

CONSOLIDATED NON FINANCIAL REPORT 2023

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1. PREFACE

AUSTRIACARD HOLDINGS AG, with an international presence, is a technology company that draws upon 130 years of experience and innovation in the fields of authentication of people, authentication of objects and information management, to provide customer experiences that are characterized by transparency and security. AUSTRIACARD HOLDINGS offers a complementary portfolio of products and services in secure chip solutions (payments, identification, and personalization), digital transformation, advanced secure printing & fulfilment services for the financial, government, and the general private sectors. It has presence in 17 countries, commercial activity in 50 countries and production facilities in 9 countries.

ESG (Environment, Social and Governance) and sustainability is a matter of course and these topics are becoming increasingly relevant and urgent. At AUSTRIACARD HOLDINGS our values were always to making a difference in the lives of our employees, shareholders and customers with a sense of responsibility and respect towards society and the environment. Therefore, we have intensified our efforts in this area extensively over the past years from product offerings to moving to greener energy consumption. In 2023, the focus was a systematic and structural one anchoring sustainability in the foreground by creating a dedicated ESG team.

As Sustainability/ESG Reporting requirements will be expanded significantly in the coming years, our Group will take further initiatives to evaluate its impact on the environment, as well as social and governance aspects, in order to enhance its transparency and set new targets. It is expected that sustainability aspects will become new disciplines and play a more decisive role in our Group's performance indicators and active commitment. Therefore, well-founded management will lead to continuously improve our sustainability performance across our value chain.

2. SCOPE

For the first time, AUSTRIACARD HOLDINGS (from here on the 'Group') includes also the consolidated non-financial statement required by § 267a and § 243b of the Austrian Commercial Code into its Financial Report. With this statement, the Group meets its reporting requirements under the Austrian Sustainability and Diversity Improvement Act ('Nachhaltigkeits- und Diversitätsverbesserungsgesetz', NaDiVeG) on environmental, social and employee issues, respect for human rights and fight against corruption and bribery.

The information of the non-financial report apply to:

- The period 1/1/2023-31/12/2023 (unless indicated otherwise in certain points).
- AUSTRIACARD HOLDINGS AG's activities (from here on 'The Company') reported for the following entities: TAG Andorra, AUSTRIACARD Austria, INFORM LYKOS Greece, TAG Poland, INFORM LYKOS Romania, AUSTRIACARD Romania, TAG Spain, AUSTRIACARD Türkiye and TAG United Kingdom, which in terms of Turnover, correspond to over 80% of the Group's Turnover. In case data were not available for a specific entity for a specific indicator at the time of this publications, the entity is not referenced in the Scope of the respective indicator in Tables 6.2.5, 6.3.4, 6.4.4, 6.5.4.
- The materiality analysis carried out in 2023 (taking into account data of 2022), in which potential topics of corporate governance, environmental and social impact in connection with the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and the standards of the Global Reporting Initiative (GRI) standards were examined and evaluated.

3. MANAGEMENT

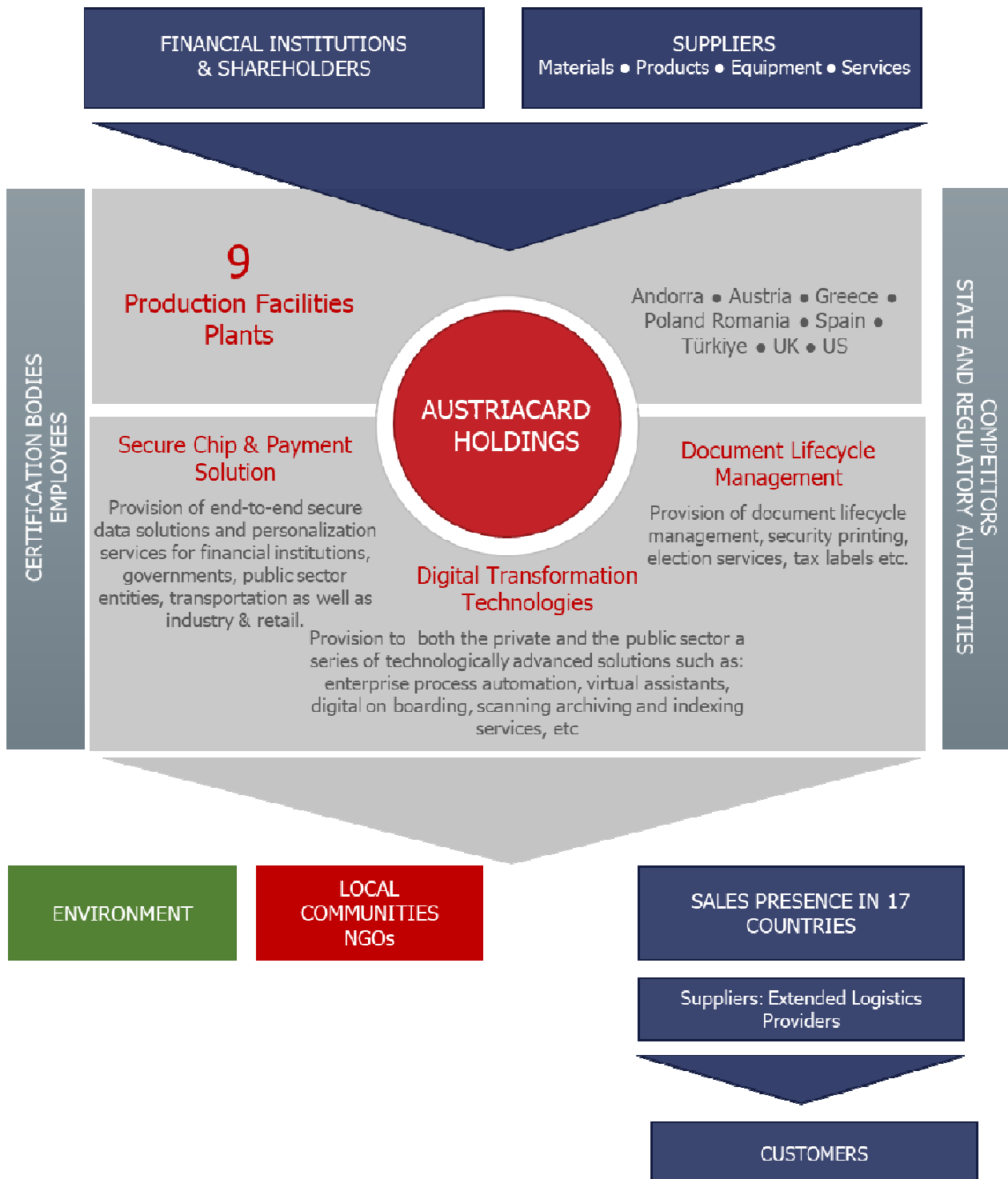
We aim to build relationships of trust with different Stakeholders, while at the same time ensure long-term value creation to benefit them. Therefore, we strive to conform to international management standards and establish robust internal management systems, to facilitate long-term and stable business operations, including our undisputed obligation to ensure the safety and security of our advanced production methods and maintain a tireless focus on quality at every stage of our production process.

