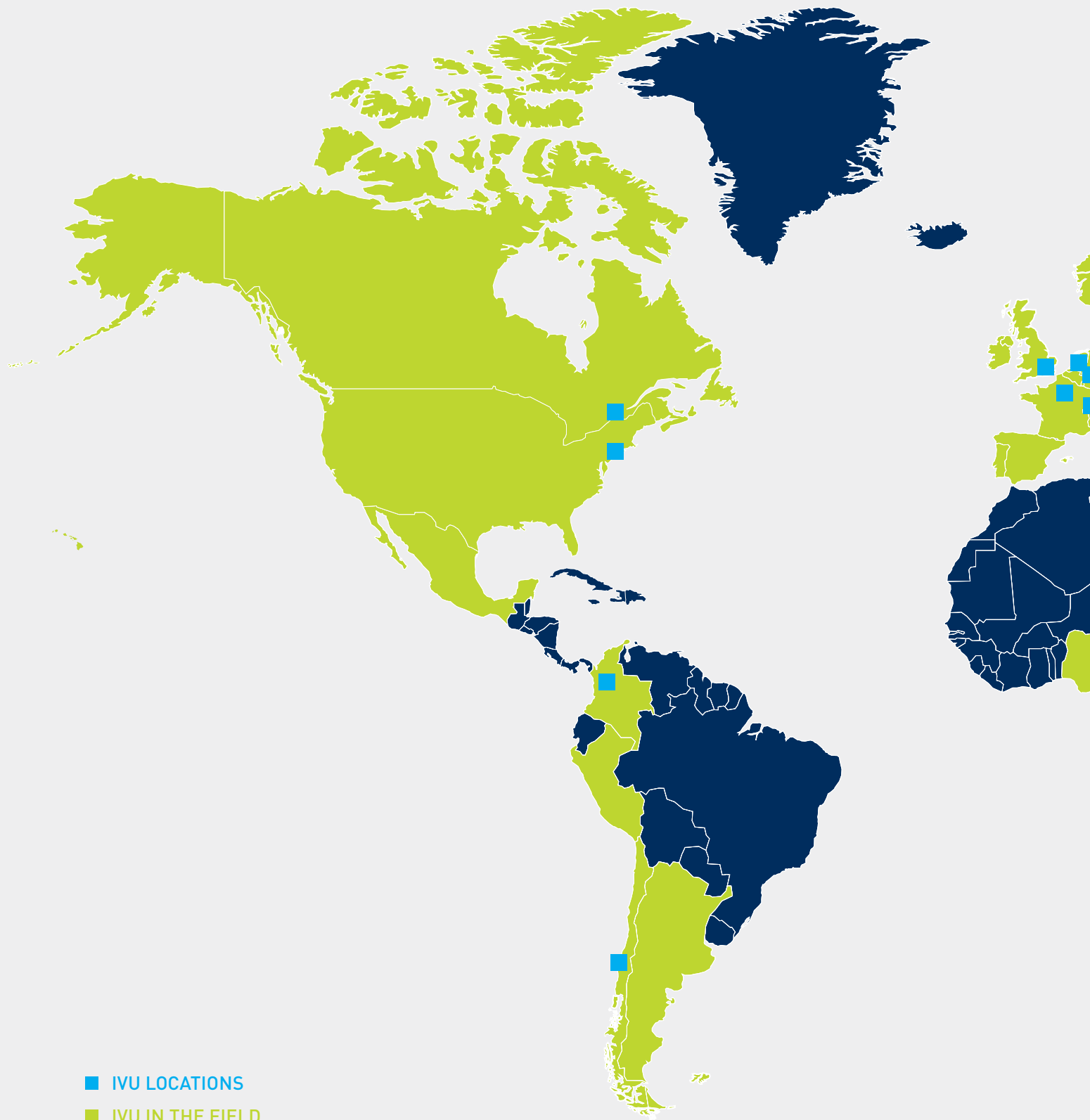
Do you see yourself as a role model here?

