

SWARCO CSR PLAYBOOK



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"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, Head of Corporate Social Responsibility, SWARCO AG



01 INTRODUCTION

In SWARCO few might know that the founding story of our company in 1969 by the visionary and innovative entrepreneur Manfred Swarovski actually is a tale of circular economy, recycling, and social responsibility. He recognized 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. And this at a time when words like recycling or upcycling were not yet on everyone's lips. Also, SWARCO was the first company to bring the highly energy-efficient light source LED in traffic lights and variable message signs to market back in the 1990s. True to our guiding principle of improving the quality of life by making the travel experience safer, quicker, more convenient and environmentally sound, our software solutions in urban and interurban traffic management contribute to optimized traffic flow and help reduce emissions, avoid congestion and accidents. This positively supports the environmental balance of our business partners.

It was also the entrepreneur Manfred Swarovski who highlighted 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 employees and for society in general.

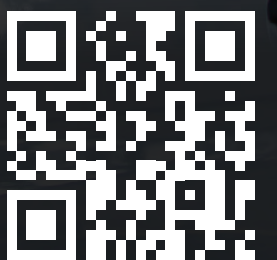
As a good corporate citizen, SWARCO proves societal engagement in the form of support for social initiatives, promotion of university education and cooperation, health promotion and as a sponsor of sports and international industry events. A fundamental component of our understanding of Corporate Social Responsibility (CSR) is the avoidance of greenwashing by misleading advertising of practices and products. We are transparent about our actions, follow international standards and constantly improve the measurability of our goals to demonstrate the meaningfulness of our contributions to environmental and social protection.

The SWARCO CSR playbook serves as a comprehensive guide for our CSR initiatives. It provides a roadmap for integrating CSR into our daily business, guiding decision-making and driving meaningful social and environmental impact while creating long-term value for all stakeholders.

Manfred Swarovski
Founder



CSR - We walk the talk!



02 WHAT IS CSR?

As a company, we are aware that sustainable economic activity is only possible with healthy, well-trained people, a functioning environment and a good infrastructure. We therefore have a responsibility to keep these elements of society intact. Because of a remarkable gain of attention, many new terms entered the scene, all of which focus on the same key principles as CSR: ESG Management, SDG Tracking, Sustainability Management and many more. But any way you name it, it is always about corporate responsibility that goes beyond the generation of profits. It is about companies assuming ecological, social, and economic responsibility to be successful in the long term and contribute to sustainable development in all these areas.

What does this mean?

Companies must assume ecological responsibility by taking measures to protect the environment, e.g. reducing greenhouse gas emissions and using resources responsibly. Social responsibility includes a commitment to employees, customers, and society as a whole, e.g. by creating fair working conditions and promoting diversity. Economic responsibility means contributing to economic development, creating jobs, and complying with legal requirements. By taking these areas of responsibility holistically into account, companies can operate sustainably in the long term and make a positive contribution to society.

Our mission:
Improve our economic, social, and
environmental position for our
partners, for our employees, for
a better world.

WHY CSR?

CSR is an interdisciplinary topic contributing to the long-term development of businesses and societies by promoting responsible and sustainable practices. By addressing environmental challenges, supporting community development, and fostering social inclusion, we can help build a more resilient and equitable future, aiming at one major objective – preserving the nature and enabling collective well-

being for future generations to come. Of course, this idea is not new but rather a new name for something that has already been a long tradition at SWARCO. In addition to creating value for society, CSR is invaluable from an entrepreneurial perspective: building a successful and sustainable business requires being attractive to the market, customers, employees and suppliers.



BUSINESS

In order to be considered for certain tenders, CSR-related conditions must be met. These conditions can be both of a legal or an ethical nature. In many cases these requirements find their justification in the law or in regulations. Compliance is essential to avoid penalties.



CLIENTS

Sustainable CSR actions can also be seen as a fundamental marketing tool building our reputation with customers. Furthermore, these actions can enable our clients to fulfil their sustainability requirements, creating new business opportunities for both sides.



EMPLOYEES

Retaining competent staff is crucial to safeguarding experience and knowledge that a company has built up over many years. Attracting new staff brings a breath of fresh air into existing structures and promotes innovation and new approaches. Meaningful CSR activities make people feel being part of a community, and working for a sustainable company motivates them to give their best.



SUPPLIERS

Being part of a sustainable supply chain is essential when talking about CSR. This means materials and products need to be sourced responsibly from carefully selected suppliers. Also, suppliers need to know that delivering products & solutions to us positively affects their sustainability targets.