3.1 Model

Our Value Chain is depicted in the schematic below, with the description of the location, segments and solutions being described in pages 7 to 9 of the Annual Financial Report

The risks and opportunities along the Group's Value Chain are identified and evaluated to determine which are probable and are analyzed in the Consolidated Financial Statement (pages 26-32 of Annual Financial Report).

Our Value Chain



We define as Stakeholders, those who are either affected by our operations or affect our operations. To gather their feedback, we engage in various methods of communication to understand their needs and expectations, as well as their main topics of interest.

Stakeholder Engagement

Stakeholder	Dialogue through continuous indicative activities (unless indicated otherwise)
Direct Stakeholders	
Customers	<ul style="list-style-type: none"> • Complaint management (daily) • Conferences / Meetings (annually) • Customer support representatives (daily) • Customer surveys (annually) • Social media • Website • Sales network • Press releases • Brochures • Exhibitions
Employees	<ul style="list-style-type: none"> • Performance appraisal (annually) • Corporate internal networks (where applicable) • Internal communication activities • Events • Meetings • Trainings • Labor associations (where applicable)
Suppliers & Agents	<ul style="list-style-type: none"> • Offers/contracts management • Formal communication • Supplier evaluation (regularly, e.g. annually, biannually) • Meetings
Financial Institutions & Shareholders	<ul style="list-style-type: none"> • Financial reports • General Meeting of Shareholders (annually/extraordinary) • Website • Meetings • Financial audits • Press releases
Indirect Stakeholders	
Certification Bodies	<ul style="list-style-type: none"> • Quality management (annually) • Audits (annually) • Formal communication • Meetings
State & Regulatory Authorities	<ul style="list-style-type: none"> • Discussion with representatives • Formal communication • Events / Meetings • Membership in organizations, associations and institutions
Local Communities	<ul style="list-style-type: none"> • Support of social support activities • Participation in social support initiatives • Partnerships
Non-Governmental Organizations (NGOs)	<ul style="list-style-type: none"> • Formal communication • Partnerships • Events
Competitors	<ul style="list-style-type: none"> • Formal dialogue (through the Smart Payment Association for technical and sustainability issues)

3.2 Standards and Certifications

We aim to build relationships of trust with different Stakeholders, while at the same time ensure long-term value creation to benefit all our Stakeholders. Therefore, we strive to conform to international management standards and establish robust internal management systems, to facilitate long-term and stable business operations. The following table summarizes the Standards we adhere to and the Certifications we hold.

Standards and Certifications ⁽¹⁾

Standard/ Certification	Description	Andorra	Austria	Greece	Poland	Romania	Spain	Türkiye	UK
American Express	Card Scheme							✓	
China UnionPay	Card Scheme	✓					✓		
DinaCard	Card Scheme			✓					
Diners Club International	Card Scheme	✓	✓					✓	
Mastercard	Card Scheme	✓	✓	✓	✓	✓	✓	✓	✓
TROY/Discovery	Card Scheme							✓	
VISA	Card Scheme	✓	✓	✓	✓	✓	✓	✓	✓
ISO 9001	Quality Management	✓	✓	✓	✓	✓	✓	✓	✓
ISO 14298/INTERGRAF	Management of security printing processes		✓	✓					
ISO 22301	Business Continuity Management			✓					✓
ISO 30301	Information And Documentation – Management System for Records			✓					
ISO 37001	Anti-bribery Management			✓					
ISO 45001	Occupational Health & Safety Management	✓		✓		✓			
Mastercard CQM	Mastercard Physical and Product Quality Requirements for Vendors	✓	✓			✓	✓		✓
ISO/IEC 7810	Identification cards — Physical characteristics		✓						
ISO/IEC 7816	Identification cards — Integrated circuit cards		✓						

Standard/ Certification	Description	Andorra	Austria	Greece	Poland	Romania	Spain	Türkiye	UK
Cyber Essentials Scheme (applicable only in the UK)	Protection from cyberattacks and cybersecurity breaches								✓
ISO 27001	Information Security Management		✓	✓		✓	✓		✓
ISO/IEC 10373	Cards and security devices for personal identification — Test methods		✓						
PCI DSS	Payment Card Industry Data Security Standard – Handling credit cards		✓			✓			✓
PCI CPP	Payment Card Industry – Card Production and Provisioning	✓	✓	✓	✓	✓	✓	✓	✓

Notes:

(1) Environmental Standards and Certifications are presented in the Environment Topics Section (page 22).