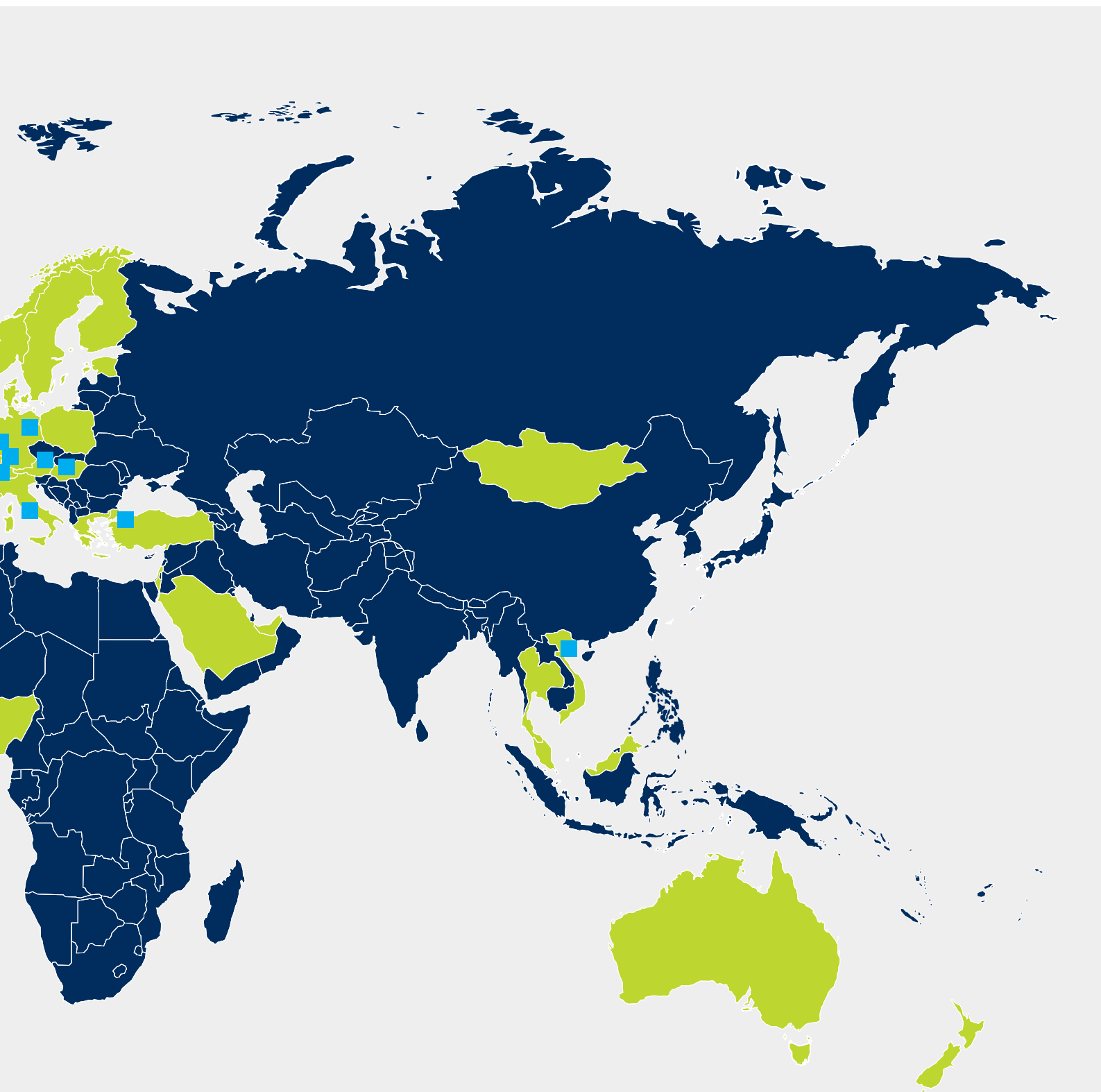
Definitely. We simply have to take responsibility for how we interact with society, whether it's the health of our employees or the emissions caused by our business activities. This is why the topic is also my responsibility. As CEO, I am responsible for IVU and thus also for its public activities.



“ANYONE WHO WORKS FOR US WANTS TO MAKE A DIFFERENCE AND CONTRIBUTE SOMETHING MEANINGFUL TO SOCIETY.”

COMPANY







Profile

IVU Traffic Technologies AG has been developing sophisticated IT solutions for public passenger and freight transport for over 40 years. In so doing, the company ensures punctual and reliable transport in towns and major cities across the globe. Besides being a key prerequisite for the proper functioning of urban areas – transport poses a logistical challenge that calls for smart and secure software.

IVU systems plan and optimise the use of buses, trains and drivers. They also provide passengers with real-time information and sell tickets. More than 500 customers worldwide rely on the solutions by IVU, which are based on open standards and can be integrated in different system environments.

IVU was established in 1976 as a spin-off of the Technische Universität Berlin and has grown steadily since then. In 2019, the company employed an average of 610 people – including more than 500 engineers. The company has been listed since 2000 and, in addition to its headquarters in Berlin, operates 14 locations in Europe and further afield. In 2019, IVU generated an EBIT of €10.5 million from revenue of €88.8 million.



Goals

IVU has set itself three key corporate goals:

- IVU is a global player for IT applications in the public transport sector. This means that the company today with the IVU.suite system already sets the standard for IT solutions for planning and operating public transport and is the market leader across a range of regions and customer groups. This applies in particular to the German domestic market, on which virtually all transport operators use IVU systems. In addition to this, the company is targeting a leading role in Europe as well as in selected international markets.
- IVU is consistently profitable. Only long-term economic success safeguards the company's independence. For IVU, this means efficiency (EBIT/gross profit) of at least 12.5%. This enables both investments as well as distributions to the owners and employees.
- IVU maintains an attractive corporate culture. It describes the current state of affairs on the one hand but also represents a key objective on the other. For a company such as IVU, it is obvious that its most important asset is the workforce of clever, dedicated, innovative minds with strong leadership qualities. The company must attract and retain them.

CSR STRATEGY

IVU sees itself as a citizen of society that sets high standards of responsibility with respect to its customers, employees, investors, the environment and the society in which it operates. In this context, the CSR strategy of IVU is closely linked to the three corporate goals mentioned above. Corporate responsibility and business objectives must ultimately act in the same direction to truly place the company's economic activity on a secure footing over the long term. There are two important reasons for this. On the one hand, a company that pursues – or stipulates – different goals in society than it pursues commercially would sooner or later be suspected of misrepresentation or greenwashing, thereby putting its credibility at risk.

