

SUSTAINABILITY REPORT 2024

OF THE SWARCO GROUP



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01 INTRODUCTION

1.1 PREFACE

Welcome to SWARCO's third 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 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.

In a tender-based business environment that depends on public funds, we are convinced that sustainability criteria related to production processes, products, and solutions should be given greater weight and must serve as a key factor for tendering authorities when selecting the winning bidder. The bid offering the most sustainable package should be prioritised over the lowest-priced option, as this will deliver better value for money by considering factors like climate change mitigation and the entire life cycle of a product.

We hope you find our third report engaging and informative.

“FOR DECADES, OUR SUCCESS HAS BEEN BUILT ON PRODUCTS AND SERVICES THAT ARE DEEPLY CONNECTED TO MAKING A POSITIVE IMPACT ON SOCIETY WHILE ALSO REDUCING ENVIRONMENTAL HARM”

Günther Köfler, Chief Administrative Officer (CAO), SWARCO



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

1.2 ABOUT THIS REPORT (BP-1)

The present report, the third of its kind by SWARCO, refers to the SWARCO Group's fiscal year 2024, 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 (see Appendix 7.2).

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 and to work on new topics such as Scope 3 Hot-Spot Screening and EU Taxonomy, which will be shared in future reports. The sustainability report will continue to be published annually and has not been externally audited.

In 2024, SWARCO's dedicated CSR team was expanded by one new member. Currently, there are two persons responsible for CSR at the Group level, along with a CSR specialist at the ITS (Intelligent Transport Systems) division. The tasks of the dedicated CSR specialist at the RMS (Road Marking Systems) division have temporarily been taken over by the divisional management team.

For this year's report, further improvements in the data collection process have been achieved. As a result, only 3 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. As mentioned, we have performed a Scope 3 Hot-Spot Screening in 2024, however, Scope 3 carbon data is not yet ready to be published in this report.



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



Lebenshilfe Öhling and Lebenshilfe Niederösterreich
We invited the 'Lebenshilfe Öhling', an Austrian association working with disabled people, to a tour at our glass bead factory in Neufurth. Lebenshilfe employees regularly fulfill tasks like labelling of bags, putting flyers in envelopes, emptying boxes, and maintaining our garden. SWARCO Indusferica, our branch promoting glass microspheres for industrial applications, is particularly pleased about the collaboration with "Lebenshilfe Niederösterreich". The employees of Lebenshilfe ensure that our regular magazine 'All-Rounder' is reliably put into envelopes, labelled and sent to our customers. In addition, SWARCO Indusferica regularly post updates on LinkedIn about CSR-related projects and achievements, such as a post about the new CSR Playbook, which makes our clear goals for a sustainable future transparent. This underlines our commitment to actively take responsibility for a better future.

Habitat maintenance with Lanius
Valuable habitat for particularly rare fauna such as the feather grass, the large pasque flower and various orchid species are protected by cultivating dry grassland areas in Zehentegg in the Jauerling-Wachau Nature Park and at the Pielachmündung near Melk.



Habitat maintenance in the Forstheide
This valuable project in the immediate neighbourhood of our Global Glass Beads Technology Centre in Neufurth helps protect the dry grassland from reforestation and thus preserves the natural habitat of many insects and butterflies. We were actively supported by forester Maren Röttger, employees of the City of Amstetten and pupils of the 1st and 2nd grades of the HAK Waidhofen.



Meet & Greet Rollstuhlsport Union Euratsfeld
In 2024 we had the pleasure of welcoming the 'Verein Rollstuhlsport Union Euratsfeld'. The sponsorship resulted in an invitation to get to know each other at our Neufurth company site. The company was presented and the employees got firsthand experience maneuvering in a wheelchair.

Start of CSR e-Learning Platform
In order to create more awareness within SWARCO for the topics of CSR and sustainable actions we launched a project to install a CSR e-Learning Platform. Jointly with an external consulting company specialising in this field we are going to produce a video-based digital course to explain the meanings of CSR, Sustainable Development Goals, and European Green Deal. The course

continues by explaining which sustainability focuses SWARCO sets in terms of Energy & Emissions, Employee Satisfaction, and Eco & Circular Product Design. The e-Learning Platform concludes with numerous practical examples from the SWARCO world and encourages the employees to think about their personal contributions to sustainability in everyday life and at work. The e-Learning Platform is planned to go live in spring 2025.

Start of Lighthouse Project "Young Mobility Ambassadors Programme (YMAP)"
In autumn 2024, SWARCO launched the YMAP Lighthouse Project, offering young students aged 14 to 19 the possibility to become road safety ambassadors for their peers. School classes all over Austria were invited to submit projects dealing with the safety risk of distraction in traffic by smartphones. A jury consisting of

experts from SWARCO, the Kuratorium für Verkehrssicherheit (KFV), and the police evaluated the 28 project submissions we received and selected the top 3 entries. The winner class is invited to SWARCO's headquarters in Wattens in April 2025 to receive a prize money of 4,000 € for their class fund and to experience a special programme with the American Football team of the SWARCO RAIDERS in Innsbruck.





1.3.2. THE NETHERLANDS

#SWARCODoet, Zero Harm in action!

#SWARCODoet is our local employee-driven campaign in the Netherlands for increased vitality, wellness and the promotion of healthier choices for all employees. In 2024, SWARCO Nederland launched a different theme every month, from a focus on exercise via stress reduction to healthier food options.

Every month, the Dutch colleagues shared tips & tricks, did a challenge or activity with the support of local #SWARCODoet ambassadors at all regional offices. Activities like drinking and saving water, Dry January, and participating in charity activities are just a couple of the successful initiatives.

#ZeroHarm #WeAreSWARCO

In the Dutch municipality of Weesp, 16 SWARCO Nederland volunteers renovated a medical childcare facility. They were busy with paint, buckets of soapy water, moss scrapers, a pressure washer, and pruning shears. All the windows of the villa and the white office building were cleaned, both upstairs and downstairs. The playground is clean, garden chairs and outdoor toys have been scrubbed, pruning work has been done, and the shed has been painted. The nursing team also spent time with the children in the playground, which everyone really enjoyed.

ZEROHARM

by swarco

First CSR Business Award presented during IMM 2024

SWARCO's internal CSR Business Award was presented for the first time during the SWARCO INTERNATIONAL MANAGEMENT MEETING in Burgenland in October 2024. Gaggenau-based SWARCO DAMBACH took first place with its 'Refurbished Sign' initiative. The aim of the refurbishment of worn-out traffic signs is, among other things, to change the purchasing behaviour of sign customers. Certified by an independent

body, the SWARCO DAMBACH process reduces the CO₂ footprint by an enormous 88% compared to the production of new aluminium signs, thus making a valuable contribution to the conservation of resources and environmental protection.

The CSR Business Award is intended to remind us that business success and sustainability go hand in hand. We want to motivate our employees to constantly look for ways to improve and give something back – not only through charity, but

especially through responsible and profitable business practices that bring about lasting improvements.

The CSR Business Award for SWARCO DAMBACH included a prize money of €10,000. In line with its corporate social responsibility, SWARCO DAMBACH decided to donate this amount in equal tranches to four charitable causes with a direct local connection in the Gaggenau area.

Photovoltaic system and modernised fleet at SWARCO MARKIERUNG

Already in 2023, SWARCO MARKIERUNG, our road marking services company in Austria, implemented a 9.6 kWp photovoltaic system on the roof of the office building at their head office in Wienersdorf. In 2024, it was expanded with a 75 kWp system on the roof of the workshop hall. SWARCO MARKIERUNG also focuses on choosing suppliers with a commitment to

sustainability and on buying workwear that fulfils both the needed requirements and eco-sustainable criteria. For example, high-visibility shorts made from recycled PET-bottles are already in use. Another focus is on the modernisation of the fleet to ensure that fuel consumption and pollutant emissions are as low as possible. In the past three years, 13 old vehicles including road marking machines and trucks were replaced with 14 new vehicles.



Charity work for biodiversity and the community

With a group of enthusiastic colleagues, we rolled up our sleeves for charity for NLDoet. Our colleagues worked to improve biodiversity in a community garden in Amersfoort and made the playground of a medical daycare in Wezep ready for spring. We are proud of our team efforts and hope that the children can play outside safely again and that local residents in Amersfoort can enjoy the lush nature.

1.3.3. GERMANY



Education and training

At the same time, we offer our employees the opportunity to undertake further training and education at any time. With our inhouse SWARCO Academy, we have the chance to support our employees in this regard.

In addition, we provide support in the form of internal training in the individual departments, as well as product training. This way,

knowledge can be built up and shared.

We are one of the companies offering classic apprenticeships, such as industrial clerk or electronics technician for industrial engineering. At the same time, there is also the opportunity to complete a dual studies programme in our company where theoretical education and practical work are ideally combined.

Give spectacles a new life

This collection campaign, also implemented in Austria, allows employees to donate used but still functional glasses to people in need. A total of five boxes were filled and sent to BrillenWeltweit. The glasses are disinfected, processed and repaired if necessary. The lens strength is determined by measurement with a modern automatic lens meter and noted in a glasses pass. Like this, the glasses do not end up in the residual waste bin but serve as a valuable visual aid for people in less developed countries.

Pushing electro mobility

One of the goals we have set ourselves is to expand electric mobility in our company SWARCO TRAFFIC SYSTEMS GmbH. This includes not only expanding the charging stations at our locations, but also increasing the number of electric vehicles used by our staff. We have been able to

significantly increase the number of electric vehicles and install additional charging stations. Why e-mobility in particular? Because we believe that the future lies in electric mobility. To promote this, we will be installing more and more charging stations at our locations in Unterensingen, Haar, and Trier.



