

SUSTAINABILITY REPORT 2023

OF THE SWARCO GROUP



CONTENTS

1 Introduction	04
1.1 Preface	04
1.2 About this report (BP-1)	06
1.3 Regional CSR highlights	
1.3.1 Austria	08
1.3.2 Romania	10
1.3.3 The Netherlands	11
1.3.4 Italy	12
1.3.5 Germany	12
2 About SWARCO	15
2.1 Business scope	15
2.2 Leading idea	16
2.3 Core Values	17
3 Sustainability at SWARCO - General Disclosures	18
3.1 Basis for Preparation	18
3.1.1 General basis for preparation of the sustainability statement (BP-1)	18
3.1.2 Disclosures in relation to specific circumstances (BP-2)	18
3.2 Governance	
3.2.1 The role of the administrative, management and supervisory bodies (GOV-1)	19
3.2.2 Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies (GOV-2)	20
3.2.3 Integration of sustainability-related performance in incentive schemes (GOV-3)	20
3.2.4 Statement on due diligence (GOV-4)	21
3.2.5 Risk management and internal controls over sustainability reporting (GOV-5)	21
3.3 Strategy	
3.3.1 Strategy, business model and value chain (SBM-1)	22
3.3.2 Interests and views of stakeholders (SBM-2)	25
3.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)	27
3.4 Impact, risk and opportunity management	28
3.4.1 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)	28
3.4.2 Disclosure Requirements in ESRS covered by SWARCO's sustainability statement (IRO-2)	31
3.5 Minimum disclosure requirements (MDR)	31

4 Environment	32
4.1 Introduction	33
4.2 Climate Change – ESRS E1	35
4.2.1 Strategy (GOV-3 / E1-1)	35
4.2.2 Impacts, Risks and Opportunities (SBM-3 / IRO-1)	35
4.2.3 Policies (E1-2)	35
4.2.4 Actions (E1-3)	35
4.2.5 Targets (E1-4)	35
4.2.6 Energy Mix and Consumption (E1-5)	36
4.2.7 GHG Emissions (E1-6)	36
4.2.8 GHG Emission Removals (E1-7)	37
4.2.9 Internal CO ₂ pricing (E1-8)	37
4.2.10 Financial Impacts, Risks and Opportunities (E1-9)	37
4.3 Eco and Circular Product Design – ESRS E5	38
4.3.1 Strategy and policies (E5-1)	38
4.3.2 Opportunities and Risks (IRO-1)	38
4.3.3 Actions (E5-2)	38
4.3.4 Goals and initiatives (E5-3)	39
4.3.5 Resource Inflows (E5-4)	39
4.3.6 Resource Outflows (E5-5)	39
4.3.7 Financial Impacts, Risks and Opportunities (E5-6)	39
5 Social	40
5.1 Own employees – ESRS S1	41
5.1.1 Strategy (related to ESRS 2 SBM-2)	41
5.1.2 Impacts, Opportunities and Risks (related to ESRS 2 SBM-3)	41
5.1.3 Policies related to own workforce (S1-1)	43
5.1.4 Processes for engaging with own workforce (S1-2)	43
5.1.5 Processes to remediate negative impacts (S1-3)	43
5.1.6 Goals and targets (S1-5)	44
5.1.7 Characteristics of own workforce (S1-6)	44
5.1.8 Collective bargaining coverage and social dialogue (S1-8)	46
5.1.9 Diversity metrics (S1-9)	47
5.1.10 Adequate wages (S1-10)	48
5.1.11 Training and skills development metrics (S1-13)	48
5.1.12 Remuneration metrics (S1-16)	48
5.1.13 Incidents, complaints and severe human rights impacts (S1-17)	48
6 Governance	50
7 Appendix	52
7.1 ESRS content index	52
7.2 List of SWARCO companies	56
7.3 Impressum	58

01 INTRODUCTION

1.1 PREFACE

Welcome to SWARCO's second Sustainability Report! It gives you insights in what Corporate Social Responsibility (CSR) and sustainability mean for an Austrian-based leading global player in traffic technology.

Sustainable and energy- and resource-saving action has been laid in our genes. As early as 1969, SWARCO founder Manfred Swarovski recognised the potential of broken flat glass, which, when rounded into micro glass beads, can be converted into a road safety product and make road markings visible at night. This was at a time when words like recycling or upcycling were not yet on everyone's lips.

We were the first to bring the energy-efficient light source LED to market in traffic lights and variable message signs back in the 1990s. True to our guiding principle of improving the quality of life by making travel safer, faster, more comfortable and more environmentally friendly, our software solutions in urban and interurban traffic management contribute to optimised traffic flow and help reduce emissions and avoid congestion and

accidents. This positively supports the environmental balance of our business partners.

It was also the entrepreneur Manfred Swarovski who recognised early on that you can only have lasting success if you think not only of yourself, but also of others. For us, entrepreneurship therefore also means social responsibility for our employees and for society in general. As a good corporate citizen, SWARCO assumes responsibility in fostering road safety and social initiatives, engaging in cooperation with academia, promoting health programmes, and sponsoring sport and international industry events.

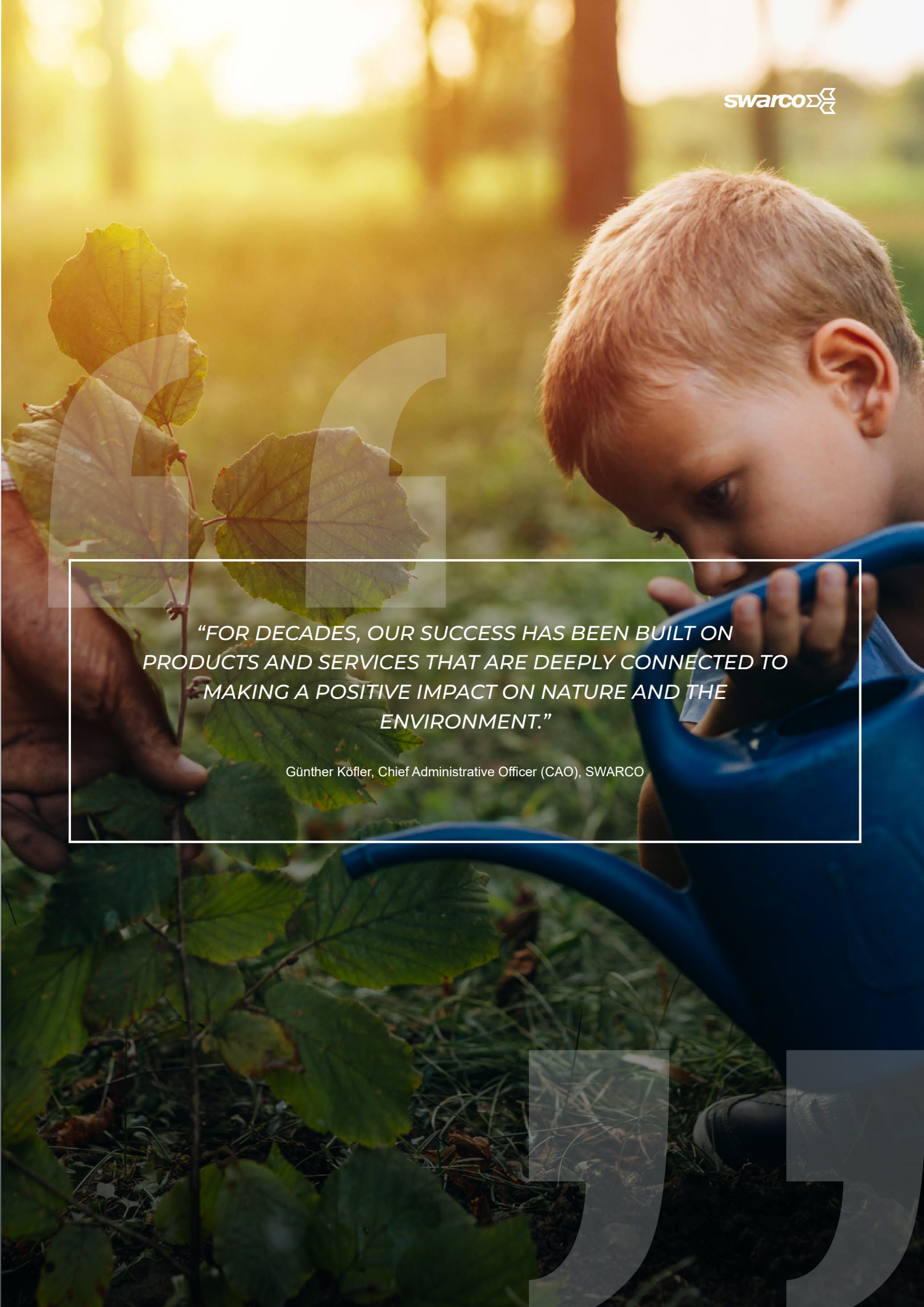
Working in a tender-based business environment relying on public funds, we are convinced that sustainability criteria related to production processes, products, and solutions must be given much more weight and be a decisive element for tendering authorities when selecting the successful bidder. The bid offering the most sustainable package should be prioritised over the lowest-priced one. This will provide better value for money taking into account aspects such as climate change mitigation and the whole life cycle of a product.

4

*We wish you interesting reading
with our second report.*



The SWARCO AG Executive Board (from left): Günther Köfler (CEO), Michael Schuch (CFO), Manuela Fürst (CAO)

The background of the entire page is a photograph of a young child with light brown hair, wearing a blue watering can, watering a small green plant in a garden. The scene is set outdoors during the golden hour, with warm sunlight filtering through the trees in the background. A large, semi-transparent white quote box is overlaid on the center of the image.

“FOR DECADES, OUR SUCCESS HAS BEEN BUILT ON PRODUCTS AND SERVICES THAT ARE DEEPLY CONNECTED TO MAKING A POSITIVE IMPACT ON NATURE AND THE ENVIRONMENT.”

Günther Köfler, Chief Administrative Officer (CAO), SWARCO

1.2 ABOUT THIS REPORT (BP-1)

The present report, the second of its kind by SWARCO, refers to the SWARCO Group's fiscal year 2023, equalling the calendar year (January 1st to December 31st). For readability purposes, we will use the shorter term "SWARCO" throughout this report, referencing to the complete list of consolidated companies in which SWARCO AG as the parent company is a 100% or majority shareholder.

This voluntary sustainability report was prepared using the current version of the ESRS standards. Our aim was to build on the previous year's sustainability report, which was still prepared in accordance with GRI standards and earlier versions of ESRS standards. The report will continue to be published

annually and has not been externally audited.

In 2023, SWARCO's dedicated CSR team was expanded by one new member. Currently, there is one person responsible for CSR at the Group level, along with two CSR specialists at divisional level (Road Marking Systems and Intelligent Transport Systems).

For this year's report, significant improvements in data collection processes have been achieved. As a result, only 5 service subsidiaries required extrapolation, with the carbon footprint data being directly collected for all other subsidiaries. This report includes Scope 1 and Scope 2 carbon data. However, Scope 3 carbon data has not yet been considered.



Daniel Meier
Head of Corporate Social Responsibility
SWARCO Group

“SUSTAINABILITY IS AN INTEGRAL PART OF OUR CORPORATE PHILOSOPHY. WE ALIGN OUR CORPORATE RESPONSIBILITY WITH BUSINESS, SOCIAL AND ECOLOGICAL CRITERIA AND ARE CONVINCED OF THE COMPETITIVE ADVANTAGES OF SUSTAINABLE ACTION.”

Daniel Meier stating SWARCO's CSR conviction

1.3 SELECTION OF REGIONAL HIGHLIGHTS

1.3.1. AUSTRIA

Sustainability in production

In August 1999, the excavators moved into Neutal in central Burgenland to build the new SWARCO FUTURIT factory for LED traffic lights and LED variable message signs on a greenfield site. Large increases in orders and the outsourcing of traffic light production from well-known manufacturers to SWARCO led to this step. A quarter of a century later,

the time has come to give the plant – which develops more and more into the SWARCO Group's production hub for intelligent transport systems – a general overhaul.

In 2023, the company has primarily realised investments with a sustainability focus. A 1 MWp photovoltaic system in Neutal produces enough electricity to run

its own facilities almost self-sufficiently under ideal weather conditions. A heat pump uses the waste heat from the company's injection moulding machines to heat the buildings in winter. In the production area, intelligently controlled LED lighting ensures further energy efficiency and makes a massive contribution to reducing the site's CO₂ footprint.



Eco-electricity generated from the PV system on the roof of the plant is already being used for the production of SWARCO FUTURIT signs and signals. New analysis software will identify further possibilities to make production even more sustainable



Sustainable high-performance glass beads

On an economic and technical level, SWARCO SOLIDPLUS is the worldwide standard for the next generation of reflective glass beads. Thanks to their excellent retroreflection, these premium reflective glass beads enhance the visibility of road markings in difficult conditions and make roads safer. They are the result of many years of research and development at SWARCO Road Marking Systems' Centre of Competence for Glass Technology and Marking Systems in Neufurth and are improved on an ongoing basis. In addition to enhancing the performance of the glass beads on the road, improvements also aim at making production more sustainable. 100 percent of the electricity needed for the production come from renewable energy sources – and some of it from photovoltaic panels on the roof of the production plant.

Further steps are now being taken to continuously reduce SWARCO SOLIDPLUS' ecological footprint. With research on new glass formulations based on natural raw materials, the company aims to produce the most sustainable reflective glass beads in the world. Special data analysis software is being used to thoroughly examine the emissions in supply chains and all production processes as well as the product life cycle.

The data collected helps the Center of Competence to carry out highly targeted research. For instance, the software identifies which raw materials leave a particularly high carbon footprint. Subsequently, they are replaced with more eco-friendly resources. This helps reduce emissions, waste, transport over large distances and leads to an effective circular economy.

