

AUSTRIACARD HOLDINGS AG
CONSOLIDATED NON FINANCIAL
REPORT 2024

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S1-13	Training and skills development metrics	ESRS 2 BP2	-	ACAG makes use of the omission for this disclosure as per phase-in described in ESRS 1 Appendix C.
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G1-5	Political influence and lobbying activities	ESRS 2 BP2	-	Not considered material
G1-6	Payment practices	ESRS 2 BP2	-	Not considered material

IRO-2 Disclosure of list of data points that derive from other EU legislation and information on their location in sustainability statement

The table below provides an overview of ESRS data points that derive from other EU legislation, as per ESRS 2 Appendix B and where this information can be found if deemed material.

ESRS data point	ESRS paragraph	Disclosure requirements that derive from other EU legislation	Regulation	Page
General disclosures				
GOV-1	21 (d)	Board's gender diversity ratio	SFDR	14
GOV-1	21 (e)	Percentage of independent Board members	SFDR	14
GOV-4	30	Statement on due diligence	SFDR	17
SBM-1	40 (d) i	Activity in fossil fuel sector	SFDR	19
SBM-1	40 (d) ii - 40 (d) iv	Activity in chemical, controversial weapons, and/or tobacco industry	SFDR	19
Environment				

Climate change				
E1-1	14	Transition plan for climate change mitigation	EU Climate Law	38
E1-1	16 (f)	Exclusion from EU Paris-aligned Benchmarks	Pillar 3, Benchmark Regulation	38
E1-4	34 (a) - 34 (b)	Emission reduction targets	SFDR, Pillar 3, Benchmark Regulation	40
E1-5	37 (a) (c)	Energy consumption from fossil and renewable sources	SFDR	41
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E1-5	38 (a) (b)	Fuel consumption from coal and coal products and from crude oil and petroleum products	SFDR	41
E1-5	38 (c) (d)	Fuel consumption from natural gas and other fuel sources	SFDR	41
E1-5	38 (e)	Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	SFDR	41
E1-5	40-43	Energy consumption and intensity from activities in high-climate-impact sectors	SFDR	41
E1-6	48-52	Scope 1, scope 2 and scope 3 emissions	SFDR, Pillar 3, Benchmark Regulation	42
E1-6	53, 55	GHG emission intensity	SFDR, Pillar 3, Benchmark Regulation	42
E1-7	56	GHG removals and stage	EU Climate Law	44
E1-9	66	Assets at material financial risk	Pillar 3	-
E1-9	67 (c)	Carrying amount of real estate assets by energy efficiency classes	Pillar 3	-
E1-9	69	Financial opportunities (cost savings, market size and changes to net revenue) from climate change actions	Benchmark Regulation	-
Pollution				
E2-4	28 (a)	Emissions to air, water and soil	SFDR	48
Water and marine resources				

E3-1, E3-4	11, 13, 14, 28(c) (e), 29	All disclosures	SFDR	52
Biodiversity and ecosystems				
E4.SBM-3	16 (a) (b) (c)	Activities in biodiversity-sensitive areas, impacts related to land degradation, desertification and soil sealing, and operations affecting threatened species	SFDR	Not considered material
E4-2	24 (b) (c) (d)	Policies on sustainable land or agriculture practices, sustainable oceans and sea practices, and deforestation practices	SFDR	Not considered material
Resources use and circularity				
E5-5	11, 13, 14	Non-recycled waste	SFDR	58
E5-5	28 (c) (e)	Hazardous waste	SFDR	58
E5-5	29	Radioactive waste	SFDR	58
Social				
Our workforce				
S1.SBM-3	11 (b)	Geographies or commodities with risk of forced labour	SFDR	60
S1.SBM-3	11 (b)	Geographies or commodities with risk of child labour	SFDR	60
S1-1	20 (a)	General approach to human rights	SFDR	62
S1-1	20 (b)	General approach to engagement with own workforce	SFDR	62
S1-1, S1-3	20 (c), 32 (c)	Approach and availability of grievance and remedy in regard to own workforce	SFDR	62
S1-1	21	Policies are aligned with internationally recognised instruments	SFDR	62
S1-1	22	Policies addressing human trafficking, forced labour and child labour	SFDR	62
S1-1	23	Policies on accident prevention	SFDR	62
S1-16	97 (a) - 97 (b)	Gender pay gap, annual total remuneration	SFDR, Benchmark Regulation	67

S1-17	103 (a)	Incidents of discrimination	SFDR	Not considered material
S1-17	104 (a)	Severe human rights issues and incidents	SFDR, Benchmark Regulation	Not considered material
Workers in the value chain				
S2.SBM-3	11 (b)	Geographies or commodities with risk of forced labour	SFDR	69
S2.SBM-3	11 (b)	Geographies or commodities with risk of child labour	SFDR	69
S2-1	17 (a), 19	Human rights policy commitments and approach related to value chain workers, aligned with internationally recognised standards	SFDR	69
S2-1	17 (b)	General approach to engagement with value chain workers	SFDR	69
S2-1	17 (c)	Approach to remedy for human rights impacts	SFDR	69
S2-1	18, 19	Policies explicitly addressing forced labour and child labour, aligned with internationally recognised standards	SFDR	69
S2-1	18	Undertaking has a supplier code of conduct	SFDR	69
S2-4	19, 36	Severe human rights issues and incidents connected to value chain workers	Benchmark	70
Affected communities				
S3-1	16, 17	Human rights policy commitment to affected communities, whether policies are aligned with internationally recognised instruments, and general approach to human rights of communities	SFDR, Benchmark regulation	Not considered material
S3-1	16 (b)	Approach to engagement with affected communities	SFDR	Not considered material
S3-1	16 (c)	Approach to remedy in regard to human rights impacts for affected communities	SFDR	Not considered material
S3-4	36	Severe human rights issues and incidents connected to affected communities	SFDR	Not considered material

Consumers and end-users				
S4-1, S4-4	16 (a) (b) (c), 17, 35	All disclosures	SFDR, Benchmark regulation	71
Governance				
G1-1	10 (b) (d)	Statement if no policies exist in regard to anti-corruption and bribery and to protection of whistleblowers	SFDR	76
G1-4	24 (a)	Number of convictions and amount of fines for violations of anti-corruption and bribery laws	SFDR	78

AUSTRIACARD HOLDINGS AG - NON FINANCIAL REPORT 2024

CSRD – Report Outline

ESRS Standard
Cross-cutting section (ESRS 2)
Basis for preparation
<p>BP-1 General basis for preparation of the sustainability statement</p> <p>AUSTRIACARD HOLDINGS AG (from here on the 'ACAG') have prepared this sustainability statement on a consolidated basis. As this is ACAGs first year of reporting aligned with the European Sustainability Reporting Standards, this statement focuses on the most significant subsidiaries in terms of operational, social and environmental impact, this includes all of our nine production facilities. Given the complexity of consolidating ESG data across all subsidiaries, a phased approach has been adopted when deciding on the scope of companies to be included in this sustainability statement. The subsidiaries have been selected to ensure a meaningful and representative assessment of the Group's activities, representing 98.75% of the total human resources and 99.72 % of the total turnover. In the next reporting year, ACAG plans to expand the scope of the sustainability report to include the remaining subsidiaries, if possible. The subsidiaries (from here on as 'Company', 'Site') covered by this sustainability statement are as follows:</p> <ol style="list-style-type: none"> 1. AUSTRIA CARD-Plastikkarten und Ausweissysteme Gesellschaft m.b.H. (from here on ACV) – Austria. 2. Austria Card SRL (ACR) – Romania 3. Austria Card Turkey kart Operasyonlari AS (ACT) – Turkey 4. TAG Systems SAU (TAND) – Andorra 5. TAG Systems Sp Zoo (TPOL) – Poland 6. TAG Systems Smart Solutions SLU (TSPA) – Spain 7. TAG System UK Ltd (TUK) – UK 8. TAG Systems USA Inc (TUSA) – USA 9. S.C. INFORM LYKOS S.A. (ILR) - Romania 10. INFORM LYKOS (HELLAS) S.A.(ILG) - Greece 11. NEXT DOCS ECM EXPERT S.R.L. (NDE) – Romania 12. NEXT DOCS CONFIDENTIAL S.R.L. (NDC) – Romania 13. ILRA PINK POST OPERATIONS S.R.L.(IPP) – Romania 14. CLOUDFIN SINGLE MEMBER S.A. (CFM) – Greece <p>Across these subsidiaries, a Double Materiality assessment was undertaken in Q4 2024, which included a value chain review to identify impacts, risks and opportunities, mainly focused on own operations and the entire value chain with a focus on the upstream value chain.</p>

ACAG uses the exemption Article 19a (9)¹ for its subsidiary undertakings, as these are already included in this consolidated management report of the parent undertaking (ACAG). However, as mentioned above there are certain entities, that are not included in this year's sustainability statement:

- e-commerce monitoring GmbH -Austria.
- TSG Norway AS – Norway.
- TAG Biometrics SL - Spain.
- LSTECH ESPANA SL - Spain.
- LSTech LTD – UK.
- Austriacard AE (Branch) - Greece
- TERRANE L.T.D - Cyprus.
- CLOUDFIN L.T.D – Cyprus.
- INFORM ALBANIA SH.P.K – Albania.
- ILRA POST HOLDING S.R.L. – Romania.
- AUSTRIACARD Holdings AG - Austria.

BP-2 Disclosures in relation to specific circumstances

Time horizons

This report and the underlying double materiality assessment used the time horizon definition as defined in ESRS 1 section 6.4. For the short-term time horizon: the period adopted by the undertaking as the reporting period in its financial statements (1 or <1 year); for the medium-term time horizon: from the end of the short-term reporting period above to five years (1-5 years); and for the long-term time horizon: more than five years (> 5years).

Value chain estimation and sources of estimation and outcome uncertainty

ACAG uses estimates in its reporting on selected data points. However, ACAG aims to disclose data as correctly and accurately as possible by using primary measurement data wherever possible and by standardising the data collection process as well as the calculations. Specifically, for the GHG inventory creation, ACAG relies on the following key methods of measurement aligned with the recommendations of the GHG protocol: 1) Spend-based, 2) Activity-based and 3) Hybrid. Emission factors are based on region where available.

A defined process for assessing and, if necessary, adjusting estimates has been instated as part of the preparation for this sustainability statement, with further refinements planned for FY 2025. Overall, metrics related to our own operations have a higher amount of primary data, while value chain metrics are often estimated and therefore have a higher level of measurement uncertainty. For further information on estimates, including when upstream and downstream value chain data is included, please refer to the specific disclosure requirement under the topical sections. Any potential sources of measurement uncertainty, assumptions or estimates are described in the respective disclosure point.

¹ Article 19a(9) DIRECTIVE (EU) 2022/2464 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting. Article 19a(9) refers to an exemption that allows subsidiary undertakings to be exempt from preparing their own sustainability report if they are included in the consolidated sustainability report of their parent company.

Changes in preparation or presentation of sustainability information This is ACAG's first ESRS-aligned sustainability statement prepared for the year 2024. As such no changes occurred compared to the previous reporting period(s). Future adjustments will be noted in the subsequent reports.

Reporting errors in prior periods

This is ACAG's first ESRS-aligned sustainability statement. Therefore, any material errors identified in this report, will be addressed in the future in subsequent reports.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

This report is prepared as per the Sustainability Reporting Standards adopted by the European Commission (ESRS) and does not specify disclosures stemming from other sustainability reporting legislation of frameworks.

Incorporation by reference

The disclosure requirements and where to find them in this document can be found in section IRO-2.

Use of phase-in provisions in accordance with Appendix C of ESRS 1

The following phase-in provisions have been adopted in this report:

- ESRS 2 SBM-1: breakdown of total revenue by significant ESRS sector
- ESRS 2 SBM-3: anticipated financial effects as per paragraph 48(e)
- ESRS E1, E1-9: anticipated financial effects
- ESRS E2, E2-6: anticipated financial effects
- ESRS E3, E3-5: anticipated financial effects
- ESRS E4, E4-6: anticipated financial effects
- ESRS E5, E5-6: anticipated financial effects
- ESRS S1, S1-7: Characteristics of non-employee workers
- ESRS S1, S1-8: Collective bargaining coverage and social dialogue outside in non-EEA countries
- ESRS S1, S1-11: Social protection
- ESRS S1, S1-12: Persons with disabilities
- ESRS S1, S1-13: Training and skills development
- ESRS S1, S1-14: Health and safety (IDs S1-14_08 – S1-14_12)
- ESRS S1, S1-15: Work-life balance

As ACAG exceeds the employee threshold, it does not make use of the phase-in provisions specified in Appendix C of ESRS 1 for E1-6, E4, S1, S2, S3 and S4 concerning companies with less than 750 average employees during the financial year.

Governance

GOV-1 The role of the administrative, management and supervisory bodies

ACAG has established a two-tier board structure, which consists of the Management Board and the Supervisory Board, in accordance with the Austrian Joint 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 Corporate Governance Code.

There are five independent non-executive members in the Supervisory Board, whereas the Management Board consist of five executive members. Currently, there is no employee representation (0%) and no women (0%) at Board level.

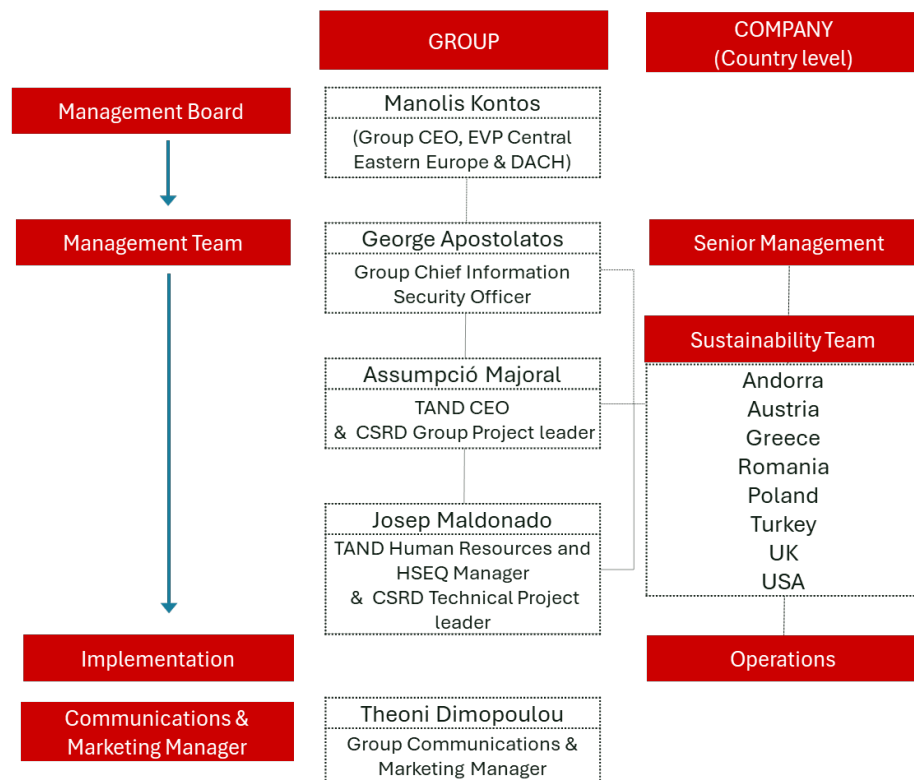
Name	Role	Independent/ Executive	Date of initial appointment	End of current term	Gender	Age group
Supervisory Board						
Petros Katsoulas	Chairman	✓ / X	27/04/2015	2027 ²	Male	> 50 years old
John Costopoulos	Vice Chairman	✓ / X	06/07/2016	2027 ²	Male	> 50 years old
Martin Wagner	Member	✓ / X	30/11/2022	2027 ²	Male	> 50 years old
Michael Butz	Member	✓ / X	30/11/2022	2027 ²	Male	> 50 years old
Anastasios Gabrielides	Member	✓ / X	30/11/2022	2027 ²	Male	> 50 years old
Management Board						
Name	Role		Date of initial appointment	End of current term	Gender	Age group
Nikolaos Lykos	Chairman		10/3/2011	1/5/2025	Male	> 50 years old
Manolis Kontos	Group CEO/ EVP CE/ E & DACH		1/7/2023	30/6/2027	Male	> 50 years old
Markus Kirchmayr	Group CFO/ Member		1/7/2023	30/6/2027	Male	< 50 years old
Jon Neeraas	Regional EVP W/E, Nordics & USA/ Member		1/7/2023	30/6/2027	Male	> 50 years old
Burak Bilge	Regional EVP MEA & Türkiye / Member		1/7/2023	30/6/2027	Male	< 50 years old
<p>(1) Data in the above table refer to 31/12/2024.</p> <p>(2) Detailed CVs of both Supervisory Board and Management Board are uploaded on the corporate website: Supervisory Board – AUSTRIACARD and Management Board – AUSTRIACARD</p> <p>(3) The members of the Management Board are appointed by the Supervisory Board.</p> <p>(4) CEO - Chief Executive Officer</p> <p>(5) CFO - Chief Financial Officer</p> <p>(6) EVP - Executive Vice President</p> <p>(7) CE/ E & W/E - Central Eastern Europe, Western Europe</p> <p>(8) DACH - Germany (D), Austria (A), and Switzerland (CH) (DACH)</p> <p>(9) Nordics: Nordic countries of Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden.</p> <p>(10) USA – The United States of America</p>						

² The terms of office of the Supervisory Board members elected by the Annual General Meeting expire at the end of the Annual General Meeting that will vote on their release from liability for the 2026 financial year.