3.3 Framework

To manage the issue of Sustainability we have established a respective management structure at Group and Company level:

- At Board level, the Executive Chairman of the Management Board is the overall responsible for sustainable development issues, while at the same time shapes our Group's Vision, Mission and strategy related to sustainable development.
- At management level, the Group Chief Information Security Officer and the Marketing Manager are responsible to guide, plan, implement and evaluate sustainable development activities.
- The Group Chief Information Security Officer and the Marketing Manager guided the Core Sustainability Team, which consists of designated employees in each Country to manage Sustainability issues (e.g. support the collection process of sustainability-related information).
- The Core Sustainability Team interacts with other Departments within each Country and facilitates implementation of respective practices at local level.

Schematically it is depicted as below:



We have defined four material Areas of Sustainable Development, as a result of this analysis.

Sustainable Development Framework



3.4 Non-Financial Risks

We conducted a Materiality Analysis to examine Topics related to the actual or potential impact we may have on environment, society (including human rights) and economy and ensure that we focus on these Topics.

Initially, we utilized the following indicative input and sources to identify potential Topics:

- Current industry practices, future trends and the respective regulatory framework, as well as future trends based on respective analyses from international organizations.
- The Global Reporting Initiative's (GRI) 'Sustainability Reporting Standards'.
- Our Stakeholders' expectations (where available), taking into account their input from engagement activities such as the following:
 - Customer Surveys (e.g. in Andorra, Türkiye).
 - Employee Surveys (e.g. in Andorra, Austria).

We assessed the actual or potential impact we may have as a result of our activities, based on the likelihood of occurrence and severity of impact on our Stakeholders of these Topics.

As a result, we prioritized the significance of our activities' actual or potential impact and defined the following Material Topics of High Importance (all Topics that were not deemed Material Topics of High Importance are not referenced).

Materiality Analysis



Internal Audits:

The Group has established internal control and audit processes to ensure integrity of financial reporting (i.e. transparency and reliability of financial information), and compliance with applicable laws, regulation and corporate policies and procedures.

Risk Management:

We aim to limit our exposure to unavoidable risks and closely monitor their effects. In order to reduce the overall risk, we have established risk management policies and practices, as well as a systematic approach regarding precautionary measures related to our operations.

- Risk Management is coordinated at Group level by the Board of Directors in each Country in cooperation with Financial Directors of each Group segment.
- The primary focus is to ensure short and medium-term cash inflows and solvency.
- Results are reported monthly to the Senior Management, to determine and implement adequate measures to avoid, control or mitigate the respective risks.

- Each Country prioritizes main risks and opportunities identified (e.g. sustainability-related risks and opportunities), while risk controls to avoid, minimize, mitigate and/or remedy impacts (e.g. health and safety impacts, environmental impacts) are established separately on each Country, in accordance with local legislation and applied standards (e.g. ISO14001, EMAS).

Information Security:

We apply various approaches to guarantee an adequate level of security, according to applicable security standards, in line with international best practices. These objectives are covered in the Group's Information Security Management System (ISMS). Local legal terms and continuous improvement represent essential conditions for the operation of the ISMS.

Physical Security:

We adhere to a standing commitment to comply with and go beyond the security and safety provisions established by national and international laws and regulations. Therefore, we apply various security measures to protect our property and assets from damage or harm, as well as restrict unauthorized access (e.g. use of multiple layers of interdependent security systems in all our facilities).

Personal Data & Privacy:

We strive to ensure protection of our users' personal data, as we acknowledge that it is vital to protect the systems and information held and used by us from unauthorized access. Therefore, we utilize suitable and appropriate organizational and technical measures and infrastructure to safely handle, process and store personal data.

3.5 Performance

Indicator	Measurement Unit	Scope ⁽¹⁾	2023	2022
Sustainability Management				
Quantitative indicators in the Sustainable Development Report	number	AD, AT, ES, GR, PL, RO, TR, UK	NA	210
Risks				
Security-related certification audits (or inspections or equivalent) completed successfully within the year	number	AD, AT, ES, GR, PL, RO, TR, UK	45	NR
Incidents of non-compliance regarding breaches of customer privacy or losses of customer data	number	AD, AT, ES, GR, PL, RO, TR, UK	27	0
Grievances regarding anti-competitive behaviour, anti-trust and/or monopoly practices	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Customer complaints regarding quality of products or services delivered	number	AD, AT, ES, GR, PL, RO, TR, UK	275	309
Financial and in-kind contributions to Governments or governmental organizations	€	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Financial assistance received from Governments	€	AD, AT, ES, GR, PL, RO, TR, UK	43,390	0
Critical concerns communicated to the Supervisory/Management Board	number	Group	0	Not available

Notes:

(1) AD: Andorra, AT: Austria, ES: Spain, GR: Greece, PL: Poland, RO: Romania, TR: Türkiye, UK: United Kingdom.
(NA) Not Available at the time of publication

4. GOVERNANCE TOPICS

We aim to protect our market position over the long-term and further develop the organisation in keeping with political, economic, socio-cultural, technological, ecological-geographic and legal influencing factors. Therefore we strive for compliance with all binding obligations and incorporate actions and reporting requirements into our governance processes.

4.1 Diversity

At AUSTRIACARD HOLDINGS diversity and equal opportunity are of high value and established for decades. They are formulated in our code of conduct. The goal is to create an inspiring working environment where people and company can develop and progress. Therefore, the Group evaluates all people on the basis of merit, as measured against objective job requirements. The Group expects each employee to support the Group's commitment and continuing efforts towards equal employment opportunity for all. Furthermore, a fundamental policy of the Group is to treat all of our colleagues with respect. We recognize the power and potential that comes from people of diverse backgrounds and experiences. Our policy strictly forbids any discrimination, harassment or intimidation on the basis of race, color, religion, gender, age, national origin, citizenship, sexual orientation or disability.