Photovoltaic system at SWARCO headquarters

A 100 kWp photovoltaic system made of 216 solar panels was installed on the roofs of the company's headquarters in Wattens. The electricity produced is primarily consumed by SWARCO itself. Surpluses are fed into the grid. According to www.tirolsolar.at, the building roof at Blattenwaldweg 8 can count on a good 3,200 hours of sunshine per year. The solar power generated is among others used to feed the charging stations for our electric vehicle fleet.



New hotel for insects

A new luxury insect hotel was inaugurated in May 2023 on the premises of M. Swarovski GmbH in Neufurth. The planning and realisation was a joint project with Lebenshilfe Niederösterreich, an association that promotes inclusion and the rights of people with disabilities. The starting signal was given in October 2022: On two mornings, filling material was collected by employees of M. Swarovski GmbH and clients of Lebenshilfe in the region. During two site visits in Haag during the cold season, they worked together to build the insect

hotel and potted clay elements. There was also plenty of time for fun and valuable discussions. In spring 2023, the concrete foundations were erected together in the company garden and the insect hotel was built and filled. On Inclusion Day, 5 May 2023, in fantastic spring weather, all those involved in the project were invited to a joint celebration with tours of the company and a sausage meal. The result is really something to be proud of.

Sustainable, reusable packaging

The SWARCO Road Marking Systems Division is focusing specifically on

packaging that is as sustainable as possible. This year, the films and stretch tubes used at the M. Swarovski GmbH in Neufurth and Hitex Traffic Safety in England were converted to more sustainable products with a 30% recycled content. As a result, around 9 tons of virgin plastic can be saved at these locations every year.

This also reduces the CO₂ footprint of the products and is a forward-looking step towards the legal obligations on sustainable packaging that are currently being discussed in the EU.



1.3.2 ROMANIA

Traffic safety education in a kindergarten

SWARCO Traffic Romania had the privilege of visiting a kindergarten classroom in Bucharest.

The purpose of the visit was to present an interactive lesson about road and pedestrian traffic safety. The initiative aimed to involve children from a young

age in understanding the importance of traffic safety, engineering, and the role of professionals in maintaining the safety of all participants in traffic. The children had the chance to have a close look at an LED traffic signal head, just like the ones they know from the streets. As we unveiled this to the class, their faces lit up with excitement.

The vibrant colours of the traffic signal head were an instant hit among the children. We began the lesson by explaining to the attentive listeners the significance of each colour of the traffic light - **red** for stop, **amber** for prepare, and **green** for go. The highlight of the lesson was when the children got the chance to play with the traffic signal head, changing the colours themselves and experiencing firsthand how a traffic light works. However, the children were not just playing; they were learning valuable lessons about safety and responsibility. They were fascinated by the new and interesting things, asking insightful questions and sharing their own experiences.

For SWARCO it was a social event, an opportunity to engage with the community, to inspire young minds about the importance of traffic safety, and to instill an appreciation for engineering and professionals from SWARCO who work tirelessly to keep our roads safe. This kind of pilot project will be soon repeated.



Paperless production

Paint factory SWARCO VICAS in Targoviste now handles the entire production process - from ordering to delivery of the goods - 100% paperless. This important milestone will not only save valuable resources such as pulp in a sustainable way. It also shows that pioneer SWARCO VICAS has recognised digitalisation as an opportunity to make processes more efficient, record data digitally, save archive space and make information available to several employees.

With this future-oriented project, SWARCO VICAS will be able to save around 590 kg of wood, 13,790 litres of water, 3,560 kWh and 265 kg of CO₂ over the next 10 years.



1.3.3 THE NETHERLANDS

Copper recycling

SWARCO NEDERLAND based in Amersfoort makes extensive use of electricity cables in the maintenance of the road infrastructure. Their supplier has developed an electricity cable that will be rolled out in an exclusive pilot project with SWARCO NEDERLAND.

The copper core consists of 100% recycled pure copper. The plastic jacket also consists of recycled material. This procedure is quite unique for turning 'contaminated' copper into pure copper again, providing a more sustainable solution to the customers.



CO₂ neutral work aid

Height-adjustable work platforms are required to maintain light poles and traffic lights that are placed a few meters above the road. Our client requested electric aerial platforms based on a tender. This gave the manufacturer the oppor-

tunity to accelerate its development and production. After that SWARCO NEDERLAND was able to purchase these 100% CO₂ neutral electric aerial platforms.



Creating awareness at elementary schools

In the context of SROI (Social Return On Investment), SWARCO NEDERLAND gives guest lectures on Corporate Social Responsibility for primary school teachers. One way to make a social impact is

by transferring your knowledge. By providing inspirational sessions and workshops we make people think differently, we can make them want to do things differently, look differently and act differently when it comes to socially responsible behaviour. For this purpose,

the guest lectures use the tools from the SDG's (Sustainable Development Goals), IDG's (Inner Development Goals), Plan-Do-Check-Act cycles (PDCA) and the 5 P's (People, Planet, Prosperity, Partnership and Peace).

SWARCO | The Better Way. Every Day.





1.3.4 ITALY

Certified paperless company

SWARCO Italia in Turin saved paper and in turn helped reforestation in France. The company got the official printreleaf certification for offsetting the equivalent of 16,666 standard pages of paper consumption by reforesting two standard trees in a project in France.

1.3.5 GERMANY

Reuse of packaging

The sites of SWARCO LIMBURGER LACKFABRIK GmbH in Diez and SWARCO VESTGLAS GmbH in Recklinghausen organise the collection and processing of tin buckets and kraft paper bags with renowned environmental and system service providers. Customers can return the packaging free of charge to more than 300 collection points in Germany. The emptied tin containers are then cleaned and reused. The kraft paper bags are processed efficiently and in a resource-saving manner, and the cellulose is reused as a secondary raw material in the paper industry.

Savings in steel and plastics

The re-use of caged IBC totes (IBC = Intermediate Bulk Containers) presents

a good example. These containers are used to transport and store large quantities of liquid components for various road marking systems. At the German site in Diez, these tanks are recycled in an environmentally sound manner with partner companies after use. The refurbished IBC totes can be used again instead of new containers. Components that need to be replaced are also recycled and used to manufacture new products. The container carousel system demonstrably saved 58.7 tons of steel and 34.4 tons of plastic in 2023 compared to newly produced IBCs. This corresponds to an emissions reduction of almost 116 tons of CO₂.

Second life for disused traffic signs

Gaggenau-based sign manufacturer SWARCO Dambach shows the way for the sustainable handling of aluminium traffic signs. Every year, over one million small road traffic signs are produced. The reason for replacing a traffic sign is usually to update the lettering or because the retroreflectivity of the sign decreases over time. Only in rare cases is the base plate defective. Aluminium blanks made from a high-quality alloy, which are produced using a very energy-intensive forming process with high CO₂ emissions, are used as base plates for all new traffic signs. The car-

rier plates of the disused traffic signs are recycled, i.e. melted down, in aluminium plants. Due to the high quality requirements, traffic signs cannot be made from 100% recycled aluminium, but only from aluminium alloys, which may only contain up to a certain percentage of recycled aluminium. Therefore, there are no recycled signs.

And this is precisely where the sign experts at SWARCO Dambach from Gaggenau in the district of Rastatt come in. Keyword: re-use. They utilize a process in which the aluminium carrier plates can be stripped off their films and reused without reshaping. This significantly extends the "first" life of a sign, as the coating can be renewed several times. A "second" life after recycling by melting can follow, but with a much longer delay than it was previously the case. SWARCO Dambach collects used signs from its customers in pallet cages and issues credit notes for the current scrap price. The signs are then sorted into "recyclable" and "for disposal". The signs to be disposed of are handed over to a recycler for environmentally friendly recycling. "We sift through the re-usable signs, sort them according to shape, size and perforation, remove the coating and store them," explains SWARCO Dambach Managing Director Thorsten Kern.

The decoating process is environmentally friendly and completely chemical-free. Only normal household waste is produced, which does not have to be disposed of separately. The new coating is applied by painting and laminating with reflective film. Signs reconditioned in this way retain their RAL quality mark and their approval from the Federal Highway Research Institute (BAST). Every remanufactured sign receives the green "SWARCO Refurbished Sign" label.

An independent verification body now certified that the CO₂ footprint of refurbished signs is 88% lower compared to the production of new signs. SWARCO Dambach's green attitude thus makes a valuable contribution to environmental protection and sustainability.

Support of "Initiative against violence"

The colleagues at Diez-based SWARCO LIMBURGER LACKFABRIK GmbH are committed to the important CSR issue of youth development and do good in their region. With a paid contribution to the 'Initiative against violence' brochure, they are demonstrating a strong commitment to youth protection in the areas of violence prevention, safety, addiction problems, bullying and cyberbullying.

The free brochures are distributed at events, schools, etc. in the 'Rhein-Lahn-Kreis' region. They contain information on various topics, such as good education, drug use among young people, contact points for children, young people and parents, computer addiction, cyberbullying, youth crime, addiction prevention, anti-violence training, children's needs, help via app, violence at schools, and police warnings about 'legal highs'. An employer branding related advertisement placed prominently in the brochure helps SWARCO LIMBURGER LACKFABRIK GmbH to position itself as an attractive and caring employer at the same time. More information under: <https://initiative-gegen-gewalt.info>

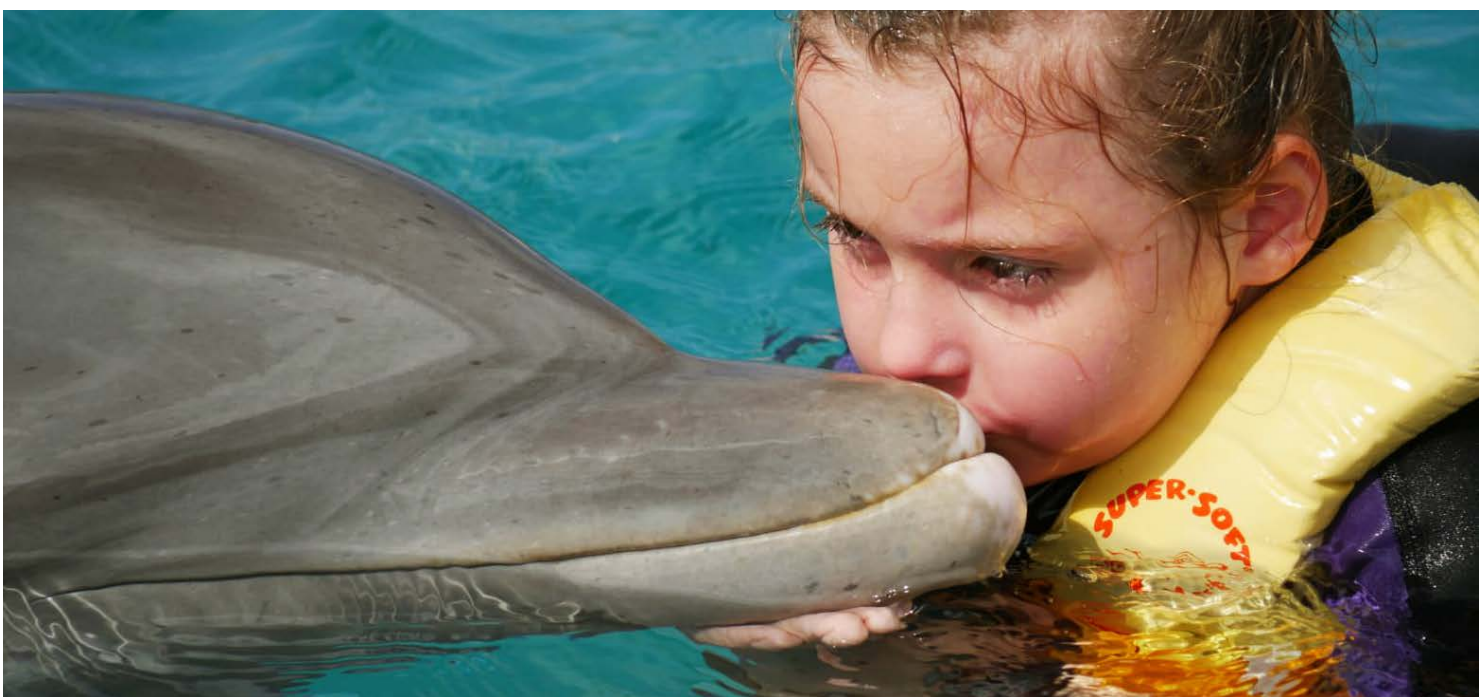
SWARCO Dambach supports dolphin therapy

In the summer of 2022, Anja Traub, a long-time employee of SWARCO Dambach GmbH, approached her supervisor to draw attention to the illness of her young daughter Nele and to ask for financial support for a dolphin therapy on the Caribbean island of Curaçao. Due to a rare genetic mutation, Nele suffers from epileptic seizures and severe developmental disorders. Although Nele's development is delayed, she is still making progress and her parents want to do everything they can to ensure that she can go through life as self-de-

termined and independent as possible. Every little step can help - and the dolphin therapy can support Nele very well in her further development.

The staff, the works council and the management of SWARCO Dambach GmbH in Gaggenau were very happy to respond to the request for financial support with a great response. In total, almost 3,000€ were collected through the small and large donations of the Dambach employees. Thanks to all the donations, also from the family's environment and place of residence, Nele and her parents were able to travel to Curaçao in May for two weeks of therapy with the association "Dolphins Therapise People".

The family was very well accompanied on site, had a very competent team at their side and Nele visibly enjoyed the intensive time: She was happy, balanced and loved to swim with her therapy dolphin Bonnie as well as therapist Laura. Mrs. Traub reports: Especially Nele's sense of self, her hand-eye coordination and her concentration have improved a lot through the therapy, moreover Nele now reacts to her counterpart, utters many new sounds and interacts with other children. In the last few weeks, the family has also noticed further progress with Nele at home and - after this success - they will definitely repeat the therapy.





02 ABOUT SWARCO

2.1 BUSINESS SCOPE

SWARCO is an Austrian-based international player in the field of traffic technology looking back to more than five decades of industry experience. Global market-leading positions have been obtained with the full range of retro-reflective road marking systems and the production of LED-based traffic lights and variable message signs. SWARCO is a manufacturer, service provider, system integrator, software developer, turn-key solution provider, road safety and

traffic management expert, and glass recycler and upcycler. The corporation is present on all continents and serves roughly 5,000 customers, many of them being long-standing business partners, in some 80 countries.