Health promotion

We are continuously expanding the offers for our employees. For example, there is the Macht-Fit platform, a health platform for our employees. In addition to activities and fitness products, it also offers recipes and various other products from the health sector, as well as partnerships with other providers such as 'Wellhub'. Wellhub combines various fitness studios and offers the option of booking various memberships through the employer. Each of our employees receives a credit from us as an employer on the Macht-Fit platform. This gives our employees the opportunity to create a balance to their everyday working life.



Attractive employer

Talks were held early in 2024 regarding our new location in Kuppenheim. The plan is to build an attractive office building with modern and ergonomic

workplaces. Bicycle racks with charging points for e-bikes, charging stations for e-vehicles, and appealing meeting and break rooms are just a few of the features that have been redesigned for

this location. The works council was involved from an early stage and employees were also able to express their wishes and ideas in an employee survey.



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, turnkey solution provider,

road safety and traffic management expert, and glass recycler and upcycler. The corporation is present on all continents and serves more than 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

The following Leading Idea serves 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

INNOVATION

Passion

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 EU 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 relevant subsidiaries have been exempted from this consoli-

dated sustainability report. 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.

Last year, five of our service subsidiaries required the extrapolation of their carbon footprint data. This extrapolation was carried out by using an average CO₂ footprint per full-time equivalent (FTE). However, this year, the number of subsidiaries needing extrapolation has decreased, with only three service subsidiaries requiring this process. This enhancement reflects our ongoing commitment to improving the accuracy and reliability of our sustainability reporting.

In 2024 we had two baseline years for data comparison from earlier reports,

thereby further enhancing accuracy and reliability of our results presented. As of 2024, we have enhanced the plausibility checks to better detect any potential deviations or inconsistencies in the data.

It is also important to highlight the evolution of our reporting framework. The 2022 report was primarily based on the Global Reporting Initiative (GRI) standards and only partially aligned with the available CSRD standards. Since 2023, 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 organized 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
	2024	2024
Number of executive members – Executive Board, VPs, Managing Directors (head count)	71	100%
Male	66	93%
Female	5	7%
Number of non-executive members (head count)	5 712	100%
Male	4 476	78%
Female	1 236	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. *Remark: Günther Köfler resigned from his role of CAO at the end of April 2025. His responsibilities have been re-assigned to Manuela Fürst (CFO).*

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, three additional colleagues are currently working as CSR Specialists, one for each division and one for the Group. 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.

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:

- 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.
- Enhanced plausibility checks: As of 2024 we enhanced our centralized plausibility checks to better detect any potential deviations or inconsistencies in the data
- Dry-run with KPMG as auditor: In 2024 we stepped into a detailed dialogue with KPMG, asking them to

review SWARCO's voluntary ESG reporting to ensure it aligns with the expectations set by KPMG's future audit of the ESG disclosures.

- Completion of the ESG report in parallel with the financial reporting: In 2024, for the first time, the completion of our ESG report was aligned with the financial reporting process. This served as a trial for future audits, where both the financial and non-financial ESG reports will be audited at the same time.

Challenges and Future Improvements

The EU's Omnibus initiative offers significant benefits by reducing the overall reporting effort. However, it also presents a challenge due to the constantly evolving nature of the reporting guidelines, making them a moving target. As future improvements, we aim to gather carbon footprint data directly from all subsidiaries, eliminating the need for any extrapolation. Additionally, we plan to introduce further plausibility metrics each year to enhance the quality and accuracy of the data received.



3.3 STRATEGY

3.3.1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN (SBM-1)

As an international player in traffic technology, SWARCO serves both Business-to-Business (B2B) and Business-to-Government (B2G) customers. Sales range from individual products to turnkey solutions for urban and interurban traffic control, parking and e-mobility, and public transport management.

The B2B sales mostly refer to system integrators who use SWARCO products, such as traffic lights, in larger systems like urban intersections. Road marking contractors buy glass beads and road marking materials from SWARCO to implement the retroreflective lane markings on streets, roads, motorways,

and any kind of pavement. Such customers are mostly from the traffic technology and road safety sector. However, they can also be working in non-traffic sectors such as surface treatment, additive manufacturing, water filtering, or construction materials, since SWARCO micro glass beads are also appreciated blasting and filler media for such purposes.

The B2G sales rely on the budgets of public authorities for improving and maintaining road infrastructure. These can be federal offices, national highway operators, or city offices responsible for urban traffic control and management. The business is based on public

tenders, for instance for the periodic supply of road marking systems for own contractors, the supply of motorway guidance systems, the supply of parking guidance systems or the supply of as-a-service software solutions for urban mobility management.

The SWARCO Group has two divisions: Road Marking Systems (RMS) and Intelligent Transport Systems (ITS). One third of the revenues are generated by RMS, two thirds by ITS.

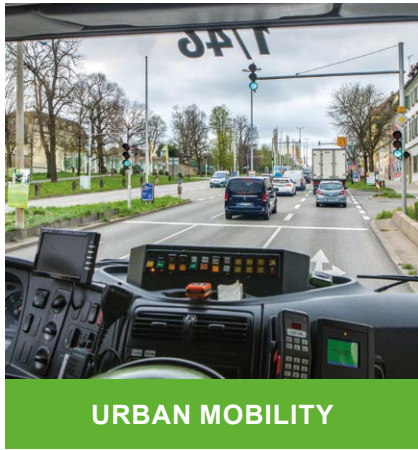
In fiscal year 2024, the SWARCO Group generated consolidated revenues of 1.25 billion €.



ROAD MARKING SYSTEMS



INDUSFERICA



URBAN MOBILITY



HIGHWAY & TUNNEL



PARKING & E-MOBILITY



PUBLIC TRANSPORT

TABLE 2

STRATEGY, BUSINESS MODEL AND VALUE CHAIN		TOTAL
		2024
Total number of employees (head count)		5 783
ITS		4 311
RMS		1 348
SWARCO AG headquarters		124

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 optimizing 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

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. A detailed overview of the KPI's for each sustainability related goal is provided below.

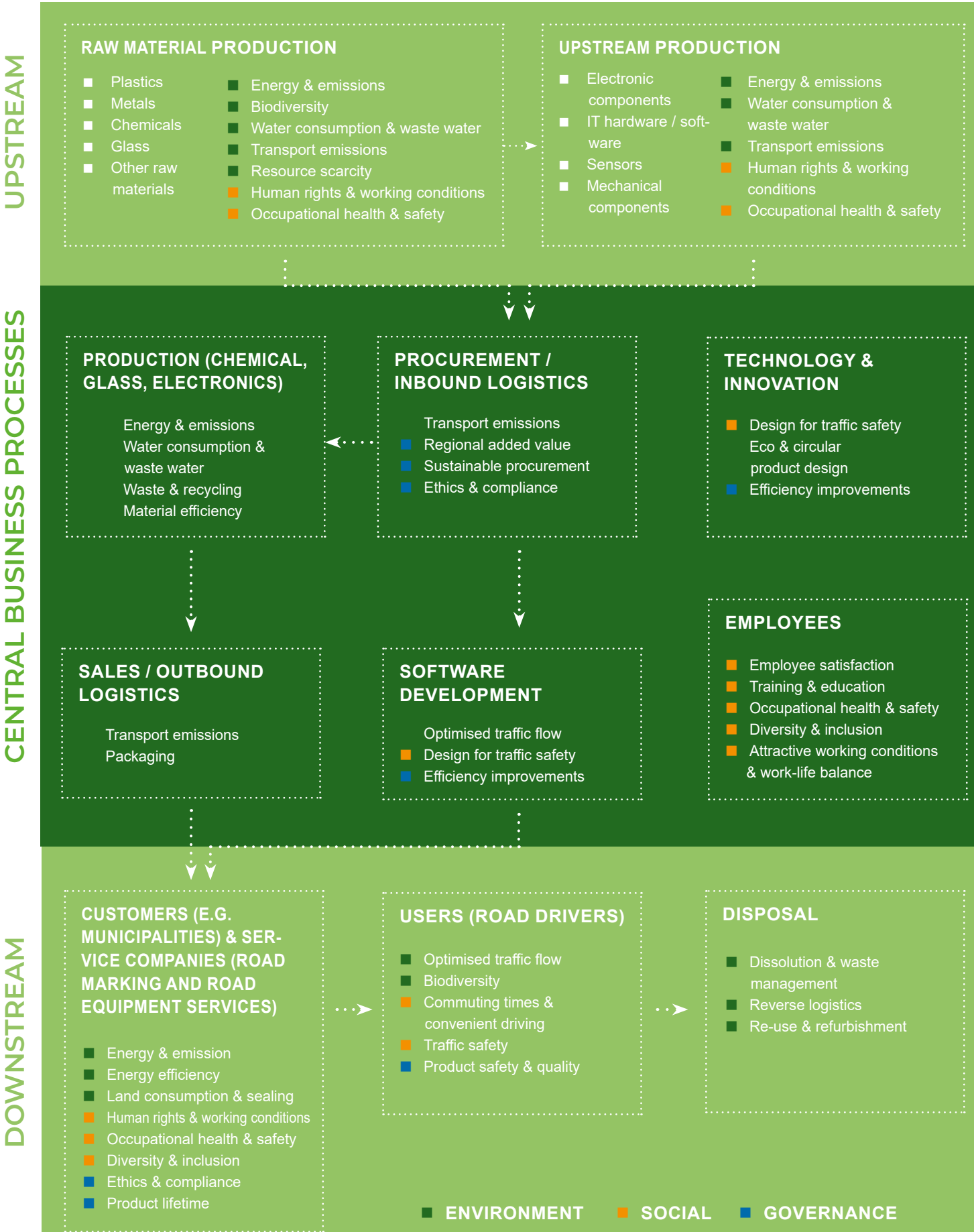
TABLE 3

SWARCO'S SUSTAINABILITY GROUP GOALS

Sustainability Focus Topic	High Level Goal	Targets
Energy & emissions	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 2050	<ul style="list-style-type: none">■ Implement standardized energy monitoring system at all major SWARCO sites worldwide until 2026■ Certification of ISO 14.001/50.001 is implemented at all relevant plants until 2027■ Purchase of 90% green electricity across the SWARCO Group in Europe until 2025■ Checklist for new purchases of company vehicles to evaluate emission free options is available to all subsidiaries until 2024
Eco & circular product design	We leave the smallest environmental footprint in our industry and set a new standard until 2035	<ul style="list-style-type: none">■ Implementation of Circular Economy solutions in all business units (3 RMS + 2 ITS) until 2028■ Eco Design principles are considered in 100% of all R&D activities for products, processes and solutions until 2026
Employee satisfaction	SWARCO is one of the most attractive employer at its locations until 2030	<ul style="list-style-type: none">■ Low employee turnover rate <15% until 2028■ Satisfaction rate corridor between 2,4 and 2,7 until 2028■ Participation rate in employee survey > 55% until 2028■ Participation rate in performance reviews (T4F) > 50% until 2026

These targets are further discussed in sections 4.2.6, 4.3.4 and 5.1.7.