We have established a two-tier board structure, which consists of the Management Board and the Supervisory Board, in accordance with the Austrian Federal Stock Corporation Act. Furthermore, we comply with the Austrian legislative corporate governance provisions for listed companies on the Vienna Stock Exchange (VSE) and the Athens Stock Exchange (ATHEX), while we have adopted and implement the Austrian and Greek Corporate Governance Code.

Board Structure ^{(1), (2)}

Name	Role	Independent /Executive	Term start date	Term end date	Gender	Age group
Supervisory Board						
Petros Katsoulas	Chairman	✓ / X	22/6/2022	2026 ⁽³⁾	Male	> 50 years old
John Costopoulos	Vice Chairman	✓ / X	22/6/2022	2026 ⁽³⁾	Male	> 50 years old
Martin Wagner	Member	✓ / X	30/6/2022	2026 ⁽³⁾	Male	> 50 years old
Michael Butz	Member	✓ / X	30/6/2022	2026 ⁽³⁾	Male	> 50 years old
Anastasios Gabrielides	Member	✓ / X	30/6/2022	2026 ⁽³⁾	Male	> 50 years old

Name	Role	Independent/ Executive	Term start date	Term end date	Gender	Age group
Management Board						
Nikolaos Lykos	Chairman	X / ✓	1/5/2015	1/5/2025	Male	> 50 years old
Panagiotis Spyropoulos	Deputy Chairman/ Group CEO	X / ✓	1/7/2013	30/7/2027	Male	> 50 years old
Emmanouil Kontos	Deputy Group CEO / Member	X / ✓	1/7/2023	30/6/2027	Male	> 50 years old
Jon Neeraas	Regional EVP ⁴ W/E, Nordics & USA/ Member	X / ✓	1/7/2023	30/6/2027	Male	> 50 years old
Burak Bilge	Regional EVP MEA & Türkiye / Member	X / ✓	1/7/2023	30/6/2027	Male	< 50 years old
Markus Kirchmayr	Group CFO/ Member	X / ✓	1/7/2023	30/6/2027	Male	< 50 years old

Notes:

(1) Data refer to 31/12/2023.

(2) Detailed CVs of both Supervisory Board and Management Board are uploaded on the corporate website.

(3) Term end date according to the General Meeting of Shareholders within 2026.

(4) EVP – Executive Vice President

4.2 Anti-Corruption

We have defined our commitments and practices to combat and eradicate corruption in formal regulations (e.g. Code of Conduct, Anti-Bribery Policy, Anti-Money Laundering Policy) across countries we operate, which are mandatory for all employees, business partners (e.g. customers, suppliers, subcontractors, consultants) and third parties acting on our behalf. Indicatively, we:

- Comply with the respective local and international legislation and strictly prohibit all behaviors and activities that violate respective laws.
- Apply due diligence measures to our business partners (e.g. customers, suppliers) and collect the necessary information to verify their identity and evaluate their financial and transactional profile, including relevant information on the ultimate beneficial owner.

- Brief and train our employees on prevention of money laundering and terrorist financing.
- Require from all employees to immediately report any potential or actual incident related to corruption, bribery, money laundering or terrorism financing through the appropriate mechanisms.

4.3 Anti-Bribery

Regulations of Professional Conduct:

We have defined the main principles and rules of professional behaviour in formal regulations (e.g. Employee Handbook, Employee Regulations) across countries we operate (except Poland), which have been developed and approved locally. These principles and rules have been communicated to our employees (including new hired employees), who sign their acceptance, while communicated to workers in some countries of operation (e.g. through announcement boards in the UK). The regulations define the way everyone must behave regarding issues such as Conflicts of interest, Anti-corruption, Human rights, Diversity, Health and Safety.

In all cases, we:

- Protect the confidentiality and do not tolerate any retaliation (e.g. firing, suspension, discrimination) against anyone who reports a violation, as such action is considered non-compliant with our principles and rules of professional behavior.
- Require from employees to report suspected conflict of interest, in order to determine whether an actual conflict exists and receive advice on the proper actions.
- Consider non-compliance with our principles and rules of professional behavior as actions that can lead to disciplinary measures, which may include administrative sanctions and legal actions, such as potential dismissal.

4.4 Performance

Indicator	Measurement Unit	Scope ⁽¹⁾	2023	2022
Diversity				
Women in all management positions	%	AD, AT, ES, GR, PL, RO, TR, UK	22.5	23.8
Women in senior and executive level management positions	%	AD, AT, ES, GR, PL, RO, TR, UK	22.7	17.5
Anti-Corruption				
Employees informed on our anti-Corruption policies and procedures	%	AD, AT, ES, GR, PL, RO, TR, UK	72.3	73.9
Incidents of non-compliance regarding compliance issues ⁽²⁾	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0

Indicator	Measurement Unit	Scope ⁽¹⁾	2023	2022
Bribery				
Employees informed on our principles and rules of professional behaviour	%	AD, AT, ES, GR, PL, RO, TR, UK	88	90.1
Violations of our main principles and rules of professional behaviour	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Completed or outstanding legal actions regarding compliance issues ⁽²⁾	number	AD, AT, ES, GR, PL, RO, TR, UK	2	0
Fines for compliance issues which were paid ⁽²⁾	€	AD, AT, ES, GR, RO, TR, UK	300	285
Non-monetary sanctions imposed regarding compliance issues ⁽²⁾	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0

Notes:

(1) AD: Andorra, AT: Austria, ES: Spain, GR: Greece, PL: Poland, RO: Romania, TR: Türkiye, UK: United Kingdom.

(2) Compliance issues include (but are not limited to) governance practices, anti-corruption, anti-competitive behavior, environmental impacts, responsible communication, health, safety and security, labour practices, human rights, impacts on society.