Road marking systems, the use of glass microspheres for industrial purposes, urban traffic control and mobility management, highway and tunnel management, parking management including

charging infrastructure for e-vehicles, and fleet management for public transport are core market segments of its business. SWARCO actively contributes to the work of national and international road-related associations, standardisation bodies, and EU-funded projects and cultivates relationships with renowned research and development institutions and universities.

2.2 LEADING IDEA

In a corporate, cross-company process reflecting about what SWARCO stands for, we have developed and introduced the following Leading Idea as orientation for our daily work:

WE IMPROVE QUALITY OF LIFE BY MAKING THE TRAVEL EXPERIENCE SAFER, QUICKER, MORE CONVENIENT, AND ENVIRONMENTALLY SOUND.

This statement integrates four important adjectives that are closely related to CSR.



SAFER

means to us:
saving lives on the roads of our planet with safe guidance, in-time information, and reliable infrastructures.



QUICKER

means to us:
making your trip from A to B as little time-consuming as possible, avoiding congestion and stress.



MORE CONVENIENT

means to us:
making trips based on real-time information and with improved user experience along the journey.



ENVIRONMENTALLY SOUND

means to us:
reducing the environmental impact of traffic infrastructure and of the journey itself.

Agility

Passion

INNOVATION

RELIABILITY
& TRUST

Cooperation

2.3 CORE VALUES

Equally important is the set of core values we have identified for our Group. These values are the heart of our DNA and play a key role in ensuring our continued entrepreneurial success:

- **INNOVATION**

This includes supporting new ideas and exploring new avenues.

- **COOPERATION**

This includes listening attentively and finding solutions together.

- **AGILITY**

This includes acting flexibly and thinking outside the box.

- **PASSION**

This includes thinking one step ahead and going the extra mile.

- **RELIABILITY AND TRUST**

This includes taking a friendly and honest approach and being always on the par with customers and partners.

SUSTAINABILITY AT SWARCO

GENERAL DISCLOSURES

This part of the report refers to the general disclosure requirements of ESRS 2. The addressed disclosure requirement is mentioned in brackets e.g. (BP-1) or (IRO-4).

3.1 BASIS FOR PREPARATION

3.1.1 GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT (BP-1)

In compliance with the Corporate Sustainability Reporting Directive (CSRD), this Sustainability Report has been prepared on the same consolidated basis as the financial statements of SWARCO. This ensures that the sustainability information presented aligns with the financial data reported, providing a coherent and comprehensive view of the company's overall performance.

We confirm that no subsidiaries have been exempted from this consolidated

sustainability reporting. A detailed list of all SWARCO companies included in this report can be found in Appendix 7.2. Please note that Scope-3 emissions have not been considered in this report. The decision to exclude Scope-3 emissions is based on the current scope and boundaries set for this reporting period.

Additionally, we did not exercise the option to omit any specific piece of information related to intellectual property, know-how, or the results of

innovation. All relevant and required information has been fully disclosed, ensuring transparency and adherence to CSRD requirements.

Lastly, we affirm that we have not used the exemption from disclosing impending developments or matters under negotiation. This report includes all material developments and ongoing negotiations up to the reporting date, in full compliance with the CSRD guidelines.

3.1.2 DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES (BP-2)

In this sustainability report, the time horizons used for assessing sustainability-related risks and opportunities are as follows:

- Short-term: Up to 1 year
- Mid-term: Between 1-5 years
- Long-term: 5-10 years

These time horizons have been selected to align with the time horizons used by SWARCO's corporate risk management. This consistency ensures that sustainability considerations are integrated into the broader risk management framework and strategic

planning processes.

In last year's sustainability report, greenhouse gas emissions for approximately 40 service subsidiaries were extrapolated using an average CO₂ footprint per full-time equivalent (FTE) due to limitations in data collection. However, for this year's report, significant improvements in data collection processes have been achieved. As a result, only 5 service subsidiaries required extrapolation, with the carbon footprint data being directly collected for all other subsidiaries. This enhancement reflects our ongoing commitment to

improving the accuracy and reliability of our sustainability reporting.

It is also important to highlight the evolution of our reporting framework. Last year's report was primarily based on the Global Reporting Initiative (GRI) standards and only partially aligned with the available CSRD standards. For this year's report, we have transitioned fully to the CSRD standards, ensuring comprehensive compliance with the latest regulatory requirements and best practices in sustainability reporting.

3.2 GOVERNANCE

3.2.1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-1)

SWARCO is a family-owned business founded in 1969 by Tyrolean entrepreneur Manfred Swarovski (1940 – 2018). Since 1998 the group has been organised in line with the standards of publicly listed companies, managed by an Executive Board, advised by a Supervisory Board with different sub-committees, and governed by a detailed

set of codes, statutes, and by-laws. The Executive Board delivers regular reports on the state of the group of companies to the Supervisory Board and the shareholders. Every year in spring, independently audited financial annual statements are published as a report (mainly addressed to financial institutions) detailing various figures

according to IFRS principles and informing about the development of the business in the previous fiscal year. The composition and diversity of the members of SWARCO's administrative, management and supervisory bodies is summarised in the table below.

TABLE 1

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	TOTAL NUMBER		PERCENTAGE
	2023	2023	2023
Number of executive members – Executive Board, VPs, Managing Directors (head count)	73		100%
Male	68		93%
Female	5		7%
Number of non-executive members (head count)	5654		100%
Male	4401		78%
Female	1253		22%
Total number of administrative, management and supervisory bodies (head count)	5		100%
Male	4		80%
Female	1		20%
Gender diversity on the supervisory board (number of female members : number of male members)	1:4		
Percentage of independent members of the supervisory board	5		100%

Responsibility for Oversight

The oversight of sustainability impacts, risks, and opportunities at SWARCO is under the responsibility of Günther Köfler, who serves as the Chief Administration Officer (CAO) and is a member of the Executive Board. In his role, Günther Köfler ensures that sustainability considerations are integrated into the company's strategic

and operational activities.

To effectively manage this responsibility, he delegates specific oversight duties to three key managers:

- **Daniel Meier, Head of Corporate Social Responsibility (CSR)**
- **Daniel Domitric, Head of Compliance & Internal Audit**
- **Harald Haselbacher-Gattringer,**

Head of Integrated Management Systems

These managers report directly to Günther Köfler, who in turn reports on sustainability matters to the Supervisory Board. This clear reporting line ensures that sustainability oversight is aligned with the company's governance structure and receives attention at the highest levels of the organisation.

ESG Target Setting and Monitoring

The process of setting Environmental, Social, and Governance (ESG) targets at SWARCO is conducted through an iterative collaboration involving the Executive Board, operational Vice Presidents, and the CSR team. This collaborative approach ensures that ESG targets are realistic, actionable, and aligned with the company's overall strategic goals. Daniel Meier, the Head of CSR, holds the responsibility for monitoring the progress of these ESG targets on an annual basis, ensuring ongoing accountability and adaptation as necessary.

Resource Allocation

SWARCO maintains a lean in-house CSR team, focusing on efficiency and expertise. To supplement this internal capacity, the company engages specialized sustainability consultancy firms as needed. This approach allows SWARCO to access the necessary expertise for specific sustainability initiatives while maintaining a streamlined internal structure.

3.2.2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-2)

To give the topic of CSR appropriate weight in the SWARCO Group and to develop this strategically, the position of "Head of Corporate Social Responsibility SWARCO Group" was created in January 2022 and filled by an experienced manager with long-time SWARCO background, Dipl.-Ing. Daniel Meier, MBA.

Within the SWARCO Group, two additional colleagues are currently working as CSR Specialists, one for each division. They are responsible

for building the CSR community in the respective SWARCO companies, driving this important topic, identifying policies and processes in CSR and sustainability, and implementing them. To reflect the ever-increasing importance of the topic, the CSR team will be further expanded in the future.

Reporting Structure and Frequency

The governance of CSR at SWARCO is structured to ensure regular and strategic oversight at all levels of the organization. Daniel Meier, the Head of CSR, reports directly to the Chief Administration Officer (CAO) Günther Köfler on a bi-weekly basis. This frequent reporting ensures that CSR activities, risks, and opportunities are consistently monitored and integrated into the company's administrative processes.

The CAO, in turn, reports on CSR matters to the Executive Board on a monthly basis, providing updates and insights that inform the company's strategic decision-making. If deemed necessary but at minimum once per year, the CAO raises these topics in the quarterly Supervisory Board Meetings, ensuring that the highest governance body is kept informed of key developments and strategic considerations.

Discussion of CSR Risks, Opportunities, and Impacts

The assessment of CSR risks and opportunities is integrated into SWARCO's broader risk management framework. These CSR risks and opportunities are discussed with the Supervisory Board annually, alongside the general risks and opportunities assessment for the SWARCO Group. This integrated approach ensures that CSR considerations are viewed within the context of the company's overall risk landscape.

Furthermore, CSR impacts are treated as one of the five strategic pillars of SWARCO and are discussed in every Executive Board meeting. This ensures that CSR is consistently factored into the company's strategic planning and decision-making processes, reinforcing its importance to the company's long-term success.

3.2.3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES (GOV-3)

As of the current reporting period, sustainability-related performance is not formally integrated into the incentive schemes for SWARCO's administrative, management, and supervisory bodies. This decision reflects our broader philosophy toward sustainability within the organisation.

At SWARCO, our primary aim is to embed sustainable thinking as a fundamental aspect of our business culture, rather than merely a target tied to financial incentives. We believe that sustainability should be a core element of our mindset, guiding how all employees fulfill their responsibilities. By making sustainability an integral part of our daily operations and decision-making processes, we aim to foster a culture where sustainable practices are inherently valued and pursued, independent of monetary rewards.

While there is no overarching incentive structure linked to sustainability for the management bodies, SWARCO allows for flexibility at the operational level. General Managers of individual legal entities within the group have the autonomy to set specific CSR-related targets for their employees.



3.2.4 STATEMENT ON DUE DILIGENCE (GOV-4)

SWARCO has conducted a comprehensive mapping of the core elements of due diligence as outlined in ESRS 1, Chapter 4. To ensure clarity and transparency, each core element of due diligence has been explicitly incorporated into the respective sections of this report by including the relevant ESRS reference, such as SBM-1 or GOV-3, in the title of the corresponding chapters. This approach enables stakeholders to easily identify and understand how SWARCO addresses each due diligence element within our sustainability reporting framework. By embedding these references directly into the structure of the report, we enhance the accessibility and coherence of our disclosures.

3.2.5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING (GOV-5)

Key Risks in Sustainability Reporting

In our sustainability reporting process, SWARCO has identified several key risks that could impact the accuracy and reliability of our disclosures:

1. **Quality of Data Collected:** Ensuring that the data we gather is accurate, consistent, and comprehensive is a significant challenge, particularly given the diverse operations across our subsidiaries.
2. **Audit-Proof Documentation:** The need for thorough and verifiable documentation of data inputs is crucial to maintain the integrity of our sustainability reporting.
3. **Timely Submission from Subsidiaries:** Coordinating the timely submission of data from all subsidiaries to meet reporting deadlines is an ongoing operational risk.

Mitigation Strategies

To mitigate these risks, SWARCO has implemented a series of measures centered around the role of Data Stewards within the organisation:

- Appointment of Data Stewards:

Data Stewards have been established across the organisation, with the specific responsibility of collecting and filling out CSR data sheets on time. They ensure that the data submitted is accompanied by adequate documentation, which is essential for maintaining audit-proof records.

- **Training and Resources:** All Data Stewards have undergone training and have been provided with comprehensive written instructions. This includes a glossary that defines and explains each data point to be collected, ensuring consistency and clarity in the data collection process.

Challenges and Future Improvements

Currently, SWARCO does not have comprehensive prior year data for all subsidiaries, which poses challenges in assessing the quality and consistency of the submitted data. As we continue to build this historical data set, the quality control of future submissions will become more straightforward and robust, further enhancing the reliability of our sustainability reporting.



ROAD MARKING SYSTEMS



INDUSFERICA



URBAN MOBILITY



HIGHWAY & TUNNEL



PARKING & E-MOBILITY



PUBLIC TRANSPORT

Market Presence and Sector Exclusions

- **Market Access:** None of SWARCO's products or services are banned in any of the markets in which we operate. We ensure full compliance with all relevant regulations and standards in every region.
- **Fossil Fuel Sectors:** SWARCO has no activities related to the extraction, production, or processing of fossil fuels.
- **Pesticides and Agrochemical Products:** We do not engage in the manufacturing or distribution of pesticides, herbicides, or other agrochemical products.
- **Controversial Weapons:** SWARCO is not involved in the development, production, or sale of any weapons at all.
- **Tobacco Cultivation and Production:** We have no activities related to the cultivation or production of tobacco.

Future Challenges in Sustainability Reporting

While the positive impacts of our technologies in traffic safety and optimising traffic flow are clear, quantifying these benefits for sustainability reporting purposes presents a future challenge. To accurately reflect the contributions of our solutions in our sustainability metrics, we will need to develop methodologies to calculate the reduction in accidents, traffic jams, and related environmental benefits attributable to our products. This will involve collaboration with industry experts, data collection from real-world applications, and potentially the development of new reporting frameworks that capture these indirect but significant contributions to sustainability.