Additionally, a dedicated management structure has been established to manage sustainability related topics and issues, this ensures effective oversight and monitoring both across the entire Group and within each individual Company. The current composition is structured as:

- At Board level, the Deputy Chairman of the Management Board and Group CEO, who is the overall responsible for sustainable development related matters and takes decisions on ACAG Group’s vision, mission and related strategy for the sustainable development.
- At the management level, a dedicated team was assigned to manage the sustainability-related matters across all the sites. The Group team is responsible for:
 - Guidance, plan, implement and evaluate the sustainable development related activities for the entire ACAG Group.
 - Monitor the implementation of related measures and targets.
 - Review the annual Sustainable Development Report (e.g. Materiality Analysis).
- The dedicated Management Team for the Group guides the Group’s wider Sustainability Team, which comprises of designated employees in each Country, to manage related topics such as collection or processing of data on sustainability related information.
- The ESG Core Team also interacts with other Departments within each country for the implementation of respective practices at site level.
- Coordinate the relationship and projects done regarding Sustainability with external partners and advisors.

Sustainable Development Management



Currently, no targets have been set with regard to the identified material impacts, risks and opportunities as the Double Materiality Assessment was performed in Q4 2024. However, these will be revisited during development of a holistic ESG strategy planned for 2025. For the overall sustainability matters, the dedicated management team was engaged in supervising and liaising with the external sustainability consulting company to develop this sustainability report.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The specific material Impacts, Risks and Opportunities that have been identified through the Double Materiality Assessment as a basis of this report were not addressed by the Supervisory and Management Board on an individual level within the FY2024. However, as part of the wider ESG Strategy development of the company and as a preparation for the reporting obligations under the Corporate Sustainability Reporting Directive, the Management Board has been engaged in setting up the resources, teams and structures necessary to address immediate reporting needs, but also set the foundation of future improvements of the Group's ESG Strategy for 2025 and onwards as described in ESRS 2 SBM-3.

The Management Board regularly reports to the Supervisory Board (at least on a quarterly basis), and sustainability matters are discussed in such meetings. The Supervisory Board is informed of the latest reporting obligations and other ESG-related points. In addition, the Management Board engages with external advisors for sustainability matters and encourages members of the Management and employees to participate in external training in this regard.

ACAG has communications channels in place for topics and issues related to sustainability both internally and externally. Internal channels of information:

Regular reporting: Sustainability matters were communicated through periodic reports prepared by the ESG teams. These reports included data on key sustainability KPI, GHG emissions and other related data.

Workshops and training: Responsible bodies were informed via workshops or training sessions to enhance understanding of sustainability principles and implications for the organization's operations.

Dedicated Sustainability Group Committee meetings: These forums were used to discuss updates and align on strategic decisions.

Weekly meetings follow-up with external advisors per different sub-project on Sustainability (CSRD report – Taxonomy Alignment – GHG calculations).

Integration in board/executive reports: Sustainability matters were embedded as a standing agenda item in executive or board meetings.

Digital platforms and dashboards: For ongoing awareness, common SharePoint files and Microsoft Teams files are used to provide updates on sustainability performance indicators.

Internal and external channels of information:

Web: Specific content regarding Sustainability can be found at: <https://www.austriacard.com/investor-relationships-ac/sustainability/>

CSRD reports: This report will be made available to all our stakeholders and partners and will be uploaded on our web page.

The Communications & Marketing Group department can distribute content about Sustainability through other channels (like press release, among others).

Improvement in the current communication channels will be addressed via a holistic Group wide ESG strategy planned for 2025.

GOV-3 Integration of sustainability-related performance in incentive schemes

The Remuneration Policy of ACAG was updated in 2024 and non-financial performance criteria were implemented, which include i.a. ecologic (E), social (S) and governance (G) objectives ('ESG criteria') in both short term and long term incentive schemes.

GOV-4 Statement on due diligence

ACAG has undertaken a double materiality assessment in 2024 and identified the material impacts, risks and opportunities. For individual impacts, risks and opportunities, there are Due Diligence measures in place, such as quality controls, internal and external audits or the continuous operation under management systems such as the ISO 9001, 14001 or EMAS. However, ACAG have not adopted a due diligence strategy to handle the identified impacts, risks and opportunities yet, but is set to address how to prevent, mitigate and account for the actual and potential negative impacts on the environment and people connected with their business on a holistic level in 2025.

GOV-5 Risk management and internal controls over sustainability reporting

ACAG adopted a unified Risk Management Policy which applies to the entire ACAG Group, all subsidiaries, affiliated companies, and business units globally. It spans across all levels and areas of corporation, including, but not limited to:

- The corporate headquarters, production plants, personalization centres, regional sales offices, and other operational units.
- All employees, including executives, permanent and temporary staff, as well as contract workers.
- All business processes, including strategic planning, financial management, operational activities, marketing and sales, human resources, and IT systems.
- All forms of projects, partnerships, investments, and other business ventures.
- All types of risks that could impact the achievement of corporate objectives, including strategic, operational, financial, legal & compliance, social & governance, technological, market-related, environmental risks, as well as risks related to corporate reputation.

The management of each unit is responsible for implementing and maintaining the risk management practices set out in the risk management policy. The process includes the following stages:

- Identification of the main risks to objectives, business, and customers,
- Assessment/measurement of impact and likelihood of the risk,
- Mitigation of risks through corrective actions, controls, and operational measures,
- Reassessment of the risk's impact, and likelihood, and
- Continuous monitoring of risks and mitigating controls.

ACAG utilizes a risk management tool to record identified risks and document their characteristics in a risk register. The initial step involves a comprehensive risk identification for businesses covering the following topics:

- strategic,
- operational,
- financial,
- legal & compliance,
- social & governance,
- environmental,
- reputational and
- technological.

All identified risks are systematically recorded in the risk register of the tool. These risks are then assessed and rated based on their impact and likelihood, with subsequent application of risk management actions.

A pre-defined Risk Matrix, based on colour coding of red-yellow-white, scores each risk based on likelihood versus impact, guiding the informed decision-making. White rated risks are low impact and less likely and prompt measures for risk minimisation. Often white rated risks are acceptable, and focus is placed on high scored risks. Yellow assessed risks require actions to bring them to an acceptable level. Red risks are deemed serious with unacceptable impact or likelihood. They require immediate, robust mitigation measures.

For each business units, the risk owners are responsible for the risk assessment process. Key risks as documented in the risk management tool and acknowledged by the Management Board, are communicated to the Supervisory Board annually, providing a transparent overview of the risk landscape. Line management establish controls and procedures

for identifying, assessing, and managing risks, subject to regular monitoring and review. The controls and procedures are reviewed at least semi-annually. The Local Risk Manager assumes responsibility for monitoring risks and their associated corrective actions.

Audits have been done during the year by a specialised group team into all significant local sites. Follow-up of action plans to mitigate the risks have been realised.

The group has the goal to unify the measurement, assessment, follow up and action plans in risks criteria, for all the subareas that these processes are required.

The material risks identified in the current sustainability report, as part of the Double Materiality Assessment, will be addressed in the comprehensive ESG strategy planned for 2025.

Strategy

ESRS 2 SBM-1 Strategy, business model and value chain

AUSTRIACARD HOLDINGS AG (ACAG), started as specialty printer 127 years ago in Greece; post the acquisition of AUSTRIACARD in 2007 and other businesses in recent years, is now a Vienna HQ diversified group, providing Secure Digital Technology Solutions. The B2B service includes portfolio of products and services in:

- Identity & Payment Solutions (payments, identification, and personalization),
- Digital Transformation Technologies and
- Document Lifecycle Management

ACAG offers its B2B clients solutions ranging from bank payment cards, personalization, and IDs, secure printing and document lifecycle management, to digitization through cutting edge proprietary technologies and chip operating systems.

Transitioning to a technology solutions provider by expanding fast its digital transformation offering, using Machine Learning, AI and Data Analytics.

Identity & Payment Solutions are served by our four production facilities located in Andorra, Austria, Romania and UK and eight personalization centres located in the United Kingdom, Spain, Austria, Poland, Romania, Greece and Türkiye, as well as in the USA. Sales offices in Norway, Czech Republic, Croatia, Serbia, Jordan, the UAE and a network of partners and selling agencies around the world complement the Group's distribution network (e.g. we have established sales representatives in Nigeria and South Africa within the last year).

Document Lifecycle Management - This business field is covered by two production facilities located in Greece and in Romania catering to the regional markets as well as exporting printing products and services internationally. In addition, with its fulfilment services, either through third parties or owned entities such as Pink Post in Romania, the Group also covers the last mile to the end-customer, providing vertically integrated end-to-end services to its customers.

Serving financial, government, and private sector clients, ACAG has a global workforce of around 2,500 people. The average headcount in the full ACAG Group for FY 2024 is 2,615, for the in scope companies it is 2,589. The headcount at the end of the reporting year, 31.12.2024, is 2,401 for the full ACAG Group and 2,371 for the companies in scope of this sustainability statement. It is headquartered in Vienna, Austria with geographical presence in 17 countries, commercial activity in more than 50 countries and production facilities in 9 countries (UK, Andorra, Spain, Austria, Poland, Romania, Greece, Türkiye, US).

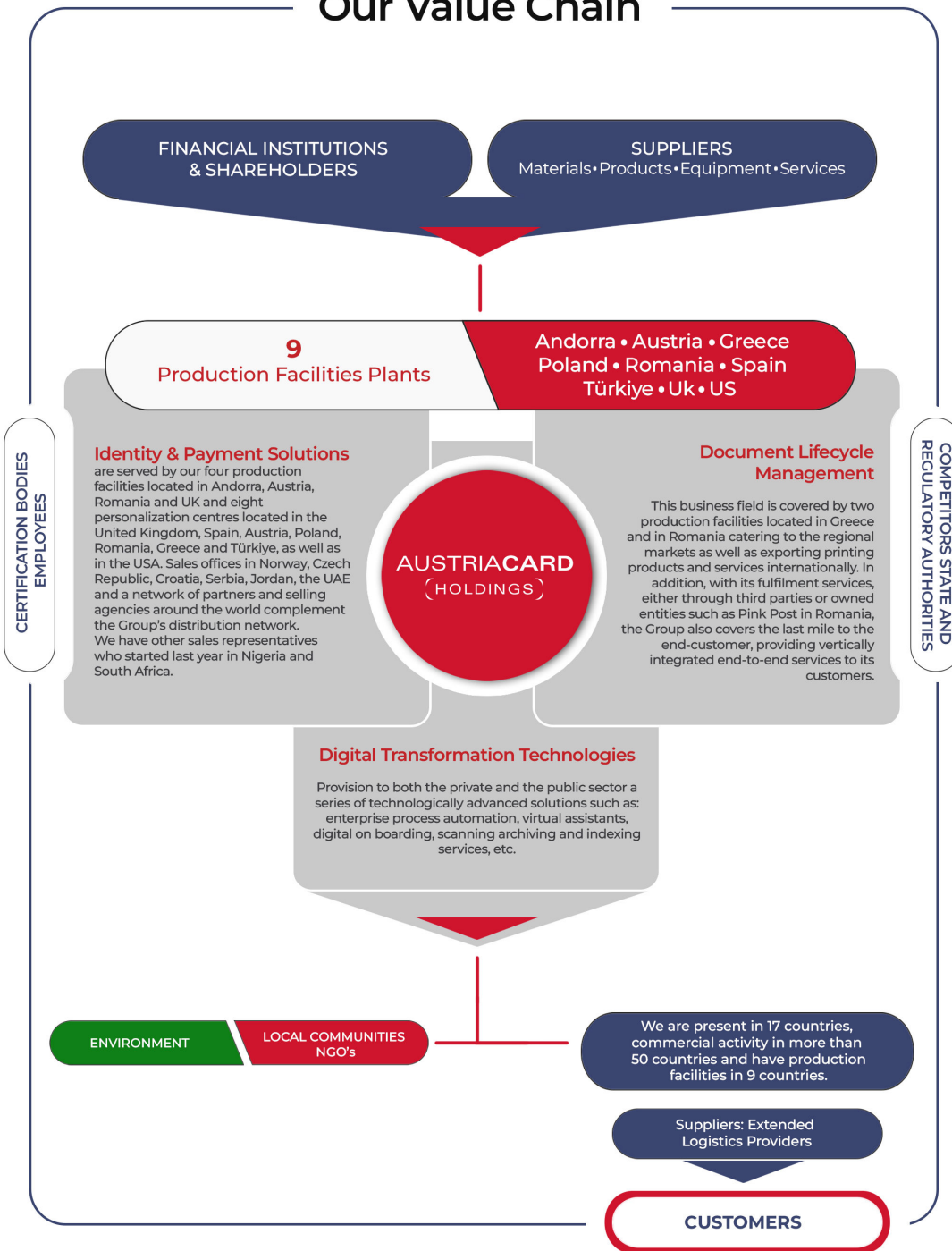
To coordinate business services, it is clustered into three groups: Central, Eastern Europe & DACH - Western Europe, Nordics & Americas – Türkiye, Middle East & Africa. Each cluster is headed by an Executive Vice President reporting to the ACAG CEO, and we expect that this structure will enable the faster expansion in new markets, facilitate the cross-selling of the ACAG's widening portfolio of products and solutions, enabling also a holistic approach to customer service.

ACAG's growth strategy is built on two pillars. One pillar focuses on geographic and market share expansion, while the other pillar focuses on products and services portfolio enhancement. Under the geographic and market share expansion pillar, we focus on geographical areas that have high potential for growth, such as the US, UK, Middle East and Africa, while at the same time we are taking actions to enhance cross-selling and upselling in the Group established markets, and to capitalize on our leadership in specific market segments, such as Challenger banks. With respect to the products and services portfolio enhancement pillar, the drivers of growth will be payment and banking solutions as a service, the provision of innovative Identity & Payment Solutions, such as biometric and metal cards, and to a larger extent Digital Transformation Technologies. Digital Transformation Technology is an area we put increased focus on, and we have already signed significant public sector digitalization contracts with various state entities in Greece. These are funded by EU's RRF and involve digitization through scanning and data extraction using cutting edge technologies such as Machine Learning (ML), Artificial Intelligence (AI) etc. At the same time, we are continuously developing our digitization solutions for non-state entities (DOB, KYC/KYB, RPA, Digital Wallets, OCR, and e-Signature). Our goal is to drive our product offering enhancement and geographical footprint expansion. We aim to leverage our long-standing relationships we have with financial institutions, utility companies, industrial companies and public institutions, in order to offer additional complementary as well as new innovative services to our clients. We acknowledge that sustainability matters are not explicitly linked into our current growth strategy during FY24 at group level. However, in FY25, the development of an ACAG ESG Strategy is planned at the group level. Within the scope of this sustainability report, we have mapped the value chain across the three different ACAG operational areas:

- Identity & Payment Solutions: key operations include production and personalisation of cards
 Entities: AUSTRIA CARD SRL (Romania), AUSTRIA CARD TURKEY KART OPERASYONLARI ANONIM SIRKETI) (Türkyie), AUSTRIA CARD-Plastikkarten und Ausweissysteme Gesellschaft m.b.H. (Austria), TAG SYSTEMS SAU (Andorra), TAG Systems Sp z o.o. (Poland), TAG SYSTEMS SMART SOLUTIONS S.L.U. (Spain), TAG SYSTEMS UK LIMITED (United Kingdom), TAG SYSTEMS USA INC (USA),
- Document Lifecycle Management: key operations include printing and card personalisation, and postal services
 Entities: INFORM LYKOS SA (Romania), INFORM LYKOS (HELLAS) S.A. (Greece), ILRA PINK POST OPERATIONS S.R.L. (Romania)
- Digital Transformation Technologies: key operation include document processing solutions, archiving solutions/destruction solutions.
 Entities: INFORM LYKOS (HELLAS) S.A. (Greece), CLOUDFIN LTD (Cyprus), CLOUDFIN SINGLE MEMBER SA (Greece), Next Docs ECM Expert S.R.L (Romania), Next Docs Confidential S.R.L. (Romania).

Under each of the business units, we have identified different process activities, stakeholders involved, suppliers & other business partners, geographical location of operation, list of due diligence process in place for the suppliers & others business, affected communities due to the operations like local community, and the potential impacts, risks and opportunities for the respective operational locations.

Our Value Chain



ACAG generates no revenues from fossil fuels, chemicals, controversial weapons or tobacco.

ESRS SBM-2 Interests and views of stakeholders

ACAG defines stakeholders as those parties, who are either affected by or affect our operations. ACAG regularly engages with stakeholders to understand their needs and expectations, as well as their main topics of interest. Based on type of stakeholders, different methods of communications are adopted e.g., customers through complaint management systems, conferences, direct meetings, surveys, workshops, social media, press released and more. With shareholders and potential investors, we connect through financial reports, meetings and shareholders meeting. With suppliers & agents, we connect through evaluation forms, meetings, workshops, exhibitions, etc. Indirect stakeholders like certification bodies, regulatory bodies are contacted through formal communication, audits, events/meetings.

Information from this engagement and communication has been considered when preparing this report and the underlying Double Materiality Assessment and will be reflected in our upcoming sustainability strategy.

Our stakeholder engagement pathways

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)

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

During the preparation of this report in the financial year 2024, we conducted a double materiality assessment to identify potential impacts, risks, and opportunities in process activities at our operational sites, as referenced in the European Sustainability Reporting Standards 2 section on Strategy, Business Model, and Materiality Assessment.

For the scope of the double materiality assessment, we considered the full range of activities, resources, and relationships related to ACAG's business model, as well as the external environment in which the organization operates. The identified impacts, risks, and opportunities were mapped across ten topics in alignment with the European Sustainability Reporting Standards framework, categorized as follows:

- **Environment:** E1 Climate change, E2 Pollution, E3 Water & marine resources, E4 Biodiversity and ecosystem, E5 Circular economy,
- **Social:** S1 Own workforce, S2 Workers in the value chain, S3 Affected communities, S4 Consumers & end-users, and
- **Governance:** G1 Business conduct.