5. SOCIETAL TOPICS

We acknowledge the importance of creating an exceptional work environment, which protects our employees' Health and Safety, respects human rights, diversity and meritocracy, and provides training and development opportunities. At the same time, we seek to promote community support and development through our economic growth.

5.1 Employees

Work positions:

To facilitate an exceptional work environment we:

- Utilize a wide range of internal communication means to establish a systematic dialogue with our employees.
- Offer additional benefits, which cover our employees (including part-time and temporary employees), depending on their hierarchical level and job responsibilities.
- Ensure suitable and safe work conditions and offer employees a safe work environment, by exceeding respective regulatory provisions.

- Respect the right of employees to express openly and freely their opinion, either individually or in labour unions, as well as engage in collective bargaining, according to applicable national laws and regulations.
- Respect our employees' right regarding confidentiality of their personal data and we implement various organizational and technical measures.

Meritocracy *.

We comply with all applicable national and international laws and regulations regarding equal employment opportunities and non-discrimination. Furthermore, we include in our main principles and rules of professional behavior described in formal regulations (e.g. Code of Conduct, Employee Handbook, Employee Regulations) our commitment not to discriminate or support or tolerate any discrimination against anyone due to personal characteristics (e.g. race, nationality, ethnic origin, gender, physical and mental disability, political or religious beliefs). Subsequently, we require from employees and workers to immediately report any discrimination, violence and harassment incident within the workplace through the established mechanisms, and we treat all reports confidentially.

* selection of employees according to personal performance and ability

5.2 Human Rights

We are committed to follow the internationally recognized human rights principles (e.g. United Nations' International Declaration of Human Rights, International Conventions on child labour), as expressed in our main principles and rules of professional behavior included in formal regulations across countries we operate. Within this context, we:

- Do not employ any person below the legal work age limit in accordance with applicable local legislation.
- Do not apply or tolerate forced and compulsory labour practices, as well as any form of slavery.
- Do not tolerate any work conditions or treatment of employees and workers in violation of international conventions and principles.
- Conduct internal and external audits to our operations for risks related to child and forced or compulsory labour (e.g. in Andorra and the UK).
- Expect from our suppliers and partners to operate also according to the same commitments and principles.

5.3 Social

As our operations and activities are directly related with local communities, we aim to identify our operations' impacts on local communities to ensure that they respect citizens' well-being, as well as not to have significant actual and potential negative impacts on local communities.

Therefore, we embraced the developments for more inclusion and accessibility also in the payment and finance sector and through our product range **ReACh**, we allow our customers to *support inclusivity in the society*. ReACh for us means:

Re = Reinforce the view towards an inclusive society and as the values of

AC = AUSTRIACARD HOLDINGS guides us to

h = help to contribute to the goal for accessibility

As part of this, approach, we:

Utilize different notches in the card body, which allow cardholders to understand whether they are using a debit, credit or prepaid card. The offering is enhanced by the use of Braille characters on the card body to identify the type of card or the card's issuing financial institution, as well as use of special structure plates to differentiate between different designs.

Prioritizing local suppliers:

Despite centralization of procurement, we continue to purchase a considerable amount of products and services from local suppliers (i.e. from each Country of operation), where possible, to utilize our size and benefit the Country we operate in.

Monitoring our suppliers' performance:

Our size and operations have created the moral obligation to systematically deploy and promote the principles of Sustainable Development throughout our supply chain. Therefore, we conduct regular supplier evaluation (e.g. annually, biannually) in most countries of operation, while we may also conduct on-site supplier audits, depending on type of suppliers and supplier evaluation results.

5.4 Performance

Indicator	Measurement Unit	Scope ⁽¹⁾	2023	2022
Human Rights				
Discrimination incidents	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Grievances regarding human rights	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Completed or outstanding legal actions	number	AD, AT, ES, GR, PL, RO, TR, UK	1	0
For breaches of employee privacy or losses of employee data	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
For health and safety issues	number	AD, AT, ES, GR, PL, RO, TR, UK	1	0
For human rights	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Fines for compliance issues which were paid	€	AD, AT, ES, GR, PL, RO, TR, UK	0	0
For breaches of employee privacy or losses of employee data	€	AD, AT, ES, GR, PL, RO, TR, UK	0	0

Indicator	Measurement Unit	Scope ⁽¹⁾	2023	2022
For health and safety issues	€	AD, AT, ES, GR, PL, RO, TR, UK	0	0
For human rights	€	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Non-monetary sanctions imposed regarding compliance issues	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
For breaches of employee privacy or losses of employee data	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
For health and safety issues	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
For human rights	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Employees				
Workforce ⁽²⁾	number	AD, AT, ES, GR, PL, RO, TR, UK	1,469	1,442
Employees ⁽³⁾	number	AD, AT, ES, GR, PL, RO, TR, UK	1,375	1,354
Workers ⁽⁴⁾	number	AD, AT, ES, GR, PL, RO, TR, UK	94	88
Permanent employees	%	AD, AT, ES, GR, PL, RO, TR, UK	96	93.4
Full-time employees	%	AD, AT, ES, GR, PL, RO, TR, UK	95.9	95.7
Women employees in overall workforce	number	AD, AT, ES, GR, PL, RO, TR, UK	632	545
Women employees	number	AD, AT, ES, GR, PL, RO, TR, UK	576	545
Women workers	number	AD, AT, ES, GR, PL, RO, TR, UK	56	NR
Average employment tenure	years	AD, AT, ES, GR, PL, RO, TR, UK	8.9	9
Employee turnover (both resignations and termination)	%	AD, AT, ES, GR, PL, RO, TR, UK	20.4	17.9