Sustainability-related goals

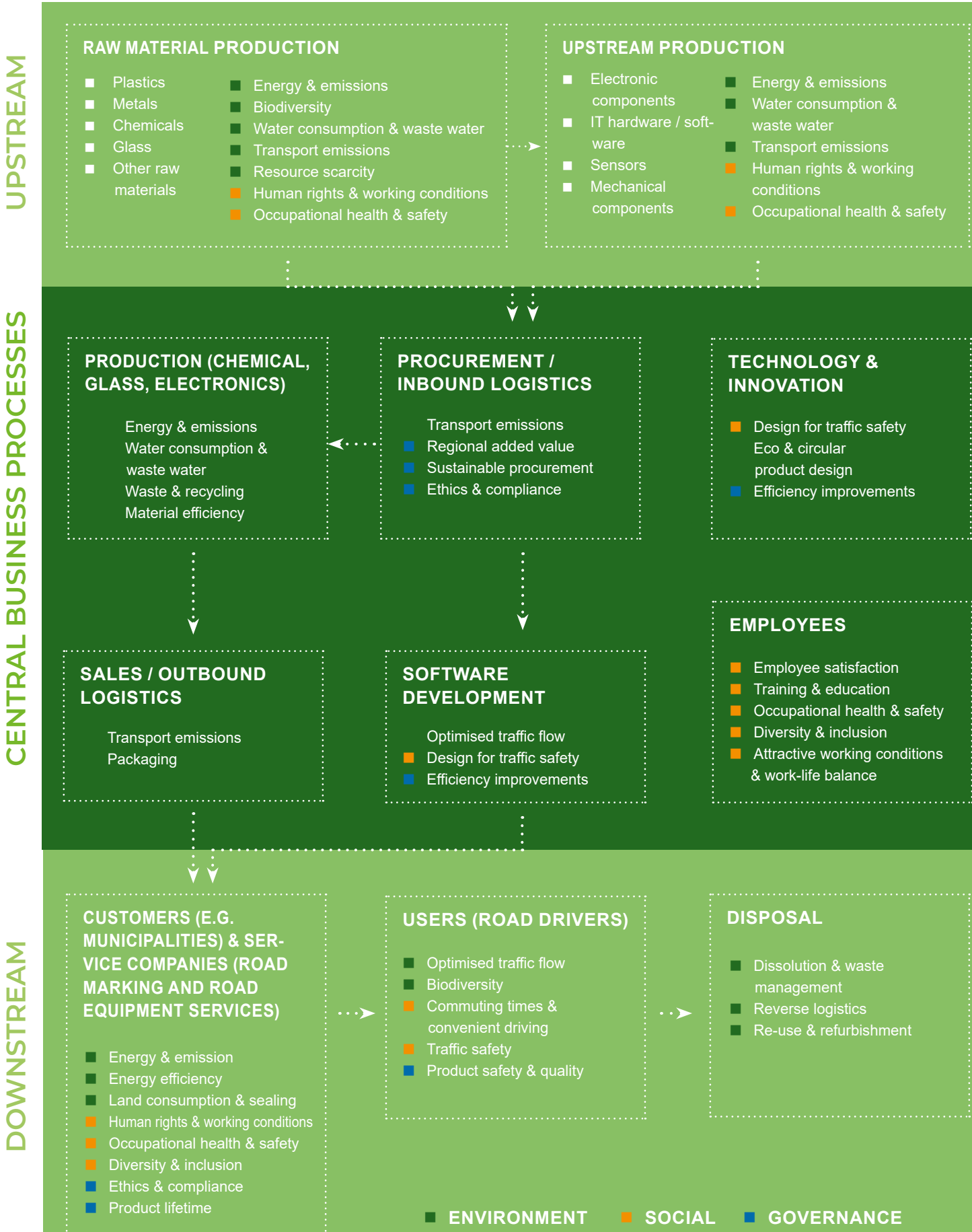
For fiscal year 2023, no sustainability-related goals were established, and the reporting obligation has been fulfilled.

However, we would like to highlight that in 2024, an iterative target-setting process was introduced. For the first time, the Executive Board, Vice Presidents, and CSR team defined sustainability-related goals. The high level goals are

- Making SWARCO one of the most attractive employers at its locations by 2030.
- Reducing the carbon footprint across the entire value chain (Scope 1, 2, 3) to net-zero emissions by 2050, in line with the EU Green Deal.
- Leaving the smallest environmental footprint in our industry and setting a new standard by 2035.

They apply to the entire SWARCO Group and are not limited to specific products, customer categories, or geographic regions. The detailed sustainability goals will be presented in the 2024 sustainability report.

SWARCO'S VALUE CHAIN



3.3.2 INTERESTS AND VIEWS OF STAKEHOLDERS (SBM-2)

The key stakeholders for SWARCO regarding CSR are:

1. Clients / potential clients
2. Suppliers
3. SWARCO employees
4. SWARCO management
5. Consultants
6. Financial institutions
7. Associations / NGO's



Employee Satisfaction and Engagement

Due to the materiality and importance of employee satisfaction, a comprehensive global employee survey was conducted in 2024. This initiative aimed to assess employee sentiment, identify areas for improvement, and ensure that our workplace culture supports the overall well-being and engagement of our employees. The result of this survey will be shared in the 2024 sustainability report.

Within SWARCO the next important step is to communicate the survey results to all employees transparently. Based on the survey insights, we will derive and develop targeted measures to address the identified areas for improvement.

To maintain an up-to-date understanding of employee satisfaction and to monitor the effectiveness of the improvement measures, this survey will be repeated every two years. The next survey is scheduled for 2026.

Stakeholder engagement in materiality assessment process

As part of the materiality analysis, a detailed online survey was performed during July and August 2022. As specifically known contacts were addressed, the response rate was high with over 60%. A total of 177 stakeholders took part in the survey with evaluable responses as shown in the light green columns below. The dark green columns indicate the number of stakeholders who agreed to a personal interview in a second round.

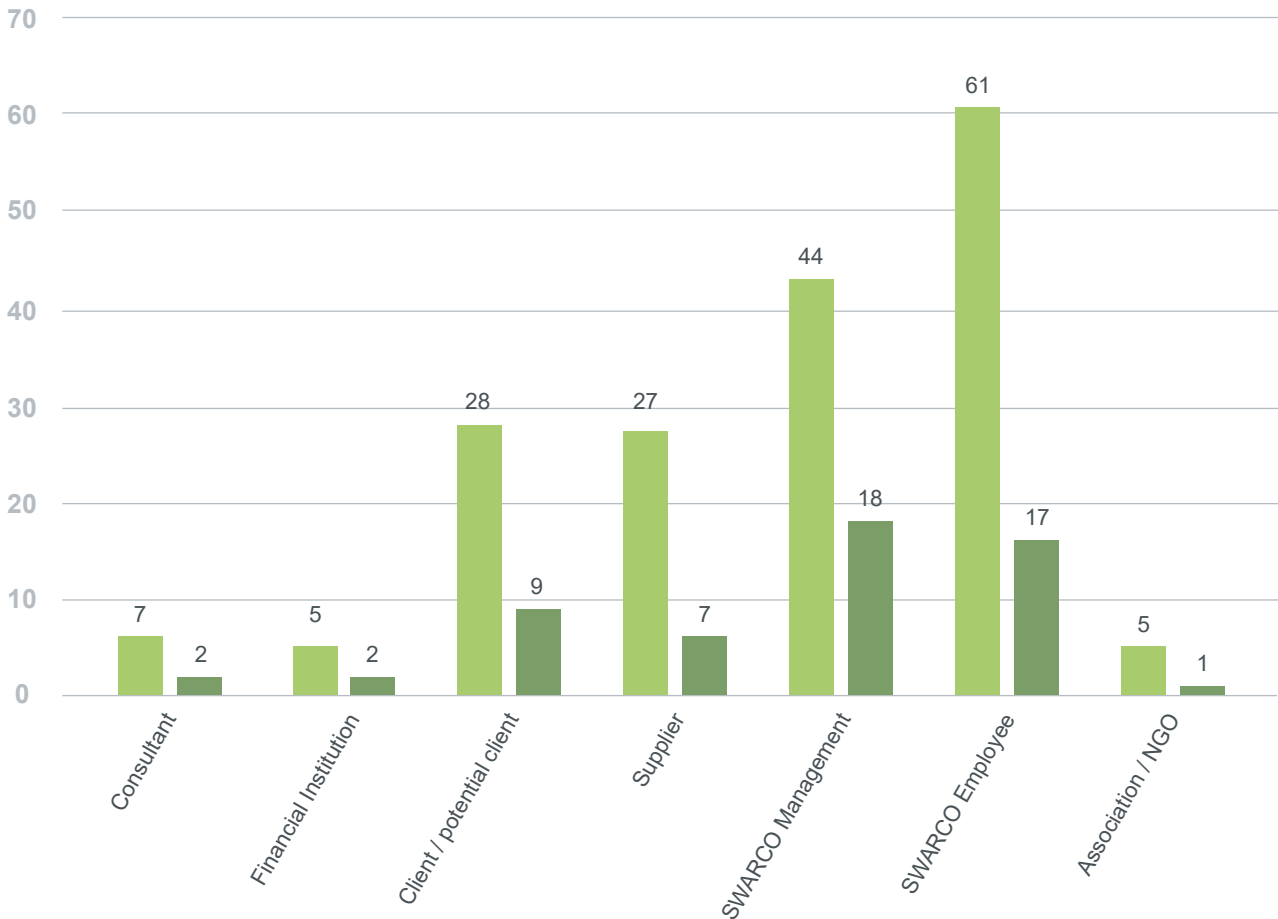
The response rate showed that there were enough participants in each stakeholder group for a meaningful result and that additional participants would not have significantly changed the result.

The participants of the online survey were asked to rate the relative importance of the 16 sustainability topics (see graph below) and to assess how engaged they perceive SWARCO in

each of these topics. The largest gap between “Importance of topic for stakeholders” and the “Perceived engagement of SWARCO” in a certain topic was found to be in the topic of “Energy & emissions”. This evaluation confirms our planned focus on “Energy & emissions” in the short and medium term. In November 2022, 30-minute in-depth interviews were conducted with selected stakeholders using a defined template. The interviews were used to

confirm and further detail the results of the July/August 2022 stakeholder survey. The results were shared with the Executive Board and also incorporated into the CSR strategy process.

■ TOTAL NUMBER OF STAKEHOLDERS
 ■ NUMBER OF STAKEHOLDERS WHO AGREED TO BE INTERVIEWED LATER



3.3.3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

This chapter outlines our approach to mapping SWARCO’s material topics to the ESRS Standards and provides relevant information for the current reporting period.

Mapping of SWARCO’s Material Topics to ESRS Standards

In line with our commitment to transparency and alignment with regulatory requirements, we have mapped SWARCO’s material sustainability topics to the corresponding ESRS standards. This mapping ensures that our sustainability efforts are structured and reported in a manner consistent with the latest regulatory frameworks.

TABLE 3

Material Topic	Corresponding ESRS Standard
Energy & emissions	E1-2: Climate change mitigation
	E1-3: Energy
Eco & circular product design	E5.1: Resources inflows
	E5.2: Resources outflows
Employee satisfaction	S1.1: Working conditions
Optimised traffic flow Product safety & quality Traffic safety	S4.2: Personal safety of consumers and/or end-users

Priorities for Material Topics in 2023

“Energy & emissions” represents by far the highest priority topic (see chart Materiality Matrix on page 30). In a further CSR strategy workshop in January 2023, it was decided to also prioritise “Employee satisfaction” and “Eco & circular product design” in 2023. The other three material topics “Product safety & quality”, “Traffic safety”, and “Optimised traffic flow” are all part of SWARCO’s ongoing business processes so that an additional CSR focus

was not considered a priority in 2023. As a result, ESRS Standard S4.2 will not be included in this report.

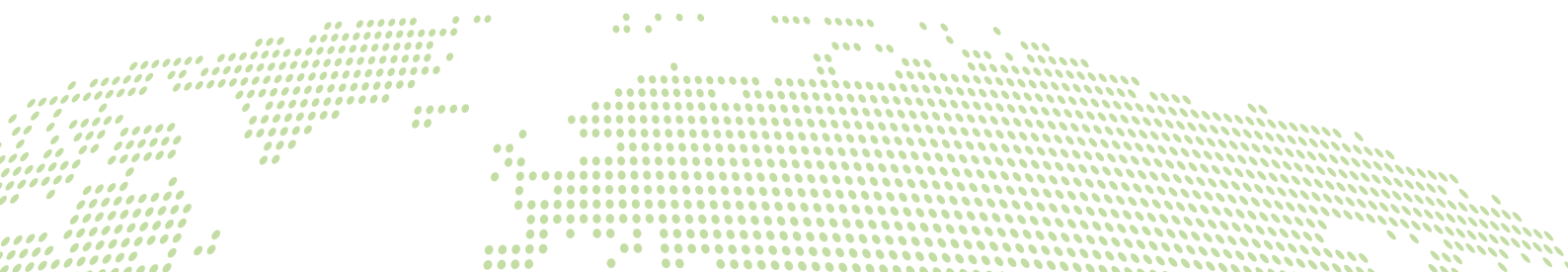
Financial Effects of Material Risks and Opportunities

At this stage, SWARCO has opted not to disclose the current and anticipated financial effects of our material risks and opportunities in this report. We continue to evaluate these factors internally and will consider their inclusion in future disclosures as part of our

ongoing commitment to comprehensive reporting.

Changes in Material Topics

There were no changes in SWARCO’s material topics compared to the previous reporting period. Our materiality assessment remains robust, ensuring that we continue to address the most critical issues in our sustainability strategy.



3.4 IMPACT, RISK AND OPPORTUNITY MANAGEMENT




In 2022, the first SWARCO materiality analysis was performed with the support of an external consultancy group. The materiality analysis and the resulting material topics form the basis for this sustainability report.