At the same time, a company must always be capable of acting responsibly in accordance with ethical basic principles before it can actually do so. An organisation cannot do the right thing if it lacks the ability to do so. In concrete terms, this means that a company must first generate the financial means that will enable it to act responsibly. Therefore, IVU sees its social actions as being closely related to its commercial actions and, based on this strong conviction, attaches the same importance to the non-financial CSR report as it does to the company's management and financial report.

Initial situation

Acting responsibly has always been part of the IVU identity: both with respect to its customers and to its employees and the society in which the company operates. With regard to long-term commercial success, the non-financial services highlighted in this report, some of which have existed in these or similar forms for many years, play a particularly important role as well.

The Sustainability Report 2018 systematised and compiled the activities of IVU in the various fields for the first time. The fact that the company falls under the requirements of the CSR Directive Implementation Act (CSR-RUG) since the reporting year 2018 was therefore a welcome opportunity for the company management to systematically assess the activities of IVU. This is the primary goal of this report, which will be updated in the years ahead.

One way to meet the reporting obligation in line with the CSR-RUG is to enhance the management report to include the subject areas specified in the directive (environmental, employee and social issues, human rights, combating corruption and bribery). Alternatively, a separate non-financial declaration may be published no later than four months after the end of the

fiscal year. In this reporting year, IVU has opted for a separate report in the form presented here, which will be published at the same time as the financial report.

The CSR-RUG does not define a specific standard for a non-financial report. Companies can invoke national, European or international frameworks. IVU presented a CSR report for the first time last year and is thus only at the beginning of its non-financial reporting obligation. Therefore, the first priority is to take stock of the various activities and to incorporate them into an overall system. Goals and related concepts in the individual reporting areas will only be derived from this as part of an additional step. For this reason, IVU will also in 2019 report in line with the requirements of the CSR-RUG. For the subsequent years, a non-financial report based on one of the common reporting standards (German Sustainability Code or Global Reporting Initiative) is targeted.



Image: unsplash / Artem Sapegin



Analysis

After conducting a materiality analysis, IVU has identified the following key and other stakeholders:

Key stakeholders

- Customers
- Project partners
- Employees
- Applicants
- Investors

Other stakeholders

- Authorities
- Associations
- The general public

In accordance with a materiality matrix IVU has also defined the topics to be highlighted in this report within the areas mentioned by the CSR-RUG. In this context, materiality derives from the intersection of stakeholder expectations and the relevance of topics for IVU and, for this report, is based on our own assessments as well as regular exchanges of information between the company management and most of the stakeholders.

Along with employees, customers, suppliers, investors and journalists, this also includes scientists, politicians, associations and non-governmental organisations. A systematic survey of these target groups has not been carried out for this report.

Key topics

Environment

- Green mobility
- Climate protection
- Resource conservation

Employee matters

- Employee rights
- Equal opportunities
- Training
- Employees in transport companies

Social matters

- Public transport as development aid
- Community
- Exerting political influence



Human rights

- Supply chains

Combating corruption and bribery

- Compliance management

These topics are examined in this report, with the areas of human rights and combating corruption assigned to the heading “Social matters” in the classification. These topics are to be monitored and reported on an ongoing basis going forward. Depending on the company’s development and requirements, topics can be added or omitted in the years ahead.

Management

For IVU, the company’s responsibility in the various areas mentioned in the CSR-RUG falls within the remit of the CEO. This reflects the great importance that IVU attaches to the topic. Furthermore, the CEO ensures that the topics are regularly the subject of Executive Board meetings and once annually at the three-day workshop attended by all company managers.

The CEO receives important stimuli for shaping the social responsibility at IVU four times annually at the meetings of the Supervisory Board and from the Advisory Board at IVU, which is made up of respected managers and experts from the sector. Shareholders also frequently provide impulses. Moreover, the very open corporate culture allows important issues raised by employees to reach the managers and Executive Board of the company quickly.

Report

This non-financial report by IVU for fiscal year 2019 systematically presents for the second time the current status of the company’s activities in the subject areas specified by the legislation (CSR-RUG). Goals and concepts are described, insofar as they are present. Otherwise, their absence should be attributed to the fact that is only at the beginning of its CSR reporting. Additional steps will follow in the next few years and will then be highlighted in the subsequent reports.

According to the CSR-RUG, the most important risks associated with the actual business activity that are also very likely to have severe negative consequences on the CSR reporting subject areas specified by the legislation must be mentioned. Reference is made here to the interdependence of the CSR goals with the corporate goals. IVU monitors all risks to the company as part of its standard risk management, which is presented in the financial reporting. With regard to the aspects of non-financial reporting, there were no very likely and severely negative consequences identified that are not already mentioned in financial reporting..

The following section outlines the areas of non-financial reporting mentioned in the legislation, whereby the areas of “human rights” and “combating corruption and bribery” are assigned to the classification heading “Social responsibility”. In so doing, IVU meets the requirements of the CSR Directive Implementation Act (CSR-RUG). All information contained in this report that falls within the scope of financial reporting is taken from the 2019 annual report of IVU Traffic Technologies AG.

