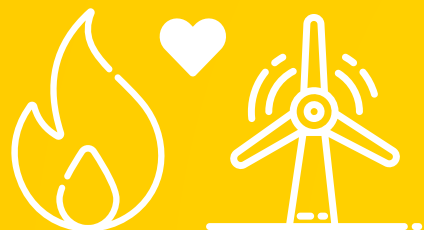


Responsibility 2020

Report on sustainability, environmental, human resource and social issues, as well as respect for human rights and the fight against corruption

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HYDROGEN AND NATURAL GAS
COMBINED WITH RENEWABLE
ENERGIES HELP TO MEET CO₂
REDUCTION TARGETS QUICKLY
AND EFFICIENTLY.

Managing Directors' Welcome Message

Dear business partners,

We are thrilled to be able to give you an account of our business culture as well as our environmental and social commitment in this CSR report on VNG Handel & Vertrieb GmbH.

Our main concerns in 2020 were the corona pandemic and our work on groundbreaking energy policies with a focus on reducing CO₂ emissions.

We are convinced that the environmentally friendly conversion of natural gas to hydrogen along with renewable energy can help to quickly and efficiently meet our CO₂ reduction

targets. Using climate-friendly gas will especially enable us to compensate for the medium-term abolition of coal-based electricity production.

We have also been very successful in our social commitment to support various artistic, cultural and scientific projects and initiatives. A healthy company culture is especially important to us along with family-friendly policies that also consider an employee's stage in life.

We will continue to confidently and actively take on every challenge as well as fulfilling our entrepreneurial and social responsibilities.



Konstantin von Oldenburg
Managing Director

Kerstin Schultheiß
Managing Director

Company Profile



VNG Handel & Vertrieb (VNG H&V) reliably supplies natural gas to municipal utility companies, industrial companies, domestic and export trading companies as well as distributors. We offer comprehensive services in all areas of procurement and usage of environmentally friendly gas.

Our focus remains firmly on an environmentally friendly future in energy as we continue to work on close-to-market gas procurement, efficient market access and reliable logistics as well as integrated portfolio and risk management.

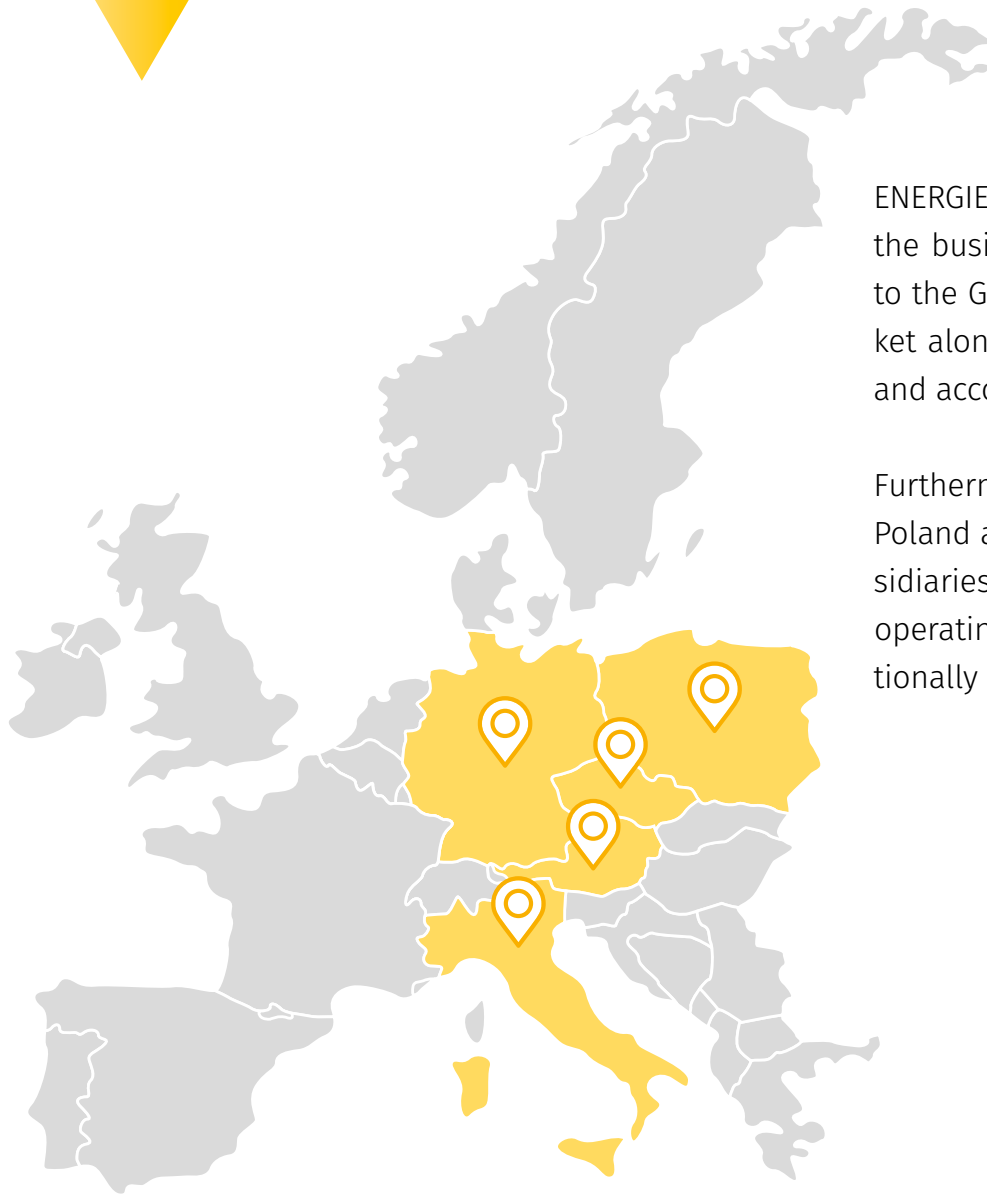
We continue to develop our portfolio of products and services based on