Through this assessment, we have identified a total of 46 material topics, consisting of 21 material impacts (20 negative and 1 positive), 16 risks and 9 opportunities. Additionally, we have identified five risks and one opportunity specific to ACAG. The material impacts, risks, and opportunities, along with relevant details, have been disclosed in the subsequent topical sections of this report.

Taking as base this current CSRD report of FY 2024 and the data reflected on it, afterward, an Action Plan for Setting Group-Wide Sustainability Objectives will be defined and established with the advice of an external expertise company, and posteriorly conveniently communicated. Main steps to follow:

1. Analysis and Definition of Group-Wide Objectives

- Conduct a thorough review of the CSRD report findings to identify key sustainability challenges and opportunities.
- Define concrete and measurable sustainability objectives that align with the group's strategic priorities.
- Ensure objectives are achievable, considering industry benchmarks and regulatory requirements, aligned with SDO of Agenda 2030.

2. Establishment of Monitoring Systems and Indicators

- Choose a tool that allows the entities to report digitally all data needed to the holding, to facilitate real-time monitoring, to consolidate the data and do the corresponding follow-up.
- Develop a structured framework for tracking progress, incorporating key performance indicators (KPIs) for each objective.
- Implement standardized reporting mechanisms across all subsidiaries to ensure consistency in data collection.

3. Governance and Internal Alignment

- Conduct regular review meetings to assess advancements, address challenges, and refine strategies as needed.
- To standardize reporting on ESG matters to the Management Board of the group.
- Engage key stakeholders, including employees, suppliers, and investors, to adopt a culture of sustainability.

4. Definition of Timeframes and Milestones

- Define clear milestones and action steps for each timeframe to ensure continuous progress.
 - For 2025/2026 (short term) -2027/2028 (medium term) – 2029/2030 (long term).
- Assign accountability to relevant departments and teams to drive implementation.

5. Communication and Stakeholder Engagement

- Develop a transparent communication strategy to share progress and achievements with internal and external stakeholders.
- Publish periodic sustainability reports to demonstrate accountability and reinforce commitment to CSRD compliance.

Impact, risk and opportunity management

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

The assessment covered the following ACAG entities as listed BP-1 as well as ACAG's value chain with a focus on the upstream value chain and material sourcing.

A four-stage methodology was applied to the double materiality assessment. The process began with the Framing stage, which analysed the external business context, value chain dynamics, key relationships, and stakeholder landscape. This was followed by the Identify, Assess, and Prioritize stages, which focused on identifying material issues, evaluating their significance, and prioritizing them based on their impact. The methodology was based on assumptions about the relevance of frameworks, data accuracy, and that market conditions will remain stable over the analysis period and the first year of ACAG's CSRD reporting. Insights from sustainability due diligence processes were not included in this analysis.

Stage 1. Framing the assessment context:

In the initial stage of the process, a training was held to upskill the key project team and key stakeholders on the principles of double materiality. Following the upskilling, comprehensive information gathering and in-depth document review was done, focusing on business model and strategy, governance framework, and risk landscape. Additionally, a value chain analysis was performed to gain insights into sustainability matters in the value chain focusing primarily on the upstream value chain, broader industry trends that affect the value chain, and sector-based potential adverse impacts in the upstream value chain. This stage provided a solid foundation for evaluating potential impacts, risks, and opportunities specific to ACAG through a materiality lens.

Stage 2. Identifying impacts, risks, and opportunities:

Based on the insights derived in the first stage of the process, ACAG proceeded to creating a detailed long list of impacts, risks and opportunities. The identification was informed by sector-based material matters provided by SASB and the WWF Biodiversity Risk Filter and WWF Water Risk Filter to identify any high-impact areas in the sites ACAG operates. Each

impact, risk, and opportunity identified was classified as actual, potential, positive or negative. In addition, time frames for the impact's risks and opportunities as well as human rights impacts and dependencies were considered for each impact, risk or opportunity.

Stage 3. Assessing Materiality:

In this stage, impacts, risks, and opportunities were evaluated using inputs from both internal and external subject matter experts. The assessment was guided by scoring aligned with the existing risk register to maintain consistency with company processes.

Impact materiality was evaluated using ESRS-defined criteria, with a focus on severity and likelihood. Financial materiality was assessed by considering financial, organisational, operational, legal, and reputational effects, using a framework based on the magnitude of the risk or opportunity and its likelihood.

Internal and external stakeholders contributed expertise, judgement, and data sources to ensure consistent scoring. Several calibration meetings were held to standardise scoring interpretations. Affected stakeholders were identified through this process rather than directly engaged. External experts provided subject matter expertise on the topics listed in the ESRS standards (AR 16).

Stage 4. Prioritise

The 'Prioritise' stage focused on establishing clear thresholds to determine the materiality of the topics found in our earlier stages. Validation sessions with internal and external stakeholders further supported the calibration of these thresholds, ensuring that our assessments of each topic's relative materiality were consistent.

This process highlighted key sustainability matters to inform ACAG's sustainability work, risk strategy and governance. The outcome of the 'Prioritise' stage was a validated shortlist of material matters that provided the foundation for our sustainability disclosures and identified areas for deeper focus in risk management and operational planning.

The double materiality assessment resulted in a list of 46 material impacts, risks and opportunities to report on.

Changes from 2023:

This was ACAG's first ESRS-aligned double materiality assessment, with no changes to methodology. Future adjustments will be noted in subsequent reports.

Environmental section

EU Taxonomy

The EU Taxonomy regulation (2020/852) is a classification system that establishes criteria for determining whether economic activities align with the six environmental objectives addressed in the regulation:

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (Wa)
- Transition to a circular economy (CE)
- Pollution prevention and control (PPC)
- Protection and restoration of biodiversity and ecosystems (Bio)

Under the EU Taxonomy, ACAG, as an Austrian listed company that falls under CSRD and a non-financial institution, reports on the eligibility and alignment of its economic activities against the six environmental objectives. “Eligibility” refers to whether an activity is within the scope of the EU Taxonomy and “alignment” means that the activity complies with the criteria of the EU Taxonomy and is therefore aligned with the environmental objectives.

Since it is the first reporting period in which ACAG assesses the eligibility and alignment of its economic activities, no comparative data from the previous year is available.

Scope

The EU taxonomy reporting scope is the same as the scope of the consolidated financial statements. It includes all 25 companies of ACAG and is therefore broader than the scope of the CSRD report which focuses only on the 14 most relevant companies of the ACAG.

Key Performance Indicators

Turnover

Economic Activities	Code	Turnover 2024	Proportion of Turnover 2024	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards	Taxonomy aligned proportion of total turnover, year 2023	Category (enabling activity)	Category (transitional activity)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water (Wa)	Pollution (PPC)	Circular Economy (CE)	Biodiversity and ecosystems (Bio)	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity				
Text		euros	%	Yes (Y); N (No); N/EL (Not eligible)						Y/N						%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.00%														-	-	-
<i>Of which enabling</i>		-	-														-	E	
<i>Of which transitional</i>		-	-														-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Freight transport services by road	CCM 6.6	46,150,892	11.76%	Y	N	N/EL	N/EL	N/EL	N/EL	na	na	na	na	na	na	na	-	na	na
Manufacture of electrical and electronic equipment	CE 1.2	130,260,330	33.21%	N/EL	N/EL	N/EL	N/EL	Y	N/EL								-		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		176,411,222	44.97%	na	na	na	na	na	na	na	na	na	na	na	na	na	-		

Total (A.1+A.2)	176,411,222	44.97%	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	-
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B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities	215,874,177	55.03%
Total (A+B)	392,285,399	100.00%

Proportion of turnover / Total turnover		
(%)	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0.00%	11.76%
Climate change adaptation		
Water and marine resources		
Pollution prevention and control		
Circular economy	0.00%	33.21%
Biodiversity		

CapEx																			
Economic Activities	Code	Absolute CapEx 2024	Proportion of CapEx 2024	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')					Minimum Safeguards	Taxonomy aligned proportion of total CapEx, year 2023	Category (enabling activity)	Category (transitional activity)	
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water (Wa)	Pollution (PPC)	Circular Economy (CE)	Biodiversity and ecosystems (Bio)	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy					Biodiversity
Text		in euros	%	Yes (Y); N (No); N/EL (Not eligible)						Y/N						%	E	F	
TTA. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.00%														-		
<i>Of which enabling</i>		-	-														-	E	
<i>Of which transitional</i>		-	-														-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Freight transport services by road	CCM 6.6	28,738	0.14%	Y	N	N/EL	N/EL	N/EL	N/EL	na	na	na	na	na	na	na	-	na	na
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	1,450	0.01%	Y	N	N/EL	N/EL	N/EL	N/EL	na	na	na	na	na	na	na	-	na	na
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	3,802	0.02%	Y	N	N/EL	N/EL	N/EL	N/EL	na	na	na	na	na	na	na	-	na	na

Installation, maintenance and repair of renewable energy technologies	CCM 7.6	521,708	2.62%	Y	N	N/EL	N/EL	N/EL	N/EL	na	na	na	na	na	na	na	-	na	na
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,475,922	7.41%	Y	N	N/EL	N/EL	N/EL	N/EL	na	na	na	na	na	na	na	-	na	na
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,031,620	10.20%	na	na	na	na	na	na	na	na	na	na	na	na	na	-		
Total (A.1+A.2)		2,031,620	10.20%	na	na	na	na	na	na	na	na	na	na	na	na	na	-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		17,888,020	89.80%																
Total (A+B)		19,919,641	100.00%																
Proportion of CapEx / Total CapEx																			
(%)				Taxonomy-aligned per objective		Taxonomy-eligible per objective													
Climate change mitigation				0.00%		10.20%													
Climate change adaptation				-		-													
Water and marine resources				-		-													
Pollution prevention and control				-		-													

Circular economy	-	-
Biodiversity	-	-

OpEx

Economic Activities	Code	Absolute OpEx 2024	Proportion of OpEx 2024	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards	Taxonomy aligned proportion of total OpEx, year 2023	Category (enabling activity)	Category (transitional activity)
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water (Wa)	Pollution (PPC)	Circular Economy (CE)	Biodiversity and ecosystems (Bio)	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity				
Text		in euros	%	Yes (Y); N (No); N/EL (Not eligible)						Y/N						%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.00%														-		
Of which enabling		-	-															E	
Of which transitional		-	-																T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Freight transport services by road	CCM 6.6	16,061	0.11%	Y	N	N/EL	N/EL	N/EL	N/EL	na	na	na	na	na	na	na	-	na	na

Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	30,990	0.22%	Y	N	N/EL	N/EL	N/EL	N/EL	na	na	na	na	na	na	na	-	na	na
Manufacture of electrical and electronic equipment	CE 1.2	5,790,036	40.61%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	na	na	na	na	na	na	na	-	na	na
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,099,542	7.71%	Y	N	N/EL	N/EL	N/EL	N/EL	na	na	na	na	na	na	na	-	na	na
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6,936,629	48.65%	na	na	na	na	na	na	na	na	na	na	na	na	na	-	na	na
Total (A.1+A.2)		6,936,629	48.65%	na	na	na	na	na	na	na	na	na	na	na	na	na	-	na	na
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		7,322,045	51.35%																
Total (A+B)		14,258,674	100.00%																

Proportion of OpEx / Total OpEx		
(%)	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0.00%	8.04%
Climate change adaptation	-	-
Water and marine resources	-	-
Pollution prevention and control	-	-
Circular economy	0.00%	40.61%
Biodiversity	-	-

Nuclear and fossil gas related activities

ACAG is not involved in nuclear energy or fossil gas related activities, including research, development, construction, operation, or refurbishment of its related facilities.

Accounting Policy

Article 8 of the EU Taxonomy Regulation defines the financial indicators that need to be reported by companies for which the EU Taxonomy applies: turnover, capital expenditure (CapEx) and operational expenditure (OpEx) (see below). For CapEx and OpEx, these definitions are different compared to ACAG's financial reporting. The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and as endorsed by the EU.

Turnover

The denominator: the total net turnover reported in the EU Taxonomy template equals revenue from the 2024 consolidated financial statement.

The eligible numerator: the eligible turnover is the portion of the turnover associated with the Taxonomy-eligible activities.

CapEx

Total Capital Expenditures (CapEx) covers additions to tangible and intangible assets during the 2024 financial year, including capitalized research and development costs, to balance sheet items property, plant and equipment, before applying depreciation, amortization or re-measurement (i.e. impairments), in accordance with the requirements of section 1.1.2.1 of Regulation (EU) 2020/852.

The eligible CapEx is the portion of Total CapEx associated with Taxonomy-eligible activities.

OpEx

Total Operational Expenditures (OpEx) covers direct non-capitalized costs associated with (i) research and development (R&D); (ii) building renovation measures; (iii) short-term leases; (iv) maintenance and repair, and (v) any other direct expenditure related to the day-to-day servicing of the assets of property, plant and equipment (PP&E).

Eligible OpEx is the portion of the Total OpEx associated with Taxonomy-eligible activities.

A reconciliation of amounts in OpEx and CapEx has been performed to avoid any double counting.

Assessment of compliance with Regulation (EU) 2020/852

Taxonomy-eligible activities

The identification of eligible activities has been carried out by screening the economic activities listed in the Climate Delegated Act, the Complementary Act and amendments of the Climate Delegated Act and the Environmental Delegated Act. After an initial screening, ACAG conducted a more detailed analysis of their activities to evaluate whether their activities matched the description provided by the EU Taxonomy.

One of ACAG’s main business activities is the manufacturing, assembling, personalization and selling of Smart cards. Since these cards include an electronic chip and an antenna and need electric current to fulfil its main function, they are considered electronic equipment according to the [Directive 2011/65/EU on the restriction of hazardous substances in EEE](#). Therefore, they have been identified as eligible under the taxonomy activity 1.2 Manufacture of electrical and electronic equipment potentially contributing to the Transition to a Circular Economy.

Further, the following activities were identified as eligible: 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (Climate Change Mitigation), 6.6 Freight transport services by road (Climate Change Mitigation), 7.3 Installation, maintenance and repair of energy efficiency equipment (Climate Change Mitigation), 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (Climate Change Mitigation), and 7.6 Installation, maintenance and repair of renewable energy technologies (Climate Change Mitigation).

ACAG’s eligible activities			
Economic Activity	Environmental objective	Description of ACAG’s economic activities	KPI
1.2 Manufacture of electrical and electronic equipment	Transition to a Circular Economy	Manufacturing, assembling, personalization and selling of Smart cards	Turnover, OpEx
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Climate change mitigation	Acquisition or leasing of EURO6 passenger cars, Maintenance and repair costs related to the ACAG’s vehicle fleet	CapEx, OpEx
6.6 Freight transport services by road	Climate change mitigation	Freight transport services offered by ACAG, Acquisition or leasing of EUROVI lorries, Maintenance and repair costs related to the ACAG’s vehicle fleet	Turnover, CapEx, OpEx
7.3 Installation, maintenance and repair of energy efficiency equipment	Climate change mitigation	Replacement of energy-efficient light sources in ACAG offices	CapEx

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Climate change mitigation	Installation of charging stations for electric vehicles	CapEx
7.6 Installation, maintenance and repair of renewable energy technologies	Climate change mitigation	Installation of solar photovoltaic systems at ACAG facilities	CapEx

Taxonomy-aligned activities

For identified eligible activities to be aligned with the Eu Taxonomy they need to meet the following Technical Screening Criteria:

- Make a Substantial Contribution (SC) to one of the six environmental objectives of the Taxonomy;
- Do No Significant Harm (DNSH) do any of the other objectives;
- Comply with the Minimum Safeguards (MS).

In 2024, ACAG made a significant effort towards developing an EU taxonomy framework that aligned with regulatory disclosures and market best practices, taking a comprehensive approach to evaluating eligibility and alignment for the reported KPIs. This work will continue further in 2025 as raw data becomes more readily available. Currently, ACAG does not have all the information required to assess alignment of its economic activities and are preparing to gather all the information to assess the SC and the DNSH criterion for the next reporting period. Therefore, ACAG is reporting 0% alignment for the present reporting period.

Nevertheless, it is important to note that ACAG complies with the Substantial Contribution criteria of the following taxonomic activities:

- **Climate change mitigation:**
 - 7.3 Installation, maintenance and repair of energy efficiency equipment
 - 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
 - 7.6 Installation, maintenance and repair of renewable energy technologies
- **Transition to a Circular Economy:**
 - 1.2 Manufacture of electrical and electronic equipment

ACAG aims to comply with **DNHS criteria** during the coming reporting period. The company intends to conduct a climate risk and vulnerability assessment, including adaptation measures across its different operational sites, to comply with Appendix A of the Taxonomy under the DNSH criteria of the Climate Change Adaptation objective. This will ensure that ACAG identifies and mitigates climate-related risks for their operations; improves long-term resilience against climate change impacts and aligns with EU sustainability regulations. Additionally, it is working to align with biodiversity and water-related DNSH criteria by adhering to the EU Taxonomy Appendixes.

With regard to the **Minimum Safeguards**, ACAG declares its full commitment to respecting human rights, preventing corruption, and applying responsible business practices in taxation and fair competition. These commitments are outlined in ACAG's Code of Conduct, Whistleblowing Handbook, and Declaration on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. To fully align with the Minimum Safeguards for the coming years, ACAG is working on the implementation of an adequate Human Rights Due Diligence process in line with the UN Guidelines for Multinational Enterprises.

ESRS E1: Climate change

ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

Currently, ACAG neither incorporates nor tracks any climate-related factors in the remuneration of members of administrative, management and supervisory bodies.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
(unless described in the cross-cutting section)

ACAG does not have a consolidated plan nor policy to address risks arising from climate change. Currently, the individual sites/companies have their own initiatives and targets, but no standardized approach for the group has been developed.