ENVIRONMENTAL RESPONSIBILITY

Green mobility

Public transport using buses, trams and trains is by far the most eco-friendly mode of transport with regard to emissions of greenhouse gases and pollutants – far better than private transport and the aeroplane. The use of public transport services in Germany has been increasing for years. The companies of the Association of German Transport Companies provided transport services covering 94.6 billion passenger-kilometres in 2019. 10.4 billion passengers travelled by bus, tram and train and, in the process, saved 10.5 million metric tons of carbon dioxide.

With virtually all of these transport operators – and with many others across numerous countries – IVU systems ensure that the public transport services run smoothly and efficiently and attract as many passengers as possible. IVU.suite supports transport operators from planning, dispatching, operational control, ticketing and passenger information through to the settlement of transport contracts. IVU systems plan routes, get buses running, inform passengers, ensure connections, control traffic signals, dispatch drivers, monitor fleets, collect data and ensure efficiency. As a result, IVU systems make a substantial contribution to the positive environmental impact of public transport. More than 500 customers worldwide already use IVU software, and the ten thousandth IVU.box on-board computer was delivered at the end of 2017.

IVU.suite, IVU's standard system for public transport, has numerous functions especially for the use of electric buses, which presents unique challenges with regard to vehicle working scheduling. The system knows the properties of the vehicles, the charging options and the route situations, and assists with suitable suggestions. This ensures maximum utilisation of electric buses and optimises the deployment of employees. There is a particular focus on integrated management: The system combines electric and combustion-engine buses in a single user interface and allows joint planning, dispatching, operational control and passenger information.

In the 2019 reporting year, IVU entered into a co-operation agreement with the vehicle manufacturer

Daimler Buses in order to develop innovative, integrated solutions that go far beyond the vehicle itself and the traditional IT transport system and help transport operators to make optimum use of their electric buses. In addition, IVU and ebusplan founded the joint venture ebus solutions with the aim of developing software modules and components for electric buses that enable an integrated planning process.

Climate protection

IVU contributes in two respects to the reduction of climate-relevant emissions. In operational terms, it makes use of the available possibilities to reduce its CO₂ footprint and that of its employees. In addition, its products promote low-emission and efficient use of vehicles while boosting the appeal of public transport.

Sustainable efficiency for the customer

Correctly used, the IVU solutions help public transport operators in many ways to achieve long-term reductions in climate-relevant emissions. On the planning side, products such as IVU.run and IVU.vehicle make it possible to minimise the number of buses used. Especially with the help of complex optimisation algorithms, it is possible to create vehicle working schedules that are several percent more efficient, resulting in fewer non-revenue trips. Ideally, transport operators can dispense with additional vehicles yet still provide the same level of service.

Various functionalities also make it easier for transport operators to switch to local emission-free electric buses. In this respect, IVU was one of the first providers of planning solutions for public transport to introduce the necessary adjustments in its systems.

Assistance systems on board the vehicles also help drivers to adapt their driving style to the traffic situation. Buses fitted with combustion engines produce fewer emissions if, for example, drivers can brake and accelerate in an anticipatory manner. This driving style benefits battery-powered electric buses by extending their range and correspondingly reducing their need for charging.

Ecological responsibility in the company

As an eco-friendly company, IVU also takes responsibility for its own greenhouse gas emissions. To this end, we undergo regular energy audits in line with DIN EN 16247-1 with the aim of minimising our energy consumption and therefore the greenhouse gas emissions generated by our own corporate activities. In this way, we strive to use electricity, gas and oil as frugally as possible. In accordance with the specifications of the Energy Services Act, the standard describes a standardised approach to analysing a company's energy consumption.

To operate our server infrastructure for our own as well as our customers' hosted systems, we also work with certified IT service providers. Hosting provider e-shelter implements extensive energy management systems at its Frankfurt data centres in order to reduce power consumption. The energy consumption of all facilities and systems is optimised. The servers are powered exclusively with electricity from renewable energy sources that are extracted without causing CO₂ emissions or radioactive waste.

IVU sees itself as a public transport company. The same applies to business trips: IVU employees mainly use public modes of transport when travelling on business. Taxis and rental cars are only used in exceptional cases. To limit the need for business travel, all branches are equipped with modern video conference systems that facilitate meetings involving different locations.

Nevertheless, many trips are still necessary to implement projects on location, conduct training and support customers. Air travel in particular is associated with serious consequences for the environment and climate due to the high CO₂ emissions. IVU is aware of its responsibility. That's why we began at the start of 2018 to offset the overall environmental impact of all business air travel by using the services of the non-profit organisation Atmosfair. With these payments, the organisation supports various climate protection projects in the fields of renewable energies and energy efficiency.

At the same time, IVU has successfully intensified its efforts to reduce the need for air travel. With success: In the 2019 reporting year, IVU employees travelled 27% more kilometres by train than in the previous year. And the number of air journeys decreased. In 2019, there were around 18% lower CO₂ emissions from business trips by IVU employees than in 2018.

IVU also encourages climate-friendly behaviour among our employees in their private lives by subsidising monthly and annual subscriptions for public transport by up to 50 euros per month. IVU set up a special bicycle garage at its Berlin site to provide a safe and weatherproof storage area for bicycles and to encourage employees to come to work by bicycle.