Indicator	Measurement Unit	Scope ⁽¹⁾	2023	2022
Duration of training courses	hours	AD, ES, GR, PL, RO, TR, UK	8,519	6,054
Grievances regarding labour practices	number	AD, AT, ES, GR, PL, RO, TR, UK	4	0
Work-related accidents	number	AD, AT, ES, GR, PL, RO, TR, UK	23	18
Employees	number	AD, AT, ES, GR, PL, RO, TR, UK	22	18
Workers	number	AD, AT, ES, GR, PL, RO, TR, UK	1	0
Fatal accidents	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Employees	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Workers	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Social				
Value of society support programs	€	AD, AT, ES, GR, PL, RO, TR, UK	153,608	53,124
Society support programs	number	AD, AT, ES, GR, PL, RO, TR, UK	36	12
Accidents with significant actual or potential negative impact on local communities	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Suppliers	number	AD, AT, ES, GR, PL, RO, TR, UK	2,607	1,701
Local suppliers	number	AD, AT, ES, GR, PL, RO, TR, UK	1,448	1,515
Suppliers with whom collaboration was discontinued or not initiated, after a relevant assessment (or audit or equivalent)	number	AD, AT, ES, GR, PL, RO, TR, UK	9	1

Notes:

(1) AD: Andorra, AT: Austria, ES: Spain, GR: Greece, PL: Poland, RO: Romania, TR: Türkiye, UK: United Kingdom.

(2) Data refer to the average workforce (i.e. employees and workers) of 1/1/2022 and 31/12/2022, and 1/1/2023 and 31/12/2023 respectively and only to the units referred in the scope.

(3) Employees are Workforce who are Group employees (i.e. on payroll in one of the Group Companies).

(4) Workers are Workforce who are not Group employees, but whose work or workplace is controlled by the Group (i.e. on payroll in one of the Group's Contractors).

(NR) Not Reported

6. ENVIRONMENT TOPICS

We recognize our responsibility to produce our products in a way which reduces, as much as possible, our environmental footprint. For this reason, we adopt environmentally friendlier practices and technologies, in order to mitigate our environmental impacts.

6.1 Management

We acknowledge that environmental protection is a particularly important global need and even though our industry does not have significant environmental impacts, we nevertheless:

- Comply with environmental protection laws and regulations in all Countries of operations.
- Take into consideration regular environmental impact assessments.
- Apply appropriate practices to systemically identify and review our environmental impact, to improve our environmental performance.
- Conduct regular management review meetings to examine environmental issues and assess our environmental performance.

Environmental Standards and Certifications

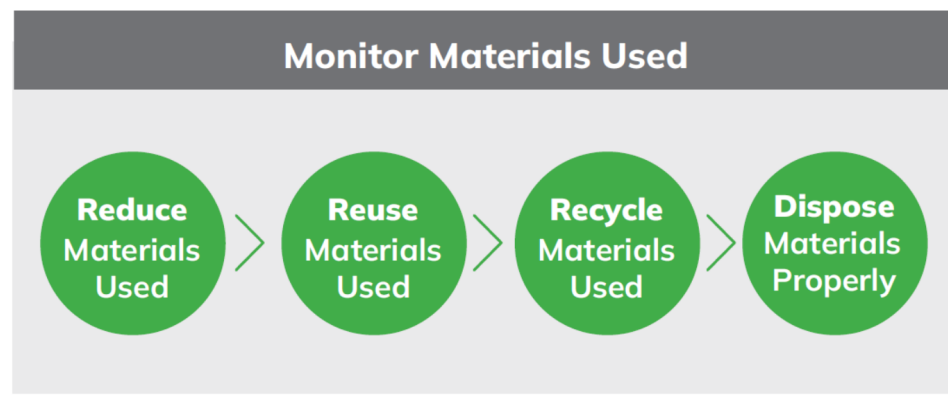
Standard/ Certification	Description	Andorra	Austria	Greece	Poland	Romania	Spain	Türkiye	UK
EMAS	Eco-Management and Audit Scheme		✓						
FSC	Responsible Forest Management			✓		✓			✓
ISO 14001	Environmental Management System	✓	✓	✓		✓	✓		✓
PEFC	Program for the Endorsement of Forest Certification					✓			
Mastercard Card Eco Certification	Labelling of cards made from sustainable materials	✓				✓			

6.2 Materials

Raw materials:

We recognize that raw materials are not inexhaustible and therefore aim to use more efficiently natural resources. To follow the principle 'Reduce – Reuse – Recycle', we implement various approaches, depending on the type of materials.

Materials Management



Use of Recycled PVC: As part of our environmental approach and to increase environmental consciousness:

- AUSTRIACARD has designed the ReACT product line, which is centred around the 'Reduce – Reuse – Recycle' operating methods.

