AUSTRIACARD HOLDINGS

ESG Report 2025

Innovation with Purpose. Progress with Integrity.

Table of Contents

1. Statement by the Management Board

At AUSTRIACARD HOLDINGS, our vision is to build on our legacy and long standing commitment to social responsibility by creating a world where secure and innovative technologies connect people, protect what they value, and empower communities to thrive. Guided by this ambition—and by our mission to deliver secure, future ready solutions that create enduring value—we see sustainability as a natural extension of who we are and how we operate. The 2025 reporting year marked an important step in translating this vision into stronger structures, clearer governance, and measurable progress.

A key milestone in 2025 was the significant enhancement of ESG governance across the Group. With the appointment of a dedicated Group ESG Manager and the clarification of ESG responsibilities at both Group and entity level, we strengthened our oversight, accountability, and strategic coordination. Additionally , the introduction of a centralized ESG reporting and consolidation tool substantially improved data quality, consistency, and transparency across all sustainability dimensions. Together, these developments form a solid and scalable foundation for embedding sustainability more deeply into our decision-making and operations.

We also made strong progress in improving data collection and methodological consistency, particularly in the areas of energy, greenhouse gas emissions, and value chain related metrics. These improvements enabled us to close previous data gaps, enhance comparability, and establish a credible and robust baseline. This strengthened foundation will directly support the development of our Group-wide ESG Strategy and climate transition planning in the coming years.
From an environmental perspective, 2025 saw continued momentum in our transition toward a lower carbon and more resource efficient business model. We further increased the share of renewable electricity in our energy mix, supported by a rise in self generated renewable energy through on site photovoltaic installations. At the same time, reduced fuel consumption contributed to lower Scope 1 and Scope 2 emissions, reflecting tangible progress in operational decarbonization.

Product sustainability remained a central focus. Demand for eco friendly card solutions continued to grow, and we responded by significantly increasing the share of sustainable cards sold. The use of recycled materials in our production processes expanded further, with a notably higher share of recycled PVC in overall card production. These developments reflect our commitment to circularity and to designing products that combine security, innovation, and environmental responsibility.

Social responsibility and respect for human rights are equally fundamental to our mission. In 2025, we strengthened our approach through new and updated Group-wide policies on human rights and labour standards. By joining the United Nations Global Compact, we reaffirmed our commitment to internationally recognised principles on human rights, labour, environmental protection, and anti corruption.

Looking ahead, 2025 represents a year of building strong foundations. Our focus now shifts to translating this progress into a comprehensive ESG Strategy with clear priorities, targets, and actions. We are confident that this journey will further strengthen AUSTRIACARD HOLDINGS as a trusted partner, an innovative technology leader, and a responsible corporate citizen—where security, innovation, and sustainability go hand in hand.

The Management Board of
AUSTRIACARD HOLDINGS AG

2025 at a Glance

2. Key ESG highlights

Climate & Environment

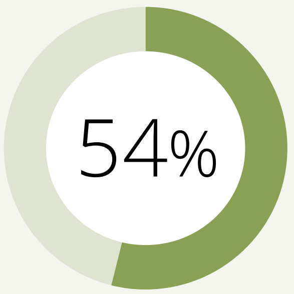
Significant reduction in Scope 1 & 2 emissions

Scope 1 GHG	Scope 2 GHG	Scope 2 GHG
-2%	-16%	-26%
Year-on-year	Location-based	Market-based

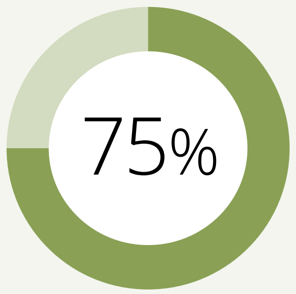
Reductions driven by

- Lower fuel consumption
- Energy efficiency measures
- Increased share of renewable electricity

Strong renewable energy footprint



Total Energy Consumption from renewable sources



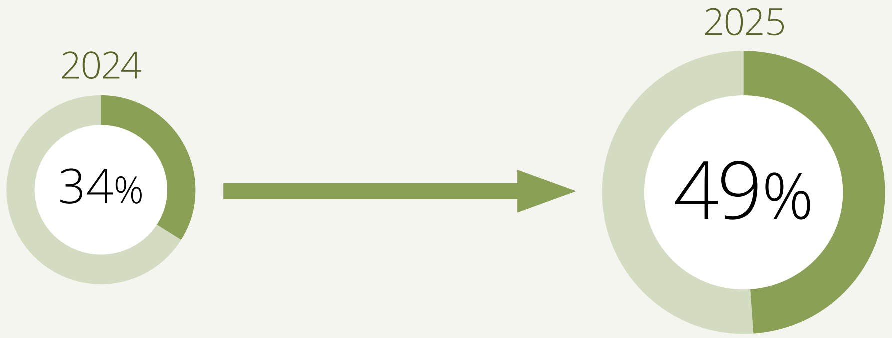
Purchased Electricity sourced from renewables

3,300 MWh
of self-generated renewable electricity supported by additional photovoltaic capacity.