A double materiality assessment (DMA) was conducted to identify climate-related Impacts, Risks, and Opportunities (IROs) in 2024. Additionally, the outcomes of the GHG Scope 1, 2, and 3 inventory creation address the material Impacts, Risks and Opportunities. Physical risks were identified as part of the double materiality assessment; however, the assessment did not consider different climate emission scenarios. The following Impacts, Risks and Opportunities have been identified as outcomes of the Double Materiality Assessment:

Impacts, Risks and Opportunities:

IRO Description	Timeframe ¹⁾	Value chain location ²⁾	Affected stakeholders
Impacts (Negative):			
ACAG’s manufacturing and data processing operations lead to an actual negative impact on climate through its carbon emissions.	ST /MT / LT	US/ DO/ DS	Environment, Communities
Carbon emissions emitted through the transport of materials and products contribute to climate change.	ST /MT / LT	US/-/DS	Environment, Communities worldwide
Roughly 80% of the overall GHG emissions are in Scope 3. Although there are decentralized efforts and action already in place, ACAG has not established a coordinated management process for GHG emissions.	ST /MT / LT	US/-/DS	Environment, Communities
Risks:			
ACAG does not have a consolidated plan and/or policy to address risks arising from climate change holistically.	ST /MT / LT	US/ DO/ DS	ACAG
ACAG has not yet published any targets to reduce its carbon footprint. Missing a group-wide carbon emissions approach reduces the leverage the Group has on its CO2-emission reductions.	ST /MT /-	US/ DO/ DS	Environment, Communities
Risks of increased energy use and infrastructure cooling in sites and offices. This could increase costs for energy.	-MT /-	US/ DO/ DS	ACAG, value chain
ACAG has not undertaken an assessment of climate change resilience under different warming scenarios. This could mean ACAG is not prepared for risks and opportunities.	-MT / LT	US/ DO/ DS	ACAG
Regulatory and legal changes due to climate change could be a risk to ACAG, particularly as ACAG operates in different jurisdictions.	ST /MT / LT	-/DO/-	ACAG
The sites located in Greece, Romania, Andorra, Poland and Spain are subject to elevated risk due to extreme heat and fire hazards.	ST /MT / LT	-/DO/-	ACAG

Respective risk of loss of regulative services included. This could lead to business/production downtime.			
Opportunities:			
Opportunity for Austriacard to reduce carbon footprint by expanding use of alternative card materials such as the use of recycled PVC.	ST /MT / LT	US/ DO / -	Environment, Communities
Use of green/ renewable energy can reduce environmental impact. Opportunity to check potential and availability of solar panels for energy generation on sites or alternatively arrange green energy contracts as in TAND, ACV, TPOL and TUK once these require renewal.	ST /MT / LT	-/DO/-	Environment, Communities

- 1) ST=short (<1y), MT=medium(1y-5y), LT=long term(>5y)
- 2) Upstream (US)/ Direct Operation (DO) / Downstream (DS)

Connection to Business Strategy:

The geographic and market share expansion pillar through an increase in company footprint (both globally and from an operational point of view) together with logistical demands in new regions correlates with challenges of increased energy demand and carbon emissions, and climate change resilience. On the other hand, the portfolio enhancement pillar primarily offers opportunities to innovate in response to market demand for sustainable and energy-efficient solutions, such as recycled or alternative materials or the use green energy for our manufacturing activities.

Connection to Business Model/Operations:

Operational carbon emissions and therefore our main contributors to climate change are heavily tied to our manufacturing and transport activities. We also acknowledge, that there is no group-wide GHG management and climate resilience assessment yet, which may lead to increased costs or disruptions through risks such as extreme weather events and hinder efforts to reduce our carbon emissions.

E1-1 Transition plan for climate change mitigation

Currently, ACAG does not have a transition plan for climate change and is yet to set targets aligning with limiting global warming to 1.5°C in line with the Paris Agreement. Individual sites have their own initiatives and targets, but no standardized approach for the group has been developed.

There are certain recommendations and energy saving measures that have been shared, but it's pending that all companies adhere to it. The proposed energy saving measures include - lighting optimization, efficient use of electronic devices, temperature optimization (heating – ventilation – air conditioning). ACAG has not fully captivated all the decarbonization levers needed to reduce the carbon footprint. One such lever engaged in part of the business area is the usage of recycled PVC or "ReAct" materials, which can potentially reduce emissions by about 60% per card.

ACAG has prepared a Scope 1, 2 and 3 GHG inventory for FY2024, which will be a crucial part of developing climate change mitigation and adaption measures for ACAG.

E1-2 Policies related to climate change mitigation and adaptation

ACAG have not adopted any policies in relation to climate change mitigation and adaptation at the group level.

However, in several ACAG companies measures to mitigate climate change have been initiated, such as:

- Measures to reduce the energy consumption and to use renewable sources of energy.
- Measures to reduce the waste in their production processes.

- To promote the investments in electric cars and trucks.
- To invest in solar panels.
- To allow the teleworking in some cases and types of work.
- To limit the travelling of the employees.
- To opt for sustainable suppliers.
- To promote the use of more sustainable raw materials.
- To promote the production and selling of recycled cards.

ACAG acknowledges the significance of climate change and commits to incorporating it into its strategic agenda. The following steps outline the proposed timeline for addressing this gap:

1. 2025: To Develop a Group policy aligned with international frameworks.
2. Q2 2025: To choose a Group software tool to be used for all Group companies to report data on energy consumption, among others. To start the Reporting at end of Q2.
3. Q2 2025: To establish clear goals for all the Group on climate change mitigation.
4. Q2 2025: To consolidate the data on the Group side.
5. 2026 Onward: Full adoption of group-wide policies, integrated into ACAG's strategy, with regular monitoring and reporting mechanisms.

ACAG remains committed to address climate-related challenges and will prioritize the adoption of policies on mitigation and adaptation as a part of its medium and long-term strategic goals.

Stakeholders will be kept informed about progress, and updates will be communicated in the subsequent reports.

E1-3 Actions and resources in relation to climate change policies

ACAG is progressing towards a more centralized approach to its climate change strategy and policies. While a unified framework is still in development, individual companies within the group have already taken steps to reduce emissions. As highlighted in the EU Taxonomy section of this report, 9% (EUR 2,031,620) of our CAPEX, 8% (EUR 1,146,593) of our OPEX, and 12% (EUR 46,150,892) of our turnover qualify under the Commission Delegated Regulation (EU) 2021/2178 ("EU Taxonomy") for climate change mitigation. We have implemented key initiatives aimed at reducing energy consumption, minimizing waste, and promoting sustainability across our operations.

Key actions include a 15% reduction in electricity consumption by 2028, participation in carbon offset programs, and monitoring Scope 1, Scope 2, and Scope 3 GHG emissions. Efforts to transition to 100% renewable electricity tariffs and reducing the carbon footprint further reinforce sustainability goals.

Waste reduction is also prioritized through initiatives in different companies like decreasing non-recoverable waste by 10%, reducing solid waste, and minimizing bleached paper consumption by at least 20%. Additionally, TAND is in course to implement sustainable heating system that utilize energy generated from burning waste, reducing fuel consumption.

The adoption of circular economy practices, such as recycling PVC in the banking sector and reusing supplier packaging, ensures resource efficiency. Sustainable procurement policies, including supplier sustainability criteria and certification requirements, further promote responsible sourcing.

Energy-efficient infrastructure improvements, like installing solar panels trying to ensure at least 20% of energy comes from solar sources, contribute to emissions reductions.

Additional measures include enhancing product sustainability by using more recycled materials, optimizing product footprints, and implementing card recycling programs in partnership with banks. These efforts align with broader corporate sustainability goals, ensuring long-term environmental responsibility and climate resilience.

E1-4 Targets related to climate change mitigation and adaptation

As also referred in IRO R.E1.7, ACAG have not yet developed any targets to reduce its carbon footprint. Efforts to reduce its impact are currently mainly driven by the individual entities rather than on a consolidated group level.

Efforts to reduce environmental impact are currently led by individual entities within the group, unified approach or standardized metrics will be defined.

Various ESG related objectives aligned with the United Nations' Sustainable Development Goals (UN' SDGs) have been proposed during the current reporting year, however these are not yet fully rolled out throughout the Group and will be revisited during the comprehensive ESG strategy work planned for 2025. In relation to climate change, following objectives have been identified:

For All Group:

- Join Program for Offset carbon footprint
- Monitor Scope 1 and Scope 2 GHG emission
- Monitor Scope 3 GHG emissions for at least 6 GHG Protocol categories (2025)
- Develop a 3-year ESG Strategy and Action Plan
- Brief Supervisory Board and Management Board Members bi-annually on Sustainability Trends
- Establish a formal Sustainability Function and Group Sustainability Team

TUK:

- Reduce Carbon footprint
- Use 100% renewable electricity tariff

TSPA:

- Decrease by 50% the tCO₂e generated in Scope 2 by electricity consumption (Purchase of 100% renewable energy with Guarantee of Origin Certificate)

ILG:

- Control and reduce gaseous pollutants
- Control and reduce noise levels
- Install solar panels

TAND:

- Update product footprint calculation rPVC80% and rPVC95% (O)
- Reduce GHG (3 scopes) from organization

TPOL:

- Implement a new project in collaboration with one of our banking partners, focused on card recycling, providing customers with an additional return envelope to allow them to send back their old cards for recycling.

Future Plans for Setting Targets

ACAG recognizes the importance of setting clear, measurable targets for Group carbon reduction and is committed to addressing this gap. The following outlines the intended approach and timeframe:

1. Q2 2025: Considering the first results on consolidated GHG emissions for the Group organization, identify key emission sources and opportunities for reduction.
2. End of Q2 2025: Establish the first goals of reduction for 2025 and 2026. Targets must be realistic, achievable and aligned with global standards.

Collaboration and advice from an external well-known company in Sustainability is approved.

3. 2025: Develop and validate group-wide carbon reduction targets in line with recognized frameworks such as the Science-Based Targets initiative (SBTi). Targets will be aligned with global climate goals.
4. 2026 Onward: Integrate carbon reduction targets into the group's sustainability strategy, supported by detailed implementation plans at both group and entity levels.

Tracking the Effectiveness of Policies and Actions

In the meantime, to track the effectiveness of sustainability efforts at the entity level, current and future actions include:

- 1) **Establishing KPIs:** Developing key performance indicators (KPIs) to measure the impact of sustainability initiatives across entities.
- 2) **Consolidated Reporting Framework:** Working toward a unified reporting framework to aggregate data from individual entities for better tracking and evaluation.
- 3) **Independent Audits:** Planning periodic independent audits to ensure the reliability and effectiveness of reported outcomes.

ESRS E1 - Metrics:

E1-5 Energy consumption and mix

Energy consumption and mix	Year 2024
(1) Fuel consumption from coal and coal products (MWh) ¹	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	1,607
(3) Fuel consumption from natural gas (MWh)	Included as heat in (5)
(4) Fuel consumption from other fossil sources (MWh)	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	14,504
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	16,112
Share of fossil sources in total energy consumption (%)	74%
(7) Consumption from nuclear sources (MWh)	0
Share of consumption from nuclear sources in total energy consumption (%)	0
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	5,743
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0

(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	5,743
Share of renewable sources in total energy consumption (%)	26%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	21,855

1) MWh = Megawatt hour

Note on (5) - The acquired electricity is exclusive of acquired renewable electricity, which is reported under (9). Data collection for the energy data above has been conducted in line with the GHG inventory creation. Therefore, the same limitations for data quality and availability apply. Please refer to E1-6 for respective information.

Energy intensity per net revenue

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	55.87 MWh/mEUR ¹

1) MWh/mEUR = Megawatt hour (MWh)/ Million EUR (mEUR)

Connectivity of energy intensity based on net revenue with financial reporting information

Net revenue from activities in high climate impact sectors used to calculate energy intensity	EUR 391,168,247
Net revenue (all ACAG companies in scope of this sustainability statement)	EUR 391,168,247
Total net revenue (as per financial statement)	EUR 392,285,399

ACAG activities can be classified as falling under the activities listed in Annex 1 sections A to H and section L of Regulation - 1893/2006:

SECTION C — MANUFACTURING (including Printing and reproduction of recorded media, Manufacture of rubber and plastic products & Manufacture of electrical equipment)

SECTION H — TRANSPORTATION AND STORAGE (Pink Post as Postal and courier services are included)

This means that for calculations referring to the net revenue from activities in high climate impact sectors, the net revenue of all in scope ACAG companies has been used (“Net revenue (other)” in the above table).

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

While preparing our GHG inventory, we followed the definitions as per GHG Protocol. It outlines three emissions sources (referred to as “scopes”) that provide the framework for operational boundaries:

Scope 1 – Direct Emissions: Represent emissions from sources that are owned or controlled by the company, such as emissions from combustion in owned or controlled boilers or vehicles.

Scope 2 – Indirect Emissions: Represent emissions that occur off site to produce electricity or steam purchased for use at a company’s locations; and

Scope 3 – Indirect Value Chain Emissions: Represent emissions from activities upstream or downstream from a company’s core business such as product use, waste disposal, commuting, and business travel.

The relevant categories that have been considered for ACAG are the following: Purchased goods and services, Capital goods, Fuel- and energy-related activities, Upstream transport and distribution and distribution, Waste generated in

operations, Business Travel, Employee Commuting, Upstream leased assets, Downstream transport and distribution, End-of-life treatment of sold products and Water.

The rest (Processing of Sold Products, Use of Sold Products, Upstream and Downstream Leased Assets, Franchises and Investment) are not relevant to any of the companies within the scope of this report and consequently not been considered for ACAG's FY2024 GHG emissions inventory.

Emission Inventory Summary	FY 2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO ₂ eq) ¹	1,314.39
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0
GHG emissions from regulated emission trading schemes (%)	0
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	5,625.09
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	4,545.97
Significant scope 3 GHG emissions	
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	86,377.80
1 Purchased goods and services	48,439.03
[Optional sub-category: Cloud computing and data centre services	-
2 Capital goods	2,767.79
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	1,250.64
4 Upstream transportation and distribution	13,455.92
5 Waste generated in operations	162.84
6 Business traveling	473.35
7 Employee commuting	3,113.98
8 Upstream leased assets	-
9 Downstream transportation	16,278.85
10 Processing of sold products	-
11 Use of sold products	-
12 End-of-life treatment of sold products	435.45
13 Downstream leased assets	-
14 Franchises	-
15 Investments	-
Total GHG emissions	
Total GHG emissions (location-based) (tCO ₂ eq)	93,592.07
Total GHG emissions (market-based) (tCO ₂ eq)	92,238.16

1) tCO₂eq - Tonnes of CO₂ equivalent

All methodologies used on the calculations are based on guidance provided by the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol). This includes the GHG Protocol's Scope 2 and Scope 3 Guidance documents.

Some gaps and missing data were found during the calculation process. We have closed the relevant ones through intensity measures using the area (sqm) for those location-relevant categories. For example, the benchmarking used for

fugitive emissions in scope 1. Extrapolations were also taken for data gaps, for example for those entities that reported only water consumption on the first half of the year. We have extrapolated this consumption for the whole year.

If spend-based data was only available in a currency other than EUR, GBP or USD, the currencies were converted into one of these three currencies to align with the applicable emission factors. Emission factors are based on region where possible and where not, average numbers were taken.

We have created an in-depth Inventory Management Plan, documenting the calculation methodology, the emission factors used, the extrapolations done and the assumptions taken.

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

TAND and TUK are currently the only companies that compensate their emissions. TUK compensated for 190 t CO₂eq (Organization Scope 1/2/3) and TAND compensated for 266tCO₂eq (Organization Scope 1/2/3) + 1.112 t CO₂eq (Production) of their GHG emissions in 2023.

ACAG currently does not have a Net Zero target in place. However, during the year 2025 ACAG will evaluate the compensation in line with the numbers obtained through the consolidated GHG inventory calculations for 2024 and establish targets for reduction.

E1-8 Internal carbon pricing

ACAG have no scheme at group level or specific site level that applies internal carbon pricing.

ESRS E2: Pollution

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model (unless described in the cross-cutting section)

The identified material Impacts, Risks and Opportunities are listed below. These are the latest findings of the Double Materiality Assessment process and have not been integrated into ACAG’s strategy and business model. However, an ESG Strategy is planned for development in the FY2025, where these Impacts, Risks and Opportunities assessment will help to shape ACAG’s ESG strategy to address any gaps.

Impacts, Risks and Opportunities:

IRO Description	Timeframe ¹⁾	Value chain location ²⁾	Affected stakeholders
Impacts (Negative):			
The inbound and outbound transport of products by trucks, vans, cars may contribute to pollution.	ST /MT / LT	US/ DO/ DS	Environment, Communities
The inbound and outbound transport of products by aeroplanes may contribute to pollution.	ST /MT / LT	US/-/DS	Environment, Communities
The inbound transport of products is partially conducted by ships, which may contribute to water pollution.	ST /MT / LT	US/-/DS	Environment, Communities
The production and customization of bank cards, SIM cards, and IDs, as well as printing, involve potentially hazardous chemicals. Key substances in ACAG operations include ozone, oils, and VOC-containing solvents. If released, these chemicals can pollute water, soil, and air.	ST /MT / LT	US/ DO / -	Environment, Communities
Production processes include use of hazardous materials for which the company has guidelines for storage and handling in place. Not adhering to these practices may lead to soil and groundwater pollution and needs for remediation.	ST /MT / LT	US /-/-	Environment, Communities around manufacturing facilities
Risks:			
Potential non-compliance with environmental legislation at production facilities. Non-compliance can lead to legal prosecution and/or fines.	ST /MT / LT	-/DO/-	ACAG
Production processes include the use of hazardous materials for which the company has guidelines for storage and handling in place. Not adhering to these practices may lead to soil and groundwater pollution and risks remediation costs and risk of reputation.	-/ MT / LT	-/DO/-	ACAG
Opportunities:			
No material opportunities identified.			