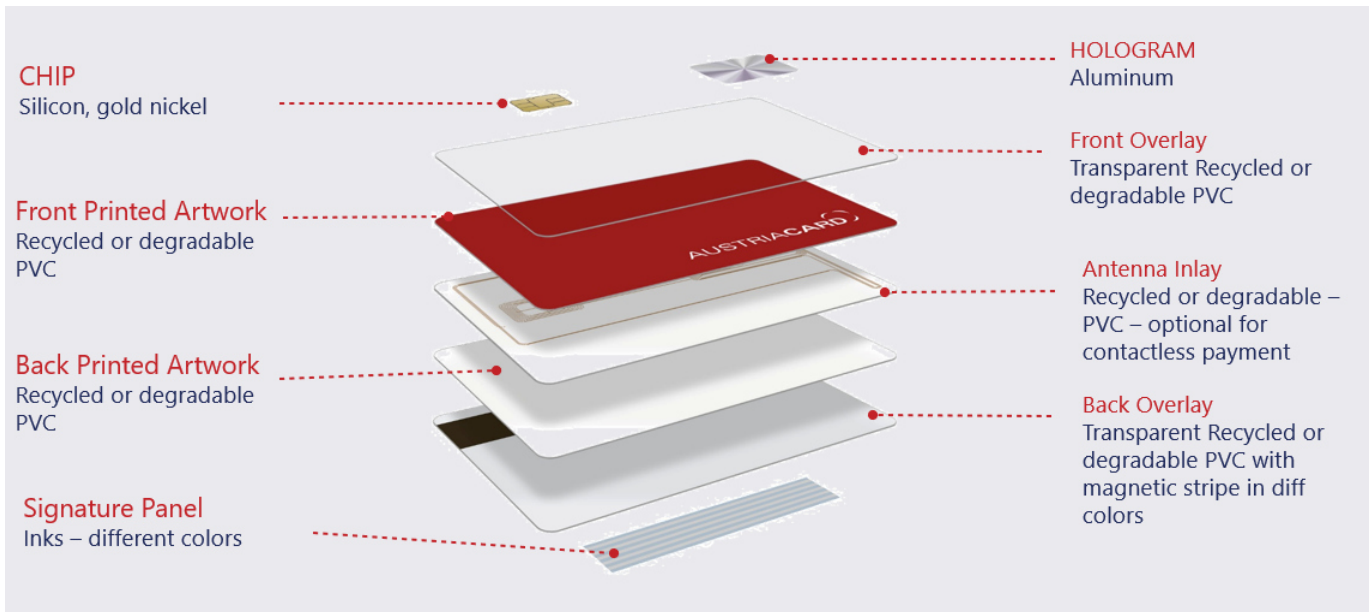
Re = Reduce, Reuse, Recycle

AC = AUSTRIACARD

t = Tree representing nature and the fundamentals of our planet

- TAG SYSTEMS uses the commercial name "R-PVC Card Body" for cards manufactured using recycled PVC.

Use of Recycled/Degradable PVC in Card Structure



*According to the % of the recycled card body we offer 100 %, 95 or 80% recycled material

Solid waste:

Waste associated with our activities is a direct result primarily of our production (e.g. plastic, paper), and secondary a result of our office operations. We implement various initiatives related to waste management, as waste (including hazardous waste, such as inks, solvents, oils, batteries, electrical and electronic devices) can be used as raw material for new products.

Liquid waste:

Being aware that uncontrolled liquid waste discharges can significantly affect the environment:

- All liquid waste is directed to the public waste network through the sewerage system and is treated in municipal wastewater facilities.
- We conduct regular measurements at the waste stream outlet for various chemical parameters, to ensure compliance with the respective legislative requirements regarding discharges and disposal in the end recipient body.

6.3 Energy

GHG emissions:

We operate in an industry with limited greenhouse gas emissions compared to other industries, however we systematically measure and report our greenhouse gas emissions due to the issue's importance worldwide, through various practices, depicted below.

GHG Emissions

Initiatives	Andorra	Austria	Greece	Poland	Romania	Spain	Türkiye	UK
Management								
Employee awareness campaigns/briefings to reduce energy consumption	✓	✓				✓		✓
Calculation of organization's carbon footprint	✓							✓
Calculation of carbon footprint of produced cards	✓	✓						
Reporting to Environmental Authorities	✓	✓				✓		
Scope 1								
Monitoring fuel consumption (e.g. for production, corporate cars)	✓	✓	✓	✓	✓	✓	✓	✓
Euro 6 corporate car fleet	✓	✓				✓		
Regular vehicle inspection and maintenance	✓		✓			✓		✓
Use of photovoltaics		✓ ¹			✓			
Scope 2								
Monitoring electricity consumption	✓	✓	✓	✓	✓	✓	✓	✓
Acquisition of renewable energy	✓	✓		✓				✓
100% of electricity from renewable energy sources	✓	✓			✓			✓
Carbon offsetting	✓							✓
Regular maintenance of production equipment	✓	✓	✓	✓	✓	✓	✓	✓

Initiatives	Andorra	Austria	Greece	Poland	Romania	Spain	Türkiye	UK
Use of low energy consumption equipment ('energy star')	✓	✓	✓	✓	✓	✓	✓	✓
Replacement of low energy lighting - Bulbs with LED light bulbs	✓	✓	✓		✓	✓		✓
Installation of photoelectric cells to turn off lights in areas when there are no employees	✓	✓	✓		✓			✓
Scope 3								
Monitoring emissions in various categories	✓							✓

¹ Installed in 2023 and taken into operation November 2023

6.4 Performance

Indicator	Measurement Unit	Scope ⁽¹⁾	2023	2022
Management				
Grievances and complaints regarding environmental impacts	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Incidents of non-compliance regarding environmental impacts	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Written notices regarding environmental impacts	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Completed or outstanding legal actions regarding environmental impacts	number	AD, AT, ES, GR, PL, RO, TR, UK	1	0
Fines for environmental impacts which were paid	€	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Non-monetary sanctions imposed regarding environmental impacts	number	AD, AT, ES, GR, PL, RO, TR, UK	0	0
Materials				
Non-hazardous waste				
Produced	kg	AD, AT, ES, GR, PL, RO, UK	2,392,162	2,702,818

Indicator	Measurement Unit	Scope ⁽¹⁾	2023	2022
Recovered (e.g. recycled)	kg	AD, AT, ES, GR, PL, RO, UK	1,593,689	2,359,271
Disposed (e.g. sent to landfills)	kg	AD, AT, ES, GR, PL, RO, UK	798,473	632,649
Hazardous waste				
Produced	kg / lt	AD, AT, ES, GR, PL, RO, UK	65,793	35,480 / 1,025
Recovered (e.g. recycled)	kg	AD, AT, ES, GR, PL, RO, UK	9,992	4,020
Disposed (e.g. sent to landfills)	kg	AD, AT, ES, GR, PL, RO, UK	55,801	30,863
Recycled or certified paper used	%	AD, ES, GR, PL, RO, UK	25.4	24
Cards produced with recycled material	units	Group	40,000,000	NR
Energy				
Energy consumption	kWh	AD, AT, ES, GR, PL, RO, TR, UK	23,722,473	25,292,964
Direct	kWh	AD, AT, ES, GR, PL, RO, TR, UK	6,353,977	5,918,362
Indirect	kWh	AD, AT, ES, GR, PL, RO, TR, UK	17,368,496	19,374,602
Energy produced by the organization from renewable energy sources	kWh	AD, AT, ES, GR, PL, RO, TR, UK	1,124,030	115,500
Greenhouse gas emissions (Scope 1 and Scope 2)	tonnes eCO ₂	AD, AT, GR, PL, TR, UK	3,859	14,273
Greenhouse gas emissions saved due to offsets	tonnes eCO ₂	AT, ES, GR, PL, RO, TR, UK	530.9	2,118.4
Other				
Water withdrawal	m ³	AD, AT, ES, GR, PL, RO, TR, UK	15,167	14,142
Water consumption	m ³	AD, AT, GR, PL, RO, TR, UK	12,040	10,605