"AS AN EMPLOYEE, IT'S A GOOD FEELING WHEN YOU SEE THAT BIG BAGS AND PALLETS ARE NOT SIMPLY DISPOSED OF, BUT RECYCLED OR REUSED. WITH OUR PV SYSTEMS, WE EVEN MANAGE THE BALANCING ACT OF GENERATING SUSTAINABLE ENERGY AND REDUCING THE COMPANY'S ELECTRICITY COSTS AT THE SAME TIME. WHEN I ALSO SEE THAT WE ARE HELPING OUR NEIGHBORING COMPANIES TO REDUCE EMISSIONS THROUGH OUR HEAT RECOVERY, THAT IS SUSTAINABILITY IN ACTION FOR ME."

Christoph Steinmetz, Production, M. Swarovski GmbH



"For us, sustainable management and corporate responsibility in social and ecological terms are not just lip service, but have been a daily reality for many years."

Günther Köfler, CAO, SWARCO AG



"THE TOPIC OF SUSTAINABILITY IS VERY IMPORTANT TO ME. I WOULD THEREFORE LIKE OUR TRAINEES TO LEARN HOW TO CHECK USED ITEMS FOR THEIR SUITABILITY. THE TOPIC OF UPCYCLING WOULD BE VERY USEFUL AT THIS POINT."

Paschalis Keppas, Service technician, SWARCO TRAFFIC SYSTEMS GmbH



Find our Sustainability Report here!



04 SUSTAINABILITY AGENDA

FOCUS TOPICS



ENERGY & EMISSIONS

- Decarbonization: Reducing CO₂ emissions and energy consumption
- Switch to green electricity for all SWARCO companies (provider / self production)
- Promotion of zero-emission vehicles in company fleet
- Use of waste heat and other alternative energy sources

EXAMPLE: Fleet Electrification

While we are always looking to improve the flow of traffic with our products and solutions in order to reduce the impact on the environment, we attach great importance to improving the ecological footprint of our own operations. As of 2024, selected SWARCO subsidiaries have already started to electrify their fleet beyond normal cars. For instance SWARCO Netherlands will be one of the first Dutch companies to drive the 100% electric aerial work platforms for maintenance work in addition to regular electric vehicles.

Unique to the aerial platforms is the large action radius, which allows our technicians to drive longer distances (around 250 KM), which will be an important step towards safe, efficient and sustainable provision of services.

EXAMPLE: Pioneering sustainable production

Our innovative production companies constantly improve in energy efficiency and use of renewable energy. SWARCO Futurit has taken up the challenge and aims to become energy self-sufficient through the use of a photovoltaic system. Capable of producing a peak of 914 kilowatts per hour, it is possible to operate the production energy self-sufficiently under ideal circumstances.

Another good example is the use of waste heat. The glass bead production in RMS delivers significant amounts of heat. Therefore, SWARCO Schönborn and M. Swarovski are already self-sufficient in terms of heating. Also new opportunities are exploited, like heat purchase agreements with neighboring plants and drying services.



EMPLOYEE SATISFACTION

- Participation of SWARCO employees in voluntary projects
- CSR partnerships, donations and sponsoring for social & ecological causes
- Inclusion, diversity, and equality
- Outlook: CSR Awareness Trainings

EXAMPLE: SWARCO Voluntary Work & Inclusion

At SWARCO RMS, social and ecological commitment is taken seriously. Employees can spend time volunteering for projects, which is not only a welcome change from the office routine, but also makes a valuable contribution to environmental protection and social issues.

The integration and inclusion of people with disabilities in the workplace also creates openness, tolerance and understanding and is an appreciative enrichment for everyone involved.

EXAMPLE: Global employee satisfaction survey

With regular global employee satisfaction surveys we want to give employees a voice and ensure their feedback is heard, no matter where they are located. It helps identify and address common issues, leading to a better work environment and improved well-being.

This process promotes fairness and transparency, enhances job satisfaction and fosters a supportive organizational culture that values employee input and drives positive change.



ECO & CIRCULAR PRODUCT DESIGN

- LCA assessment for key products and product groups
- Identification and development of more sustainable products
- Implementation of circular economy concepts, e.g., zero waste
- CSDDD – Sustainable Supply Chain

EXAMPLE: SWARCO Eco-Line

By establishing a sustainable product line, SWARCO not only aims to reduce its ecological footprint, but also to be a pioneer in product development in the industry and offer customers a broad and sustainable portfolio. With the help of strict criteria catalogues for each product group, SWARCO is setting a new benchmark for sustainable, environmentally sound products and labelling them accordingly.

With the increasing transparency of its environmental properties, SWARCO is demonstrating that its products are not only best performers in terms of durability, but also in terms of their environmental impact.