+47%
increase compared to 2024

Circular Economy & Sustainable Products

Sharp increase in recycled cards sold



Expansion of certified sustainable card portfolio

PLA

Renewal of **Mastercard Card Eco Certification** for recycled PVC card bodies (ReACt / ReACt e)

First-time certification of the biodegradable **PLA card product (ReVero)**

Governance & ESG Management

ESG+ Strengthened ESG governance and reporting structure

Governance & Policies

New **Group-wide ESG policies** adopted (Global Human Rights and Labour Standards, Anti-Bribery and Anti-Corruption).

ACAG joined the **United Nations Global Compact**, reaffirming our commitment to internationally recognised principles on human rights, labour, environmental protection, and anti-corruption.

3.1. BP-1 General basis for preparation of the sustainability statement

AUSTRIACARD HOLDINGS AG (hereinafter referred to as 'ACAG' or 'the Group') has prepared this Sustainability Statement in accordance with ESRS as applicable at the end of the reporting period. In developing the report, all sustainability matters material to ACAG were considered in accordance with the Austrian Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetz – NaDiVeG), the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy Regulation (EU 2020/852).

Although ACAG is not legally required to report under ESRS in 2025, the Group recognizes its responsibility to provide transparent ESG information to stakeholders and therefore voluntarily continues to apply the ESRS reporting framework.

3. ESRS 2: General information

The report was prepared on a consolidated basis. It focuses on the subsidiaries with the most significant operational, social, and environmental impact, including all nine of the Group's production facilities. These subsidiaries were selected to ensure a meaningful and representative assessment of the Group's activities, covering 100 % of total human resources and 99.91% of total turnover. ACAG applies the exemption under Article 19a (9)[1] for its subsidiary undertakings, as they are already included in this consolidated management report of the parent company (ACAG).
The subsidiaries (hereinafter referred to as 'Company', 'Entity') covered by this sustainability statement are as follows:

1. AUSTRIACARD Holdings AG (ACAG) – Austria
2. AUSTRIA CARD-Plastikkarten und Ausweissysteme Gesellschaft m.b.H. (ACV) – Austria
3. E-commerce monitoring GmbH (ECOM) – Austria
4. Austria Card SRL (ACR) – Romania
5. Austria Card Turkey kart Operasyonlari AS (ACTR) – Turkey
6. TAG Systems SAU (TAND) – Andorra
7. TAG Systems Sp Zoo (TPOL) – Poland
8. TAG Systems Smart Solutions SLU (TSPA) – Spain
9. TAG System UK Ltd (TUK) – UK
10. TAG Systems USA Inc (TUSA) – USA
11. S.C. INFORM LYKOS S.A. (ILR) – Romania
12. INFORM LYKOS (HELLAS) S.A.(ILG) – Greece
13. NEXT DOCS ECM EXPERT S.R.L. (NDE) – Romania
14. NEXT DOCS CONFIDENTIAL S.R.L. (NDC) – Romania
15. ILRA PINK POST OPERATIONS S.R.L.(IPP) – Romania
16. CLOUDFIN SINGLE MEMBER S.A. (CFM) – Greece
17. TSG Norway AS (TNOR) – Norway
18. Austriacard AE (Branch) – Greece
19. ILRA POST HOLDING S.R.L. (ILRA) – Romania

[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.

As mentioned above, certain entities are not included in this year's Sustainability Statement, as they account for only 0,09% of total turnover. Furthermore, the identified impacts, risks, and opportunities outlined in this report do not apply to these entities. Their exclusion ensures that the statement remains focused on areas with material significance to the Group's operational, social, and environmental performance. The following companies are excluded:

1. LSTech LTD – UK
2. TERRANE L.T.D - Cyprus
3. CLOUDFIN L.T.D – Cyprus
4. INFORM ALBANIA SH.P.K – Albania (liquidated)
5. TAG Biometrics SL – Spain (liquidated)
6. LSTECH ESPANA SL – Spain
7. TAG Nitecrest Ltd – UK (liquidated)

This report was approved by the Management Board of ACAG. All information and data refer to the 2025 financial year; where relevant, figures from 2024 are included for comparison purposes.