market and customer needs and support our customers in sustainably reducing CO₂ emissions.

As a leading company within the trading branch of VNG AG we will maintain our long and trustworthy business relations with customers, suppliers and trading partners as well as continuing with investments.

In collaboration with their trading companies, VNG Handel & Vertrieb provides a reliable and flexible gas service for an environmentally friendly future to customers in Germany, Italy, Austria, Poland and the Czech Republic.

Company Profile



ENERGIEUNION GmbH complements the business in Germany with access to the German electricity trading market along with portfolio management and accounting services.

Furthermore, consumer markets in Poland and Austria are served by subsidiaries abroad as well as companies operating in Italy. The company additionally works closely with other tra-

ders of electricity and gas within the EnBW (Energie Baden-Württemberg AG) group.

The company's continued success remains driven by progressive automation and acceleration of workflows and market access, continuous improvements in cost- and process-efficiency along with appropriate risk management.

History

1. Juli 1958

VNG's predecessor, "Technische Leitung Ferngas" is founded in Leipzig.

1963

VEB Verbundnetz Berlin is created by the merger of VEB Verbundnetz Ost, Verbundnetz West und Verbundnetz Mitte. „Technische Leitung Ferngas“ is appointed Direktion Gas for the new company.

1969

Direktion Gas for VEB Verbundnetz Berlin becomes independent as VEB Verbundnetz Gas.

1973

Russian natural gas flows to East Germany to the "landing point" in Sayda for the first time.

29. Juni 1990

VEB Verbundnetz Gas becomes VNG Verbundnetz Gas AG.

2009

VNG starts producing natural gas in Norway.

2006

- ▶ VNG founds VNG Norge and enters the E&P sector.
- ▶ The present-day transmission system operator ONTRAS Gastransport GmbH is founded.
- ▶ BALANCE VNG Bioenergie GmbH is founded.

1995

The last flame from town gas burns out. This marks VNG's major contribution to the „1st energy revolution“.

1993/1994

VNG signs a distribution contract with Norwegian and Russian producers.

1992

VNG's network is connected up to the West German natural gas grid.

2012

VNG outsources their storage business and founds VNG Gasspeicher GmbH.

2013

Acquisition of the gold-gas group in Eschborn enables entry into the consumer market.

2015

VNG Innovation GmbH invests in start-ups in the energy business on behalf of VNG.

2016

EnBW becomes the majority shareholder at VNG.

2017

Finalisation of the new group strategy „VNG 2030“.

2018

VNG Handel & Vertrieb GmbH is founded as the lead company in the trading division of VNG AG.



VNG
Handel & Vertrieb

Our Certified Excellence



Our "workandfamily audit" certificate „confirms our long-term commitment to family-friendly personnel policies that also take an employee's life-stage into consideration.