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 next important step was to transparently communicate the survey results to all employees. Using the insights from the survey, the HR managers of each entity organized workshops to identify and develop targeted actions to address the areas for improvement. This process is still ongoing.

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 online survey will be conducted in 2026, aiming to reach a participation rate of more than 55% by 2028.

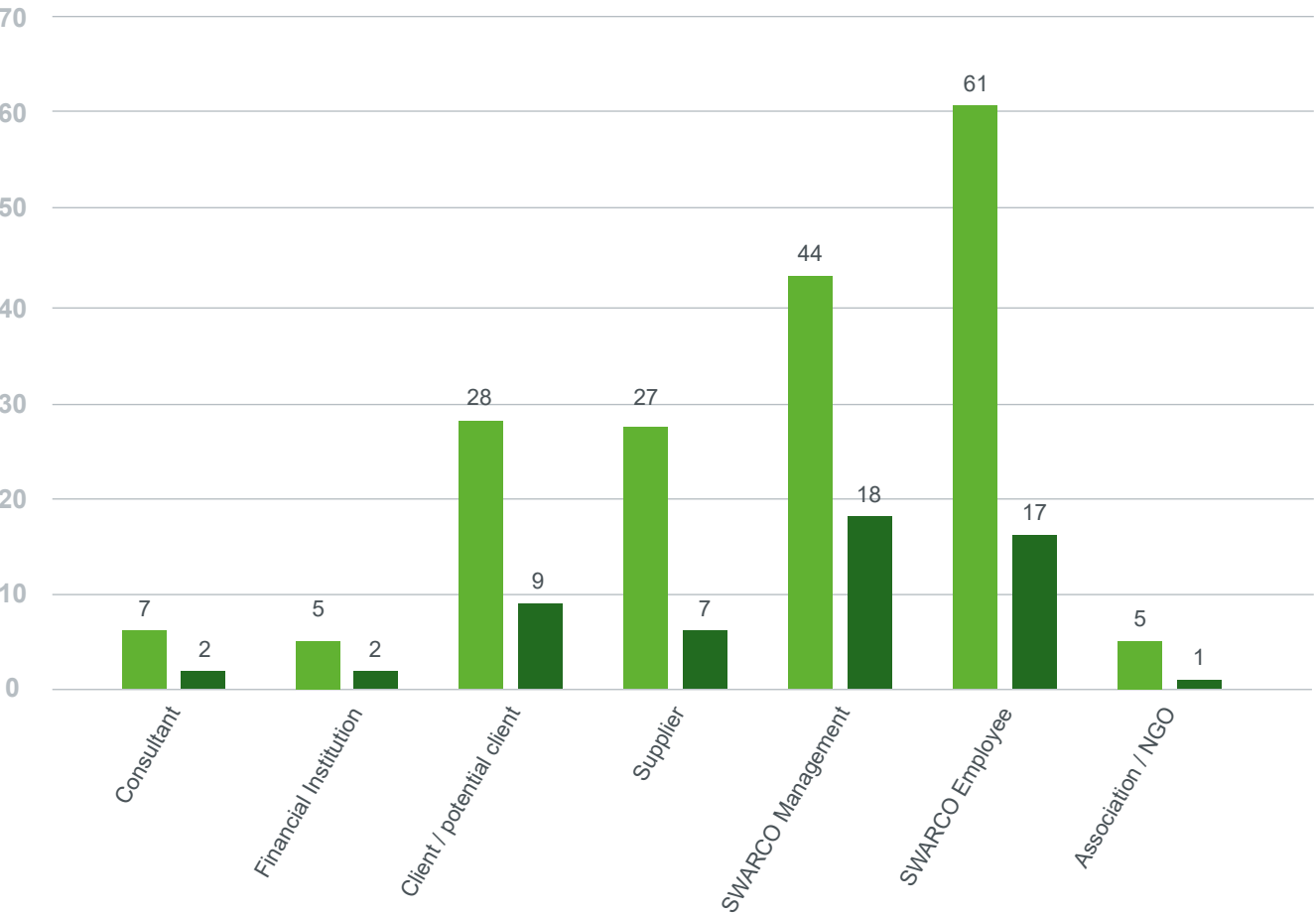
Stakeholder engagement in materiality assessment process

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 (see

graph below). 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 in 3.4.1) and to assess how engaged they perceive SWARCO in each of these topics. In November 2022, additional 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 4

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 2024
“Energy & emissions” represents by far the highest priority topic (see chart Materiality Matrix on page 31). In a further CSR strategy workshop in January 2023, it was decided to also prioritise “Employee satisfaction” and “Eco & circular product design” for the next years. 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 2024.

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. However, for the first time the ESRS Standard S4.2 has been included in the report (please refer to chapter 5.2).

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.




This 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. In the course of 2024, we also updated the materiality of the Impact, Risk, and Opportunity (IRO) analysis according to

the latest ESRS guidelines. By the end of February 2025 we had a final review and agreement with the auditor KPMG about how to adapt the materiality analysis to the most recent interpretation of the ESRS guidelines. This final version of the materiality analysis will be presented in the 2025 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 analyzed (cradle-to-grave), and the following 16 sustainability topics were identified and categorized according to Environment-Social-Governance (ESG) aspects:

 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	

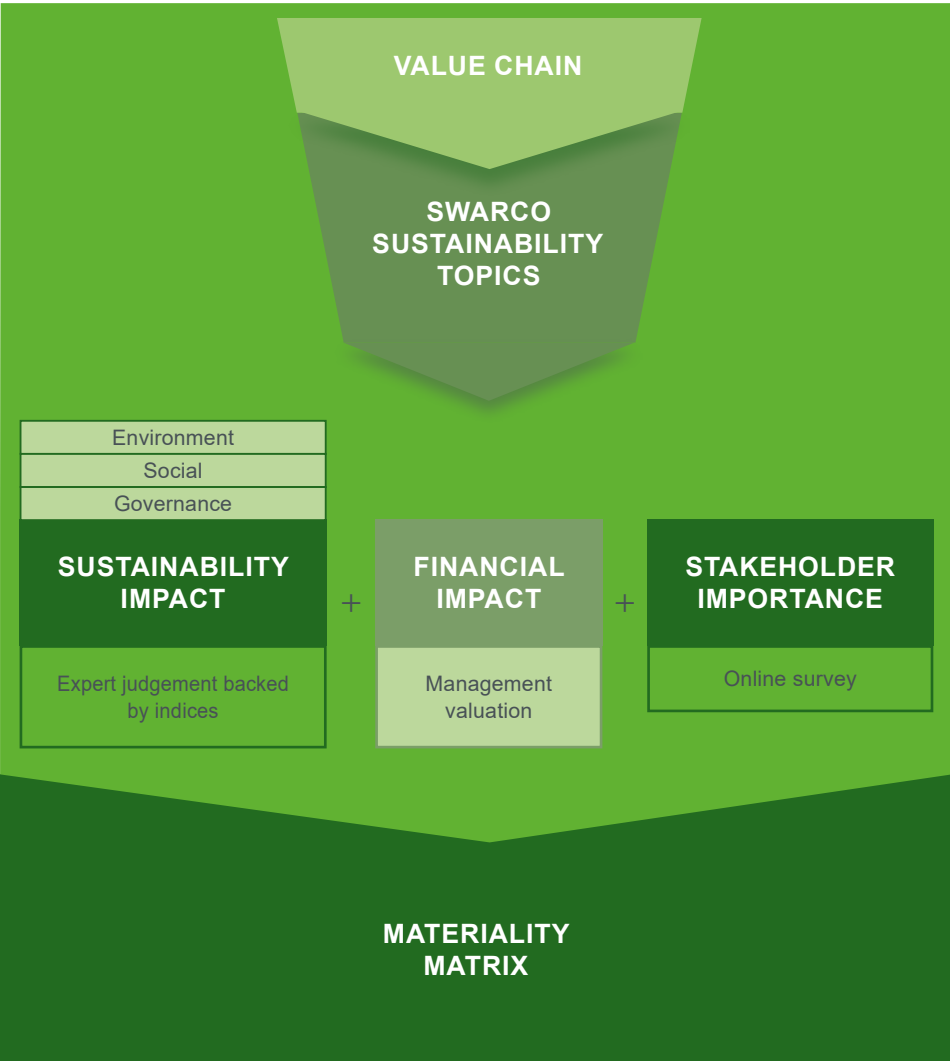


Some topics could be allocated to more than one category (e.g., Eco & circular product design could be part of Environment or Governance), however, for the sake of simplicity, the above categorisation was decided.

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 below.