The initial materiality analysis, detailed in chapter 3.4.1, was based on GRI and CSRD methodologies, as the ESRS guidelines were not finalized at the time. Moving forward, we would like to note that in early 2024, we conducted a reassessment of financial

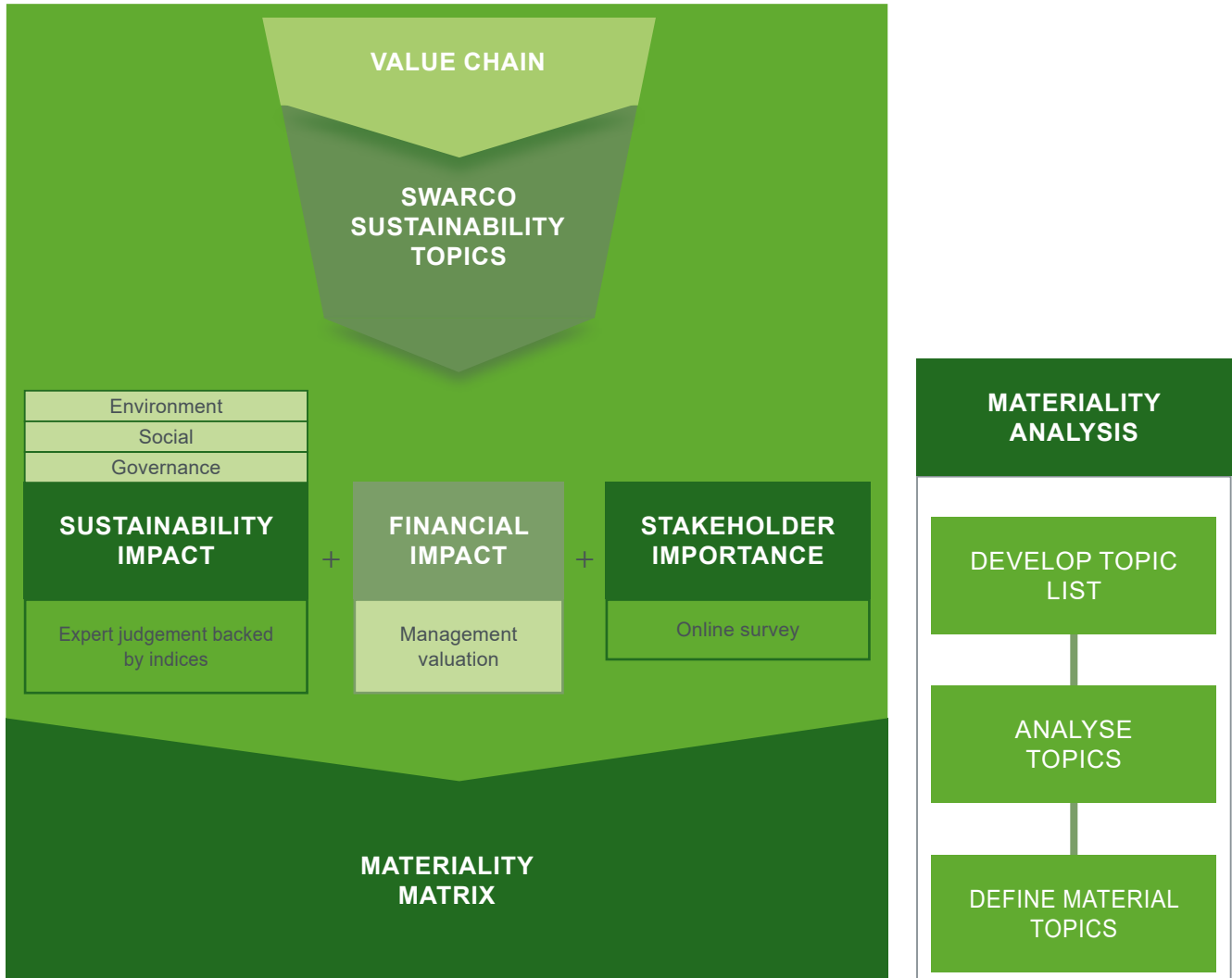
materiality in line with ESRS requirements. By July 2024, we also updated the materiality of the Impact, Risk, and Opportunity (IRO) analysis according to the latest ESRS guidelines. The results of these revisions will be presented in the 2024 sustainability report.

3.4.1 DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IRO-1)

Initially, the complete SWARCO value chain was analysed (cradle-to-grave), and the following 16 sustainability topics were identified and categorised according to Environment-Social-Governance (ESG):

 ENVIRONMENT	 SOCIAL	 PRODUCT & GOVERNANCE
Energy & emissions	Optimised traffic flow	Ethics & compliance
Water consumption & waste water	Human rights & working conditions	Sustainable procurement
Waste & recycling	Occupational health & safety	Product safety and quality
Biodiversity & land use	Traffic safety	
Ecological aspects in the supply chain	Employee satisfaction	
Eco & circular product design	Training & education	
	Diversity & inclusion	





Some topics could be allocated to more than one category (e.g., Eco & circular product design could be part of Environment or Governance), however, for the sake of simplicity, the above categorisation was decided.

For assessing the material topics for SWARCO, the "double materiality" principle according to GRI & CSRD

was applied. The sustainability impact, the financial impact, and the stakeholder importance were considered for each sustainability topic as shown in the graph above.

The sustainability impact was determined via an expert judgement based on generally accepted indices. An

online survey of various stakeholders was performed to assess the importance from their point of view. And finally, the financial impact was based on the valuation of Group Management.

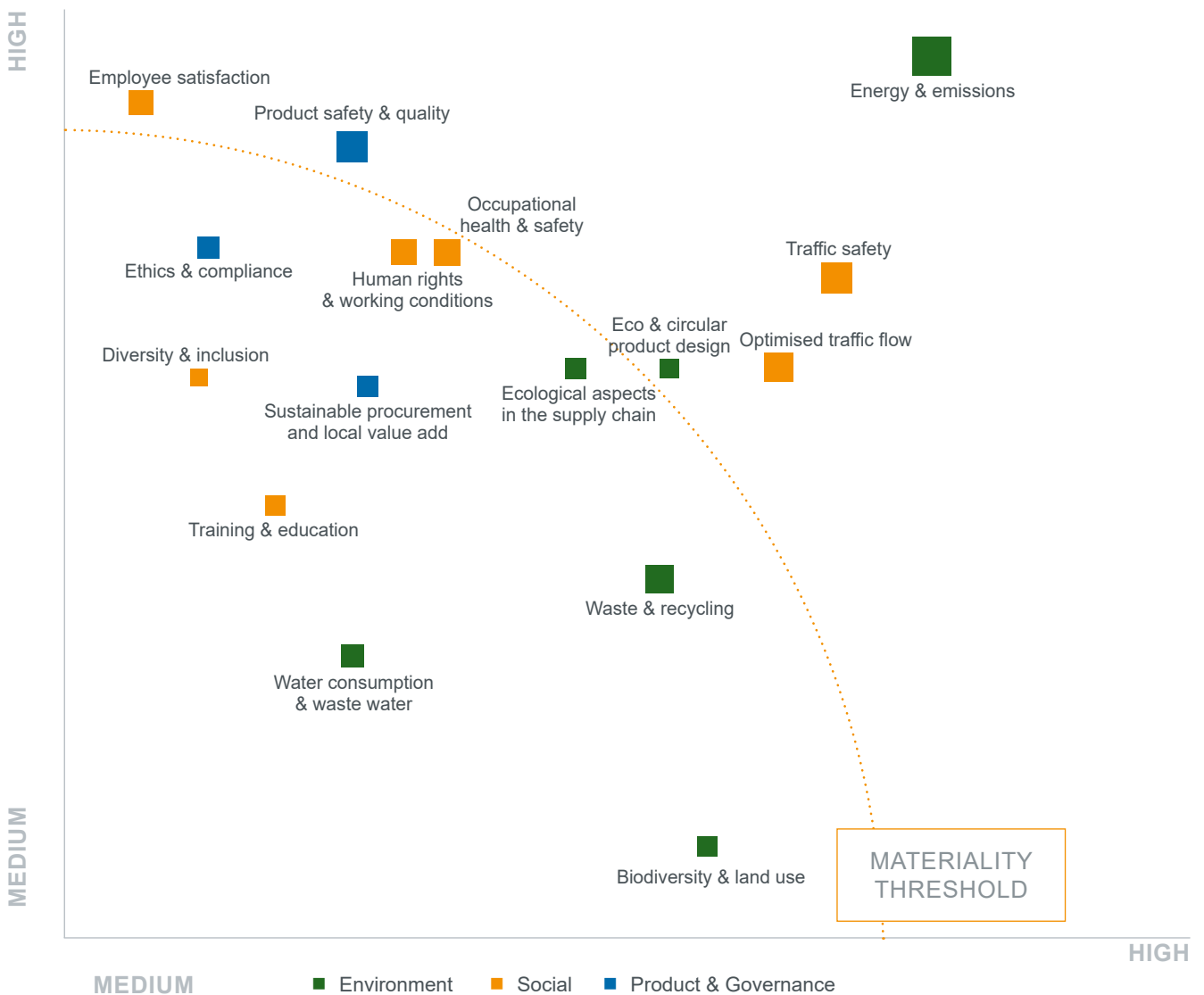
Double Materiality Analysis Result and Selected Threshold

The sustainability and financial impact were both evaluated and determined in a workshop together with Group Management and the external support of a consultancy firm. The stakeholder

importance was evaluated based on the results of an online survey (see details in chapter 3.3.2).

Sustainability Impact (inside-out perspective) refers to the assessment of the impacts on environment and society

while the Financial Impact (outside-in perspective) refers to the assessment of risks and opportunities based on scenarios concerning SWARCO. The aggregation of both assessments led to the following result of the materiality matrix:



The size of the squares indicates the importance to stakeholders. In a further workshop with Group Management, the materiality threshold was determined, resulting in the following six material topics:

- Energy & emissions
- Employee satisfaction
- Eco & circular product design
- Product safety & quality
- Traffic safety
- Optimised traffic flow

3.4.2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY SWARCO'S SUSTAINABILITY STATEMENT (IRO-2)

The following ESRS standards were addressed for the sustainability report of FY 2023 (please also refer to chapter 3.3.3):

- E1 = Climate change
- E5 = Circular Economy
- S1 = Own workforce

A detailed view of the disclosure requirements covered in this report can be found in the index on page 52.

3.5 MINIMUM DISCLOSURE REQUIREMENTS (MDR)

The minimum disclosure requirements for policies (MDR-P), actions (MDR-A), metrics (MDR-M), and targets (MDR-T) were not adopted in fiscal year 2023, as the Group Management prioritised updating the SWARCO Group Strategy

for the upcoming 2024–2028 period. CSR group targets were however defined in 2024 and will be communicated in the 2024 sustainability report.





04 ENVIRONMENT

4.1 INTRODUCTION

Environmentally friendly approaches have always been part of SWARCO's way to do business. Our Leading Idea integrates "environmentally sound" as an attribute how we design the travel experience for the road users. There are many aspects and initiatives that have positive impact on our environment:

SWARCO fosters the use of **electric vehicles** in the group's car fleet guidelines with simultaneous build-up of the charging infrastructure at our premises (e.g., wall boxes). A customary practice in some of our production plants is the use of electric forklift trucks, avoiding noise and harmful emissions in the direct working environment on the shop floor.

The best tactic to manage waste is to stop creating it. That is why SWARCO companies operate active **waste management and reduction plans**, setting binding annual goals to avoid or reduce waste, find alternatives to hazardous waste materials, and develop ambitious programs for the development of products and production technologies with a lower carbon footprint.

Digitalisation is another important lever for the responsible handling of resources and avoiding waste. SWARCO companies have moved to electronic invoicing instead of sending out invoices on paper. „Paperless“ programs, like at SWARCO ITALIA,

are implemented to avoid paper. Such programs include the digital visitor registration and an electronic documents management system.

The polyethylene packaging of our thermoplastic powder materials for road markings are part of the thermoplastic formulation. They are molten with the material and leave no waste. Larger quantities of liquid road marking materials are delivered in containers which are returned to the factory for re-use.

In the road marking sector, SWARCO pushes the more frequent use of methanol-free waterborne paints. Savings are also being attained by using fewer temporary tapes for roadwork zone markings.

As a rule, we at SWARCO try not to unnecessarily waste the **precious resource of water but use it responsibly**. This is an attitude every employee should internalize. A simple but effective measure can be the technical limitation of the flushing water of toilets. Some of our companies run Water and Energy Saving Programs. In the USA, the water to wash our raw material mixers is reprocessed.

Some SWARCO companies have an eye on measures how to **reduce the electricity consumption in buildings**. Switching off the power consumers at the end of a working day is a personal responsibility of every SWARCO employee. The replace-

ment of conventional light sources with energy-saving, long-life LEDs is another useful measure.

SWARCO companies strive to only use renewable electricity from „green“ electricity providers.

The performance of energy audits, i.e., a systematic investigation of the energy use and energy consumption of organisations, plants, buildings, and systems, is an important basis for improving energy efficiency and reducing the energy consumption of organisations, especially in the commercial, industrial, or residential sectors. The EN 16247 standard – applied by some SWARCO companies – specifies requirements for a decent quality energy audit and is thus intended to provide clarity and transparency in the market for energy audit services.

Within SWARCO there are several R&D programs ongoing that consider the GoGreen idea. A classic example where SWARCO has a market leading position in energy savings is the use of LED technology in traffic lights and variable message signs, allowing power consumption reductions of more than 90% compared to conventional light sources. Calculations prove that operating the LEDs at minimal nominal power not only extends their life span, but also leads to our best-in-class status concerning the total cost of ownership of our variable message signs (VMS).



Glass recycling

SWARCO is an active part of Circular Economy by giving waste glass a second life. Since its foundation, SWARCO has been collecting flat glass cullet from glass production to upcycle this precious raw material into glass beads serving multiple purposes in road safety and surface treatment. In our bead plants, internal glass waste streams are reintroduced into the production process.

The use of recycling flat glass to produce beads for traffic and industrial purposes leads to a 50% saving of energy compared to the production of flat glass by melting primary raw materials.

In the Austrian state of Tyrol, SWARCO is responsible for the collection of waste glass for recycling purposes. The drivers of our fleet of special trucks ensure that bottles, jars and other glass packagings

as well as broken flat glass cullet are consistently collected and subsequently given a second life. The material cycle for glass packagings is almost perfect.

Glass can be melted and reprocessed repeatedly, as there is no loss of quality in the process. This cycle allows us to save the valuable primary raw materials and thus contributes significantly to the preservation of the environment.