We are certified as an authorised economic operator for customs simplifications (AEO C – Authorised Economic Operator Customs).



In May 2020, we were awarded a bronze medal for sustainability by the independent rating company ECOVADIS.

Our Mission Statement

OUR VISION

**We are the preferred German partner
for commodities and services in the energy business.**

OUR VALUES

Partnership | Transparency | Responsibility | Entrepreneurship

OUR MISSION

We are top of the class in the energy business and respected as a service specialist in commodity positions management and the handling of processes in energy economy for the future. We are a reliable partner offering high-quality products and services based on our unique expertise. We aspire to success in harmony with sustainability as a reliable energy provider in a sustainable energy economy. Our committed employees allow us to embrace market opportunities and create added value for our business partners. For us, forward planning, sustainable business conduct and social commitment are self-evident.

VNG Handel & Vertrieb in Numbers



23 mio. €

Profit before tax (HGB – German Commercial Code)



484 billion kWh

VNG H&V gas sales volume
excl. proprietary trading



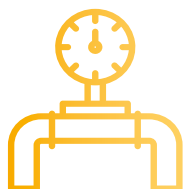
9.1 billion €

Invoiced sales turnover excl. Proprietary
trading (HGB – German Commercial Code)



7 Sales offices

Berlin, Dusseldorf, Erfurt, Eschborn,
Leipzig, Munich, Schwerin



17 billion kWh

Gas volume in storage



405 Employees

Total VNG H&V incl. holdings



SUSTAINABLE HUMAN RESOURCE MANAGEMENT

Strategic and Resource-oriented Personnel Management



Modern and
friendly working
environment



Work and
family
compatibility



Attractive
performance-
based payment
system



Health
protection



Diversity



Working from
home and
remotely

Benefits for our Employees



MONETARY BENEFITS

bonus payments • rewards • Christmas bonus • „Dining Out“ • equity investment • subsidised meals • subsidised children's holiday camp • pension subsidies • company car • subsidies for natural gas-driven vehicles • hardship fund



TIME BENEFITS

child sick-care arrangements • 38-hour week • office closure on Christmas eve and new year's eve • arrangements for long weekends which include a bank holiday • support for voluntary work • remote working • flexible working hours • additional free days for special occasions



HEALTH BENEFITS

influenza protection • drinking water dispensers • in-house medical care • cooperation with pme Familienservice (family service partner) • massages • subsidies for glasses • BGM (occupational health management) • eye tests • back check-ups • subsidies for sports events • cooperation with specialist medical centres • sports clubs (e.g. Yoga) • workplace inspections



TEAM BUILDING AND EVENTS

company party • sports day • anniversary bonuses • team events • company-wide Christmas parties • birthday flowers • presents on milestone birthdays



MORE BENEFITS

laundry service • private use of the postal service • support for engagement beyond normal duties

Strategic and Resource-oriented Personnel Management



Our success is dependent on employee satisfaction. MCI (employee commitment indexing) is our tool for measuring employee loyalty to the company.

Results from the 2019 employee survey show an improved MCI-rating once again. The main factors contributing to employee satisfaction are high employer attractiveness, identification with the company and a more positive culture of motivation than average.

Strategic and Resource-oriented Personnel Management



STANDARD BENEFITS

- ▶ General leadership basics
- ▶ 360°-feedback
- ▶ Regular employee surveys
- ▶ Involvement in decisions on various topics
- ▶ Appraisals to help guide and support employees
- ▶ Specialised further training
- ▶ Attractive working environment (e.g. Interior design, focus rooms, kitchenettes, canteen with lounge and cafeteria)
- ▶ Subsidised meals
- ▶ Working from home as well as MS Office 365, including various collaboration platforms, often across the whole group of companies.
- ▶ Team training sessions
- ▶ Reintegration into the workplace after a long absence
- ▶ Individual part-time options

Strategic and Resource-oriented Personnel Management



INDIVIDUAL BENEFITS

- Feedback training
- 180° leadership feedback
- Seminars on topics such as time management, personal management, resilience and mindfulness
- Travel & Learn: visits to enviaM offices
- Future workshops on teamwork - agile or traditional?
- Coffee & Learn „transformation takes transpiration“
- Ideas initiative for employees
- Creative workspaces
- Language training
- In-house networking

Strategic and Resource-oriented Personnel Management



ANNUAL EVENTS AND CAMPAIGNS

- ▶ Forum for leadership and teamwork (FFZ)
- ▶ teamwork in agile times
- ▶ How much digital leadership do we need for „VNG 2030“?
- ▶ Work shadowing: During the campaign "Share knowledge. Get to know each other. Exchange ideas". Employees were able to offer or request work shadowing and get to know other employees and their departments.
- ▶ Workshops on digital transformation
- ▶ Various annual events and campaigns

Interactive Workstation

Our "digital desktop guide-lines" help employees find their way through the thick jungle of office applications and offer assistance in using the VNG digital toolbox.