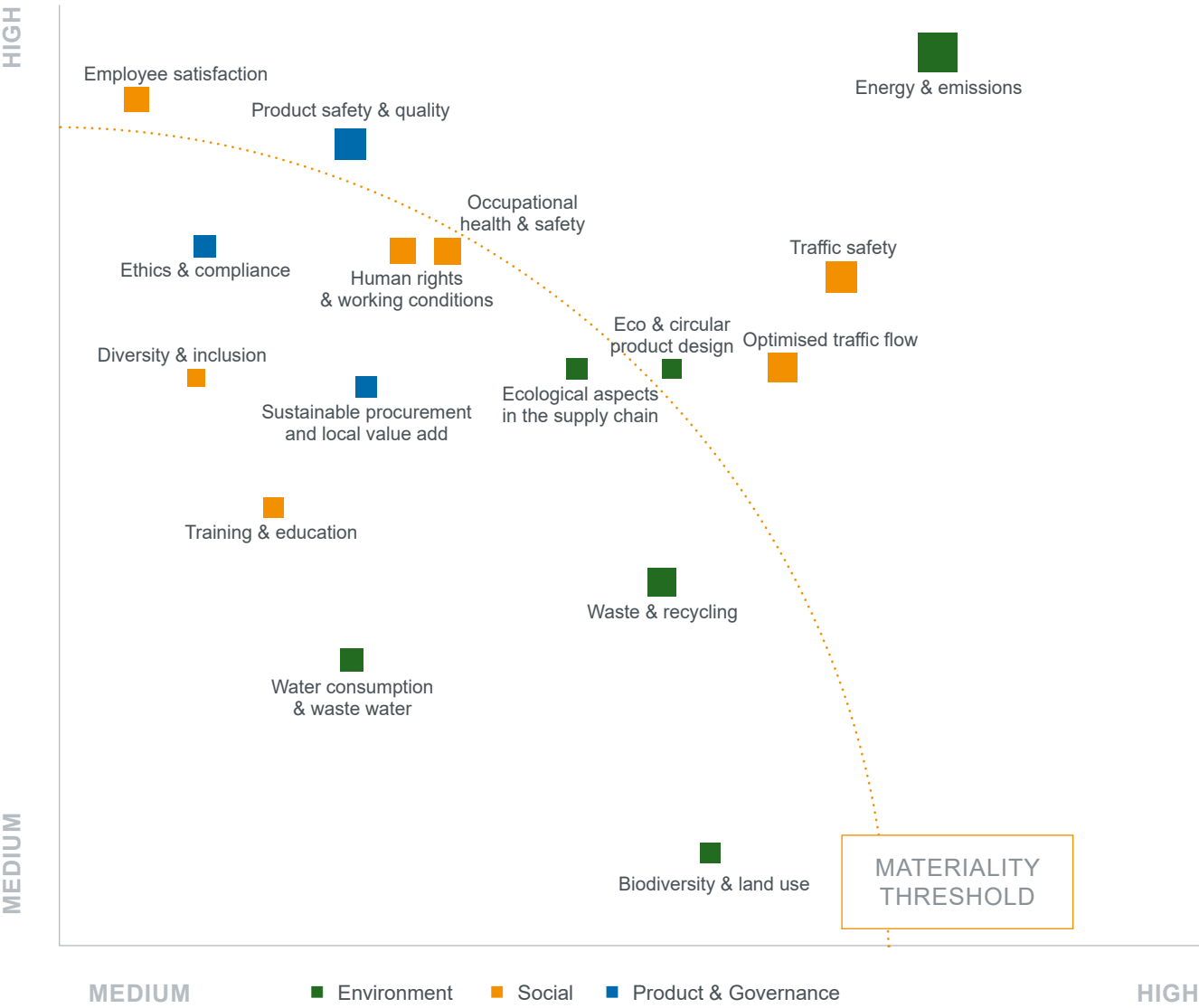
The sustainability impact was determined via an expert judgement based on generally accepted indices. An online survey of various stakeholders was performed to assess the importance from their point of view. And finally, the financial impact was based on the valuation of Group Management.



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)

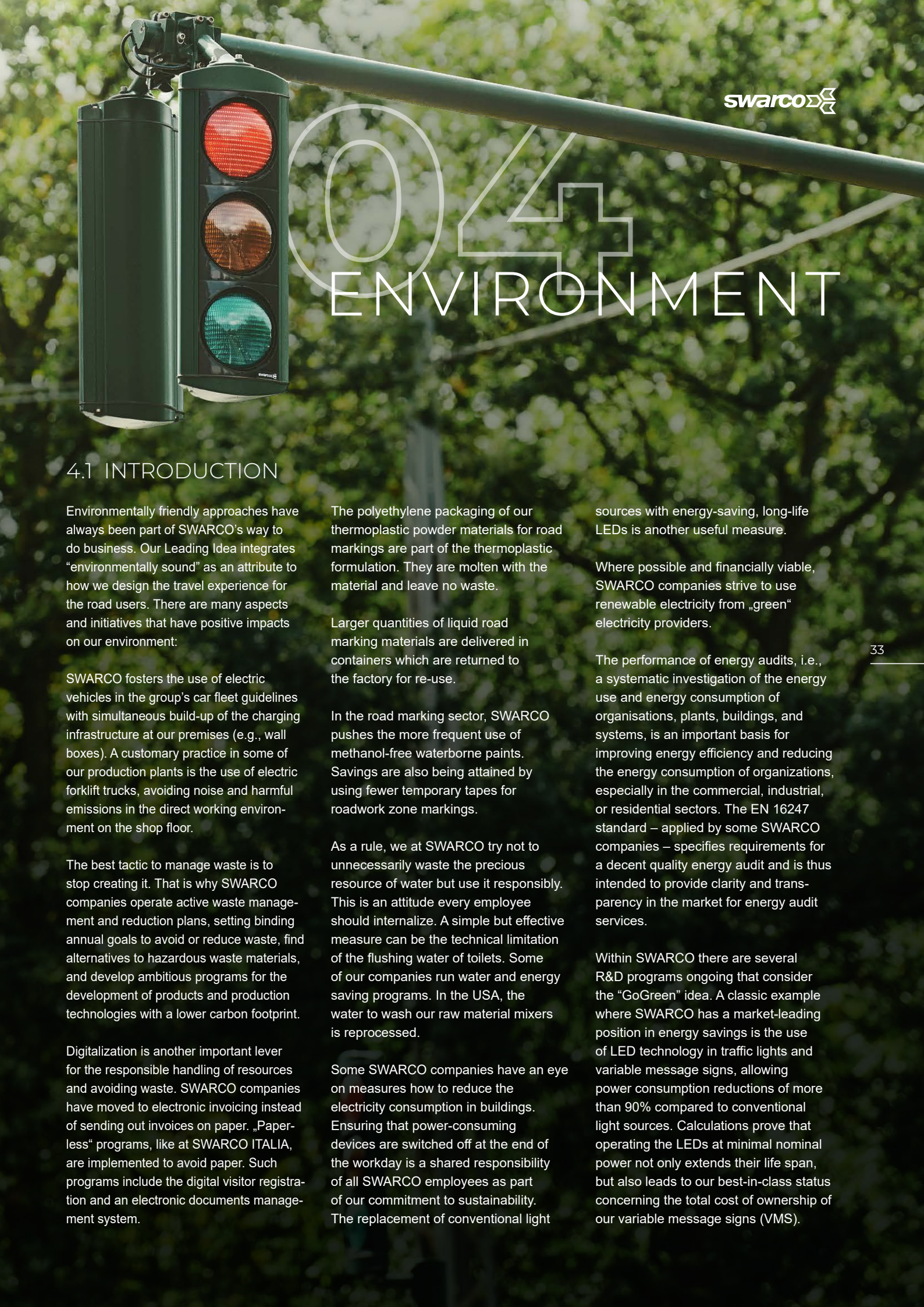
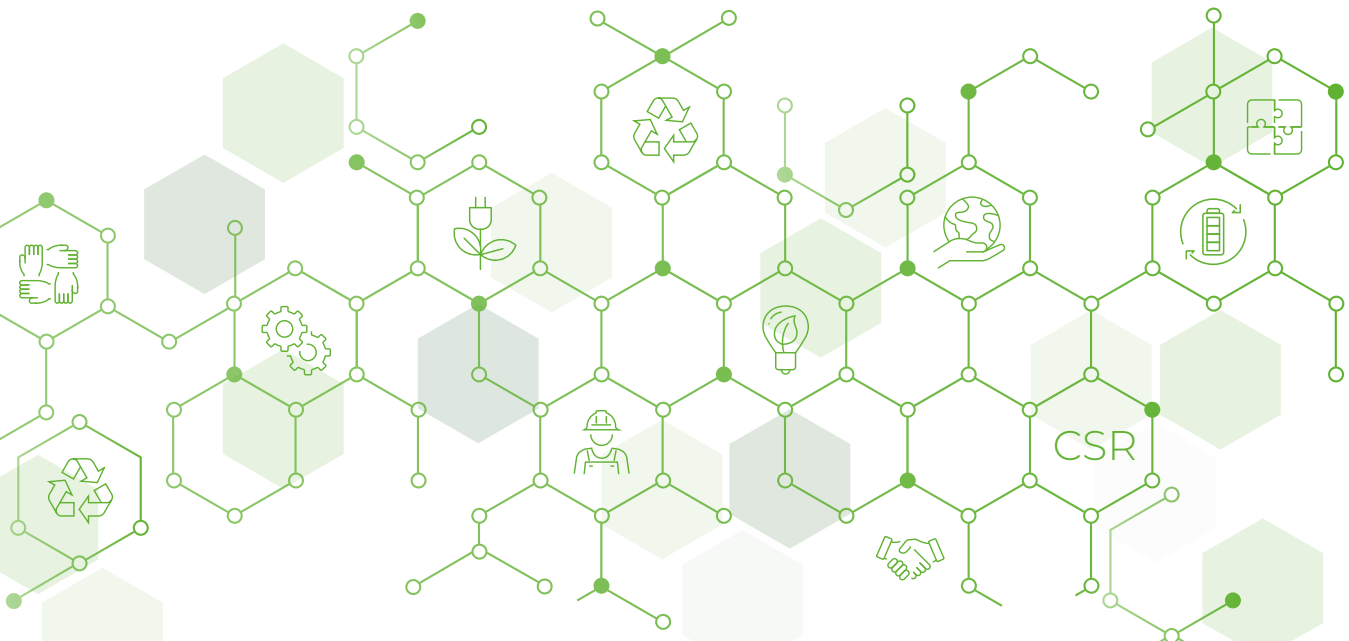
The following ESRS standards were addressed for the sustainability report of FY 2024 (please also refer to chapter 3.3.3):

- E1 = Climate change
- E5 = Circular Economy
- S1 = Own workforce
- S4 = Consumers and endusers
- G1 = Business conduct

A detailed view of the disclosure requirements covered in this report can be found in the index on pages 56-59.