Plastic recycling

Recycling is also a core element of daily production at the sign and signal production site of SWARCO Futurit in Neutal. Waste material, mainly polycarbonate deriving from the injection moulding machines, is

being collected and shredded locally to be either processed again as input material for new products or to be sold in the form of plastic granulate. Only plastic waste meeting sufficient quality criteria can be directly recycled. Other waste fractions like wood, packaging,

paper, and mixed electronic waste are collected and recycled by the external partner company Stipits, a regional specialist in waste treatment. SWARCO Futurit currently examines in which ways recycled and recyclable plastic materials can be further used.

4.2 CLIMATE CHANGE – ESRS E1

4.2.1 STRATEGY (GOV-3 / E1-1)

We are promoting a reduction of the carbon footprint along the entire value chain (Scope 1,2,3) to net-zero emissions as required by the EU Green Deal until the target year of 2050.

It is important to take into account that with current technologies this is not achievable. Therefore, the technology development is followed closely and carbon-reduced and carbon-free alternatives are evaluated and considered. A transition plan for the SWARCO Group will be communicated in the sustainability report for the year 2025 including the targets for the year 2030.

The sustainability-related performance of administrative, management and supervisory bodies is not integrated in the current incentive schemes, as already declared in chapter 3.2.3 according to ESRS 2 GOV-3. Therefore, climate-related performance according to GOV-3 is also not integrated. Our aim is to drive sustainable thinking as a fundamental business culture, making it an integral part of how every employee approaches their work. Sustainability should be a core element of our mindset and not a financial reward to be earned.

4.2.2 IMPACTS, RISKS AND OPPORTUNITIES (SBM-3 / IRO-1)

Climate change was part of the materiality analysis regarding all sustainability topics whose results have been explained in chapter 3.3.3 ESRS 2 SBM-3. No specific climate-related impact and/or resilience analysis has been conducted additionally to this, as the aim was to primarily understand all SWARCO impacts and identify the most important points of action.

4.2.3 POLICIES (E1-2)

As stated in chapter 3.5 under ESRS 2 MDR-P, there is no specific climate-related policy in place so far. This could be set up in parallel with the elaboration of a transition plan.

4.2.4 ACTIONS (E1-3)

For the year of 2023, some actions have been taken by pioneering SWARCO companies to reduce their carbon emissions through fleet electrification, new product design and offers, energy monitoring and savings, and the switch to renewable energy sources. Hereby, due to the lack of a tracking

system as well as the lack of dedicated targets with measurable indicators, the progress in carbon reduction cannot be quantified for each of the individual measures. Also, for the year of 2023, the relationship of significant CapEx and OpEx required to implement actions to reduce carbon emissions cannot be reported due to insufficient information channels on the topic of carbon emissions. Currently, a lot of effort is put into the establishment of KPIs and a tracking system to facilitate information on carbon-related topics in the future.

4.2.5 TARGETS (E1-4)

For the year of 2023 no carbon targets have been set for the SWARCO Group. First binding targets related to carbon reduction will be published in the report of 2024.



4.2.6 ENERGY MIX AND CONSUMPTION (E1-5)

TABLE 4

Paragraph	Article	Data Point	FY 2023	Unit
37	35	Total energy consumption related to own operations	536 538	MWh
37a	32, 33	Total energy consumption from fossil sources	510 444	MWh
37b		Total energy consumption from nuclear sources	0	MWh
	34	Percentage of energy consumption from nuclear sources in total energy consumption	0	%
37c		Total energy consumption from renewable sources	26 094	MWh
37c, i		Fuel consumption from renewable sources	0	MWh
37c, ii		Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	26 094	MWh
37c, iii		Consumption of self-generated non-fuel renewable energy	will be reported in 2024	
	34	Percentage of renewable sources in total energy consumption	5	%
38a	33	Fuel consumption from coal and coal products	0	MWh
38b	33	Fuel consumption from crude oil and petroleum products	87 954	MWh
38c	33	Fuel consumption from natural gas	407 949	MWh
38d	33	Fuel consumption from other fossil sources	0	MWh
38e	33	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	14 541	
	34	Percentage of fossil sources in total energy consumption	95	%

The production and self-consumption of renewable energy will be reported starting in 2024.

4.2.7 GHG EMISSIONS (E1-6)**Disclosure of methodologies, assumptions and emission factors (E1-6 AR 39b)**

In general it can be said that SWARCO's production entities have a significantly higher GHG contribution compared to its service entities. For the calculation

of the GHG emissions of SWARCO, data was collected from all subsidiaries except for 5 service subsidiaries which required extrapolation. All SWARCO locations have been taken into account according to Annex 7.2. For the year of 2023 only Scope 1 and Scope 2 data were collected. Hereby, 800 emission data points were collected and

considered in the carbon calculation, which was done with an environmental data specialist in a dedicated tool. All emission factors are documented in the tool.

Scope 3 data will be available for 2024, analyses are still ongoing.

TABLE 5

Paragraph	Article	Data Point	FY 2023	Unit
44	AR 39	Gross Scopes 1, 2, 3 and Total GHG emissions - GHG emissions per scope [table]	For Scope 1 and 2 see values below. Scope 3 is not available yet.	
AR 41		Disaggregation of GHG emissions - by country, operating segments, economic activity, subsidiary, GHG category or source type	Disaggregation for Scope 1 see table below.	
48 a	AR 43	Gross Scope 1 greenhouse gas emissions	112 247	t CO2e
49 a, 52 a	AR 45, AR 47	Gross location-based Scope 2 greenhouse gas emissions	12 316	t CO2e
49 b, 52 b	AR 45, AR 47	Gross market-based Scope 2 greenhouse gas emissions	9 427	t CO2e
44, 52 a	AR 47	Total GHG emissions location based	124 564	t CO2e
44, 52 b	AR 47	Total GHG emissions market based	121 675	t CO2e
53	AR 53	GHG emissions intensity, location-based (total GHG emissions per net revenue)	102.35	t CO2e / MEUR
53	AR 53	GHG emissions intensity, market-based (total GHG emissions per net revenue)	99.98	t CO2e / MEUR

TABLE 6: Disaggregation of GHG emissions 2023 Scope 1 according to operating segments

Segment	FY 2023	Unit	% of total Scope 1
Stationary combustion (Gas)	83 304	t CO2e	74.2%
Mobile combustion (Diesel)	17 384	t CO2e	15.5%
Other Scope 1 emissions	11 560	t CO2e	10.3%

4.2.8 GHG EMISSION REMOVALS (E1-7)

Currently no GHG removals or storage projects are pursued in SWARCO.

4.2.9 INTERNAL CO₂ PRICING (E1-8)

Currently no internal carbon pricing scheme is followed in SWARCO.

4.2.10 FINANCIAL IMPACTS, RISKS AND OPPORTUNITIES (E1-9)

Climate change was part of the financial materiality analysis regarding all sustainability topics whose results have been explained in chapter 3.3.3 ESRs 2 SBM-3. No specific climate-related financial impact and/or resilience analysis has been conducted additionally to this, as the aim was to primarily understand all SWARCO impacts and identify the most important points of action.

4.3 ECO AND CIRCULAR PRODUCT DESIGN – ESRS E5

4.3.1 STRATEGY AND POLICIES (E5-1)

Motivated by the need to improve resource efficiency and ensure the resource availability for future generations to come, SWARCO is undertaking the challenging journey to leave the smallest environmental footprint in its industry and set a new standard. Social and environmental criteria will become an important factor of our high-quality products and solutions.

There are multiple approaches which are followed in a first step to identify the most potential ones. As the two divisions RMS and ITS in SWARCO are operating in different areas, the approach to implement circular economy concepts and Eco Design vary consequently. The most important approaches in the ITS division (electro-technical branch) are the testing of secondary resources instead of using virgin material, the implementation of refurbish-services and the testing of the re-usability of components for repair work. In the RMS division (chemical branch) a higher usage of biodegradable components in paint liquids is investigated as well as the research of new products deriving from process waste and a broader use of sustainable packaging.

As stated in chapter 3.5 under ESRS 2 MDR-P, there is no specific climate-related policy in place so far.

4.3.2 OPPORTUNITIES AND RISKS (IRO-1)

Circular Economy was part of the materiality analysis regarding all sustainability topics whose results have been explained in chapter 3.3.3 ESRS 2 SBM-3. No specific circular economy impact and/or resilience analysis on group level has been conducted additionally to this, as the aim was to primarily understand all SWARCO impacts and identify the most important points of action.

Individual SWARCO companies are already investing in and investigating opportunities within the field of circular economy. Therefore, consultations with environmental experts and services providers can be reported according to IRO-1. As these investigations are only just starting, no indication of possible financial impacts can be made at this point.

4.3.3 ACTIONS (E5-2)

Various raw materials are processed at SWARCO sites, generating both by-products and waste. The resulting waste volumes are optimized through reduction, reuse and recycling. Safe handling of the waste generated (especially hazardous waste) is also an important factor. Key objectives in SWARCO's product development are to use resources efficiently, to rely more on secondary raw materials, to give preference to raw materials with a low environmental footprint, while still guaranteeing a long product life and

energy efficiency. Environmental product analyses such as LCA calculations have been conducted to get more insights into the impacts of the materials used and the impacts of our products during the use phase and end-of-life. We see Eco and Circular Product Design as an opportunity to differentiate against imported low-quality products and aim at optimising circularity, e.g., by offering the most energy-efficient products and by prolonging the service life of our products such as LED signs and signals through regular and professional maintenance, which is facilitated by a repair-friendly design. Our service companies ensure the maintenance and long service life of all SWARCO signs and signal products, thereby already contributing to circular economy. In future, there will also be an emphasis on the end-of-life stage to ensure the re-use or recycling of the valuable materials that our products are made of.

The Road Marking Systems division places particular focus on reducing the CO₂ footprint of products. In addition, product declarations and eco-labels are of increasing importance, particularly in the UK, France and Scandinavia. Measures are already being taken and corresponding resources are being built up to meet these requirements. Therefore, a strategy has been developed to promote sustainable products such as water-based paints. In the course of 2023, all relevant European production sites have been integrated to the LCA calculation tool platform.

4.3.4 GOALS AND INITIATIVES (E5-3)

For the year of 2023 no circular economy targets have been set for the SWARCO Group. First binding targets related to Circular Economy and Eco Design will be published in the report of 2024.

4.3.5 RESOURCE INFLOWS (E5-4)

To understand the challenge of tracking all resource inflows regarding our products, it is important to take into account that SWARCO offers a broad portfolio with different production sites. A first important distinction from an environmental point of view are the two divisions of SWARCO. The main products of the RMS division are glass beads, liquid road marking materials, solid road marking materials and other industrial products such as vehicles for the application of road marking materials. The main products of the ITS division, however, are hardware and software for traffic management, including static signs, LED signals, road side units, detection devices, traffic controllers, etc. Therefore, the materials and resources used in RMS or ITS products are different and need to be displayed separately.

Resource inflows RMS Division

We take great pride in the fact that for over five decades, secondary materials have been the foundation of one of our key products: glass beads. At SWARCO, turning waste into value is not just a promise – it is a daily practice at our glass bead production sites. For instance, at M. Swarovski GmbH in fiscal year 2023, 76% of all input materials were secondary or recycled, primarily sourced from glass cullet and waste.

SWARCO Vestglas has achieved a 70% usage rate of recycled materials, while SWARCO Schönborn saw a 4%

increase from 2022 to 2023, reaching a total of 64%. Another example is SWARCO Industries in Tennessee, where the use of recycled and secondary materials rose from 30% in 2022 to over 50% in 2023. We are continuously striving for improvement in product development, with a focus on Eco Design and Circularity. This includes exploring greater use of biobased materials, such as biobased binders and additives, as well as testing recycled materials to ensure the next generation of environmentally enhanced products.

Resource inflows ITS Division

Depending on the product we are looking at, different approaches of the product life cycle management are pursued. Regarding our aluminium static signs and bridges, a high content of recycled materials is used in the aluminium supply chain according to European regulations in recycling quota. Therefore, in SWARCO Dambach for instance, 78% of all input materials are counted as secondary/recycled materials. Regarding LED signs and signals with all necessary electrical and mechanical components, high-quality materials are used in production to guarantee the longevity and safety of our products. The products consist mainly of polycarbonate, metal parts and electronics. To prolong the service life of our products, reparability is an integral part of the design of all our products.

4.3.6 RESOURCE OUTFLOWS (E5-5)

Also, regarding the end of life, depending on the product we are looking at, different approaches of the product life cycle management can be stated.

Resource outflows RMS Division

Most of the RMS products are applied to the ground and a recovery for reuse or recycling is not possible. Therefore, we aim at the lowest possible impact on the environment by using more

environmentally friendly substances and input materials which can either biodegrade naturally or have no significant impact on natural habitats and ecosystems.

Resource outflows ITS Division

Our products contain valuable resources, such as rare earth elements and metals, that are worth recovering at the end of their service life. At SWARCO Dambach, for example, approximately 64% of aluminium products can be recycled and reused, thanks to aluminium's high recyclability. Unlike steel or some other metals, aluminium can be recycled multiple times without significant loss in quality. When it comes to traffic signs and signals, however, the return of materials into the recycling loop largely depends on the actions of the user. Due to limited data on how our customers handle end-of-life processes, we are unable to provide precise recycling figures for 2023. Nonetheless, as a responsible manufacturer, SWARCO Futurit is leading pioneering efforts with customers and partners to explore methods for tracking and improving re-use and recycling opportunities.

4.3.7 FINANCIAL IMPACTS, RISKS AND OPPORTUNITIES (E5-6)

Circular Economy was part of the financial materiality analysis regarding all sustainability topics whose results have been explained in chapter 3.3.3 ESRS 2 SBM-3. No specific circular economy financial impact and/or resilience analysis has been conducted additionally to this, as the aim was to primarily understand all SWARCO impacts and identify the most important points of action.