- 1) ST=short (<1y), MT=medium(1y-5y), LT=long term(>5y)
- 2) Upstream (US)/ Direct Operation (DO) / Downstream (DS)

Connection to Business Strategy:

The business strategy of ACAG, which involves expanding its geographic footprint, increasing its market share, and maintaining leadership in key markets, has a direct impact on the pollution related IROs. Expanding to new regions and

increasing production to serve growing demand inherently leads to higher environmental risks. The use of fossil-fuel vehicles, air transport, and maritime shipping all align with the logistical demands of expanding operations but also amplify potential pollution incidents.

Failing to address these risks could hinder the ACAG's ability to operate efficiently and sustainably in an increasingly regulated and environmentally conscious market. While our business strategy focuses on growth and market leadership, we acknowledge, that these goals are challenged by the environmental impacts and risks embedded in current practices. For us to sustain our strategy, we commit to and incorporate environmental compliance, and pollution mitigation into our growth and operational plans.

Connection to Business Model/Operations: The reliance on fossil-fuel vehicles, air freight, and maritime transport directly links pollution concerns to the logistical side of the business. Similarly, the production and personalization of our products involve the use of hazardous substances, which carry inherent risks if not managed effectively. The potential for soil, water, or air pollution from hazardous materials requires robust safety protocols, storage guidelines, and waste management systems. Our operations therefore strictly rely on compliance with environmental legislation, especially at our production facilities, and we proceed accordingly.

E2-1 Policies related to pollution

ACAG are currently working on adopting policies in relation to prevention and control of pollution of air, water or soil on a consolidated level. At the moment, pollution prevention is primarily handled at a site individual level, as such some of the business units such as TAND, TUK and ILR have individual environmental policies in place. Additional guidelines/procedures on correct handling of hazardous materials including transport and storage and reaction/processes in case of emergencies of hazardous materials are available for most of the sites.

We at ACAG commit to phasing out less sustainable materials. As part of this, ACAG aims to integrate a policy into our operations focusing on substituting and minimising the use of substances of concern (SoC) and phasing out substances of very high concern (SVHC).

E2-2 Actions and resources related to pollution

Most of our sites, especially the production sites, are certified under an environmental management system.

An overview of environmental standards and certifications:

Standard/ Certification/ Awards	ACV	ACR	ACT	TAND	TPOL	TSPA	TUK	TUSA	ILR	ILG	NDE	NDC	IPP	CFM
EMAS	✓													
FSC Certified paper used		✓					✓		✓	✓				
ISO 14001	✓	✓		✓		✓	✓		✓	✓				✓
PEFC		✓												
Austrian Eco Label										✓				
Mastercard Card Eco Certification		✓		✓										

Ecovadis				✓			✓							
TAND CEC rPVC80%				✓										
TAND CEC rPVC95%				✓										
Green Light				✓										
Offset Product GHG				✓										
Offset CNC/VNC				✓			✓							

EMAS: Eco Management and Audit Scheme
FSC: use of Responsible Forest Management certified papers
ISO 14001: Environmental Management System
PEFC: use of Program for the Endorsement of Forest Certification certified papers
Austrian Eco Label: Information on environmental impacts from consumer goods (printers)
Mastercard Card Eco Certification: Labelling of cards made from sustainable materials
TAND CEC rPVC80% and TAND CEC rPVC95%: Certificate that TAND can produce cards with a recycled PVC content of 80% and 95% respectively
Green Light: Certificate of origin of renewable energy for TAND
CNC: Carbon Neutrality Certificate (for TUK) or Voluntary Cancellation Certificate for TAND: Emissions for TUK offset 190 tCO₂e through Carbon Footprint Ltd in 2023. Emissions for TAND offset 1,378 tCO₂e through Govern d'Andorra.

ACAG is in line with the ISO 14001 environmental management system certification requirements for its production sites, except for the sites at Poland and Turkey. The sites employ responsible staff to manage risks regarding pollution. However, since specific Impacts, Risks and Opportunities have recently been identified, these are not yet being explicitly addressed in action plans.

The managers of the respective production and business premises are responsible for complying with these provisions. Furthermore, there are clear regulations governing the responsibilities for environmental protection issues in all countries where the Group operates. Also, we want to remark that a dedicated ESG group team has been appointed to do:

- Regular reporting on sustainability matters.
- Workshops and training.
- Weekly meetings with external consultants to follow up on different projects in course.
- Integration in board-executive reports on sustainability matters.

ACAG maintain a strong commitment dedicated to driving continuous progress in sustainability, ensuring long-term value creation for our stakeholders and the environment. Individual business units communicate with suppliers confirming compliance with environmental management systems such as ACV and TAND through their supplier questionnaires. In addition to life cycle assessments (LCA) for individual products, we have not conducted any further upstream or downstream value chain engagements in this regard.

E2-3 Targets related to pollution

Currently, ACAG have not established any targets related to pollution emissions in air, water and soil. In response to this sustainability report during the FY2024, the identification of material Impacts, Risks and Opportunities based on a

completed Double Materiality Assessment has recently been completed, but no actions have yet been initiated in response these material Impacts, Risks and Opportunities.

Various ESG related objectives aligned with the UN' SDGs have been proposed during the current reporting year; however, these are not yet fully rolled out throughout the Group and will be revisited during the comprehensive ESG strategy work planned for 2025. In relation to pollution, following objectives have been identified:

TUK:

- Reduce noise levels in factory TAG UK

ILH:

- Control and reduce gaseous pollutants
- Control and reduce noise levels

Romania (All sites):

- Zero water pollution

ESRS E2 Metrics:

E2-4 Pollution of air, water and soil

ACAG operates throughout multiple sites in EU27. Its main manufacturing process are:

- a) Manufacture and personalisation of smart cards and other type of cards, mainly PVC, which includes printing, lamination, cutting, hologram and signature panel stamping, chip embedding and other processes related.
- b) Printing of paper documents (security documents and other) via various type of printing process, mainly wet offset printing with UV lamps & digital inkjet printing & digital laser printing.

The manufacturing process for a) involves the use of principally PVC raw materials -amongst others-, electronic chips, printing offset and silkscreen inks, antennas, magnetic strip, signature panel and holograms and other auxiliary materials. And for b), various kind of papers, in different formats, carbon paper, carton boxes, cartons and wrapping materials, prepress materials, glues, holograms and inks.

Emission of greenhouse gases (GHG) related to the processes described above are reported under ESRS E1 Climate Change, if above the reporting thresholds, they are therefore not discussed in this section.

On the basis of an emission measurement reports for the Tag Systems SAU -Andorran site-, it is possible to estimate that emissions of NMVOC (non-methane volatile organic compounds), PM10 and water pollutants (heavy metals, sulphurs, cyanides, phenols) are below the limit values valid for the site. In the absence of emission reports from other sites this is considered representative of the Group's operations.

The other pollutants indicated in Annex II of Regulation (EC) No 166/2006 are not known to be used in the Group operations.

The ESRS E2-4 also requires an estimation of the amount of microplastics used and released during operation, however, a definition of microplastics is not provided either in the CSRD nor in the ESRS text. Therefore, the definition of microplastic given in Annex XVI, entry 78 of the REACH Regulation (1907/2006) is considered.

The PVC raw material used is already pre-formed in sheets/films and is laminated together in a thermal process. For this reason, it does not fulfil the definition of microplastic, hence there is no use of microplastics to report. There might be a source of microplastic during the cutting of the cards, if dust is formed. However, available information on the risk management measures for dusts and on the handling and disposal of waste justify the estimation that there are no emissions of microplastics to the environment.

E2-5 Substances of concern and substances of very high concern

Substances of Concern (SOC) and Substances of Very High Concern (SVHC) are in use in our manufacturing processes, and we acknowledge the importance of providing safe working conditions and products. That's why, despite having low emission values and SOC and SVHC remaining in our products, we still value this as a material topic.

A prerequisite for fulfilling the reporting obligations under ESRS E2-5 is to clarify the definitions of SVHC and SOC, which are not given in the CSRD nor in the ESRS Text. SVHC are unequivocally identified by inclusion into the Candidate list of substances of Very High Concern according to Art. 59 of REACH, maintained by the European Chemical Agency (ECHA). SOC are so far only defined in the ESPR (Reg (EU) 2024/1781, Ecodesign for sustainable products). The ESPR definition of SOC can be found in article 2(27) and includes: SVHC, substances with certain specific harmonized classifications according to the CLP Regulation³, and Persistent Organic Pollutants, and "*substance that negatively affect the reuse and recycling of materials in the products*". It is important to clarify that the list of SOC specific products will be defined in future Delegated Acts. Until such regulation is available, for the purpose of this report SOC will be identified only on the basis of their CLP classification, as given the SDS of the raw materials. Additionally, the ESRS E2-5 does not provide a threshold for determining when the presence of SOC or SVHC is material for reporting.

A threshold of 10% w/w in a final product and/or 10% w/w over the total amount of raw materials purchased was chosen, under which the intentional use of SOC and SVHC is considered not material for reporting.

- Risk management measures to limit exposure to SOC and SVHC as well as their emissions are in place throughout the manufacturing sites.
- The final products (e.g. plastic cards, printed paper) which may incorporate chemicals and mixture are designed in such a way to minimize exposure of the users to chemicals
- The manufactured products are articles, and not chemicals. This in itself reduces the potential exposure of users to chemicals.

There is limited data available on the chemicals used in the process, therefore simplifications and assumptions are needed.

An examination of representative Safety Data Sheets and other compliance documents of raw materials like PVC and printing inks for PVC, as well as the analysis of an overview table of chemicals used in other manufacturing process within the group allows to draw the following observations:

- There is no indication that SVHC substances are contained in raw materials above 0.1%.
- A limited number or component of printing inks and auxiliary chemicals falls into the definition of SOC.

On this basis, it is estimated that there are no SVHC relevant for reporting for 2024.

This allows to focus solely on the SOC for the rest of this section.

With regards to the manufacturing of printed paper products, the information available allow to estimate that the amount of SOC used as part of raw materials and inside the finished products is below the 10% threshold indicated above. This is justified by the following:

³ Carcinogenic, mutagenic, toxic for reproduction, endocrine disruption for human health and environment category 1 and 2, persistent, mobile and toxic or very persistent, very mobile properties, persistent, bio accumulative and toxic or very persistent, very bio accumulative properties, respiratory and skin sensitizer category 1, chronic hazard for the aquatic environment cat. 1-4, hazardous for the ozone layer, specific target organ toxicity (single and repeated exposure) cat. 1 and 2.

- The typical printing ink application weight on paper articles is 2 g/m² expressed as ink dry weight, with the worst-case assumption of a 100% ink coverage.
- As a worst-case assumption, a paper substrate with a grammage of 40 g/m² is considered.
- The two assumptions above allow to estimate a printed paper article may contain max 0.05% w/w of printing inks.

Additionally, only a limited number of printing inks contains some substance falling under the SOC definition. Therefore, the estimation above shows that SOC are well below the threshold of 10% and hence not material for reporting, for what concerns printed paper articles.

With regards to the manufacture of plastic cards, the available information allows to conclude the following:

According to the information on annual purchases of raw materials, printing inks account for around 12% of the weight or the totality of raw materials used in the manufacture of plastic chipcards. Representative SDS of printing inks allow to estimate that the amount of SOC across various hazard classes is 50%, thus allowing to estimate that the ratio of SOC used in the manufacture of plastic chipcard on the total amount of raw materials is 6%, therefore below the 10% threshold.

Based on our current information on the chipcards' construction and composition, a finished plastic card weights around 5.2 g and contains 0.28 g of inks. This allows to estimate that printing inks constitute 5.7% of the total amount of finished product placed on the market. This is a conservative worst-case estimate, which does not account for losses due to production waste and off-specs. Considering that as indicated above the amount of SOC within printing inks across various hazard classes is 50%, it is possible to estimate that around 3.4% of the plastic cards may be constituted by SOC (worst-case). This is below the threshold of 10% established above. For clarification, printing inks are applied in an inner layer of the chipcard, therefore embedded in the article without possibility of release under normal conditions of use.

As part of the ESG strategy and goal setting exercise that ACAG is conducting in 2025, we will conduct a deeper analysis of the thresholds and estimations considered above.

ESRS E3: Water & Marine resources

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model (unless described in the cross-cutting section)

The identified material Impacts, Risks and Opportunities are listed below. Since these are the latest findings as an outcome of the Double Materiality Assessment process, these have not been integrated into ACAG’s strategy and business model. However, development of an ESG Strategy is planned in the FY2025, where these Impacts, Risks and Opportunities assessment will help to shape ACAG’s ESG strategy to address any gaps.

Impacts, Risks and Opportunities:

IRO Description	Timeframe ¹⁾	Value chain location ²⁾	Affected stakeholders
Impacts (Negative):			
ACAG buys raw materials with high amounts of freshwater usage such as paper, chips and electric devices.	ST /MT / LT	US /-/-	Environment, Communities around manufacturing facilities
The production sites perform wastewater treatment and discharge to varying degrees (either filtering on site and discharge or storage of wastewater in tanks and then disposal as hazardous material). Depending on discharge levels, this may impact local water bodies.	ST /MT / LT	-/DO/-	Environment (water bodies, soil & groundwater), Local communities
Risks:			
Risk of droughts in some countries of operation could result in higher costs for water to produce chips.	-MT / LT	US/ DO / -	AGAC Suppliers
Opportunities:			
Opportunity to reduce water discharges and water consumption in the card manufacturing business by switching to digital printing or efficiency improvements.	-MT / LT	-/DO/-	ACAG

- 1) ST=short (<1y), MT=medium(1y-5y), LT=long term(>5y)
- 2) Upstream (US)/ Direct Operation (DO) / Downstream (DS)

Connection to Business Strategy:

Our strategy’s emphasis on growth, and connected increased product sales, increases our demand for raw materials. Additionally, the expansion of our operations to water scarce areas, such as the Middle East and Africa amplifies the need for stringent water management practices. While opportunities to improve water efficiency align with portfolio enhancement goals, addressing water-related challenges strategically is essential for maintaining our operational resilience.

Connection to Business Model/Operations:

Sourcing raw materials with high water usage, such as paper, chips, and electric devices, is driven by the demand for the company’s products. This reliance on water-intensive upstream suppliers increases the potential for environmental impacts. Although we have stringent wastewater management in place for all of our production sites, wastewater discharge in general, poses risks to local water bodies, soil, and groundwater. We are committed to reduce our

environmental impact and through adopting technologies like digital we can contribute to that through reducing water consumption and effluent discharge.

E3-1 Policies related to water and marine resources

ACAG have not adopted any company-wide policy or guidance governing water withdrawal, discharge, consumption, use and management across the upstream value chain or within ACAG's own operations. We have adopted wider environmental management systems such as ISO 14001 across most of the sites with exception of Poland and Turkey, and one site, Vienna, Austria, is certified by Eco-Management and Audit Scheme (EMAS). Additionally, we comply with the local environmental protection regulations and laws across all our operation sites.

Marine resources have not been identified as material.

Regarding water resources, water consumption is a material topic only for the upstream operations. Since this is a newly identified impact that ACAG is associated with, currently there is no policy in place for upstream value chain operations that specifically address freshwater consumption by suppliers.

The TAND site has adopted an Environmental Policy with ambition towards reducing water consumption, amongst other sustainable practices like reduction of waste and emission generated, and increased recycling. Also ILG has adopted an environmental policy with commitment management of liquid waste.

Water discharge is considered as a potential material topic for ACAG's own operations. Continuous monitoring of wastewater discharge is practiced across all operational sites for compliance with regulatory requirements. In most of our operational sites with wastewater streams the sites continuously monitor parameters like pH, suspended solids, and metal content the final wastewater discharge point, in order to comply with limiting threshold values by local regulations. No penalties have been imposed for any breaches during the reporting year FY24.

With regard to water consumption, currently there is no unified group-level policy to addresses water resources through the design of products and services or for sites with high water risk.

E3-2 Actions and resources related to water and marine resources

Water consumption is a material topic in ACAGs upstream activities and water discharges is a material topic within ACAGs own operations. Marine resources are not a material topic for ACAG. No policies or targets (qualitative or quantitative) have been adopted at ACAG to address water resources related Impacts, Risks and Opportunities.

All the sites of business entities were analysed for basin risk exposure using the open tool 'WWF Risk Filter Tool' for the double materiality process. However, currently no measures have been adopted in response to sites located at basins with water risk exposure, including locations at high water-stress.

Sites that have been identified to lie in areas of water stress are our facilities in Andorra, Greece, Romania, Spain, Turkey.

Water recycling or reuse is conducted at the following sites: ILG, ACV, TUK, ACR. ILG has installed a biological water purification system to treat wastewater from office use. The treated wastewater is re-used only for irrigation purpose of the green landscape in the premises. The system is monitored by an external partner on monthly basis for quality compliance purpose.

ACAG also uses production machinery which allows savings in water consumption. Currently, we are not yet tracking exact information on percentage savings achieved using this technology. TAND and ACV have adopted ambitions towards water consumption reduction, but currently no information is collected on the measures adopted or percentage savings achieved.

E3-3 Targets related to water and marine resources

Water consumption is not a material topic for ACAG's own operation. But, through the use of water intense raw materials such as paper, chips and electric devices, we consider water usage to be a material topic for our upstream value chain. ACAG is yet to set quantitative targets regarding water consumption at the Group level, but this topic will be addressed as part of our target to implement sustainable procurement policies, including supplier sustainability criteria and certification requirements.

ACAG measures water consumption and sourcing data for most of the sites with exception at few sites (details in water data in the ESRS E3 Metrics sections).

Locally, some water consumption targets have been already set, mainly revolving around legal compliance. For example, ILG uses water from a well on company premises for cooling purposes. The water extraction permits for this well is bound to an annual limit and ILG monitors borehole water usage monthly and implements corrective actions as needed to remain within the permitted quantity.