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 2024 as the Group Management prioritised updating the SWARCO Group Strategy for the upcoming 2024–2028 period.



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 to how we design the travel experience for the road users. There are many aspects and initiatives that have positive impacts 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.

Digitalization 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. Ensuring that power-consuming devices are switched off at the end of the workday is a shared responsibility of all SWARCO employees as part of our commitment to sustainability. The replacement of conventional light

sources with energy-saving, long-life LEDs is another useful measure.

Where possible and financially viable, SWARCO companies strive to 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 organizations, 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

In the Austrian state of Tyrol, SWARCO is responsible for the collection of waste glass for recycling purposes. The operators of our specialized fleet vehicles ensure that bottles, jars and other glass packaging as well as broken flat glass cullet are consistently collected and subsequently given a second life. The material cycle for glass packaging is almost perfect, as glass can be melted and reprocessed repeatedly with no

loss of quality in the process. This cycle allows us to save valuable primary raw materials and thus contributes significantly to the preservation of the environment.

Another initiative we have in place is to give glass waste 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. Being an inert material, they also do not show negative impacts regarding the environment once the glass beads are worn off.



Plastic recycling

Recycling is also a core element of daily operations at the sign and signal production site of SWARCO Futurit in Neutal. Operational waste material, mainly polycarbonate deriving from the injection in 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 such as wood, packaging,

paper, and mixed electronic waste are collected and recycled by an external partner company, 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)

Our target of achieving net-zero emissions across the entire value chain (Scope 1, 2, 3) by 2050, aligns with the overarching goals of the Paris Agreement to limit global warming to 1,5 degrees Celsius above pre-industrial levels, highlighting our inclusion in the EU Paris-aligned benchmarks.

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 2026 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 IMPACT, RISK AND OPPORTUNITY MANAGEMENT (IRO-1 / E1-1)

Climate change was included in the materiality analysis of all sustainability topics, and the results are discussed in chapter 3.3.3 ESRS 2 SBM-3. No specific climate-related impact and/or resilience analysis has been conducted in 2024, as the aim was to primarily understand all SWARCO impacts and identify the most important points of action.

A climate vulnerability and resilience analysis will be conducted in 2025, with the results published in the 2025 sustainability report. The analysis will focus on the main production sites that are strategically important to SWARCO.

4.2.3 STRATEGY (E1-1)

Our overall strategic ambition towards climate change mitigation and the status concerning a transition plan have been outlined in chapter 4.2.1 Strategy (GOV-3 / E1-1).

Although we do not have a transition plan in place yet, decarbonization levers have been deployed to accelerate our progress towards our corporate target. Our energy-related KPI's are discussed in chapter 4.2.6.

4.2.4 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.

However, our energy and emissions group targets reflect our commitment to improving energy efficiency throughout our value chain.

4.2.5 ACTIONS (E1-3)

SWARCO continued to take action to reduce 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 with measurable indicators, the progress in carbon reduction cannot be quantified for each of the individual measures. Also, 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.

In 2024, for the first time, dedicated climate-related targets have been set with measurable indicators. Currently, significant effort is put into the establishment of corresponding KPIs and a tracking system to facilitate information on carbon-related topics in the future.

4.2.6 TARGETS (E1-4)

Following the EU commitment to net-zero by 2050, the first binding related carbon targets for the SWARCO Group were defined in 2024 together with the SWARCO Executive Board and Vice Presidents of the SWARCO companies through several strategic workshops.

The high-level goal of reducing the carbon footprint along the entire value chain until 2050, is supported by four specific targets (see Table 3 on page 24) demonstrating SWARCO's proactive approach by integrating sustainability into core business operations.

The possibility to professionally evaluate zero-emission alternatives for all new fleet vehicle purchases supports the transition to a low-carbon economy, aligning with regulatory trends and mitigating risks from future emission-related restrictions. By committing to sourcing 90% green electricity across SWARCO's European operations by 2025, we are advancing renewable energy adoption and reducing carbon dependency. The global introduction of a standardized energy monitoring system at all major sites by 2026 will drive improvements in energy efficiency, optimize resource use and better position us to share best practices across the Group. Furthermore, achieving ISO 14.001 and 50.001 certifications at relevant sites by 2027 strengthens our environmental and energy management systems, ensuring compliance with international standards and reinforcing SWARCO's commitment to sustainable, responsible operations.

4.2.7 ENERGY MIX AND CONSUMPTION (E1-5)

TABLE 5: Energy and fuel consumption

Paragraph	Article	Data Point	FY 2024	Unit
37	35	Total energy consumption related to own operations	561 633	MWh
37a	32, 33	Total energy consumption from fossil sources	532 934	MWh
37b		Total energy consumption from nuclear sources	1 363	MWh
	34	Percentage of energy consumption from nuclear sources in total energy consumption	0.2	%
37c		Total energy consumption from renewable sources	27 336	MWh
37c, i		Fuel consumption from renewable sources	741	MWh
37c, ii		Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	26 595	MWh
	34	Percentage of renewable sources in total energy consumption	4.9	%
38a	33	Fuel consumption from coal and coal products	0	MWh
38b	33	Fuel consumption from crude oil and petroleum products	87 020	MWh
38c	33	Fuel consumption from natural gas	411 123	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	34 791	MWh
	34	Percentage of fossil sources in total energy consumption	94.9	%
39		Renewable Energy Production	1 373	MWh

4.2.8 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 3 service subsidiaries which required extrapolation. All SWARCO locations have been taken into account according to Annex 7.2. Across the group for the year 2024, more than 600 Scope 1 and Scope 2 data points were collected and considered in the carbon calculation, which was done in a dedicated Carbon

Accounting Tool. All emission factors are documented in the tool. At this point we would like to mention that SWARCO does not participate in any emission trading schemes.

For the first time in 2024, SWARCO conducted an initial Scope 3 analysis in accordance with EU requirements, following the principles of the GHG Protocol and the European Sustainability Reporting Standards (ESRS). The evaluation called 'Hotspot Screening' provided a comprehensive overview of indirect emissions across our value chain.

SWARCO only considers relevant the categories which have more than a 5% share of the total Scope 3 emissions.

Based on this, the following 5 'Scope 3 Hotspots' have been identified:

- 3.1 Purchased goods and services
- 3.2 Capital goods
- 3.3 Fuel- and energy-related activities
- 3.11 Use of sold products
- 3.12 End-of-life treatment of sold products

Calculation methods of Scope 3 emissions included three different methods depending on the category being assessed through material expenses and other internal expenditures. The primary method of calculation is the spend-based calculation which takes into account the cost of a purchased good or service and multiplies it by a corresponding emission factor to estimate GHG emissions.

TABLE 6: GHG emissions

Paragraph	Article	Data Point	FY 2023 recalculation	FY 2024	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 7 below.	
48 a	AR 43	Gross Scope 1 greenhouse gas emissions	109 416	111 229	t CO ₂ e
49 a, 52 a	AR 45, AR 47	Gross location-based Scope 2 greenhouse gas emissions	20 591	18 754	t CO ₂ e
49 b, 52 b	AR 45, AR 47	Gross market-based Scope 2 greenhouse gas emissions	20 191	19 045	t CO ₂ e
44, 52 a	AR 47	Total GHG emissions location based	130 007	129 983	t CO ₂ e
44, 52 b	AR 47	Total GHG emissions market based	129 607	130 274	t CO ₂ e
53	AR 53	GHG emissions intensity, location-based (total GHG emissions per net revenue)	106.5	104	t CO ₂ e / MEUR
53	AR 53	GHG emissions intensity, market-based (total GHG emissions per net revenue)	106.2	104.2	t CO ₂ e / MEUR

We identified an error in our 2023 input data that resulted to an underestimation of 20,029 MWh electricity and overestimation of 13,798 MWh of natural gas consumption. The 2023 data is corrected in the above table.

TABLE 7: Disaggregation of GHG emissions 2024 Scope 1 according to operating segments

Segment	FY 2024	Unit	% of total Scope 1
Stationary combustion (Gas)	84 033	t CO ₂ e	75.5%
Mobile combustion (Diesel)	16 967	t CO ₂ e	15.3%
Other Scope 1 emissions	10 229	t CO ₂ e	9.2%

4.2.9 GHG EMISSION REMOVALS (E1-7)

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

4.2.10 INTERNAL CO₂ PRICING (E1-8)

Currently no internal carbon pricing scheme is followed in SWARCO.

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

Climate change was included in the materiality analysis of all sustainability topics, and the results are discussed in chapter 3.3.3 ESRS 2 SBM-3. In the reporting year for 2025, additional information will be provided on anticipated effects from potential physical and transition risks and potential climate-related opportunities. A resilience analysis will be available in the reporting year for FY 2025.