EXAMPLE: Second life for 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 retro reflectivity of the sign decreases over time. In the past, only recycling of the signs' carrier plates was possible by melting down the aluminum in an energy- and CO₂-intensive procedure and reshaping it to a new sign.

But now experts at SWARCO Dambach found a solution to strip off the films of the plates to allow a sustainable renewal of the coating. This procedure can be carried out a several times without the need of energy-intensive melting and reforming procedure.

05 YOUNG MOBILITY AMBASSADORS

It all started in 2022 when our CSR department launched the call for ideas for CSR Lighthouse Projects. The project idea should cover four core principles: being long-term, promising a sizable impact, addressing social and environmental improvements, and showing a clear SWARCO context. Thanks to you, many ideas entered the mailbox, which made it hard to select one. Finally, by combining several ideas, we elaborated our lighthouse project focusing on traffic safety education for teenagers who are provenly a highly vulnerable age group according to traffic accident statistics.

The central idea of our SWARCO Young Mobility Ambassadors program is to improve road safety with and for young people. We want to motivate them to actively think about how they can travel intelligently and safely in our rapidly changing world of mobility. It is a collaborative project involving public institutions, pedagogic experts, and researchers. We want to gradually build up and develop our program. Starting in Austria in 2024/2025, there will be further projects in other SWARCO-based countries over the next years. In short, the program consists of three pillars:

- A competition for school classes to win the "SWARCO Young Mobility Ambassadors" Award
- Teaching materials, which will be offered for free on our homepage for teachers to address traffic safety for teenagers in their lessons in school

- A traffic safety survey helping school managers to assess the level of security in their respective school environment

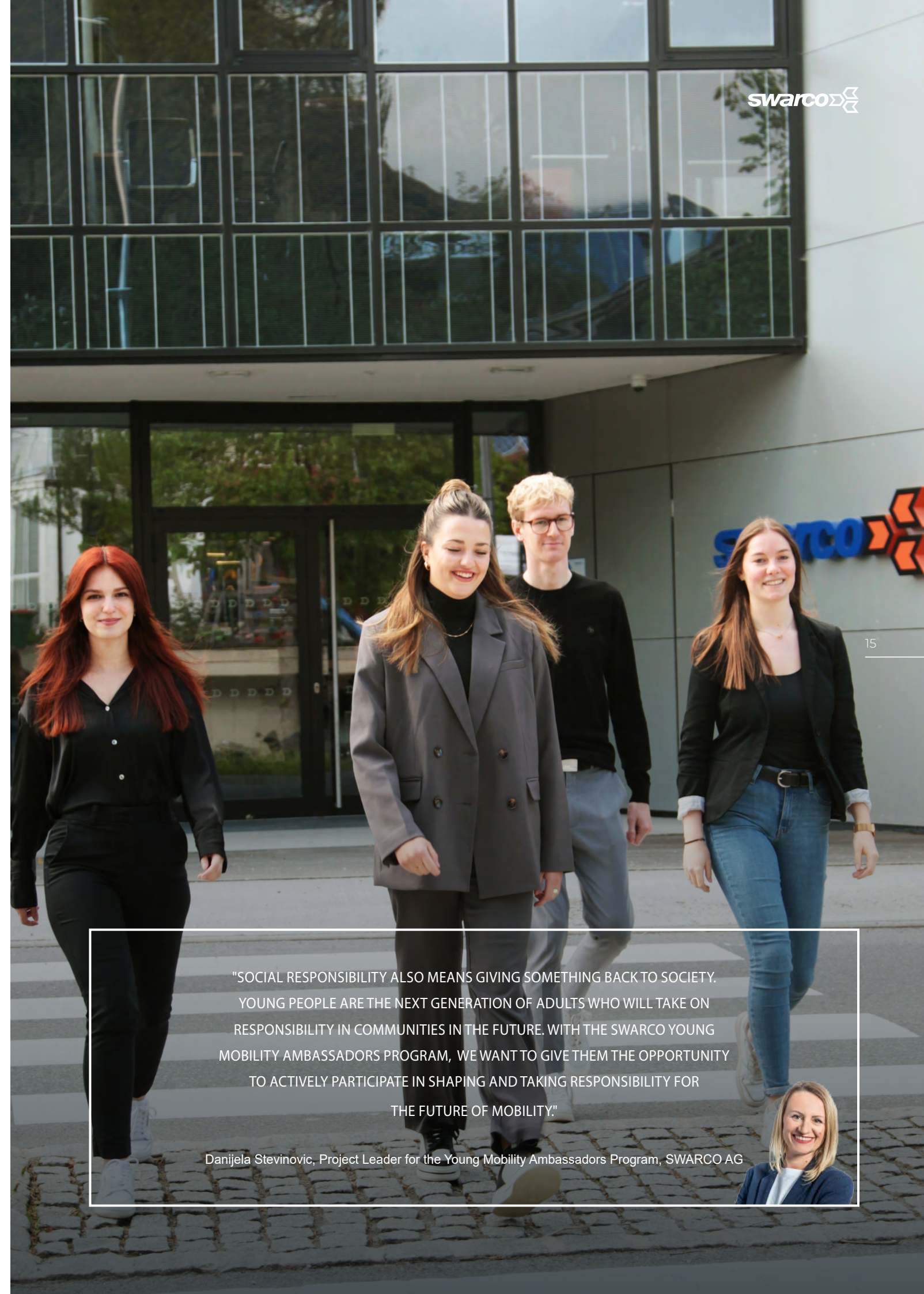
The competition topic for the award and the exact requirements as well as the accompanying materials for the project will be sent to interested schools in Austria. School classes will be invited to compete by developing a creative project in any form: video, app, illustration, song, story, collage, comic, puzzle book, poster, computer game, board game, podcast, safety gadget, or other. Interested classes can then submit their project to SWARCO within a previously defined time span. Then a jury of road safety experts and SWARCO representatives will select the best projects. Creativity and effort as well as the effective impact and applicability will be evaluated. The winners will get prize money and all participants are rewarded with a small give-away and certificate of participation. The first placed class will additionally be invited to the SWARCO headquarters in Wattens with an attractive program.