Resource conservation

Natural resources

As a pure software vendor, IVU does not manufacture any devices. Accordingly, IVU does not consume any raw materials for the production of hardware. Devices marketed by IVU under its own name, such as the on-board computers IVU.box and IVU.ticket.box, are manufactured for IVU by PHYTEC Messtechnik GmbH, which is based on Mainz.

As part of its membership of the ZVEI – Zentralverband Elektrotechnik- und Elektronikindustrie e.V., PHYTEC is committed to its social responsibility and applies the association's code of conduct on a voluntary basis. The signatory companies commit themselves, among other things, to act in an environmentally conscious manner and to deal responsibly with natural resources in line with the principles of the Rio Declaration. In keeping with this approach, PHYTEC meets all its electricity needs with renewable energy sources.

PHYTEC is bound by the terms of the RoHS Directive and is a "downstream user" as defined in Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Under normal and all reasonably foreseeable conditions, PHYTEC products do not release any chemicals. The company's products also do not contain any "substance of very high concern" (SVHC) pursuant to the candidate list of the European Chemicals Agency (ECHA) with regard to REACH and the banned list with regard to the Chemical Risk Reduction Ordinance.

Production of IVU devices takes place entirely in accordance with German and European environmental and safety standards at the company headquarters of PHYTEC in Mainz. In addition, certain components are manufactured in Poland. The company has stated that it only uses electronic parts and components from reputable manufacturers and trusted distributors in its products. Furthermore, it does not conduct any direct imports of minerals or "conflict minerals". Neither does it process these directly or indirectly.



Resource management

IVU handles natural resources responsibly and makes every effort to minimise the environmental impact in the company. Consumables such as plastic and cardboard packaging waste are separated on site and sent for recycling. IVU collects electronic waste such as display screens, lamps, headphones and other small electrical and electronic devices at all locations in special waste containers that are then sent for recycling. At all locations, IVU works with specialist service providers in this field that dispose of the equipment properly or technically recondition PC hardware for use on the second-hand market. IVU separates old furniture based on the materials contained such as wood, metal and plastic and disposes of valuable substances at the local recycling facilities.

The most important energy source in the company in 2019 was electricity. At its development location in Berlin, IVU makes exclusive use of electricity generated from renewable energy sources. According to the 2018 energy audit, the main consumer in Berlin was lighting, with a share of around 57%. Workstations accounted for 29% of electricity consumption. The situation was different at the Aachen location. There, workstations were the main consumer, accounting for 60%. Lighting accounted for around 21% of energy consumption here.

To further reduce energy consumption at the locations, IVU is switching to light sources fitted with LEDs. The existing lighting systems will be gradually replaced over the coming years as part of regular maintenance and whenever new lighting systems need to be purchased. New premises are equipped exclusively with LED lighting. Thanks to their very high efficiency and luminosity as well as their significantly longer service life compared with fluorescent tubes, the switch to LED light sources will have a lasting impact on the company's resource consumption. As a result, we expect to reduce our electricity consumption for lighting purposes by up to 40% in the medium term.

IVU strives to conserve water as much as possible. To this end, new toilet facilities at the Berlin location are equipped with water-saving flushing systems as a matter of principle. When carrying out modernisation work on buildings and offices, IVU only employs construction companies that use eco-friendly materials that comply with German and European standards. Hazardous chemicals are not used. IVU only uses water-soluble wall paints and eco-friendly acrylic paints.

CONSUMER LOCATION	BERLIN	AACHEN
Workstations	29.0%	60.0%
Lighting	56.8%	21.4%
Testing laboratory	—	18.6%
Other	14.1%	—

RESPONSIBILITY FOR EMPLOYEES



There are no general core working hours at IVU. As long as deadlines are met and tasks are completed within the specified time-frame, employees can plan their presence within this framework as they see fit. In this case, trust-based working times are used: Hours worked are recorded by the employees in a flexi-time account.

IVU pays attention to balanced work times. If overtime is unavoidable for operational reasons, the

accumulated hours of overtime can be offset in the form of individual hours or, following consultation with the direct supervisor, in the form of days. To ensure that the work time is not regularly exceeded, the HR department monitors the number of work hours completed and advises the employees and their HR managers of the current status every month. A traffic light system prevents the excessive accumulation of overtime.

Working from home can be another alternative in consultation with the relevant manager. IVU also supports requests for part-time work and facilitates the search for suitable individual solutions. In the past year, 15% of employees used this opportunity.

Free time is important

IVU values the free time of its employees. It allows them to recharge their batteries and reduce stress levels, and it promotes their creativity. This is particularly true for holidays as well. For this reason, IVU significantly exceeds the minimum legal requirement by granting all employees working a 5-day week a total of 30 holiday days per year. After working at the company for 10 years, they receive an additional day. After 20 years of service, they are entitled to 32 holiday days each year. IVU also guarantees special holidays for personal

Employee rights

The well-being of employees is one of the most important factors for a healthy working environment. The special culture at IVU is based not least on the extensive freedoms and rights of its employees. It is a stated goal of the company management to maintain and strengthen these rights.