4.3 ECO AND CIRCULAR PRODUCT DESIGN – ESRS E5

4.3.1 IMPACT, RISK AND OPPORTUNITY MANAGEMENT (IRO-1)

Circular Economy was included in the materiality analysis of all sustainability topics, and the results are discussed in chapter 3.3.3 ESRS 2 SBM-3. So far, no specific Circular Economy impact and/or resilience analysis on group level has been conducted additionally to this.

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.

4.3.2 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. The first step was 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 biodegrad-

able 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.

4.3.3 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. As a consequence, we have introduced the first EPDs for glass beads. Further 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 2024, all relevant European RMS production sites have been integrated to the LCA calculation tool platform.

4.3.4 TARGETS (E5-3)

The first binding targets related to Circular Economy and Eco Design were established in 2024. By 2035, we aim to set a new industry standard in eco-friendly and circular product design, ensuring the smallest possible environmental footprint throughout our value chain. To achieve this we want to establish the implementation of Circular Economy solutions in all business units (3 RMS + 2 ITS) until 2028. Additionally, until 2026, we intend to integrate Eco Design principles in 100% of all R&D activities for products, processes and solutions.

SWARCO integrates Circular Economy principles to reduce waste, enhance resource efficiency, and extend the lifecycle of products and materials. By embedding Eco Design in all R&D activities, the company promotes recyclability, reusability, and material recovery, leading to greater use of biodegradable materials and energy-efficient processes. Prioritizing recycled and renewable materials across operations increases the circular material use rate and reduces reliance on virgin raw materials. This is supported by optimizing secondary raw materials, improving material efficiency, and reintegrating waste into production. Eco Design also ensures responsible

sourcing and aligns with the waste hierarchy by emphasizing prevention, reuse, and recycling. Altogether, these efforts drive sustainable material management and long-term environmental and economic resilience.

As an example, we would like to mention that SWARCO Indusferica is actively committed to Circular Economy

and ensures the sustainability of SWARCO Indusferica's glass beads through utilizing high-grade recycled glass, significantly reducing energy consumption in the production process with a carbon footprint of just 1.14 CO₂e/kg. Indusferica prioritizes regional sourcing of raw materials to limit transportation emissions and uses smart transport solutions to further

minimize environmental impact. Circular Economy practices also extend to the use of recyclable packaging and waste heat recovery, ensuring a low carbon footprint. By adhering to our target of embedding Eco Design principles in our R&D activities, SWARCO supports a sustainable future, reducing waste and conserving resources across all stages of its products life.



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. When it comes to calculations, our procurement departments are responsible for providing the material inflow data. We

look at the types of material we buy and consume and track the quantity of secondary raw materials in our ESG data sheets as part of the yearly ESG reporting process. To avoid double counting in our ESG data sheets, production sites are requested to deliver material inflow data. All SWARCO subsidiaries which only re-sell our products are not taken into account. The total weight of secondary materials or recycled components of production sites for reporting year 2024, can be found in the table below.

TABLE 8

Absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials-2024	
Total	96 898 283 kg
RMS	96 369 631 kg
ITS	528 652 kg

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 2024, 78% of all input materials were secondary or recycled, primarily sourced from glass cullet and waste. The value has slightly increased from 76% in 2023. Regarding packaging, nearly half of the content in packaging is theoretically recyclable.

SWARCO Vestglas has achieved a 72%

usage rate of recycled input materials. Another good example is SWARCO HITEX in the UK, where the rate of recyclable content in packaging of our products is at 66% and the content rate of secondary materials used in products stayed around 50%. Regarding packaging, the theoretical recyclability of SWARCO Industries products is estimated with 100%. 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, 77% 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, repairability is an integral part of the design of all our products.

4.3.6 RESOURCE OUTFLOWS (E5-5)

Regarding the end of life, depending on the product we are looking at, different approaches of the product life cycle management can be stated. Both divisions need to report on their resource inflows and outflows and this data is derived through our annual data collection process, during which all production sites must report the weight and percentage of secondary reused or recycled components, secondary intermediary products, and secondary materials. Additionally, they must report on the rate of recyclable content in our products delivered in the reporting year, as well as the recyclable content rates in the packaging of our products. The data on waste generated is sourced directly from the invoices provided by the waste treatment provider collecting the operational waste from our production sites.

Next to the production sites, also the SWARCO service companies are aware of the importance of recycling and look into options of more sustainable packaging and ways to reduce the need for packaging when a product goes to the customer. Two

examples hereby are SWARCO Belgium and SWARCO Sweden, where the rate of recyclable content of the used packaging increased by 14% and 30% respectively, since 2023.

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. Also the recyclability of the packaging is estimated with 65%. 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 2024. 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 included in the materiality analysis of all sustainability topics, and the results are discussed 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. SWARCO will not be disclosing any qualitative information of anticipated financial effects of materials risks and opportunities arising from resource use and Circular Economy related activities. Further information will be provided – once available – in future sustainability reports.



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 email account. For the fiscal year of 2024, 85% 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, RISKS AND OPPORTUNITIES (RELATED TO ESRS 2 SBM-3)

As detailed earlier 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. No distinction has been made so far of the types of employees and non-employees subject to material impacts. We try to set the highest standards for all employees equally.

By reassessment of our financial materiality analysis at the beginning of 2024, we have identified two new risks arising from impacts and dependencies on our own workforce: recruitment challenges and the loss of or dependence on key personnel.

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 the Austrian Accident Insurance Institution (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. Furthermore, some companies offer “bike to work” programmes, where employees are

encouraged and financially supported to invest in a bike in order to commute to work in a sustainable way. A “ZERO HARM” campaign is ongoing in the United Kingdom and the Netherlands, aimed at educating staff through a series of workshops on topics such as safety, 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 of ourselves and our families, but also about each other, the public and society.

Adding to this, we sustain projects in the social sphere and in 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 RMS 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 are not only meaningful, but also create a welcome change of perspective from everyday work and promote 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 an external partner 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 higher motivation at work.

There are no incidents of forced labour in SWARCO. 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 with 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 2024 no incidents of forced labour or child labour were 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 (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 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 portal where employees can anonymously enter information about incidents. In the year 2024 no confirmed incidents occurred. 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. Additionally, for the same reason, no general approach has been set up to provide and or enable remedy for human right impacts. However, we remain committed to upholding human rights standards and maintaining vigilance in our business practices. Should any human rights-related incidents or risks arise, we are prepared to take prompt and appropriate action to ensure any adverse impacts are effectively addressed and remedied.

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 of 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. At M. SWAROVSKI GmbH, several individuals with disabilities, supported by the Austrian association "Lebenshilfe," work four times a week in the factory, assisting with various tasks such as product labeling, gardening, waste disposal, preparing mailings, and assembling Christmas gifts. 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 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 RMS Division sites. SWARCO RMS 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 in detail 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 enters the whistleblower channel is forwarded to the compliance team who are responsible for investigating every single case. As the number of confirmed incidents is low – zero for 2024 – no policy or process for remedies has been established.

5.1.6 ACTIONS (S1-4)

SWARCO does not see any negative impacts related to workers from the transition to a greener, climate neutral economy.

At SWARCO, we are committed to fostering a supportive and inclusive work environment where the well-being, development, and engagement of our employees are top priorities. An overview of initiatives and actions primarily aimed

at delivering positive impacts for our workforce are outlined in 5.1.2. To better understand how negative impacts on own workforce have been prevented or mitigated, we have mapped out initiatives and actions across SWARCO subsidiaries aligning them with the UN SDGs. We intend to include a diverse set of initiatives in the next sustainability report, showcasing our commitment to delivering positive impacts for our own workforce. This assessment will present ongoing actions carried out, as well as future related goals for what we want to achieve.

Currently, through our HR data collection process where all subsidiaries are asked to provide information on disclosure requirements such as diversity metrics, adequate wages, social protection, health and safety and pay gap remuneration, SWARCO is able to track working conditions, equal treatment and diversity indicators across all companies and make comparisons with prior years, enabling us to identify potential risks and implement strategies that drive sustained positive outcomes.

5.1.7 TARGETS (S1-5)

Our employees are the driving force behind our company and play a vital role in its success. That is why one of our high level goals is to make SWARCO one of the most attractive employer at its locations until 2030. By 2028, SWARCO aims to reduce employee turnover to below 15%, improving from the 18% in

2023. Additionally, the company will aim to maintain a satisfaction rate within the 2.4 to 2.7 corridor and ensure that over 55% of employees participate in the bi-annual employee survey. To foster continuous development and performance, SWARCO also targets a participation rate of more than 50% in performance reviews (Time-4Feedback) until 2026.

The workforce representatives have played an integral role in setting these new targets, ensuring that employee perspectives and needs are considered in the process. To efficiently track progress toward these targets, the responsibility has been divided between the HR and CSR departments, depending on the respective data collection methods already established. Since these targets are new, there have not yet been any outcome lessons to draw from. To improve the accuracy of the KPIs associated with the established targets, we will update the data sheets sent annually to all HR departments across the companies.

5.1.8 CHARACTERISTICS OF OWN WORKFORCE (S1-6)

The data regarding our own workforce derives from our ESG data collection conducted in early 2025.

Table 9 and 10 show the characteristics of our workforce regarding ESRS S1-6 §50 and Table 11 adds regional information as requested according to §51.