Notes: (1) AD: Andorra, AT: Austria, ES: Spain, GR: Greece, PL: Poland, RO: Romania, TR: Türkiye, UK: United Kingdom.
(NR) Not reported

7. DISCLOSURE PURSUANT TO ARTICLE 8 OF EU REGULATION 2020/852 – TAXONOMY REGULATION

The Taxonomy Regulation forms the basis for the EU Taxonomy by defining three conditions which must be met:

a) An economic activity contributes substantially to at least one of the two climate goals (climate change mitigation, climate change adaptation). In the future, a substantial contribution must be made to at least one of the six environmental objectives defined in Art. 9 (EU) 2020/852 and the technical screening criteria must also be met:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

b) A business activity is only qualified as sustainable when it makes a substantial contribution to at least one environmental objective but, at the same time, does not significantly harm any of the other objectives ("do no significant harm", DNSH).

Furthermore, to qualify as sustainable, a business activity must meet minimum social objectives (Minimum Social Safeguards, MSS). Based on this regulation, the EU Commission issued two delegated acts to define the technical screening criteria and publication methodology.

In 2023 for the first time AUSTRIACARD HOLDINGS (from here on the 'Group') created a project team responsible for ESG-reporting, NFRD and EU Taxonomy. The project team included members from 8 business units of the Group described in the NFRD page 4.

The project team analysed the collected data on the environmental objectives

- ✓ "climate change mitigation" and
- ✓ "climate change adaptation"

and additionally to the taxonomy legibility and taxonomy alignment of revenues, capital expenditure (CapEx) and the proportional share of operating expenses (OpEx). In a first step, the business activities were individually evaluated and the respective criteria were analysed using the IT tool established by the EU Commission ("Taxonomy Compass").

Business activities connected with the AUSTRIACARD Group's value creation process were identified as activities involving individual Revenues, CapEx or OpEx measures.

Overview of the identified taxonomy eligible business activities

The following analysis is designed to provide an overview over the identified business activities whose description reflects the EU Regulation and its interpretation by our Group. The interpretation was based on currently available information.

Taxonomy Eligibility

Revenues

Business activities aligned to revenues could not be identified since neither of the sectors stated in the EU Compass could be related to our main business activities of Document Lifecycle Management, Secure Chip & Payment Solutions or Digital Transformation Technologies.

CapEx

The below activities have been identified and are analysed as follows:

1. Installation of photovoltaic according to business activity 7.6 per regulation.
 - This activity is normally taxonomy eligible and could be taken into consideration, however, since it is a leased photovoltaic it is not eligible.
2. Transportation via motorcycle, passenger car and light utility vehicle according to business activity 6.5 per regulation.
 - Category falls under the 'Purchase, financing, rental, leasing and Operation' and under the scope of application of Regulation (EC) Nr. 715/2007 of the European Parliament and the Council (234), or L (two- and three-wheel as well as four-wheel vehicles).
 - It is not taxonomy eligible in our Group since all company cars are not owned but leased.
3. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and on related parking areas according to business activity 7.4 as per regulation).
 - At the Groups Parking Spaces charging equipment was installed for the company's leased e-cars. This activity is taxonomy eligible.

OPEX

4. Research & Development to business activity 'Close to market research, development and innovation contribution to climate mitigation' complying to the substantial contribution criteria of Article 10(2) of Regulation EU 202/852
 - The R&D activity of searching and finding new sustainable raw materials
 - Search for ways to recycle valuable raw materials.

Both activities are taxonomy eligible.

Taxonomy Alignment*

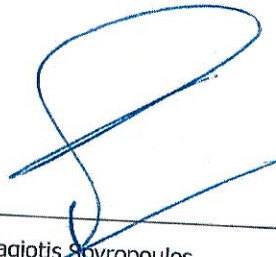
Points 3 and 4 were further analysed and met the DNSH criteria and do comply with minimum safeguard. However both activities have a marginal contribution to the EUs environmental Objective and is are not aligned with the EU Taxonomy.

*To analyse the alignment also the EU-Calculator was used and contribution was less than 1% of CAPEX and OPEX for activities not aligned according to type C.

Vienna, 19 March 2024



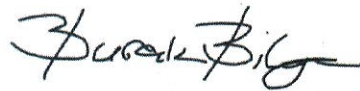
Nikolaos Lykos
Executive Chairman of the Management
Board



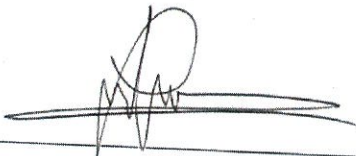
Panagiotis Spyropoulos
Vice Chairman & Group CEO



Emmanouil Kontos
Deputy Group CEO and Executive Vice
President CEE



Burak Bilge
Executive Vice President Türkiye / Middle East and
Africa



Jon Neeraas
Executive Vice President Western Europe,
UK, Nordics and Americas



Markus Kirchmayr
Group CFO