This is very popular with the employees: In an employee survey conducted by Great Place to Work in 2016, IVU scored significantly above the average in all survey criteria – credibility, respect, fairness, pride and team spirit. In the survey, more than 90% of employees praised the friendly working atmosphere and 80% enjoyed coming to work. No less than 86% of employees also valued the possibility of taking time off.

Flexible working time models

Different situations in life cannot be forced into a standardised framework. The work must allow people to balance it with their daily routines. This is why IVU offers its employees flexible working time models. The relevant provisions for the German IVU locations are documented in a central company agreement (GBV), which was jointly developed by the management and the general works council of IVU.

matters such as weddings or the birth of a child. Since even 30 days of holidays are sometimes not enough for certain plans, IVU has established a time-out model that allows employees to take up to three months off.

The same applies to mothers and fathers: They can also return to their workplace without difficulty after their parental leave. In addition, IVU supports families with a childcare allowance of up to 100 euros towards the cost of accommodation, care and meals for children below school age. Some 84 employees used this option in fiscal year 2019. Parents at IVU are also entitled to paid leave of absence of up to five days per year if they have to stay at home with a sick child.

Health – a valuable asset

IVU also guarantees the welfare of its employees in the workplace. Among other things, this includes the option for all employees to request ergonomic standing desks. An occupational safety commission meets four times during the year to discuss the latest developments in the area of health and safety at work. At an annual safety training course, employees learn

everything they need to know about everyday work routines that promote a healthy lifestyle.

To encourage the general health of its employees, IVU provides numerous health and sports offerings. Since working at a desk entails its own health risks, IVU has organised two Health Days in 2019 at its Berlin and Aachen sites. In cooperation with a health insurance company, certified trainers held various workshops at which IVU employees could, for example, undergo fascial training, learn relaxation techniques or have their individual stress resistance tested. The offer was very well received, which is why an “active break” has been held once a week in Berlin and Aachen since April: A health educator comes to IVU and, together with the participating employees, does movement and stretching exercises for personal fitness in everyday office life.

In addition, IVU supports cost-effective training in gyms in Berlin and Aachen where IVU employees can work out at favourable terms. Furthermore, every location has sports groups in which IVU colleagues can exercise together, from beach volleyball to football to the weekly table tennis training at IVU’s Berlin offices.



Images: IVU Traffic Technologies AG

At the annual company runs, the IVU teams regularly achieve high rankings.

As part of the company reintegration management, IVU supports employees who were unable to work for more than six weeks in a single year due to illness when they return to their workplace.

Equal opportunities

IVU is an equal-opportunity employer. Employees of any gender, nationality or sexual orientation either with or without disabilities are not only welcome at IVU but enjoy the same opportunities to develop their career within the company. In total, people from 42 nations work at IVU.

Compared with the proportion of female graduates in the STEM subject computer science relevant to IVU of 19.8% (in 2018), IVU employs an above-average number of women throughout the company: In 2019, the proportion of women across all departments was 29%. Of the new hires at IVU in the past year, 31% were women.

IVU is also working hard to increase the proportion of women at top management level. With Ute Witt and Prof. Barbara Lenz one third of the Supervisory Board are women; the quota in the other bodies is currently 0%. IVU is striving to rectify this deficit and is therefore selectively encouraging qualified women to take on leadership roles. This is particularly evident in the lower management levels of departmental and team leaders, where the proportion of women was 29% in 2019.



The disproportionately low numbers of women in mathematical and scientific professions in general is often cited as the reason preventing a higher proportion of women in the company. To encourage more women and girls to take an interest in careers in the STEM area over the long term, IVU participates each year in the nationwide Girls' Day. This program gives young schoolgirls an initial insight into the world of work and the tasks in an IT company. We also enable girls who show an interest to complete prolonged pupil internships during which they then can engage more intensively with individual tasks.

IVU is proud of its non-discriminatory working environment. IVU also presents itself as an open employer when recruiting staff. For this reason, we have long been cooperating with the Sticks & Stones recruiting

fair, the largest event of its kind in Europe for lesbian, gay, bisexual, transsexual, transgender, intersexual and queer persons.

Outside its own premises, IVU promotes, not least through its products, the inclusion of people with physical disabilities. Its developments allow transport operators and associations, for example, to record floor plans and site plans of structures such as stops and stations and to communicate these using connected information systems to enable accessible app-based passenger guidance.

Training

IVU encourages and supports its employees in their ongoing training and education. In the context of employee development, for example, it already set up a dedicated trainee program for managers several years ago. It uses targeted training courses to prepare prospective team leaders to take on management duties. Last year, a total of 3 women and 10 men took part in the programme.

In the annual employee appraisal at the start of the year, employees discuss their individual training needs together with their managers. On this basis, a decision regarding individual training courses is taken. In this context, there are no restrictions concerning the number of training hours permitted in a single year.

The regular Developer School is aimed specifically at developers. Here, IVU employees engage with current software development issues in collective workshops. Presentations on specialist technical topics by external speakers supplement the internal exchange of expertise. The skills acquired are then put to the test in a final 'hackathon' and put into practice.