TABLE 9

	2023	2024	Average
Number of employees (head count)	5.727	5.783	5.755
Male	4.469	4.542	4.505,5
Female	1.258	1.241	1.249,5
Other	0	0	0
No gender declaration	0	0	0
Number of permanent employees (head count)	5.465	5.518	5.491,5
Male	4.292	4.336	4.314
Female	1.173	1.182	1.177,5
Number of temporary employees (head count)	244	257	250,5
Male	162	199	180,5
Female	82	58	70
Number of non-guaranteed hours employees (head count)	18	8	13
Male	16	7	11,5
Female	2	1	1,5
Total number of employees who left the company in the reporting period (head count)	989	819	904
Employee turnover rate	18%	14%	16%



TABLE 10

	2023	2024	Average
Number of employees (head count)*	4 258	4 313	4 285,5
Male	3 251	3 329	3 290
Female	1007	984	995,5
Number of permanent employees (head count)*	4 062	4 166	4 144
Male	3 124	3 219	3 171,5
Female	938	947	942,5
Number of temporary employees (head count)*	192	143	167,5
Male	124	106	115
Female	68	37	52,5
Total number of non-employees in the company's own workforce (head count)*	4	0	2
Male	3	0	1,5
Female	1	0	0,5

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

TABLE 11

Total number of employees (headcount)*	2023	2024	Average
Germany	1 835	1 878	1.856,5
UK	823	876	849,5
Austria	638	671	654,5
USA	962	888	925

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

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

Metrics showing the data of FY 2024 regarding collective bargaining coverage and social dialogue can be found in the tables below.

TABLE 12

Collective bargaining coverage and social dialogue	Absolute table		Relative table	
	2023	2024	2023	2024
Total number of employees covered by collective agreements	1 983	2113	35%	37%

TABLE 13

Collective bargaining coverage and social dialogue - 2024*	Collective bargaining agreements		Social Dialogue
	Coverage Rate	Employees - EEA	Employees - non-EEA countries
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.

5.1.10 DIVERSITY METRICS (S1-9)

TABLE 14

Gender distribution in number of employees (headcount) at top management level*	Total number		Percentage	
	2023	2024	2023	2024
Male	13	11	72%	65%
Female	5	6	28%	35%
Total	18	17	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 15

Distribution of employees* by age group	Absolute table	Relative table	Absolute table	Relative table
	2023	2023	2024	2024
Under 30 years	981	17%	890	15%
30-50 years	2 849	50%	2 858	50%
Over 50 years	1 897	33%	2 019	35%

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

5.1.11 ADEQUATE WAGES (S1-10)

SWARCO companies fully comply with all legal requirements regarding employment conditions, ensuring alignment with national labor laws. Through our yearly HR data collection processes, SWARCO can ensure that all employees are paid an adequate wage across SWARCO companies according to each company's local regulations.

5.1.12 TRAINING AND SKILLS DEVELOPMENT METRICS (S1-13)

We are proud to enable training and skills development to our employees. Metrics for the fiscal year 2024 can be found in the table below:

TABLE 16

Employees who have participated in regular performance and career assessments	Absolute table	Relative table	Absolute table	Relative table
	2023	2023	2024	2024
Total	2 767	48%	2 843	49%
Male	2 178	49%	2 241	49%
Female	589	47%	593	48%

5.1.13 HEALTH AND SAFETY METRICS (S1-14)

TABLE 17

Employees covered by a health and safety management system	Absolute table	Relative table
	2024	2024
Employees covered	4 772	83%

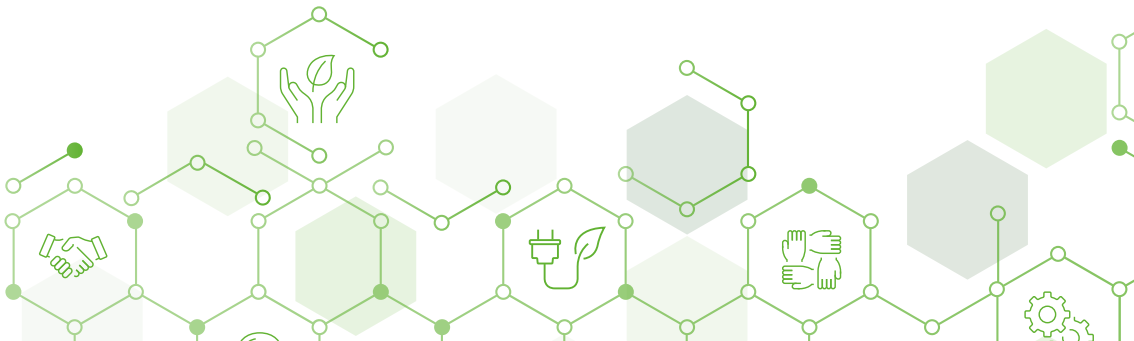
TABLE 18

Work-related injuries and fatalities	2024
Number of recordable work-related accidents for own workforce	158
Number of cases of recordable work-related ill health of employees	53
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees (days)	1 460

There have been no fatalities as a result of work-related injuries or work-related ill health on SWARCO's own workforce or of other's working on our sites.

TABLE 19

Rate of recordable work-related accidents for own workforce	2024
Number of recordable work-related accidents in the reporting year	158
Number of total hours worked in the reporting period (h) by the own workforce	7 228 916
Rate of recordable work-related accidents for own workforce per 500 full time people	21.86%



5.1.14 WORK-LIFE BALANCE METRICS (S1-15)

TABLE 20

Percentage of employees entitled to take family-related leave	Absolute table	Relative table
	2024	2024
Employees who are entitled to take family-related leave	3 922	68%

TABLE 21

Percentage of entitled employees that took family-related leave	Total number	Percentage
	2024	2024
All employees	286	5%
Male	206	5%
Female	80	6%

5.1.15 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 22

Annual total remuneration ratio	2023	2024
Ratio between the remuneration of the highest-paid individual and the median remuneration of the employees	1:17,08	1:16,90

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

As already stated in chapter 5.1.3, 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 2024, there were 12 compliance reports, with no confirmed violations in the area of social compliance (discrimination and human rights). As there were no confirmed incidents, no fines or penalties had to be paid in the fiscal year 2024.

5.2 CONSUMER AND END-USERS – ESRS S4

5.2.1 STRATEGY (RELATED TO ESRS 2 SBM-2)

Our business model primarily focuses on traffic management, aiming to improve the flow and safety of all road users. Our consumers and end-users include a wide range of individuals, such as drivers and passengers of cars, buses, trucks, and bicycles, as well as pedestrians. By addressing the needs of these diverse groups, we strive to create a more efficient and safer transportation environment for everyone.

Our business model does not directly depend on end-users. Our products and solutions treat all consumers the same and do not discriminate between different end-user groups, e.g. expensive cars are not given more priority than cheap ones. Thereby the rights and interest of all end-users are equally maintained.

Our customers are typically public authorities, such as city or town councils, as well as highway operators, who rely on our services to manage traffic effectively. It is important to note that we do not have direct contact with traffic end-users. Our customers maintain control over this interaction and do not permit private individuals to engage with us directly. This approach ensures that traffic solutions are aligned with broader public interests.

Consumers and end-users have not been considered in our stakeholder analysis in chapter 3.3.2. Nevertheless, all consumers and end-users who can be

materially impacted by us are included in the following disclosure.

5.2.2 MATERIAL IMPACTS. RISKS AND OPPORTUNITIES (RELATED TO ESRS 2 SBM-3)

By enabling smoother transport networks, SWARCO helps minimize traffic jams and accidents, leading to lower emissions, improved air quality, and safer urban and interurban mobility. These innovations positively affect a wide range of consumers and end-users, including city residents who benefit from cleaner air and safer streets, logistics companies seeking reliable transportation routes, and commuters experiencing less congestion and reduced travel times.

Private and commercial road users, such as drivers, cyclists, and pedestrians are directly impacted by SWARCO's solutions, which enhance road safety, visibility and mobility efficiency. Public transport operators depend on SWARCO's real-time passenger information systems and traffic prioritization solutions for reliable and seamless travel of passengers. SWARCO's road markings guarantee high visibility of lanes even under difficult weather conditions, thereby increasing traffic safety of road users. Lastly, smart city and mobility solution providers integrate SWARCO's intelligent mobility systems into sustainable urban planning, ensuring interoperability with digital infrastructure and long-term resilience.

Based on our materiality analysis, three risks have been identified as material in

relation to their potential impact on road users. First, the risk of new products and product management going live too early, which could lead to system malfunctions or suboptimal performance. Second, cybersecurity issues, such as malware, phishing, or data loss, which could cause a shutdown of our systems, disrupting traffic management and safety. Third, the risk of breach of contract, leading to late delivery of critical solutions, potentially affecting the efficiency and safety of road operations.

5.2.3 POLICIES RELATED TO CONSUMERS AND END-USERS (S4-1)

As the above-mentioned three material risks are closely tied to our core business processes, there is no need to establish specific additional ESG end-user policies. The management of new product launches is overseen by the policies of our R&D and marketing teams. Cybersecurity concerns, including malware and data loss, are addressed through the policies of our IT and cybersecurity teams. Contractual issues, such as potential breaches and delays in delivery, are managed by our project managers, ensuring that all risks are appropriately handled within their respective domains.

In general, we would like to state that any action plans and targets to improve traffic flow and traffic safety are part of SWARCO's core business processes and R&D efforts. These activities are confidential and cannot be disclosed.



GOVERNANCE

6.1.1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE (G1-1)

SWARCO adheres to governance standards related to compliance and ethics, which we would like to highlight here.

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 business partners" as well as how to behave in the case of "conflicts of interest". The department of Group Compliance located at the headquarters 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.

The principles for preventing and detecting corruption or bribery are set out in our publicly accessible Code of Conduct. The functions more at risk in respect to corruption and bribery are members of the administrative and management bodies.

The view of SWARCO on anti-bribery as well as anti-corruption is in line with the United Nations Convention against Corruption. A whistleblower hotline is for everybody (internal and external) available from SWARCO which guarantees anonymity and thus ensures the protection of whistleblowers. During the 2024 reporting period, there were 12 compliance reports, with no confirmed violations in the area of social compliance (discrimination and human rights).