As our sites in Greece, Romania and UK treat wastewater discharge to varying degree, water discharge is considered a material topic for our manufacturing sites. While we ensure legal compliance of our discharge levels, no overarching targets beyond that related to water discharge quality & quantity have been set.

ESRS E3 Metrics:

E3-4 Water consumption

ACAG does not consider water consumption as material for its own operations. However, ACAG buys raw materials with high amount of freshwater usage such as paper, chips and electric devices. As such ACAG considers water consumption in its upstream value chain as material topic as a high water consumption can have negative effects on the surrounding communities and biodiversity on land and in water bodies.

Our sites in areas of water stress are situated in Andorra, Greece, Romania, Spain, Turkey.

Total water consumption of all in-scope ACAG companies	24,795 m³
Total water consumption in areas at water risk, including areas of high-water stress	11,858 m³
Andorra (TAND)	1,055 m ³
Greece (ILG, CFM)	2,084 m ³
Romania (ACR, ILR, NDE, NDC, IPP)	8,284 m ³
Spain (TSPA)	268 m ³
Turkey (ACT)	167 m ³

Water intensity ratio ACAG	69.850 m³/mEUR
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The water intensity ratio is calculated as follows: Total Water consumption (water consumption of all ACAG sites combined, in meter cube (m³)) divided by the total ACAG net revenue (in million EUR).

Limitations: Total water consumption data does not include volumes for TUSA & IPP as no primary data are available (no water used in production). Therefore, the net revenue of these companies has also been excluded when calculating the water intensity ratio.

ACAG currently does not track or collected data on water storage and consumption from water storage for own operations across the ACAG sites. There are only a few sites that have on-site water storage and wastewater filtering processes (ACR, ILG & TUK with filtering and wastewater discharge, TAND stores wastewater in tanks and disposes it as hazardous waste).

ESRS E5: Circular economy

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model (unless described in the cross-cutting section)

The identified material Impacts, Risks and Opportunities are listed below. Since these are the latest findings as an outcome of the Double Materiality Assessment process, these have not been integrated into ACAG's strategy and business model. However, development of an ESG Strategy is planned in the FY2025, where these Impacts, Risks and Opportunities assessment will help to shape ACAG's ESG strategy to address any gaps.

Impacts, Risks and Opportunities:

IRO Description	Timeframe ¹⁾	Value chain location ²⁾	Affected stakeholders
Impacts (Negative):			
The production of hardware components, such as servers, networking equipment and storage devices requires the extraction of raw materials, including metals and minerals, which are becoming scarce materials. Such processes usually have a large land-use impact, including pollution of soil and water.	ST /MT / LT	US /-/-	Environment, Communities
The disposal of e-waste from old hardware can cause serious harm to the environment if not properly disposed of.	ST /MT / LT	-/-/DS	Environment, Communities
Production sites generating hazardous wastes, e.g. Inform Lykos Romania, Andorra, Vienna or UK may result in environmental impacts.	ST /MT /-	-/DO/-	Environment
Risks:			
No material risks identified.			
Opportunities:			
Extending the supplier reviews on environmental performance, such as from ACV, TAND, to all ACAG companies provides the opportunity for ACAG to further engage with suppliers to improve their environmental performance. Which in turn can also positively impact ACAG.	-MT / LT	US /-/-	Suppliers, Environment, Communities
ACAG has the opportunity to reduce its impact on the environment by committing to all its plastic Smart cards being produced from bio-sourced or recycled plastics.	-MT / LT	US/-/DS	Environment, Communities
ACV has an Ecological Sourcing Guideline for raw materials, specifying which products need to adhere to which certifications and or "ecological criteria". There is an opportunity to extend and spread the sourcing criteria across the entire Group and as such ensure that sustainability/ecological criteria are taken into consideration for material supply.	ST /MT / LT	US/-/DS	Environment, Communities
Designing credit cards that eliminate or substitute the use of certain materials can reduce the environmental impact of ACAG's products.	-MT / LT	US/-/DS	Environment, Communities
Implementing a policy related to circular design or resource use similar to the sustainability proposition, on ACAG level, could reduce an overuse of materials and increase the overall recycling quotas.	ST /MT /-	US/ DO / -	Environment, Communities

1) ST=short (<1y), MT=medium(1y-5y), LT=long term(>5y)

2) Upstream (US)/ Direct Operation (DO) / Downstream (DS)

Connection to Business Strategy:

Our strategy's focus on growth and portfolio enhancement drives increased demand for raw materials and electrical hardware. As we scale our operations and expand our production, the environmental impacts from the extraction of materials needed to manufacture our products and the respective disposal needs may increase. By developing and incorporating sustainable materials, such as our recycled PVC card "ReACT" into our product portfolio, we want to combat these impacts. Incorporating group-wide ecological sourcing practices and supplier engagement aligns with our strategic goals to lead in sustainable markets while fostering strong partnerships across the supply chain.

Connection to Business Model/Operations:

Our reliance on raw materials, such as metals, minerals, and plastics, directly impacts the environment due to their resource-intensive production/sourcing. Upstream suppliers involved in extraction and manufacturing contribute to soil, water, and land degradation. It is therefore absolutely essential for us to strengthen our supplier review mechanisms and implementing ecological sourcing guidelines across the group.

E5-1 Policies related to resource use and circular economy

ACAG has not yet adopted a policy at group level to manage the material Impacts, Risks and Opportunities. However, some of the business entities like ILG, IPP and TAND have environmental policies in place considering resource use and circular economy. The policy by TAND aspires for minimisation of paper use, reduction of waste as well as encouraging recycle and reuse.

The current environmental policies by ILG, IPP, TUK, and TAND do not contain commitments to move away from virgin materials. However, it contains certain aspirations for sustainable sourcing. Renewable resources are mainly addressed regarding energy use. ACV has a sustainable procurement policy in place, but it does not contain guidelines for supply chain engagement yet. Although there seem to be no written commitments to move away from virgin materials, there are the upcoming MasterCard requirements for the use of recycled PVC which the card production business will adhere to. From January 1, 2028, all newly-produced Mastercard plastic payment cards will need to be made from more sustainable materials – including recycled or bio-sourced plastics such as rPVC, rPET, or PLA1 - and approved through a certification program, in a first move for a payment network. The company will support its global issuing partners through the transition away from virgin PVC. To showcase the progress that has been already made towards that goal within the company; TAND managed to increase their recycled cards by 72.70% compared to 2023 data. In 2024 62.65% of TAND produced cards have been made out of recycled materials versus 37.35% cards using virgin materials only. In 2023, those data were recycled 38,04% and non-recycled 61,96%. TUK produced 82% of their smart cards with recycled PVC vs 18% with virgin (no production in 2023 of this product in UK).

E5-2 Actions and resources related to resource use and circular economy

Although the actions are not connected to a groupwide policy, ACAG companies have initiated actions to address circular economy. ACAG uses recycled/degradable PVC in its card productions for products such as ReACT and rPVC, supports responsible resource use and circular economy. Regarding reduction of raw material use, our cards manufacturing use PVC of secondary materials and degradable plastics encompassing areas of waste prevention, secondary materials and circular design. ACAG has already conducted LCAs for some of its bankcards to analyse resource use, energy consumption and environmental impact. ACAG tracks recycled materials including paper, cardboard, plastics, metals, electrical components and lubricants.

E5-3 Targets related to resource use and circular economy

No targets have been set in relation to resource use and circular economy. As such, no targets exist related to: increase of circular product design or circular material use, reducing primary raw material consumption, increase of sustainable procurement or use of renewable sources in our products or related to waste management.

Various ESG related objectives aligned with the UN' SDGs have been proposed during the current reporting year, however these are not yet fully rolled out throughout the Group and will be revisited during the comprehensive ESG strategy work planned for 2025. In relation to resource use and circular economy, following objectives have been identified:

TUK:

- Reduce packaging costs Re use packaging which products come from suppliers.
- Introduce more board cards rather than PVC
- Introduce recycled PVC to the banking chain
- Use more sustainable products and materials across the whole facility

TSPA:

- Reduction of bleached paper consumption by at least 20%.
- Reduction of non-recoverable waste by 10%.
- Adherence to SCRAP for industrial containers.

ILG:

- Reduce solid waste (cleaning cloths, paper, toners & hand towels)
- Control and reduce consumption of natural resources and energy (diesel, electricity, water)

TAND:

- Monitoring, recording and control of the costs and savings inherent to the "Circular Economy" project in plastic carried out with the main supplier.
- Update product footprint calculation rPVC80% and rPVC95% (O)
- Reduce the packaging and use more sustainable materials for this process.

TPOL:

- Reduce waste by approximately 3,5% compared to the previous year.

Romania (All sites):

- Reduce to up 1% the waste in 2024 (take into consideration the mix of production) / 2023.

ESRS E5 Metrics:

E5-4 Resource inflows

Name	Data Type	ACAG Data
Overall total weight of products and technical and biological materials used during the reporting period	Mass	2,783 t ¹⁾
Percentage of biological materials (and biofuels used for non-energy purposes)	Percent	Not available ²⁾

The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	Mass	132 t ³⁾
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	Percent	5% ⁴⁾

1) We want to make sure that the data disclosed is accurate as possible. However, for the reporting period we could not gather data for some of our sites. The data for weight of products above does not include data for ILR, ACV, ACR, TUSA and TPOL. Some of our companies are not manufacturing physical products and as such use negligible amounts materials on site. For those sites the assumed value for the above data points is zero. This affects, CFM, NDC, NDE and IPP.

2) For the percentage of biological materials used: As the product types in our business are ranging from very high biological content, such as printing products, to products mainly consisting of plastics (smart cards) to companies not producing any physical materials we could not yet create a reliable set of data to accurately calculate that value for the reporting period.

3) For this data points the same limitations as in 1) apply. However, this data point is missing data for TSPA in addition.

4) "The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)" divided by "Overall total weight of products and technical and biological materials used during the reporting period"

5) 't' = Metric ton

E5-5 Resource outflows

Name	Data Type	ACAG Data ¹⁾
The rates of recyclable content in products	Percent	63% - 100% ²⁾
The rates of recyclable content in products packaging	Percent	See below ³⁾
Total Waste generated	Mass	2,354 t
Non-recycled waste	Mass	460 t
Percentage of non-recycled waste	Percent	20%
Total amount of hazardous waste	Mass	333 t ⁴⁾
Total amount of radioactive waste	Mass	N/A

1) The data above does not include data for TUSA and TPOL. Some of our companies are not manufacturing products and as such produce only negligible amounts of waste. This means, that CFM and IPP are included with a waste amount of 0 kg in the above data table.

2) The rate of recyclable content in our products varies as the product types in our business are ranging from very high recyclable products, such as our printing products with nearly 100% recyclability rate, to products mainly consisting of plastics (smart cards) with recyclability rates of 63% in the lower ranges.

3) Our packaging primarily consists of cardboard or paper boxes, wooden pallets, and paper envelopes, which are all highly recyclable. However, we did not manage to derive an accurate rate of recyclability of our product packaging.

4) *The data for hazardous waste does not include data for ACT, TUSA and TPOL. Some of our companies are not manufacturing products and as such produce only negligible amounts of waste. This means, that CFM and IPP are included with a waste amount of 0 kg in the above data table.*

5) 't' = Metric Ton (1000 Kg)

ESRS S1: Own workforce

ESRS 2 SBM-2 – Interests and views of stakeholders

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.

We consider our employees are our direct stakeholders. In order to understand their needs and expectations, we gather their feedback through several communication methods such performance appraisal (annually), corporate internal networks (where applicable), internal communication activities, events, meetings, trainings and labour associations (where applicable). We 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.

ESRS 2 SBM -3 – Material impacts, risk and opportunities and their interaction with strategy and business model (unless described in the cross-cutting section)

The identified material Impacts, Risks and Opportunities are listed below. Since these are the latest findings as an outcome of the Double Materiality Assessment process, these have not been integrated into ACAG’s strategy and business model. However, development of an ESG Strategy is planned in the FY2025, where these Impacts, Risks and Opportunities assessment will help to shape ACAG’s ESG strategy to address any gaps.

Impacts, Risks and Opportunities:

IRO Description	Timeframe ¹⁾	Value chain location ²⁾	Affected stakeholders
Impacts (Positive):			
<p>TAG Andorra has put in place several work benefits such as an "emotional salary" and give extra time off for certain occasions. Additional proposals include mobility benefits for employees sharing a car and further subsidies thereby improving employee wellbeing. A roll out to other companies in ACAG can increase employee happiness and retention.</p> <p>ACV has put in place several benefits to increase employee engagement and retention, like meal allowance, flexible working times, team building and company events as well as several opportunities for training and development. In cooperation with an external preventive specialist (occupational medicine, safety specialists and occupational psychology), have been offered both physical and mental initiatives such as health check-ups, vaccinations or lectures on burnout prevention and diversity.</p>	ST /MT /-	-/DO/-	Workers
Impacts (Negative):			
Not all Group entities have a collective bargaining policy in place.	ST /MT / LT	-/DO/-	Workers
Employee or visitor injury or illness due to unsafe working conditions or workplace accidents can negatively impact on the accidentee's health and wellbeing.	ST /MT / LT	-/DO/-	Employees, Contractors, Visitors, nearby communities
Some of the group's activities could be engaged in processes with risk of occupational diseases. ACAG is constantly working on identifying all occupational risks and reducing them through preventive measures.	ST /MT / LT	-/DO/-	Workers

Although there is a potential risk that some activities are engaged as a risk of occupational diseases, all of them are adequately controlled and monitored at the group's different plants.			
Production sites (especially printing) use hazardous materials such as solvents and oils - health risks identified in case of bad handling practices that may lead to negative health impacts on people on site.	ST /MT / LT	-/DO/-	Employees, Contractors, Visitors
While most entities have gender pay gap indicators in place, ACAG does not yet record data on gender pay gaps for every site.	ST /MT /-	-/DO/-	Employees, ACAG
ACAG does not yet have a centralized policy around employees with disabilities.	ST /MT /-	-/DO/-	Employees
Risks:			
Retaining and recruiting high qualified employees is a challenge for the Group and the technology sector.	ST /MT / LT	-/DO/-	ACAG
There are risks for employee or contractor injury or illness due to unsafe working conditions or workplace accidents.	ST /MT / LT	US/ DO / -	Employees
Production sites (especially printing) use hazardous materials such as solvents and oils - health risks identified in case of bad handling practices that may incur cost.	ST /MT /-	-/DO/-	ACAG
Opportunities:			
No material opportunities identified.			

- 1) ST=short (<1y), MT=medium(1y-5y), LT=long term(>5y)
- 2) Upstream (US)/ Direct Operation (DO) / Downstream (DS)

Connection to Business Strategy:

ACAG's growth and innovation goals heavily rely on retaining and attracting highly skilled employees, ensuring workplace safety, and maintaining employee satisfaction. However, we also understand that our current gaps in centrally set up monitoring systems and policies, such as for collective bargaining, gender pay gap, and disability inclusion conflict with ACAG's commitment to workplace equality stated in our code of conduct. As part of our 2025 ESG strategy we are therefore dedicated to close those gaps to foster fair treatment, happiness and the trust of our employees. Additionally, health and safety risks related to hazardous materials and workplace conditions can hinder operational efficiency and reputational standing, threatening ACAG's strategic objectives.

Connection to Business Model/Operations:

Accidents at our site through for example the use of hazardous materials at our production sites, slips, trips or falls, or road accidents pose a risk to the health and safety of our employees. Addressing these issues requires operational improvements, such as enhanced safety protocols, employee wellbeing programs, and group-wide policies to ensure fair treatment and equal opportunities for all employees.

The group will encourage the consecution of ISO 45001 to the manufacturing companies that have not yet that in place, for establishing an effective Occupational Health and Safety Management System, to prevent workplace accidents, reduce occupational risks and improve employee well-being.

S1-1 Policies relating to own workforce

ACAG recognizes and follows the internationally recognized human rights principles (e.g. United Nations' International Declaration of Human Rights, International Conventions on child labour), which is expressed in our main principles and rules of professional behaviour included in formal regulations across countries we operate. Within this context, ACAG:

- 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.

Our Code of Conduct defines our commitment to uphold Mutual Respect, Diversity, and Health and Safety standards, which are both important topics related to its workforce. However, please also see our pledge to the United Nations Global Compact Principles and OECD Guidelines outlined in chapter S1-2 below.

In addition to that, individual entities have implemented their own policies, like in UK Modern Slavery Act Policy and Corporate Social Responsibility Policy which both cover human rights, child labour. Andorra has already joined the UN Global Compact years ago and some subsidiaries has a combined Code of Ethics and Conduct which declares their respect to human rights. Other ACAG companies such as ACR, ACT, ILG, ACV and TSPA also maintain individual policies related to human rights.

We take our stance on human rights through the Code of Conduct, including the whistleblowing system, which is a potential measure to provide and enable remedy for human rights impacts.

As above, not all business entities have anti-discrimination policies in place. The TUK Equality Inclusion and Diversity Policy defines the following grounds for discrimination: age, disability, gender reassignment, race, religion, belief, sex.

We stand against discrimination or unprejudiced preferences through our code of conduct for both, internal relations (colleagues) as well as external relations (business and customer contacts) established or held by our employees. However, there is no standardised approach or procedure to ensure discrimination is prevented.

Occupational Health & Safety Management is addressed through our Code of Conduct at group level. However, there is no group-wide approach to accident prevention in place. All our sites have local health and safety policies, and some operate respective management systems, additionally. Please find below a list of the management systems in place:

Standard/ Certification/ Awards	ACV	ACR	ACT	TAND	TPOL	TSPA	TUK	TUSA	ILR	ILG	NDE	NDC	IPP	CFM
ISO 45001				✓					✓	✓				✓

ISO 45001: Occupational Health and Safety Management System

S1-2 Processes for engaging with workers about impacts

As also described in ESRS 2 SBM-2, we have several methods of communication to engage with our employees to understand their needs and expectations. However, with regard to the actual or potential impact, there is no standardized approach or procedure which describes if and/or how the own workforce or worker’s representative participates and inform the decision-making process at ACAG. The Code of Conduct supports whistleblowing & confidentiality, which is a potential avenue for employees to raise issues that may inform decisions regarding impacts.