New IVU employees often face the challenge of having to find their feet in extremely complex systems and products within a very short space of time. To facilitate their induction, we run an extensive induction programme three times annually, during which software and project engineers who are either new to IVU or have taken on new roles internally undergo intensive familiarisation with IVU products and processes within six weeks.

These measures are supplemented with internal short-term training courses during which employees can be introduced to specific topics. The IVU training catalogue also includes numerous external training offerings, such as employee leadership for managers,



an introduction to the rail system, which is offered in conjunction with TU Berlin, as well as training courses for developers and language courses.

Employees in transport companies

With its systems, IVU helps its customers, the transport operators, ensure that drivers of buses, trams and trains in particular can enjoy a much-improved work-life balance. IVU systems synchronise and optimise preferred duty schedules. This not only makes duties

much more transparent to the drivers, but also allows more drivers to have time off simultaneously – for instance on sought-after evenings such as at Christmas or on New Year's Eve. All in all, employees of public transport operators are better able to plan their lives. They also benefit from an improved work-life balance. Added to this is the fact that IVU systems also increase the share of paid time in the overall duty time of the drivers through better coordination and optimisation of waiting and rest periods. Apart from this, split and staggered duties arise less frequently.

SOCIAL RESPONSIBILITY

Public transport as development aid

The expansion and optimisation of public transport are key prerequisites that will enable rapidly expanding major cities in developing countries to overcome their traffic problems. Particularly for inhabitants of outlying districts and slums, reliable public transport makes it possible for them to use distant educational or work opportunities, thereby improving their economic situation. In this respect, improvements to public transport networks constitute very effective development aid. Added to this is the goal of reducing the air pollution caused by minibuses in these cities.

IVU has already installed its IT systems in several major cities in developing countries. The Bus Rapid Transit (BRT) system in the Nigerian capital Lagos has been kitted out with a brand-new planning and traffic control system, including on-board computers for more than 400 buses. With a population of around 21 million, Lagos is the largest city in Africa and one of the fastest-growing cities worldwide. In 2009, Africa's first BRT entered service here in order to get a grip on the

dense and chaotic traffic. Buses convey around 180,000 passengers daily to the city's key transport hubs along 22 kilometres of traffic lanes that are largely separate from the main road traffic. However, frequent congestion at the stops repeatedly led to irregular operations and long waiting times for passengers. Since then, the IVU.suite products ensure that everything runs smoothly.

In the Columbian city of Santiago de Cali, the country's third largest with approximately 2.5 million inhabitants, an IVU system has been managing the planning, dispatch and fleet management for a fleet of 1,000 buses since 2009. IVU software also controls the information displayed to passengers at the stops. The goal was to reduce traffic congestion and to cut journey times.

In Hanoi, Vietnam, IVU together with the University of Transport and Communications (UTC) there is training managers and operators for Vietnamese transport operators. Vietnam is preparing to comprehensively overhaul and upgrade its transport infrastructure in the next few years. With its specialist knowledge and experience gained in hundreds of projects worldwide,



Image: Deutsche Bahn AG / Oliver Lang

IVU is making an important contribution in preparing the country's transport companies for the challenges of growing mobility. Vietnam Railways (VNR) is already using the IVU.rail system for planning, dispatching and control of all its operations.

Human rights

In the context of the business activities of IVU, the adherence to human rights is our top priority. This applies in equal measure to our own projects as well as to products manufactured or supplied on behalf of IVU. In selecting our predominantly European project partners, we make sure that the principles of human rights are respected. The devices that we market under the IVU name are manufactured by PHYTEC Messtechnik GmbH, which is based in Mainz, which is also the location of its production facility. PHYTEC is committed to observing European minimum standards of occupational health and safety.

Community

IVU sees itself as an active member of society. Its declared goal is to promote social progress and to work towards sustainable human cohabitation. This is expressed in particular in the IVU products that enable

transport operators worldwide to offer simple and eco-friendly mobility.

As a listed company, IVU also contributes through its business activities to the growth in society's prosperity. In this capacity, it must automatically navigate and balance the conflicting priorities of its key stakeholders: customers, employees, shareholders, suppliers and distributors. The Executive Board manages IVU in way that gives appropriate consideration to all interests, ensures that all laws and regulations are adhered to while at the same time respecting and maintaining the unique corporate culture and associated values.

To enable shareholders to participate in the company's business performance, IVU strives to maintain a sustainable dividend policy, insofar as the financial situation permits. As part of the 2018 financial statement, IVU distributed a total of €2,126 thousand (€0.12/share) to its shareholders.

As a member of Förderverein des Chores Berliner Bach Akademie e.V., we support the work of the Berlin Bach Academy.

Exerting political influence

IVU does not actively exert political influence. However, members of the Executive Board do take part in political delegations from time to time.