SOCIAL

05 SOCIAL



5.1 OWN EMPLOYEES – ESRS S1

5.1.1 STRATEGY (RELATED TO ESRS 2 SBM-2)

As already outlined in chapter 3.3.2 ESRS 2 SBM-2, the well-being of our employees as one of our core stakeholders is of utmost importance to SWARCO. To ensure that human rights and highest social standards are lived in our daily business, a code of conduct has been established which all employees need to follow. All new employees in SWARCO need to read the code of conduct as part of their initial compliance training before they start to work for our business. Hence, we ensure that our values and a good, collaborative working environment play a major role for everyone right from the start of their new job position. Also, we track the success of the compliance training, which is rolled out to every employee with an active SWARCO mail account. For the fiscal year of 2023, over 80% of all SWARCO employees passed the compliance training. For those employees without e-mail account, print versions of the code of conduct are available at all SWARCO locations worldwide.

5.1.2 IMPACTS, OPPORTUNITIES AND RISKS (RELATED TO ESRS 2 SBM-3)

As already outlined in chapter 3.3.3 ESRS 2 SBM-3, all people in our

workforce who can be materially impacted by the SWARCO business and work model are included in the scope of actions and measures to ensure highest safety and well-being for all. A distinction between the different types of employees according to different impact possibilities has not been made so far. We try to set the highest standards for all employees.

The safety of our workers in their working environment is very important to all SWARCO entities and we ensure to follow all respective national regulations in place for this. In Austria for instance, workers receive an annual update through a work safety seminar. Additionally, an external organisation specialising in workplace safety, such as AUVA, conducts inspections and monitors company standards. If an incident occurs that negatively impacts an employee and results in more than three days of sick leave, a notice must be sent to AUVA outlining the measures we will implement to prevent similar incidents in the future. That means even one single incident with major negative impacts on one employee leads directly to measures for better protection in the future.

Regarding positive impacts, there are countless initiatives all over the world how SWARCO companies promote and ensure the well-being of their employees. Amongst these we

offer comprehensive health programs including free vaccinations and medical tests, mental health care, trainings and education in health and safety topics. Also, we offer the flexibility to adjust working times to family needs, especially when employees need to care for young children or elderly or disabled family members. Further, some companies offer “bike to work” programs, where employees are encouraged and financially supported to invest in a bike in order to commute to work in a sustainable way. In the United Kingdom and the Netherlands, a “Zero Harm” campaign was launched whose purpose is to educate the staff in a series of workshops on the topics security, well-being and environmental protection.

The personal approach of these workshops shows significant higher acceptance than education or information distributed via mail or on screens. The aim is to install in everyone the commitment to look after each other, to create a positive ZERO HARM culture where we do not only take care about ourselves and our families, but also about each other, the public and society.





Adding to this, we sustain projects in the social sphere and both nature conservation and animal welfare. Our aim is to allow society in the immediate vicinity of the individual company sites to benefit from the company's success. The companies make resources available for these initiatives, in addition to financial contributions, above all the time and expertise of their employees, in order to create added value for society and the environment. In the SWARCO Road Marking Systems Division, many employees across Europe are passionate about volunteering projects and diligently engage in creating value for society and the environment in a variety of ways. Examples range from the hand mowing of protected and special biodiversity sites via helping in the special construction of a house for a disabled person to repair works for an animal shelter. These donated working hours also create a welcome change of perspective from everyday work, is meaningful and promotes team building.

In some countries, such as Austria, Germany, the UK, and the Netherlands, there are additional offerings to foster employees' health, for instance:

- the SWARCOFit program in Germany
- the bike@work scheme in Germany
- joint sports activities over the lunch break
- anti-stress and time management seminars
- workshops and trainings to promote the development and better performance of employees
- preferential rates at a physiotherapy studio or at a gym
- consultancy on how to improve physical fitness
- monthly doctor's visit and work safety inspection
- vaccinations at favourable conditions (FSME, influenza, hepatitis A and B ...)

SWARCO has also shown several times that it supports employees in case of serious illnesses so that they receive high quality medical services and treatment and can be kept in employment. Adding to this,

to strengthen the mental health of employees, measures are in place to raise awareness among managers of the importance of burnout prevention. In Germany, for example, an external Mental Health Coaching Hotline is already being used in cooperation with the external partner Fürstenberg Institute to offer employees anonymous support and counseling. Such services should also be extended to other regions.

Regarding impacts related to carbon reduction measures, as there is no carbon transition plan available, the material impacts of such plans have not been investigated for the own workforce, but we do not expect any negative impacts for the employees by following greener and more climate-friendly operations. In fact, we would expect positive impacts such as a higher motivation at work.

There are no incidents of forced labour in the SWARCO company. We do not and will not tolerate forced labour or child labour in any form, no matter when or where, and also keep a close eye on our suppliers and partners to comply to this - as well as to the other human rights. Therefore, no geographic areas with high risk have been identified or mapped. A whistleblowing channel helps us to keep track of incidents. In 2023 no incidents of forced labour or child labour have been reported.

So far, no risk assessment regarding people in our workforce with particular characteristics has been developed. Consequently, no specific dependencies, risks, impacts and opportunities for such specific groups of people have been identified.

5.1.3 POLICIES RELATED TO OWN WORKFORCE (S1-1)

As already stated under section 5.1.1. Strategy (related to ESRS 2 SBM-2), the well-being of our employees as one of our core stakeholders is of utmost importance to SWARCO. Our approach regarding impacts, opportunities and risks according to SBM 3 has been stated in the previous chapter and is based on individual local initiatives. Dedicated strategy documents to follow global goals regarding the staff development have not been elaborated so far. Therefore, all policies to manage material impacts, risks and opportunities related to our own workforce – such as workplace accidents for instance - are planned on local level.

When it comes to human rights, we do not tolerate any violations of the ILO standards such as discrimination, forced labour, trafficking in human beings or child labour. To ensure zero incidents regarding human rights violations, we offer a whistleblowing channel where employees can anonymously enter information about incidents. For the year of 2023 no incidents have been reported. If an incident happened, the compliance team would investigate the case and measures will be proposed to mitigate further risks. As there have not been significant risks regarding human rights in SWARCO so far, no additional policies addressing specific human right risks have been established.

Being a family-owned business, we also incorporate the importance of family by granting our employees family-related leave. We are proud to encourage our employees to take good care for their children and elderly, sick or disabled relatives. In addition to this, we offer flexible working conditions for all employees when possible (depending on the job position).

Regarding inclusion, we are very proud to welcome people with disabilities into our business, because we strongly believe in the abilities of all people.

In the M. SWAROVSKI GmbH five disabled persons supported by the Austrian association “Lebenshilfe” work four times a week in the factory to help with different tasks such as product labelling, gardening, disposal, preparation of mailings and Christmas presents. Another example is SWARCO in Romania. Here, the employees work together with an engineer who has disabilities, but he is given the chance to put his workforce to good use, making him a proud SWARCO colleague, fully accepted and encouraged by his team .

5.1.4 PROCESSES FOR ENGAGING WITH OWN WORKFORCE (S1-2)

It is important for our companies to remain constantly informed about any material, actual and potential impacts - both positive and negative - that do or are likely to affect our employees. To facilitate this, we have established clear communication and information channels. In some cases, employees may reach out directly to their local HR representatives, either in person, by email, or by phone. In other instances, they may choose to address their concerns through their works council representatives. Everyone also has access to the company’s whistleblowing hotline to inform about incidents or risks which may have been overlooked. To date, no such reports have been made.

To take into account the perspectives of our own workforces in the decision-making processes and strategic planning of SWARCO group, we are conducting global employee surveys, asking all our employees to participate for their feedback and opinions on various aspects of our organization. The survey is conducted in regular intervals to develop a better understanding of the needs and concerns of our workforce and to take actions to improve the satisfaction.

To complement established communication channels, a digital

platform is already used for internal communication at a number of SWARCO Road Marking Systems Division sites. SWARCO Road Marking Systems employees at all levels and continents can exchange views on important topics, gather knowledge and work on projects. Employees are regularly asked for their opinion on certain topics, such as their willingness to participate in company volunteering projects in order to get involved in ecological or social projects during their working hours. This also gives employees the opportunity to help shape the company in many ways: An integrated suggestion system makes it possible to submit suggestions at any time via the digital platform. This leads directly to new solutions for saving materials and increasing occupational safety, for example. Valuable ideas can also be collected from the workforce in order to establish new CSR cooperation partnerships. Communication always takes place at eye level – and in all directions.

The effectiveness of the engagement with our own workforce has not been assessed yet. As already mentioned before, no particularly vulnerable groups have been identified, therefore, no disclosure about steps taken to gain insight into the perspective of such groups can be given.

5.1.5 PROCESSES TO REMEDIATE NEGATIVE IMPACTS (S1-3)

To remedy negative impacts of employees, no particular group-wide policy has been established so far, due to lack of incidents.

Our specific channel in place for our own workforce to raise their concerns or needs directly with SWARCO Group is the Whistleblowing portal that can be found online on our Homepage under:

<https://www.swarco.com/compliance/whistleblower-portal>

So far, no assessment of the accessibility of the whistleblower portal has been conducted. Any case that would enter the whistleblower channel, would be forwarded to the compliance team who are responsible for investigating every single case. As the number of incidents is extremely low – zero for 2023 – no policy or process for remedies has been established.

5.1.6 GOALS AND TARGETS (S1-5)

For the year 2023 no social targets have been set for the SWARCO Group. First binding targets related to “Employee Satisfaction” will be published in the report of 2024.

5.1.7 CHARACTERISTICS OF OWN WORKFORCE (S1-6)

The data regarding our own workforce derives from our ESG data collection conducted in spring 2024.

Table 7 and 8 show the characteristics of our workforce regarding ESRS S1-6 §50 and Table 9 adds regional information as requested according to §51.

TABLE 7

	2022	2023	Average
Number of employees (head count)	5 348	5 727	5 537,5
Male	4 156	4 469	4 312,5
Female	1 192	1 258	1 225,0
Other	0	0	0,0
No gender declaration	0	0	0,0
Number of permanent employees (head count)	5 087	5 465	5 276,0
Male	3 984	4 292	4 138,0
Female	1 103	1 173	1 138,0
Number of temporary employees (head count)	243	244	243,5
Male	156	162	159,0
Female	87	82	84,5
Number of non-guaranteed hours employees (head count)	18	18	18,0
Male	16	16	15,5
Female	2	2	2,5
Number of employees who left company (head count)	-	989	
Rate of employee turnover	-	18%	

TABLE 8

	2022	2023	Average
Number of employees (head count)*	3 972	4 258	4 116
Male	3 028	3 251	3 140
Female	944	1007	976
Number of permanent employees (head count)*	3 793	4 062	3 928
Male	2 916	3 124	3 020
Female	877	938	908
Number of temporary employees (head count)*	177	192	185
Male	111	124	118
Female	66	68	67
Number of non-guaranteed hours employees (head count)*	2	4	3
Male	1	3	2
Female	1	1	1

* Total number of employees in countries with 50 or more employees who account for at least 10% of the total number of employees.

TABLE 9

Number of employees (head count)*	2022	2023	Average
Germany	1 723	1 835	1 779
UK	688	823	756
Austria	615	638	627
USA	946	962	954

* Total number of employees in countries with 50 or more employees who account for at least 10% of the total number of employees.

5.1.8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE (S1-8)

Metrics showing the data of FY 2023 regarding collective bargaining coverage and social dialogue can be found in the tables below.

TABLE 10

Collective bargaining agreements and social dialogue	Total number		Percentage	
	2022	2023	2022	2023
Employees covered by collective bargaining agreements	1 904	1 983	36%	35%
Percentage of employees with significant employment (in the EEA) covered by workers' representatives	1 919	1 925	36%	34%

TABLE 11

Collective bargaining agreements and social dialogue – 2023*			
Coverage Rate	Collective bargaining agreements		Social Dialogue
	Employees - EEA	Employees – non EEA	Representation at work
0-19%		USA	
20-39%			
40-59%	Germany	UK	
60-79%			
80-100%	Austria		

* Total number of employees in countries with 50 or more employees who account for at least 10% of the total number of employees.

The SWARCO group has no agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

5.1.9 DIVERSITY METRICS (S1-9)

TABLE 12

Gender distribution in number of employees (head count) at top management level*	Total number		Percentage	
	2022	2023	2022	2023
Male	14	13	78%	72%
Female	4	5	22%	28%
Total	18	18	100%	100%

* The SWARCO Board, the Vice Presidents of the Divisions, and the Heads of Group Functions have been defined as the top management level.

TABLE 13

Distribution of employees* in age groups	Total number	Percentage
	2023	2023
Under 30 years	981	17%
30-50 years	2 849	50%
Over 50 years	1 897	33%

* A breakdown by employee category has been omitted in this report.



5.1.10 ADEQUATE WAGES (S1-10)

SWARCO companies fully comply with all legal requirements regarding employment conditions, ensuring alignment with national labor laws.

Assessing adequate wage benchmarks for all job descriptions and all SWARCO sites is challenging. Consequently, a specific assessment to determine whether all employees receive an adequate wage has not yet been performed.

5.1.11 TRAINING AND SKILLS DEVELOPMENT METRICS (S1-13)

We are proud to enable training and skills development to our employees. Metrics for the fiscal year 2023 can be found in the table below:

TABLE 14

Employees that participated in regular performance and career development reviews	Total number	Percentage
	2023	2023
All employees	2 767	48%
Male	2 178	49%
Female	589	47%

48

5.1.12 REMUNERATION METRICS (S1-16)

The gender pay gap, defined as the difference in average pay levels between female and male employees, has not yet been assessed but will be reported next year. The annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees is presented in the table below.

TABLE 15

Annual total remuneration ratio	2023
Ratio of the highest paid individual and the median of employees' remuneration	1 : 17.08

5.1.13 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS (S1-17)

As already stated in chapter 5.1.3 Policies related to own workforce (S1-1), we do not tolerate any violations of the ILO standards such as discrimination,

forced labour, trafficking in human beings or child labour. To ensure zero incidents regarding human rights violations, we offer a whistleblowing channel where employees can anonymously enter information about incidents. For the year of 2023 no incidents have been reported. If an

incident happened, the compliance team would investigate the case and measures will be proposed to mitigate further risks. As there were no incidents, no fines or penalties had to be paid in the fiscal year 2023.