ACAG are committed to upholding human rights and ensuring that our operations, products, and services align with the highest ethical standards. This is described in the ACAG Corporate Commitment on Responsible Business Conduct, where we pledge to incorporate the Ten Principles of the United Nations Global Compact and OECD Guidelines into our business.

Our Commitment in practice:

1. Human Rights

We respect and promote the rights and dignity of all individuals, including our employees, suppliers, partners and communities. We commit to identifying, preventing, and mitigating any adverse human rights impacts related to our business activities.

2. Labor Standards

We uphold the freedom of association, the right to collective bargaining, and eliminate all forms of forced or compulsory labour, child labour, and workplace discrimination. To reconfirm our commitment to this, the commitment was signed by members of the ACAG management board. ACAG recognizes and follows the internationally recognized human rights principles and recognizes the importance of the Universal Declaration of Human Rights. That is not only expressed in our main principles, but also in our rules of professional behaviour included in formal regulations across countries we operate.

3. Environmental Responsibility

We actively support a precautionary approach to environmental challenges, promoting greater environmental responsibility, and encourage the adoption of environmentally friendly technologies.

4. Anti-Corruption

We stand firmly against all forms of corruption, including extortion and bribery, and will support transparency and accountability in all our operations.

In general, as also mentioned in ESRS SBM-2, there are several methods of communication that ACAG adopts to communicate with different stakeholders, including own workforce/employees. However, we have not yet formally assessed the effectiveness of engagement with our employees. Also, there is no standard process yet to gather views or perspective of employees that may be vulnerable due to impacts or are marginalised (i.e. women, migrants, people with disabilities).

S1-3 Processes to remediate impacts & channels to raise concerns

Through the Code of Conduct, employees are guided to express freely any concerns or complaint in case of violation of any rules or discrimination that may have negative impact on the employees. They may choose conveniently to report to their supervisor or Director or a representative from the Legal department. For anyone reporting violations of the Code of Conduct confidentiality is ensured and no consequences that may affect their employment terms. The Code of Conduct is shared with every employee (new employees when starting the employment relationship, existing employees received a copy upon implementation of the Code of Conduct and after amendment). In addition, the Code of Conduct is available in the intranet.

Apart from the Code of Conduct, ACAG, ACV, ILG, implemented a Whistleblower channel based on the EU Whistleblowing Directive. Upon implementation all employees were informed about the system and the areas of reporting during a townhall meeting, via intranet and via a notice board on the operating site. In addition, the Works Council was informed before the implementation and is aware of the Whistleblower channel. The Legal department of ACAG is responsible for any report in the Whistleblowing Channel. All legal advisors responsible are trained on an annual basis in this regard and every new member in the Legal Department gets an introduction to the channel.

We are not aware of any grievances in 2024, neither in ACAG nor in ACV, neither in other subsidiaries. ACAG aims to implement a group wide Whistleblowing Channel and harmonize such regulations as currently some subsidiaries use different methods/channels.

The group is working on creating a unified code of conduct, ensuring that the code complies with legal and industry regulations in all the locations, and effectively communicating it across the subsidiaries to all the employees, as well as the vision, mission and core values that have been recently updated.

S1-4 Taking action on material negative impacts, advancing positive impacts, and approaches to mitigating material risks and pursuing material opportunities relating to own workforce

At business entity level, several individual actions have been undertaken that support positive impacts and avoid negative impacts (e.g. “emotional salary program”). These individual actions have been conducted at entity level, but not as a response to the Impacts, Risks and Opportunities identified in the Double Materiality Assessment.

At group level, in response to material Impacts, Risks and Opportunities, will be developed a centralised action planned in order to remediate or prevent negative impacts or deliver positive impacts or to assess their effectiveness in the workforce.

In general, as a risk management procedure, local country offices have selected staff who are responsible for identified risks and to avoid or minimise the impact from those risks. These representatives then report regularly to the head of cluster office to organize group-wide risk assessment.

An ESG strategy is planned in year 2025 and it will use the appropriate outcome of the Impacts, Risks and Opportunities assessment as input to shape a comprehensive ESG strategy/policy.

S1- 5 Targets

In relation to material Impacts, Risks and Opportunities, ACAG have not set targets which are time-bound or outcome oriented, intended to reduce negative impacts or increase positive impacts on the workforce or in relation to manage material risk & opportunities.

Various ESG related objectives aligned with the UN’ SDGs have been proposed during the current reporting year; however, these are not yet fully rolled out throughout the Group and will be revisited during the comprehensive ESG strategy work planned for 2025. In relation to own workforce, following objectives have been identified:

All Group:

- Train Group Managers on Sustainability
- Incorporate Sustainability criteria in Group employees' Performance Appraisals (2025)
- Evaluate social commitment programs
- Conduct Employee Survey
- Develop Responsible Communication Policy
- Increase Employee training programs

TSPA:

- Improve staff satisfaction by 10% (including increase of learning)

TAND:

- Creation of an internal communication plan, establishing the allowed communication channels
- Definition of a protocol and different actions for new staff additions to the company, to improve Onboarding and talent retention.
- Carry out a new psychosocial risk assessment to verify and evaluate the effectiveness of the action plan from the last study.
- Increase training programs in informatic resources for all the staff.
- Create the equality plan and work on the gap indicators

Romania (All sites):

- Zero work accidents
- Develop a protected unit – inclusion of people with disabilities.

ESRS S1 Metrics:

S1-6 Characteristics of employees

Employee head count by gender

Gender	Number of employees (head count) full Group 31.12.24	Number of employees (head count) in scope ACAG 31.12.24
Male	1,310	1,291
Female	1,091	1,080
Other	0	0
Not reported	0	0
Total Employees	2,401	2,371

Employee head count in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees

Country	Number of employees (head count) as of 31.12.2024
Romania (ACR, ILR, NDC, NDE, IPP)	1,346

Romania is currently the only country of operation where ACAG exceeds the share of over 10% of its total number of employees.

Employees by contract type, broken down by gender (head count)

01.01.2024 - 31.12.2024					
Head count & FTE	FEMALE	MALE	OTHER	NOT DISCLOSED	TOTAL
Number of employees	1,080	1,291	0	0	2,371

Employees by contract type, broken down by region (head count)

01.01.2024 - 31.12.2024				
Head count	WEST	CEE	MEA	TOTAL
Number of employees	432	1,848	91	2,371

Note: The three regional segments of ACAG for this disclosure comprise the following:

- *Western Europe, Nordics, Americas (WEST): TAND, TSPA, TUK, TUSA, TPOL.*
- *Central Eastern Europe and DACH (CEE): ACV, ACR, ILR, ILG, NDC, IPP, CFM*
- *Türkiye, Middle East and Africa (MEA): ACT*

Employee turnover

Number of employees who have left undertaking (head count)	Integer	971
Percentage of employee turnover	%	38%

Data excludes people leaving the companies CFM, ACT, TPOL.

Numbers are high due to some restructuration in the company IPP.

S1 -8 Collective bargaining coverage and social dialogue

Collective bargaining coverage and social dialogue

	Collective Bargaining Coverage		Social dialogue
Coverage Rate	Affected employees	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0 -19 %	1,346	Romania	Romania
20 -39 %			
40 -59 %			
60 -79 %			
80 -100 %			

ACAG makes use of the omission for this disclosure of its non-EEA country subsidiaries as per phase-in described in ERS 1 Appendix C.

S1 -10 Adequate wages

All ACAG employees earn at least the minimum wage established in the respective countries of operation.

S1- 14 Health and safety metrics

- Near miss
- Accidents

Percentage of people in own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	%	100
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Number of fatalities in own workforce as result of work-related injuries and work-related ill health	Integer	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	Integer	0
Number of recordable work-related accidents for own workforce	Integer	17
Rate of recordable work-related accidents for own workforce (Number of cases/ the total number of hours worked by the own employees) * 1,000,000	Rate	3.42
Number of cases of recordable work-related ill health of employees	Integer	3
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	Integer	664

Data limitations: Information presented in above table does not include data for ACAG's subsidiaries CFM and ACT (except fatalities: There have been no fatalities within ACAG in FY2024). Data for number of days lost to work-related injuries excludes data for CFM, ACT and TUK.

*For the rate of recordable work-related accidents, we extrapolated the employee hours worked in FY2024 from TAND (1,920 h/(per employees*year)). This average number of hours worked per employee was multiplied by the average employee count of ACAG in FY2024 (2,589). This leads to an overall amount hours worked of 4,970,880 hours.*

S1-16 Compensation metrics (pay gap and total compensation)

Gender pay gap	%	22%
Annual total remuneration ratio	%	493%

The gender pay gap has been calculated as the (average gross hourly pay level of male employees - average gross hourly pay level of female employees) / average gross hourly pay level of male employees. The value presented above is the average within the in scope ACAG companies. Notably, TSPA and TUSA report no gender pay gap between their employees. Data exclude CFM and ACT.

The Annual total remuneration ration has been calculated by dividing the highest annual remuneration by the annual median of the remaining employees (excluding the highest paid individual). The value presented above is the average within the in scope ACAG companies. Data exclude CFM, ACT, TPOL and TUSA.

ESRS S2: Workers in the value chain

ESRS 2 SBM -3 Materials, impacts, risks and opportunities and their interaction with strategy and business model (unless described in the cross-cutting section)

The identified material Impacts, Risks and Opportunities are listed below. Since these are the latest findings as an outcome of the Double Materiality Assessment process, these have not been integrated into ACAG’s strategy and business model. However, development of an ESG Strategy is planned in the FY2025, where these Impacts, Risks and Opportunities assessment will help to shape ACAG’s ESG strategy to address any gaps.

IRO Description	Timeframe ¹⁾	Value chain location ²⁾	Affected stakeholders
Impacts (Negative):			
Risk of suppliers/ providers who ACAG depend on for hardware, components & software, violating human rights regulations. For example, metals such as gold, silver, tin cobalt and copper have been associated with either forced labour or child labour in various countries.	ST /MT / LT	US /-/-	Upstream supply chain workers
Risks:			
No material risks have been identified for S2 Workers in the value chain.			
Opportunities:			
No material opportunities have been identified for S2 Workers in the value chain.			

1) ST=short (<1y), MT=medium(1y-5y), LT=long term(>5y)

2) Upstream (US)/ Direct Operation (DO) / Downstream (DS)

Connection to Business Strategy:

The Group is currently still dependent on global supply chains for materials such as hardware components and metals, which exposes us to risks of human rights violations in the value chain, especially related to mining activities. While we already work with our suppliers to guarantee responsibly sourced minerals, for example requiring an RMI (Responsible Minerals Initiative) certificate from suppliers as in TAND, we want to highlight, that all potential violations of human rights in the value chain directly conflict with our ethical values and our commitment to the United Nations Global Compact principles.

Connection to Business Model/Operations:

ACAG's operational reliance on critical materials such as metals shows our exposure to supply chain risks, especially related to mining activities in the value chain. By implementing responsible sourcing practices into our operations, ACAG can mitigate potential negative impacts and align our operations with our ethical and sustainability standards.

S2-1 Policies related to value chain workers

ACAG have adopted several policies to address risks in the supply chain by engaging with suppliers and customers. The codes of conduct for suppliers state the importance of health & safety of workers and compliance with human rights standards, abiding no forced labour or child labour etc.

Tag UK has an ESG policy that also covers suppliers and customers in relation to issues like working conditions, health and safety, labour dispute etc. It also identifies the impact, risk and opportunities of ESG related topics including value

chain responsibilities, human rights, the trend of customers paying attention to this, Tag UK's code of conduct for suppliers explicitly addresses trafficking, forced labour and child labour.

Currently, the policies in place do not cover processes on a group level to engage with value chain workers. ACAG recognizes and follow the internationally recognized human rights principles (e.g. United Nations' International Declaration of Human Rights, International Conventions on child labour), which is expressed in our main principles and rules of professional behaviour included in formal regulations across countries we operate.

S2-2 Processes for engaging with value chain workers about impacts

Currently, the policies in place do not cover processes group level to for direct engagement with value chain workers. Also, there are no agreements related to a Global Framework or similar nor any actions have been adopted to collect insight from into perspectives of particularly vulnerable value chain workers.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

At group level, there is no standard or general to address remedies on value chain worker impacts. However, to ensure sustainable sourcing some companies have a supplier code of conduct which suppliers are obliged to sign. Some companies also have social and environmental criteria for its suppliers. We currently face that sometimes the choice of supplies can be limited thereby limiting room for action.

Currently, there are no direct channels that value chain workers can use to raise their concerns or needs and have them addressed. The TUK supplier code of conduct contains stipulations for a complaint mechanism for workers and for the suppliers to share the agreements of the code with their employees. However, there is no further measures to ensure that these structures such as complaint mechanisms are used and taken seriously.

S2-4 Taking actions on material impacts on value chain workers and approaches to managing material risks and pursuing material opportunities related to value chain workers and effectiveness of those actions

ACAG has not implemented actions in response to the material Impacts, Risks and Opportunities. The Impacts, Risks and Opportunities for this topical standard comprises one material topic with potential negative impact identified for the upstream value chain. In response to this, currently there are no processes to identify appropriate actions or initiatives intended for positive outcome of value chain workers or remediate the actual or potential negative impact.

However, please refer to section ESRS 2 SBM-3, where we describe how we will implement a holistic ESG strategy and Impact, Risk and Opportunity management plan for 2025 and onwards.

ESRS S2 Metrics and Targets:

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

While there are no set formal targets to manage material Impacts, Risks and Opportunities related to value chain workers, we track performance on human rights impacts by evaluating the countries they operate in, including audits and evaluation of relevant incidents. There are no set targets as well on reducing the negative or adding positive impacts on the value chain workers. Please refer to section ESRS 2 SBM-3 to learn more about our objective to set clear and outcome-oriented targets related to our IROs in 2025.

ESRS S4: Consumers and end-users

ESRS 2 SBM -3 Materials, impacts, risks and opportunities and their interaction with strategy and business model (unless described in the cross-cutting section)

The identified material Impacts, Risks and Opportunities are listed below. These are the latest findings of the Double Materiality Assessment process and have not been integrated into ACAG’s current strategy and business model. However, an ESG Strategy is planned for development in the FY2025, where these Impacts, Risks and Opportunities will help to shape ACAG’s ESG strategy and update any business model, if necessary.

IRO Description	Timeframe ¹⁾	Value chain location ²⁾	Affected stakeholders
Impacts (Negative):			
No material impact has been identified in connection with S4 Consumers and end-users			
Risks:			
Risk of cyber-attacks rated as critical including loss of key systems, production, data and customer confidence.	ST /MT /-	-/DO/-	ACAG, Consumers, customers
Products or services could be used for purposes incompatible with ACAG's values such as: misuse of products and services in ways that cause, contribute, or are linked to adverse human rights impacts. This includes, for example, the use of technology by a government entity to facilitate censorship or enable other human rights violations.	ST /MT /-	-/-/DS	ACAG, communities
Opportunities:			
Opportunity to support the digital transformation of public health systems etc. which can improve opportunities for local communities and attract a solid customer base.	ST /- LT	-/-/DS	Local communities Customers Workers

1) ST=short (<1y), MT=medium(1y-5y), LT=long term(>5y)

2) Upstream (US)/ Direct Operation (DO) / Downstream (DS)

Connection to Business Strategy

With digital products and services being integral to our growth plans, we recognize, that cyber-attacks pose a risk to our market reputation and operational resilience. Additionally, the ethical use of ACAG’s technologies is essential for upholding our values and long-term stakeholder trust. But we also see the opportunity to create societal value by providing secure digitalization products and services to our customers in the public service sector.

Connection to Business Model/Operations

Our business operations rely on digital infrastructure, which makes cybersecurity and data protection a direct operational priority. Cyber-attacks could disrupt production and compromise sensitive data.

S4-1 Policies

In response to the material Impacts, Risks and Opportunities, we are implementing the policies and procedures of the Group Cyber Security Incident Handling Plan. A unified tenant and unified criteria are already established by the group, minimising the risks of data breaches or cyber security incidents.

Please find below an overview of our cyber and data security as well as management systems to ensure our products and production processes are safe:

Standard/ Certification/ Awards	ACV	ACR	ACT	TAND	TPOL	TSPA	TUK	TUSA	ILR	ILG	NDE	NDC	IPP	CFM
ISO 27001	✓		✓			✓	✓		✓	✓				✓
ISO 27701										✓				✓
ISO 30301 / TR13028 (Limited Scope)									✓	✓				✓
ISO 14298/ INTERGRAF	✓								✓	✓				
Data Center Authorization for Electronic Archiving									✓					
ISO 20001									✓					
Data Protection/ Cyber Essentials				✓		✓	✓							
PCI Logical/ Physical AOC	✓							✓						
Mastercard CQM	✓	✓		✓		✓	✓							
Mastercard - PCI	✓	✓	✓	✓	✓	✓	✓	✓		✓				
Amex - PCI			✓											
Visa - PCI	✓	✓	✓	✓	✓	✓	✓	✓		✓				
Diners Club / Discover				✓										
Union Pay				✓		✓								
FIDO 2 L1 & FIDO U2F L1	✓													
EAL 5	✓													

ISO 27001: Information Security Management System

ISO 27701: Privacy Information Management System (PIMS). Extends ISO 27001 to include data privacy management.

ISO 30301 / TR13028 (Limited Scope): Management systems for records, document imaging and digital archiving.

ISO 14298:2013/INTERGRAF (Fundamental Level): Security Printing Management

Data Center Authorization for Electronic Archiving: Certification for the secure electronic storage and archiving of data.