IVU is also represented in a range of national and international associations that promote public transport and information technology both politically and socially:

- Allianz pro Schiene e.V.
- APTA – American Public Transport Association
- CUTA – Canadian Urban Transit Association
- DVWG – Deutsche Verkehrswissenschaftliche Gesellschaft
- GEOkomm – Verband der Geoinformationswirtschaft Berlin Brandenburg e.V.
- Gesellschaft für Informatik e.V.
- HOLM – House of Logistics and Mobility
- IHK Berlin
- InGeoForum – Informations- und Kooperationsforum für Geodaten des ZGDV e.V.
- Logistiknetz Berlin-Brandenburg e.V.
- Kontiki e.V.
- Mofair e.V.
- OAV – German Asia-Pacific Business Association
- Ost-Ausschuss der Deutschen Wirtschaft
- REGINA e.V. – Regionaler Industriecub Informatik Aachen
- RTIG inform – Real Time Information Group
- SdK – Schutzgemeinschaft der Kapitalanleger
- UITP – Union Internationale des Transports Publics
- VDB Verband der Bahnindustrie in Deutschland e.V.
- VDV – Verband Deutscher Verkehrsunternehmen e.V.
- VöV – Verband öffentlicher Verkehr

As a member of the Berlin Chamber of Industry and Commerce, IVU participates in committee work on an honorary basis. Martin Müller-Elschner, CEO of IVU, has been vice-chairman of the External Trade Committee there. In addition, he is an Executive Board member of the not-for-profit heureka foundation for the environment and mobility, which aims to promote sustainable and eco-friendly mobility.

Conduct conforming to laws and directives

IVU uses work and procedural instructions, among other methods, to ensure that employees comply with the regulations and standards. To this end, the Executive Board and Supervisory Board of IVU submitted the compliance declaration regarding the adherence to the German Corporate Governance Code on 13 February 2020. In this declaration, they agree that the need to establish an institutionalised compliance management system does not arise due to the size and structure of the company and due to the lack of danger and risk potential for compliance-related violations.

In fact, all relevant corporate processes at IVU are defined and are documented. Important functions such as quotation management, purchasing and accounting are centralized in Berlin for all subsidiaries. This guarantees that these processes are highly transparent.

IVU has not established a whistle-blower system. The Executive Board and Supervisory Board are of the opinion that compliance within the company is guaranteed even without establishing such a system.

In accordance with the European General Data Protection Regulation (GDPR), which came into force on 25 May 2016 and must be applied since 25 May 2018, IVU has implemented numerous technical and organisational measures to protect personal data in a standardised manner for the entire company. IVU has compiled comprehensive documentation for this purpose. IVU requires its data-processing service providers to adhere to the regulatory and company requirements for the protection of personal data. IVU has appointed its employee Joachim Nottebaum as Data Protection Officer. He can be contacted at the e-mail address datenschutzbeauftragter@ivu.de and is available as a contact person for all persons within and outside the company who may have questions and suggestions relating to data protection.



OUTLOOK

This CSR report by IVU Traffic Technologies meets the requirements of the CSR Directive Implementation Act (CSR-RUG) pertaining to non-financial reporting. It is the company's second report of this type and presents the current state of affairs with regard to the topics mentioned in the legislation. IVU will continue and develop its non-financial reporting in the coming years. For this purpose, the persons responsible have defined three key areas of action:

- Development of concepts in the individual topic areas with specific objectives
- Definition of preferably quantifiable parameters
- Reporting based on one of the common reporting standards (German Sustainability Code or Global Reporting Initiative)

IVU will report on the company's progress in these areas of action in its non-financial reports in the next few years. Readers who have suggestions or comments about this report are welcome to contact Dr Stefan Steck at the e-mail address:

stefan.steck@ivu.de.

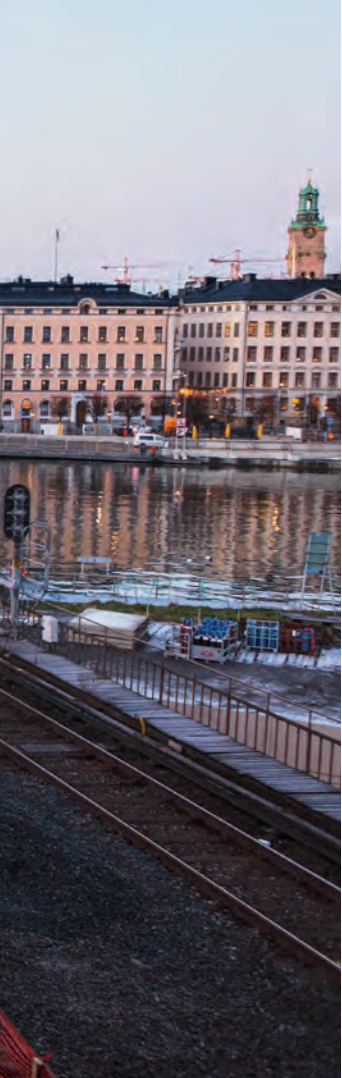


Image: Fotolia / eugeneseergeev



Imprint

Publisher

IVU Traffic Technologies AG

The CSR report 2019 can be downloaded
as PDF file in English and German at
www.ivu.com

Contact

Corporate Communications
T +49.30.859 06 - 0
F +49.30.859 06 - 111
kommunikation@ivu.de

Editorial

Dr Stefan Steck,
IVU Corporate Communications
Gerd Henghuber, Munich

Layout

Eckhard Berchner,
IVU Corporate Communications

Print

Ruksaldruck, Berlin

IVU Traffic Technologies AG

Bundesallee 88
12161 Berlin
Germany

T +49.30.859 06 - 0
F +49.30.859 06 - 111

contact@ivu.com
www.ivu.com