THE TOPIC OF OUR FIRST SWARCO YOUNG MOBILITY AMBASSADORS AWARD:

The distraction risk for teenagers and young adults aged between 14 and 19 posed by the use of smartphones in everyday traffic.



"If you plant a tree when you are young, you can sit in its shade when you are old"



"SOCIAL RESPONSIBILITY ALSO MEANS GIVING SOMETHING BACK TO SOCIETY. YOUNG PEOPLE ARE THE NEXT GENERATION OF ADULTS WHO WILL TAKE ON RESPONSIBILITY IN COMMUNITIES IN THE FUTURE. WITH THE SWARCO YOUNG MOBILITY AMBASSADORS PROGRAM, WE WANT TO GIVE THEM THE OPPORTUNITY TO ACTIVELY PARTICIPATE IN SHAPING AND TAKING RESPONSIBILITY FOR THE FUTURE OF MOBILITY."

Danijela Stevinovic, Project Leader for the Young Mobility Ambassadors Program, SWARCO AG



CIRCULAR ECONOMY

Maybe you have already asked yourself what these “circles” are everybody talks about in Circular Economy? Well, here they are. The basic principle is to keep every product at the highest value-added stage for as long as possible.

Generally speaking, the Circular Economy distinguishes between two parallel systems: Natural systems (ecosphere) and technological systems (technosphere). While natural processes such as weathering, decomposition by microorganisms etc. play a key role in the ecosphere, the focus in the technosphere is on the sensible reuse of materials without polluting nature (through emissions, waste, etc.). Generally, we can say: the smaller the circle, the better the system.

The smallest circle and therefore the most sustainable way is to collect products, maintain them and prolong their useful lifetime. Once maintenance is not sufficient anymore to fulfil the purpose of the products, they can be collected and then reused or redistributed.

This involves using an item again in a different context without significant alteration or using it on a different spot. If an item is significantly damaged, they can be refurbished and remanufactured to restore it to a good working condition.

Recycling only comes into play once the previously mentioned options have been exhausted. It involves breaking down an item into raw materials and reprocessing these materials to make new items. This focuses on converting waste into reusable material.

As innovator, developer, producer, system integrator and service provider, we in SWARCO cover most of the way of the value chain of our products. This puts us in a formidable position to become frontrunner in green solutions and to boost circular economy within the power of our business. But it requires teamwork, collaboration, and the re-thinking of doing business “as usual”. That is why we believe we all will play an important role in discovering and realizing the sustainability potential of SWARCO.



HOW CAN I CONTRIBUTE TO CSR?

In my professional role and function

- Understand how you impact environmental and social standards in the company
- Try to increase positive effects and decrease negative effects on the environment and on humans related to your role
- Motivate leaders, employees, and colleagues to think about a more sustainable way of doing their job

On a personal level

Countless options from avoiding and separating waste to responsible shopping, healthcare, usage of sharing services instead of buying, favoring zero emission cars, travelling via public transport, repairing and re-using objects, decreasing animal products in diet, sustaining local businesses and markets, taking part in charity and community projects, switching to green electricity and much more. Every step is important and will get us closer to a more sustainable future.

Any ideas on what could be done in SWARCO to improve our environmental and social standards?

Please contact us: csr@swarco.com