Digital Transformation

Digitisation is a high priority in the energy business – from agile working and intelligent measuring systems to interconnected energy data management and digital process optimisation.

VNG has been looking into the opportunities digitisation can offer for some time now. What's more, the VNG group strategy „VNG 2030+“ lays out a vision of VNG as the creator of a green, digital and gas-based future. The employees of VNG will play a major role in this success.

We have an additional company intranet designed to support our employees on their digital journey. Here they can access videos and webinars on all aspects of digital transformation. All the core topics we have worked on so far as well as current projects are brought together in the "digital travel guide".



VNG Digital Vlog [!\[\]\(339a16584d5da0f0a3ca4e9ec17bf6a1_img.jpg\)](#)



GOOD CONDUCT AND COMPLIANCE

Compliance and Data Protection



VNG Handel & Vertrieb has developed and introduced efficient measures and tools for avoiding market manipulation and breaches of compliance as well as for ensuring data protection.

The code of conduct itself, but also regular compulsory training for employees serve to communicate our guidelines on conduct. Compliance with the code is monitored by our Compliance Management Team.

Compliance Management

compliancebeauftragter@vng.de

[find out more](#) 

Data Protection

datenschutz@vng-handel.de

[find out more](#) 

Compliance Measures



VNG H&V code of conduct as well as regular compulsory employee training



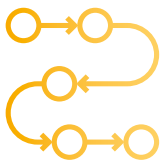
Disclosure of compliance-relevant incidents to the VNG H&V Compliance-Officer for the quarterly report



Tool to identify in-house market abuse in line with the Market Abuse Regulations



Customer events closely coordinated with compliance managers.



Mandatory Know-your-Customer process for all sales and trading activities



VNG group's annual compliance management meeting to exchange information and for training



HEALTH AND SAFETY

Health

Company doctor,
Medical specialists
Annual influenza
vaccinations



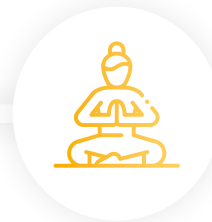
Ergonomically de-
signed worksta-
tions (e.g. height-
adjustable desks)

Pandemic plan to
prevent the Co-
rona Virus from
spreading (2020)



First-aid courses,
first responder
training, first-aid
equipment in-house

Seminars on
MBSR and awa-
reness Yoga and
other sports



pme Familienservice
(Work-life consul-
tancy, coaching of-
fers, company integ-
ration management)

Free fruit
in the
winter



Traning, advice
and surveys to
ensure mental
health

Safety First



VNG H&V accident data for 2020

2 accidents at work • 0 LTI (accident resulting in absence)

2 accidents on the way to or from work • 0 resulting in absence

- ▶ Disabled accessibility in all buildings and the company grounds
- ▶ Comprehensive safety measures and signs in all buildings and the company grounds
- ▶ Compulsory regular safety instruction
- ▶ Regular practical exercises (e.g. fire drill)
- ▶ Voluntary traffic safety courses
- ▶ Documentation of accident data
- ▶ Driver safety training
- ▶ In-house vaccinations





FOR THE SAKE OF
THE ENVIRONMENT

Working for a Better Environment



Bronze medal for sustainability

VNG H&V was awarded bronze at the first attempt in a comprehensive assessment by the online sustainability platform ECOVADIS. This puts us up there with the top 50 companies rated so far.



Sustainable Energy Supply

Our entire company building uses environmentally friendly energy provided by cogeneration plants.



In-house Environmental Campaigns

We come up with ideas together of ways to save resources as well as energy and CO₂. Day-to-day savings at work.



Waste Separation

We appeal to all employees to sort their rubbish. There are containers for separating waste in all office buildings.

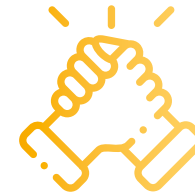


Working for a Better Environment



Business Travel

Staff are expected only to travel if absolutely necessary and to use the trains whenever possible.