The protection of whistleblowers is of fundamental importance not just due to the existing need for protection of the whistleblowers themselves, but also to ensure the proper functioning of the whistleblower system. In the cases in which potential whistleblowers have to fear possible reprisals due to the providing information, there is a risk that they may distance themselves from the disclosure of information or exclusively report the presumed abuse externally. Which is why - in addition to ensuring the confidentiality of their identity - whistleblowers are protected as follows:

- Protection against reprisals
- No responsibility for procurement, access and disclosure of the information

Further details on the protection of whistleblowers and on the SWARCO's whistleblower system are published on the website [Compliance | SWARCO](#) and in the publicly accessible document [Policy Whistleblower 2025.pdf](#)

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 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.

In our Code of Conduct as well as in our Group Policy Human Rights and Working Conditions, 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.

6.1.2 MANAGEMENT OF RELATIONSHIP WITH SUPPLIERS (G1-2)

One of our legal due diligence obligations involves the prevention of late payments. SWARCO has the 'Working Capital Policy' in place which is valid for all members of SWARCO Group outlining the rules and regulations regarding payment terms. The policy addresses payment terms to customers and suppliers irrespective of their size.

For those suppliers identified as relevant to our business, we currently require adherence to the SWARCO Supplier Code of Conduct. This document outlines our expectations and standards concerning ethical business practices and specifically addresses potential CSR risks associated with the supply chain. We also aim to strengthen our training programs for employees and suppliers, focusing on human rights awareness and best practices.

6.1.3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY (G1-3)

In case of an incident, based on the

whistleblower reports, Group Compliance will notify the Executive Board if:

- There is reasonable suspicion of a legal violation;
- The notification seems appropriate for preventing comparable legal violations in future; and
- Endangerment of the follow up measures is not expected

Subsequently, Group Compliance reports directly to the Executive Board on any compliance violations identified during internal audits. The results of internal audit investigations must also be reported to the Supervisory Board on a quarterly basis.

Group Compliance is sufficiently independent in terms of organization and function. The department employees entrusted with the processing of information, guarantee to maintain confidentiality. The team has sufficient personnel and material resources to safeguard a qualified, swift and independent review and - if necessary - to initiate internal investigations.

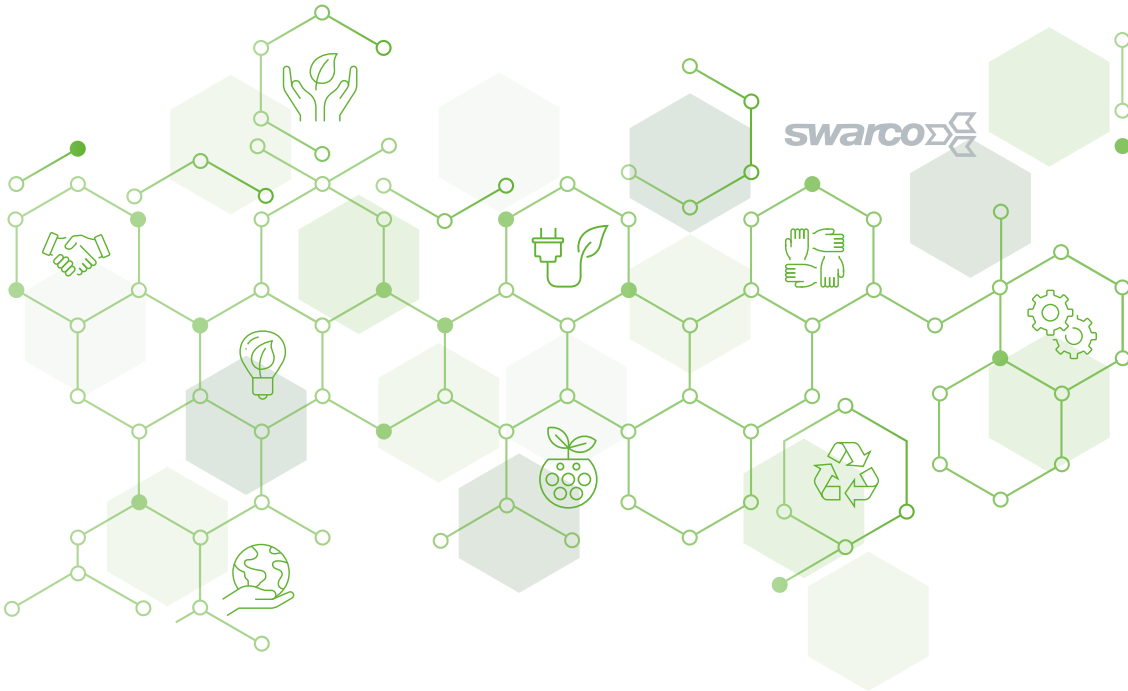
Every employee is required to complete a basic training on compliance, including all members of administrators, supervisory and management bodies. In addition, the latter are also required to complete a mandatory online course on competition and antitrust law. The basic training on compliance takes place online and is automatically assigned to each employee when a SWARCO e-mail account is established. The training

familiarizes participants with the contents of the Code of Conduct. In particular, the training also includes learning units on anti-corruption and anti-bribery. The principles of donations, sponsoring and charity, selection of business partners, dealing with business partners, conflicts of interest, inadmissible payments and benefits, as well as the principles of fair competition, are brought to the attention of the training participants. The learning content always refers to the points of contact for reporting violations. An employee who becomes aware of any potential breach of the Code of Conduct or unlawful behaviour can contact the Group Compliance department or Compliance officer directly or using the current whistleblower portal.

In 2024, 85% of the 4,363 invited employees have successfully completed the course. The group of people with an increased risk is covered by the training rate.

6.1.4 INCIDENTS OF CORRUPTION AND BRIBERY (G1-4)

In reporting year 2024, SWARCO has not been subject to any convictions or fines for violation of anti-corruption and anti-bribery laws. As a result, no additional actions are in place to address breaches in procedures and standards of anti-corruption and anti-bribery.



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7.2 LIST OF SWARCO COMPANIES

COMPANY NAME	DIVISION	COUNTRY	ISO CERTIFICATE
SWARCO AG	Holding	Austria	■ ■
APT SKIDATA LIMITED	ITS	United Kingdom	■ ■ □
ASS Verkehrsservice GmbH	RMS	Germany	
Bergauer AG	ITS	Switzerland	■ ■
Cer-O-Glass Technologies, Inc.	RMS	United States	
CONSORTIUM COMPANIES SWARCO & KBAS FOR CONTRACTING W.L.L.	ITS	Qatar	
Feichtner und Bossert GmbH	RMS	Germany	
FOL Tape LLC	RMS	United States	
HERBERT RUCH GmbH	RMS	Germany	
HIMA GmbH	RMS	Germany	
Hitzblech-Markierung GmbH	RMS	Germany	
Jone GmbH	RMS	Germany	
L&R Roadlines Limited	RMS	United Kingdom	■ ■ □ ■
McCain Traffic Supply Mexico S.A. de C.V.	ITS	Mexico	
M. Swarovski Gesellschaft m.b.H.	RMS	Austria	■ ■ □ ■
Road Marking Equipment Pty Ltd	RMS	Australia	
Schlothauer & Wauer Ingenieurgesellschaft für Straßenverkehr mbH	ITS	Germany	
Somerford Equipment Limited	RMS	United Kingdom	■
Straat 1 GmbH	RMS	Germany	
Supalux Linemarking Pty Ltd	RMS	Australia	■ ■ □
SWARCO AMERICA INC.	ITS	United States	
SWARCO ANDINA S.A.S.	ITS	Columbia	
SWARCO AUSTRALIA PTY LTD	ITS	Australia	
SWARCO Belgium NV	ITS	Belgium	■
SWARCO Colorado Paint, LLC	RMS	United States	■
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 Ges.m.b.H.	ITS	Austria	■ ■ □
SWARCO HELLAS SINGLE MEMBER S.A.	ITS	Greece	■ ■ ■ ■ □
SWARCO HITEX LTD	RMS	United Kingdom	■ ■
SWARCO INDUSTRIES LLC.	RMS	United States	■

COMPANY NAME	DIVISION	COUNTRY	ISO CERTIFICATE
SWARCO Ireland Ltd.	ITS	Ireland	
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 Nederland B.V.	Holding	Netherlands	■ ■ ■
SWARCO NORGE AS	ITS	Norway	■ ■
SWARCO Peek Traffic B.V.	ITS	Netherlands	■ ■
SWARCO Poland Sp. z o.o.	ITS	Poland	
SWARCO REFLEX LLC.	RMS	United States	■
SWARCO RMS Pty Ltd	RMS	Australia	■
SWARCO Saudia LLC	ITS	Saudi Arabia	
SWARCO Sverige AB	ITS	Sweden	■ ■
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 Technology ApS	ITS	Denmark	■ ■ ■
SWARCO TRAFFIC AUSTRIA GmbH	ITS	Austria	
SWARCO TRAFFIC CZ s.r.o.	ITS	Czech Republic	■ ■
SWARCO Traffic Hungaria Kft.	ITS	Hungary	■ ■ □
SWARCO TRAFFIC ROMANIA S.R.L.	ITS	Romania	■ ■ ■ □
SWARCO Traffic Systems GmbH	ITS	Germany	■ ■
SWARCO UK LIMITED	ITS	United Kingdom	■ ■ □
SWARCO UK & IRELAND LTD	ITS	United Kingdom	■ ■ ■ □
SWARCO VESTGLAS GmbH	RMS	Germany	■ ■ □ ■
SWARCO VICAS S.R.L.	RMS	Romania	■ ■ □
SWARCO V.S.M. GmbH	ITS	Germany	
STRADACOLOR KFT	RMS	Hungary	
Texprint Surfacing Limited	RMS	United Kingdom	
VIALUX-BULGARIA LTD.	RMS	Bulgaria	■ ■ ■ □

■ ISO 9001 ■ ISO14001 ■ ISO 27001 ■ ISO 39001 ■ ISO 44001 □ ISO 45001 ■ ISO 50001

7.3 IMPRESSUM

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