ISO 20001: Service Management System

Data Protection / Cyber Essentials: Certifications demonstrating compliance with data protection regulations. TSPA: GDPR Compliance Certificate.

PCI Card Production Logical/Physical AOC: Logical and Physical Attestation of Compliance (AOC) in payment card production facilities.

Mastercard CQM: Card Quality Management (CQM). Ensures compliance with Mastercard's quality standards in card production.

Mastercard – PCI: Ensures compliance with Mastercard’s standards for the secure production of payment cards.

Amex - PCI: Ensures compliance with American Express’ standards for the secure production of payment cards.

Visa – PCI: Standard ensuring the secure production and personalization of payment cards for Visa

Diners Club / Discover / Union Pay: Certifications related to compliance with the respective card schemes’ production and security requirements.

FIDO 2 L1 and FIDO U2F L1: FIDO2 L1 (Fast IDentity Online 2 – Level 1) standard for user authentication. FIDO U2F (Universal 2nd Factor)

Evaluation Assurance Level 5: Certification level under the common criteria for IT Security (EAL1 to EAL7).

To gather the view and feedback of customers, we engage with them through consumer surveys or other communication methods such as complaint management, conferences/meetings, customer support, social media, website, sales network, press release, brochures or exhibitions. We want to again highlight, that all potential violations of human rights in the value chain directly conflict with our ethical values and our commitment to the United Nations Global Compact principles. However, right now, our practices on customer engagement are general and do not yet include processes or mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO or OECD Guidelines for Multinational Enterprises.

No breaches have been recorded to indicate cases of non-respect that involve consumers and/or end-users.

S4-2: Processes for engaging with consumers about impacts e.g.

No material actual or potential impact has been identified for the consumers.

However, we do regularly communicate with our customers through:

- Complaint management (daily)
- Conferences and Meetings (annually)
- Customer support representatives (daily)
- Customer surveys (annually)
- Social media
- Our website
- Sales network
- Press releases
- Brochures
- Exhibitions

S4- 3: Processes to remediate negative impacts/channels to raise concerns

The policies/code of conduct do not contain provisions on remediation action when confronted with negative impacts such as misuse of technology - data management is understood to be covered in the GDPR policy (Tag UK). We do interact with customers through various communication methods such as customer support and complaint management to address any concerns raised, but there are no measures or processes to checks on effectiveness of remedies to address any negative impacts. Although, we do interact with consumer surveys, but it is not assessed how well are the consumers are aware of and trust these structures or processes as a way to raise their concerns or needs and have them addressed.

S4- 4: Taking action on material Impacts, Risks and Opportunities e.g.

In response to the identified material Impacts, Risks and Opportunities, no actions have been adopted. No material impacts have been identified for the consumers and/or end-users.

However, please refer to section ESRS 2 SBM-3, where we describe how we will implement a holistic ESG strategy and Impact, Risk and Opportunity management plan for 2025 and onwards.

ESRS S4 Metrics and Targets

S4- 5 Targets for managing material Impacts, Risks and Opportunities

There are no actions, monitoring or targets that have been set to reduce negative impacts or add positive impacts on the consumers and/ or end-users. Please also refer to section ESRS 2 SBM-3 to learn more about our objective to set clear and outcome-oriented targets related to our IROs in 2025.

ESRS G1: Business Conduct

ESRS 2 SBM -3 Materials, impacts, risks and opportunities and their interaction with strategy and business model (unless described in the cross-cutting section)

The identified material Impacts, Risks and Opportunities are listed below. Since these are the latest findings as an outcome of the Double Materiality Assessment process, these have not been integrated into ACAG’s strategy and business model. However, development of an ESG Strategy is planned in the FY2025, where these Impacts, Risks and Opportunities assessment will help to shape ACAG’s ESG strategy and accordingly, any required business model.

IRO Description	Timeframe ¹⁾	Value chain location ²⁾	Affected stakeholders
Impacts (Negative):			
ACAG's products contain tin, tantalum, tungsten, and/or gold. Mining of those substance is associated with risks including human rights abuses and environmental degradation (conflict minerals). Inadequate oversight by raw material suppliers could lead to potential concerns.	ST /MT / LT	US /-/-	Workers in the upstream supply chain, communities
Risks:			
Not all ACAG companies conduct supplier assessments or audits of suppliers. Risk of suppliers having questionable business ethics, financial difficulties, and breach contracts.	ST /MT / LT	US /-/-	ACAG, Suppliers, Workers
ACAG operates in countries with relatively poor perceived management of business ethics such as corruption, bribery and/or fraud. This can result in legal, reputational and financial risks.	ST /MT / LT	US/ DO / -	ACAG
Opportunities:			
No material opportunity has been identified in connection with G1 Business Conduct.			

1) ST=short (<1y), MT=medium(1y-5y), LT=long term(>5y)

2) Upstream (US)/ Direct Operation (DO) / Downstream (DS)

Note: Although we have identified that not all ACAG companies conduct supplier assessments or audits, our sites with ISO's 9001 quality management systems in place evaluate their suppliers and periodically those results are also shared with the suppliers. This evaluation includes data like the quality of the service, documentation received, delivery terms, certificates in place on quality or health and safety, reactions to a problem or unforeseen event. The evaluation of these topics will create a supplier scoring.

Connection to Business Strategy:

Operating in high-risk geographies increases exposure to human rights issues, corruption and fraud risks. As ACAG plans to expand operations into regions with weaker governance frameworks, ensuring alignment with our commitment to the United Nations Global Compact principles, our code of conduct, business ethics and compliance commitments becomes critical for minimizing the risk of human rights issues or environmental damages within the supply chain.

Connection to Business Model/Operations:

The continuation of our operations currently still relies on upstream supply of critical raw materials. There is a risk of engaging with suppliers that may contribute to human rights abuses, environmental degradation, or ethical breaches.

G1-1 Business conduct policies and corporate culture

ACAG has a centralised Code of Conduct and a Management Manual applicable to all the entities which outlines the ethical principle and standard practices to be adopted by all ACAG employees. The code of conduct was adopted by the ACAG board and is binding to all hierarchy levels within the Group, worldwide. It is available to everyone in the company

and addresses critical areas including conflict of interest, anticorruption, anti-bribery, transparency, data protection, fair competition and media & communication, mutual respect, equal opportunities, diversity and health & safety. The Management Manual includes management process & roles, legal structure, practices, guidelines to compliment the implementation of code of conduct.

ACAG is working to improve the communication of it within all subsidiaries and on the adoption of a unified policy, to embed it in the internal procedures and regulations, aligning global values with local cultures and ensuring commitment and compliance at every level.

Going beyond ACAG’s own employees, ACAG requires all agents, consultants and business partners who work on ACAG’s behalf, to comply with this as well.

In compliance with EU Whistleblowing Directive⁴, ACAG has also adopted an internal Whistleblowing Policy that entails details on the processes to manage actual or potential, established or reasonably suspected cases of misconduct related to business practices, workplace, environmental, health & safety or in relation to breaching of the Code of Conduct. The Whistleblowing Policy regulates the mechanisms, reporting and communication channels in relation to whistleblowing.

The Legal Department, which operates independently, is responsible to receive, investigate the whistleblowing cases and process the reporting management. The reporting management ensures prompt, careful and confidential handling of reported cases.

Additionally, the internal Whistleblowing-Policy ensures measures to protect whistleblowers against any form of retaliation. This means that Whistleblowers will not be fired, suspended or discriminated. ILG also adopted an internal whistleblowing policy for the sites in Greece.

In addition some group companies have implemented a Code of Ethics and Conduct, describing prevention measures and reporting channels. Such Codes describe the mechanisms for stakeholders to raise concerns or unethical behaviour and the responsible bodies for processing it.

The following table contains an overview of management systems, standards and certifications in place to ensure good business practice:

Standard/ Certification/ Awards	ACV	ACR	ACT	TAND	TPOL	TSPA	TUK	TUSA	ILR	ILG	NDE	NDC	IPP	CFM
ISO 22301							✓		✓	✓				
ISO 9001	✓	✓	✓	✓		✓	✓		✓	✓				✓
ISO 37001										✓				
SEDEX							✓							
Achilles Repro						✓								

ISO 22301: Business Continuity Management Systems

ISO 9001: Quality Management System

ISO 37001: Anti-Bribery Management Systems

SEDEX: Supplier Ethical Data Exchange platform for buyers, suppliers and affiliate audit companies

⁴ DIRECTIVE (EU) 2019/1937 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 October 2019 on the protection of persons who report breaches of Union law.

Achilles Repro (membership): Pre-qualification system for the utilities sector, helping companies manage and reduce risks in their supply chains.

Additionally, ESG related objectives aligned with the UN' SDGs have been proposed during the current reporting year; however, these are not yet fully rolled out throughout the Group and will be revisited during the comprehensive ESG strategy work planned for 2025. In relation to business conduct policies and corporate culture, following objectives have been identified:

All Group:

- Develop a 3-year ESG Strategy and Action Plan
- Brief Supervisory Board and Management Board Members bi-annually on Sustainability Trends
- Establish a formal Sustainability Function and Group Sustainability Team

TUK:

- Improve GDPR knowledge, awareness and practice across the business
- Obtain MasterCard Card Eco Certification CEC
- Obtain PCI Card Manufacturing

ILG:

- Obtain certification according to ISO 37001:2006 (related to anti-bribery).

TAND:

- Strengthen the security of technology in the company in all its aspects and establish an action plan to comply with the Group Cybersecurity rules.

G1-2 Management of relationships with suppliers

ACAG has developed long-term partnerships with its suppliers and service providers, which are mainly governed by framework contracts with an indefinite duration or a definite duration of up to 3 years, based on operational requirements for the materials and service. As also outlined in the Code of Conduct, ACAG practices fair selection, business conduct, payments transactions with its suppliers and various intermediate service providers. Work instruction adopted for the Supplier Evaluation ensures selection of suppliers in the best interest of ACAG, which is mostly executed by ACV, ILG, TSPA, TUK and TAND but with input from all the entities. Despite being centralised, ACAG continues to purchase a considerable number of products and services from local suppliers (i.e. from each country of operation), where possible, to utilize the local presence and benefit the country we operate in.

Currently, there is no supplier code of conduct at group level, however a supplier code of conduct is adopted by some companies. The Supplier Evaluation criteria does not include environmental criteria as a selection criterion, but some sites have introduced supplier selection criteria for environmental and social factors. ACAG adopts the principles of Sustainable Development throughout the supply chain and systematically deploys and promotes the same across the sites and operations. ACAG conducts regular supplier evaluation (e.g. annually, biannually) in most countries of operation, while on-site supplier audits may also be conducted, depending on the type of suppliers and supplier evaluation results. Unsatisfactory assessment results, from audits or equivalent, may result in discontinued or no collaboration with the suppliers.

There is no policy adopted at group level regarding payment practices, however a financial sustainability analysis stands as one of the criteria for supplier evaluation.

All entities manage their payment practices at individual company level.

G1-3 Prevention and detection of corruption and bribery

ACAG adopts zero tolerance for corrupt activities of any kind. Formal regulations, including the Code of Conduct, Anti-Bribery Policy, Anti-Money Laundering Policy, and Employee Handbooks across the countries of operation, outline the organization's commitments and practices to combat and eliminate corruption. These regulations ensure compliance with both local and international anti-corruption laws, mandate due diligence processes to evaluate business partners' backgrounds, financial profiles, and beneficial ownership, and provide employee training on money laundering and the prevention of terrorism financing.

The Code of Conduct guides on acceptable and prohibited practices that could inappropriately affect business transactions. As well as it includes practices to avoid which could infringe free and fair competition in the market. It requires all the employees to report any suspected or observed violations. This may be reported to the supervisor, a director, or a representative from the legal department.

The Legal Department, which operates independently, is responsible to receive, investigate the whistleblowing cases and process the reporting management. The reporting management ensures prompt, careful and confidential handling of reported cases.

The reports are processed by the Legal Department or other authorized personnel on a need-to-know basis. Whistleblowers will receive confirmation within seven days of submitting their report, with feedback provided within three months. They may be asked for additional information to aid the investigation and are encouraged to regularly check the reporting channel for updates. All reports and investigation related documentation, including meeting minutes, are thoroughly recorded and retained in a retrievable format for at least five years, in compliance with legal requirements.

Currently, the preventive procedures focus on individual site level such as compliance with local laws of competition, internal contact points or communication channel in case of a potential case or referring to the company whistleblowing policy in case of the UKs employee handbook. There is no specific preventive process to identify corruption and bribery incidents beyond whistleblower notification, but the employees are briefed and trained about preventive mechanisms on anti-laundry and terrorism funding. No cases were reported regarding anti-competitive behaviour, anti-trust and/or monopoly practices during the year 2023 and 2024.

ESRS G1 Metrics:

G1-4 Incidents of corruption of bribery

Name	ACAG data
Percentage of functions-at-risk covered by training programmes	For this year's reporting period ACAG entities had not yet adopted a consistent definition of functions-at-risk yet. Therefore, data on this topic is inconsistent.
Number of convictions for violation of anti-corruption and anti- bribery laws	0
Amount of fines for violation of anti-corruption and anti- bribery laws	EUR 0

Glossary, Acronyms and Abbreviations

Term	Full Form	Definition	Source
'Company', 'Site'	-	Refers to the subsidiaries of AUSTRIACARD HOLDINGS AG in different countries.	-
'ACAG', 'We', 'Group'	-	Refers to AUSTRIACARD HOLDINGS AG	-
Biodiversity Risk	-	Risks related to ecosystem degradation affecting supply chains.	IPBES
Carbon Footprint	-	The total GHG emissions caused by an organization or activity.	IPCC
Carbon Pricing	-	A cost applied to carbon emissions through carbon taxes or cap-and-trade systems.	World Bank
Circular Economy	-	An economic model focused on minimizing waste and maximizing resource efficiency.	Ellen MacArthur Foundation
Climate-Related Risks	-	The financial impact of climate change on an organization.	TCFD
CSRD	Corporate Sustainability Reporting Directive	EU directive mandating sustainability reporting for large companies and listed SMEs.	European Commission
Decarbonization	-	The process of reducing carbon emissions through cleaner technologies.	IPCC
Double Materiality	-	A concept assessing both a company's impact on sustainability issues and how sustainability issues affect the company financially.	CSRD
Emissions Intensity	-	GHG emissions per unit of revenue or production.	GHG Protocol
Energy Intensity	-	Energy consumption per unit of output (e.g., kWh per revenue).	ISO 50001
ESRS	European Sustainability Reporting Standards	Reporting standards under CSRD to ensure consistency in ESG disclosures.	EFRAG
GHG	Greenhouse Gas	Gases that trap heat in the atmosphere and contribute to climate change.	IPCC
Hazardous Waste	-	Waste that poses risks to human health or the environment (e.g., chemicals, batteries).	Basel Convention

IRO	Impact, Risks, and Opportunities	A framework for assessing sustainability-related risks, opportunities, and impacts.	CSRD
Landfill Waste	-	Waste disposed of in landfills.	GRI 306
Net Zero	-	Achieving a balance between emitted and removed GHGs.	IPCC
Non-Hazardous Waste	-	General waste that does not pose significant environmental risks.	Basel Convention
Physical Risk	-	Risks from climate change-related events (e.g., floods, storms).	TCFD
Recycled Waste	-	The portion of waste that is recycled and reused.	GRI 306
Renewable Energy	-	Energy sourced from wind, solar, hydro, and biomass.	IEA
Scenario Analysis	-	A method to assess potential sustainability risks under different future scenarios.	TCFD
Scope 1 Emissions	-	Direct GHG emissions from company-owned sources (e.g., fuel combustion).	GHG Protocol
Scope 2 Emissions	-	Indirect GHG emissions from purchased electricity, steam, heating, and cooling.	GHG Protocol
Scope 3 Emissions	-	Indirect emissions from upstream and downstream activities (e.g., supply chain).	GHG Protocol
Substance of Concern (SoC)	-	A chemical substance that may have adverse effects on human health or the environment. It includes substances that require monitoring due to potential risks.	ESRS E2 / REACH Regulation
Substance of Very High Concern (SVHC)	-	A chemical identified under REACH as having serious impacts on health or the environment, such as being carcinogenic, mutagenic, toxic for reproduction (CMR), or persistent and bioaccumulative.	ESRS E2 / ECHA REACH
Transition Risk	-	Risks from regulatory or market shifts due to the transition to a low-carbon economy.	TCFD
UN SDGs	United Nations Sustainable Development Goals	17 global goals addressing social and environmental challenges.	United Nations
Waste Diversion	-	The percentage of waste diverted from landfills through recycling or composting.	GRI 306

Waste Generation	-	The total amount of waste produced by an organization.	GRI 306
Water Consumption	-	Water used and not returned to its original source.	GRI 303
Water Discharge	-	Water released into the environment after use.	GRI 303
Water Intensity Ratio	-	The volume of water used per unit of output (e.g., cubic meters per unit of revenue, production, or employee). It helps assess water efficiency.	GRI 303 / ISO 14046
Water Withdrawal	-	The volume of freshwater taken from natural sources.	GRI 303

Vienna, 11 March 2025



Nikolaos Lykos
Chairman of the Management Board



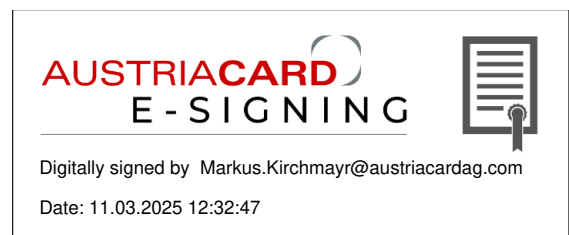
Emmanouil Kontos
Vice Chairman & Group CEO



Jon Neeraas
Member of the Management Board



Burak Bilge
Member of the Management Board



Markus Kirchmayr
Member of the Management Board