GOVERNANCE

As stated in section 3.4.2 (IRO-2) G1 is not considered a material topic and is therefore excluded from this sustainability report. However, SWARCO adheres to stringent governance standards related to compliance and ethics, which we would like to highlight here.

Compliance and Ethics

SWARCO has endorsed the so-called "SWARCO Code of Conduct" published on the Intranet and available to all employees. It promotes equal opportunities and denounces harassment as well as discrimination. Discrimination covers negative impacts due to race, ethnicity, colour, sexual orientation, gender, disability, age, religion, political attitude, or social origin as well as any other way of discrimination. It also covers the areas of "Dealing with various Stakeholders" as well as how to behave in the case of "Conflicts of Interest". The department "Compliance & Risk Management" reviews this Code of Conduct on a regular base, minimum once per year. The department of "Compliance & Risk

Management" located in Wattens is responsible for the entire SWARCO Group. It formally reports to the Chief Administrative Officer (CAO) who is part of the Group's Executive Board. The organisational structure of each SWARCO company guarantees that every employee can revert directly to his or her superior for addressing any ideas or identified issues. In addition to that or in case an employee does not have the feeling to receive serious empathy for his/her issues, the compliance hotline indicated in the Code of Conduct on the Intranet can always be involved.

New employees receive a hardcopy of the Code of Conduct which indicates the duty to report every actual or potential conflict of interest. An employee who becomes aware of any potential breach of the Code of Conduct or unlawful behaviour needs to contact the "Compliance & Risk Management" Office as indicated in the Code of Conduct. The view of SWARCO on anti-bribery as well as anti-corruption is in line with the United Nations Convention against

Corruption. An internal and external whistleblower hotline is available from SWARCO in which anonymity and protection of whistleblowers is one of the core principles. The contact data for this whistleblower hotline is available on the Intranet and publicly available on SWARCO's website, please refer to section 5.1.5. In addition, the "Compliance & Risk Management" Office responsible for this hotline aims to address potential incidents promptly and responsibly. Any incident that occurs requires an independent follow-up by "Compliance & Risk Management" until the content and the extent are fully visible. Every quarter the process owner reports actual or potential breaches to the Group Management as well as to the Supervisory Board. At least once a year the SWARCO employees are reminded of the Code of Conduct as well as of SWARCO anti-corruption and anti-bribery policies to ensure that the awareness and knowledge of each employee are up-to-date and understandable.



Legal Due Diligence Obligations

SWARCO is fully committed to meeting all legal due diligence obligations across its operations. This commitment involves a proactive approach to identifying, assessing, and managing risks related to human rights, environmental impact, and corporate governance. By adhering to strict compliance standards, conducting regular audits, and maintaining transparent reporting practices, SWARCO ensures that it meets or exceeds the legal requirements. The group continuously updates its policies and procedures to align with evolving regulations, demonstrating its dedication to responsible business practices and ethical conduct in all areas of operation.

Human Rights Risks

In our Code of Conduct we have identified several human rights risks within our operations, particularly related to discrimination based on characteristics such as:

- gender,

- cultural or national origin (ethnicity),
- religion or world view,
- disabilities,
- age,
- sexual orientation and identity.

We do not tolerate any remarks or behaviour that incite aggression or hostility at the workplace. All forms of discrimination, harassment and bullying go against our philosophy and have no place at SWARCO. We have a zero-tolerance policy towards slavery, child labour, intimidation towards people who defend human rights and other violations of human rights.

This content is actively integrated into our internal online compliance training courses. Violations can be reported at any time and are promptly investigated, often with the support of external experts. In this way, human rights violations are identified through our whistleblower hotline, thereby underscoring our strong commitment to

addressing the issues outlined above. Individual measures are then derived from the reports in order to take decisive action against the violations.

Furthermore, we have identified several potential human rights risks within our supply chain. These risks include possible issues related to labour rights, such as fair wages, working conditions, and the risk of forced or child labour, particularly in lower-tier suppliers. While we have developed a Supplier Code of Conduct, it has not yet been made mandatory for all suppliers.

In the future we plan to enhance our due diligence processes by conducting regular audits and engaging more closely with suppliers to ensure compliance with our ethical standards. We also aim to strengthen our training programs for employees and suppliers, focusing on human rights awareness and best practices.



APPENDIX

7.1 ESRS CONTENT INDEX

TABLE 16
CROSS-SECTOR STANDARDS

ESRS 2 General Disclosures		Page reference
BP-1	General basis for preparation of sustainability statements	P. 18
BP-2	Disclosures in relation to specific circumstances	P. 18
GOV-1	The role of the administrative, management and supervisory bodies	P. 19
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	P. 20
GOV-3	Integration of sustainability-related performance in incentive schemes	P. 20
GOV-4	Statement on due diligence	P. 21
GOV-5	Risk management and internal controls over sustainability reporting	P. 21
SBM-1	Strategy, business model and value chain	P. 22
SBM-2	Interests and views of stakeholders	P. 25
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 27
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	P. 28
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	P. 31

TABLE 17
CHAPTER ENVIRONMENT

ESRS E1 Climate change		Page reference
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	P. 35
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 35
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	P. 35
E1-1	Transition plan for climate change mitigation	P. 35
E1-2	Policies related to climate change mitigation and adaptation	P. 35
E1-3	Actions and resources in relation to climate change policies	P. 35
E1-4	Targets related to climate change mitigation and adaptation	P. 35
E1-5	Energy consumption and mix	P. 36
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	P. 36
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	P. 37
E1-8	Internal carbon pricing	P. 37
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	P. 37



TABLE 18
CHAPTER ENVIRONMENT

ESRS E5 Resource use and circular economy		Page reference
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy	P. 38
E5-1	Policies related to resource use and circular economy	P. 38
E5-2	Actions and resources related to resource use and circular economy	P. 38
E5-3	Targets related to resource use and circular economy	P. 39
E5-4	Resource inflows	P. 39
E5-5	Resource outflows	P. 39
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	P. 39



TABLE 19

CHAPTER SOCIAL AFFAIRS

ESRS S1 Own workforce		Page reference
ESRS 2 SBM-2	Strategy	P. 41
ESRS 2 SBM-3	Material impacts, risks and opportunities	P. 41
S1-1	Policies related to own workforce	P. 43
S1-2	Processes for engaging with own workforce	P. 43
S1-3	Processes to remediate negative impacts	P. 43
S1-5	Goals and targets	P. 44
S1-6	Characteristics of own workforce	P. 44
S1-8	Collective bargaining coverage and social dialogue	P. 46
S1-9	Diversity metrics	P. 47
S1-10	Adequate wages	P. 48
S1-13	Training and Skills Development metrics	P. 48
S1-16	Remuneration metrics	P. 48
S1-17	Incidents, complaints and severe human rights impacts	P. 48

7.2 LIST OF SWARCO COMPANIES

COMPANY NAME	DIVISION	COUNTRY	ISO CERTIFICATE
APT SKIDATA LTD.	ITS	United Kingdom	■ ■ □
ASS Verkehrsservice GmbH	RMS	Germany	
BERGAUER AG	ITS	Switzerland	■
CEROGLOSS TECHNOLOGIES INC.	RMS	United States	
COLORADO PAINT COMPANY II, LLC	RMS	United States	
Consortium Companies: SWARCO & KBAS for Contracting W.L.L.	ITS	Qatar	■
Eisenschutzgesellschaft mbH	RMS	Austria	■ ■ □ ■
FEICHTNER UND BOSSERT GmbH	RMS	Germany	
Fiedler Reinigungstechnik GmbH	RMS	Germany	
HEINZ + FEIER GmbH	ITS	Germany	
Heoscont Hungaria Kft.	RMS	Hungary	■ ■
Herbert Ruch GmbH	RMS	Germany	
HIMA GmbH	RMS	Germany	
Hitex Holdings Ltd	RMS	United Kingdom	■ ■
Hitex Traffic Safety Ltd	RMS	United Kingdom	■ ■
Hitzblech Markierung GmbH	RMS	Germany	
JONE GmbH	RMS	Germany	
L&R Roadlines Ltd	RMS	United Kingdom	■ ■ ■ □
McCain Traffic Supply Mexico S.A. de C.V	ITS	Mexico	
M. Swarovski GmbH	RMS	Austria	■ ■ ■
Road Marking Equipment Pty Ltd	RMS	Australia	
Schlothauer & Wauer GmbH	ITS	Germany	
Somerford Equipment Ltd	RMS	United Kingdom	
Straat 1 GmbH	RMS	Germany	
Stradacolor Kft.	RMS	Hungary	
Supalux Holdings Pty Ltd	RMS	Australia	
Supalux Linemarking Pty Ltd	RMS	Australia	■
Supalux Paint Co Pty Ltd	RMS	Australia	■
SWARCO AG	Holding	Austria	
SWARCO America Inc.	ITS	United States	■
SWARCO ANDINA S.A.S.	ITS	Colombia	
SWARCO BELGIUM NV	ITS	Belgium	■
SWARCO Croatia d.o.o.	ITS	Croatia	
SWARCO DAMBACH GmbH	ITS	Germany	■
SWARCO DANMARK A/S	ITS	Denmark	■ ■
SWARCO ECO-TEC GmbH	RMS	Austria	■
SWARCO FINLAND OY	ITS	Finland	■ ■ ■
SWARCO FUTURIT Verkehrssignalsysteme GmbH	ITS	Austria	■ ■
SWARCO HELLAS A.E.	ITS	Greece	■ ■ □

COMPANY NAME	DIVISION	COUNTRY	ISO CERTIFICATE
SWARCO Industries Inc.	RMS	United States	■
SWARCO ITALIA s.r.l.	ITS	Italy	■ ■ ■
SWARCO LEA d.o.o.	ITS	Slovenia	■ ■
SWARCO LIMBURGER LACKFABRIK GmbH	RMS	Germany	■ ■
SWARCO MARKIERUNG GmbH	RMS	Austria	■ ■ □ ■
SWARCO McCAIN, Inc.	ITS	United States	
SWARCO Mobility Nederland B.V.	ITS	Netherlands	■
SWARCO NEDERLAND BV	ITS	Netherlands	■
SWARCO Nederland Holding B.V.	Holding	Netherlands	■ ■
SWARCO NORGE AS	ITS	Norway	■ ■ ■
SWARCO Peek NL B.V.	ITS	Netherlands	■ ■
SWARCO Peek Traffic B.V.	ITS	Netherlands	■
SWARCO Poland Sp. z o.o.	ITS	Poland	■
SWARCO REFLEX, LLC	RMS	United States	■ ■
SWARCO SAUDIA LLC	ITS	Saudi Arabia	
SWARCO SCHÖNBORN GmbH	RMS	Germany	■ ■
SWARCO SCHWEIZ AG	ITS	Switzerland	■
SWARCO Smart Charging Ltd	ITS	United Kingdom	■ ■ □
SWARCO Solution Center Croatia d.o.o.	ITS	Croatia	
SWARCO Solution Center GmbH	ITS	Germany	■
SWARCO SVERIGE AB	ITS	Sweden	■ ■
SWARCO TECHNOLOGY APS	ITS	Denmark	■ ■
SWARCO Trade and Service OOO	ITS	Russia	
SWARCO TRAFFIC AUSTRIA GmbH	ITS	Austria	
SWARCO TRAFFIC CZ s.r.o.	ITS	Czech Republic	■ ■
SWARCO TRAFFIC HOLDING GmbH	ITS	Germany	■ ■
SWARCO TRAFFIC HUNGARIA Kft.	ITS	Hungary	■ ■ □
SWARCO TRAFFIC ROMANIA s.r.l.	ITS	Romania	■ ■ ■ □
SWARCO TRAFFIC SYSTEMS GmbH	ITS	Germany	■ ■
SWARCO UK & Ireland Ltd.	ITS	United Kingdom	■ ■ ■ □
SWARCO UK Holdings Ltd	RMS	United Kingdom	■ ■ □
SWARCO UK Ltd	ITS	United Kingdom	■ ■ □
SWARCO UKRAINE LLC	ITS	Ukraine	
SWARCO V.S.M. GmbH	ITS	Germany	
SWARCO VESTGLAS GmbH	RMS	Germany	■ ■ ■
SWARCO VICAS SRL	RMS	Romania	■ ■ □
Texprint Surfacing Ltd	RMS	United Kingdom	
Vialux Bulgaria Ltd.	RMS	Bulgaria	■ ■ ■ □

7.3 IMPRESSUM

Responsible for the content: Daniel Meier, Head of CSR SWARCO Group; csr@SWARCO.com;

Overall editorial responsibility: Richard Neumann, Senior Manager Communications & Events
SWARCO Group

Contributors to this report: Anja Rautnig, Daniel Meier, Martina Dobner, Marta Antofie, Chris
Bouwman, Richard Neumann

Graphic design: Jannie Mikkelsen (SWARCO AG)

Photo credits: SWARCO, Shutterstock, unsplash.com



THE BETTER WAY. EVERY DAY.

SWARCO's leading idea is to improve quality of life by making the travel experience safer, quicker, more convenient and environmentally sound.

With more than five decades of experience in the industry, the Austrian traffic technology corporation produces and provides a large range of products, systems, services, and turnkey solutions for road marking, urban and interurban traffic management, parking, and public transport. Cooperative systems, infrastructure-to-vehicle communication, e-mobility, and integrated software solutions for the Livable City complement the group's future-oriented portfolio.

More than 5500 traffic experts are keen to shape together with all stakeholders in the traffic industry the transition from conventional traffic management to value-added services fit for the traveler in the digital age.

SWARCO's products, systems and solutions contribute to greater road safety and intelligent traffic management in 80 countries and generate revenues of over 1.2 billion euros.

www.swarco.com

© 2024 SWARCO