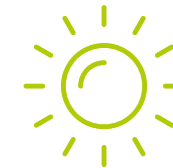
Climate Protection Cooperation

We started taking part in cooperations between the gas business and industry in February 2020. Here we can make a positive contribution to keeping a good balance between protecting the climate and staying competitive.



Traffic Reduction

We offer all employees an LVB-Jobticket for use on public transport as well as bicycle helters and showers for cyclists. We also promote the use of gas vehicles.



Field Laboratory for Hydrogen

The energy park in Bad Lauchstädt has been commended by the government. Here we are testing the production, storage and transport of green hydrogen under real-life conditions and on an industrial scale.

Reduction in Paper Usage

ANNUAL SAVINGS



27,000

sheets of paper



€ 2,865

expenses for paper



400 kg

wood



6,972 l

water



1.433 kWh

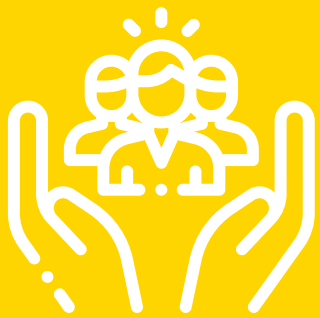
energy



141 kg

CO₂ emissions

We achieved considerable savings by using 100% recycled paper for various printed materials (business cards, Christmas cards, folders, etc.) and dispensing with printed copies of invoices. This helped us get closer to our goal of a "paperless office".



SOCIAL COMMITMENT

Responsibility in Business



VNG is involved in the "Wittenberg Center for Global Ethics"

The Wittenberg Center for Global Ethics initiated a dialogue process called "Investing in Trust" in 2008 to counteract declining trust in market economies, companies and managers. This led to the initiative "guiding principles for responsible business practices".

45 top business managers and four organisations have already signed the document. They include chairpersons of large com-

panies, CEOs of respected SMEs and family businesses as well as presidents of various business organisations. These guidelines represent a commitment to developing specific measures and trustworthy standards to counteract the declining confidence in business leaders felt by many citizens.

Wittenberg Center for Global Ethics is coordinating the development process. VNG is playing a major role.

find out more [↗](#)

International Initiatives

Deutsch-Russisches Forum e.V. Membership

The German-Russian Forum promotes relations between Germany and Russia. Members and supporters are companies and personalities from all areas of public life.

[find out more](#) 

Deutsch-Russische Gesellschaft zu Leipzig e.V. Membership

The German-Russian Association in Leipzig supports relations between the Federal Republic of Germany and the Russian Federation. VNG H&V supports them in organising events.

[find out more](#) 

Deutsch-Russisches Rohstoff-Forum Support

VNG H&V also provides support for the DRRF (German Russian Raw Materials Forum), a dialogue platform designed to strengthen raw material cooperation between the two countries.

[find out more](#) 

Kindermusikfestival „OPEN WORLD“ in Leipzig Support

The children's music festival "OPEN WORLD" gives talented young artists from Russia and Germany the opportunity to get together. VNG H&V is sponsoring the event.

[find out more](#) 



Social Commitment



The VNG Foundation incorporates social and cultural activities as well as projects in science, education, art, sport, culture and society.



Every quarter VNG provides financial support with payments of 200 Euros each for four voluntary projects involving employees.



VNG encourages employees to take on voluntary work by offering ten hours worktime and use of office equipment (office materials, printer, etc.).

Social Commitment

Organisation of the exhibition „Stille Post“ showing selected works from the VNG art collection in the Leuna Kulturhaus in cooperation with InfraLeuna.

Support for the railway in Bernau in cooperation with the Stadtwerke Bernau.

Principal sponsor of Anker Wismar football club in cooperation with our customer Stadtwerke Wismar.

Organisation of celebrations for the Russian National Bank Holiday together with the Russian Consulate in Leipzig.

Sponsor of the 10th Schostakowitsch-Tage in Gohrisch

Lectures on practical applications at Leipzig University of Applied Sciences (HTWK), the University of Leipzig and the TU Bergakademie in Freiberg - University of Resources.


Support for the renovation of the St-Marien-Church in Barth, a typical example of North German Redbrick Gothic building style.

Donation to the romanesque Felsenstein Church in Schmilkendorf.

Financial support for the exterior design of the Vietnamese-Buddhist Community Pagoda here in Leipzig.

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