3.2. BP-2 Disclosures in relation to specific circumstance

3.2.1. Time horizons

This report and the underlying double materiality assessment from 2024 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).

3.2.2. Value chain estimation and sources of estimation and outcome uncertainty

ACAG uses estimates in its reporting on selected data points, specifically value chain data for Scope 3 greenhouse gas (GHG)emission reporting. 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.

Overall, metrics related to our own operations have a higher amount of primary data, while value chain metrics are more often estimated and therefore have a higher level of measurement uncertainty. For Scope 3 emissions, we relied on sector-average emission factors and other recognized proxies where primary data was unavailable. The use of sector averages and proxies introduces moderate uncertainty, particularly for procurement-related emissions and transportation activities. Data accuracy for our value chain GHG-emissions is a priority for ACAG, as it is a necessity to track and reduce our carbon footprint. To improve the data accuracy for Scope 3 reporting, we will increase direct data collection from key suppliers to replace sector averages with actual figures.

For entities with a headcount of 10 employees or lower that operate no production facilities but administer solely administrative work, the GHG-emissions were calculated using a group average of emissions per FTE. This applies to TSG Norway AS, Austriacard AE (Branch) and ILRA POST HOLDING S.R.L.

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.

3.2.3. Changes in preparation or presentation of sustainability information

ACAG has elected not to report under ESRS E2 – pollution for the current reporting period based on the principle of materiality and regulatory thresholds. Specifically:

- Compliance with thresholds of the E-PRTR Regulation: For two consecutive years, ACAG's operations have remained below the pollutant release thresholds listed in Annex II of Regulation (EC) No 166/2006 (European Pollutant Release and Transfer Register – "E-PRTR Regulation") for emissions to air, water, and soil.
- Insignificant Environmental Impact: Given that pollutant levels are consistently below these legally defined thresholds, the environmental impact associated with pollution is considered immaterial to the Group's activities.
- Alignment with ESRS Materiality Assessment: The identified impacts, risks, and opportunities related to pollution do not apply to ACAG's operations. Therefore, reporting under ESRS E2 would not provide meaningful or decision-useful information for stakeholders.

This approach ensures that the Sustainability Statement remains focused on topics of material significance, in line with the European Sustainability Reporting Standards (ESRS) and the principle of proportionality.

Additionally, we omit reporting all information for ESRS S2 – workers in the value chain and ESRS S4 – consumers and end-users in accordance with the Delegated Regulation 2025/1416: Quick-fix.

For certain KPIs, ACAG has recalculated the 2024 values due to an update of the calculation methodology in 2025. This ensures that year-on-year comparisons remain consistent and methodologically comparable. This recalculation has been conducted for

- ESRS E1-5 – Energy consumption and mix; 37a-c, 38a-e
- ESRS E1-6 – Gross Scope 1 & 2 emissions; 44a-b; 48a-b; 49a-b; 53
- ESRS S1-16 – Annual total renumeration ratio; 97b

Emissions from Scope 3.12 (End-of-Life Treatment of Sold Products) were reassessed and determined to be not material, given that the end-of-life treatment of our sold products is not emissions-intensive.

3.2.4. Use of phase-in provisions in accordance with Appendix C of ESRS 1 and Delegated Regulation 2025/1416: Quick-fix

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 E3, E3-5: 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
- ESRS S2: all information
- ESRS S4: all information

3.3. 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 four 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.

Supervisory Board

Name	Role	Independent/ Executive	Date of initial appointment	End of current term	Gender	Age Group
John Costopoulos	Chairman	√ / X	06/07/2016	2027[2]	Male	> 50 years old
Martin Wagner	Vice Chairman	√ / X	30/11/2022	2027[2]	Male	> 50 years old
Nikolaos Lykos	Member	√ / X	24/06/2025	2027[2]	Male	> 50 years old
Stefano Brusoni	Member	√ / X	24/06/2025	2027[2]	Male	> 50 years old

Management Board

Name	Role	Date of initial appointment	End of current term	Gender	Age Group
Emmanouil Kontos	Chairman, Group CEO/ EVP CE/ E & DACH	1/7/2023	30/6/2027	Male	> 50 years old
Mohamed Chemloul	Vice-Chairman, CTO	15/7/2025	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

(1) Data in the above table refer to 31/12/2025.
(2) Detailed CVs of both Supervisory Board and Management Board are uploaded on the corporate website: Supervisory Board – AUSTRIACARD and Management Board – AUSTRIACARD

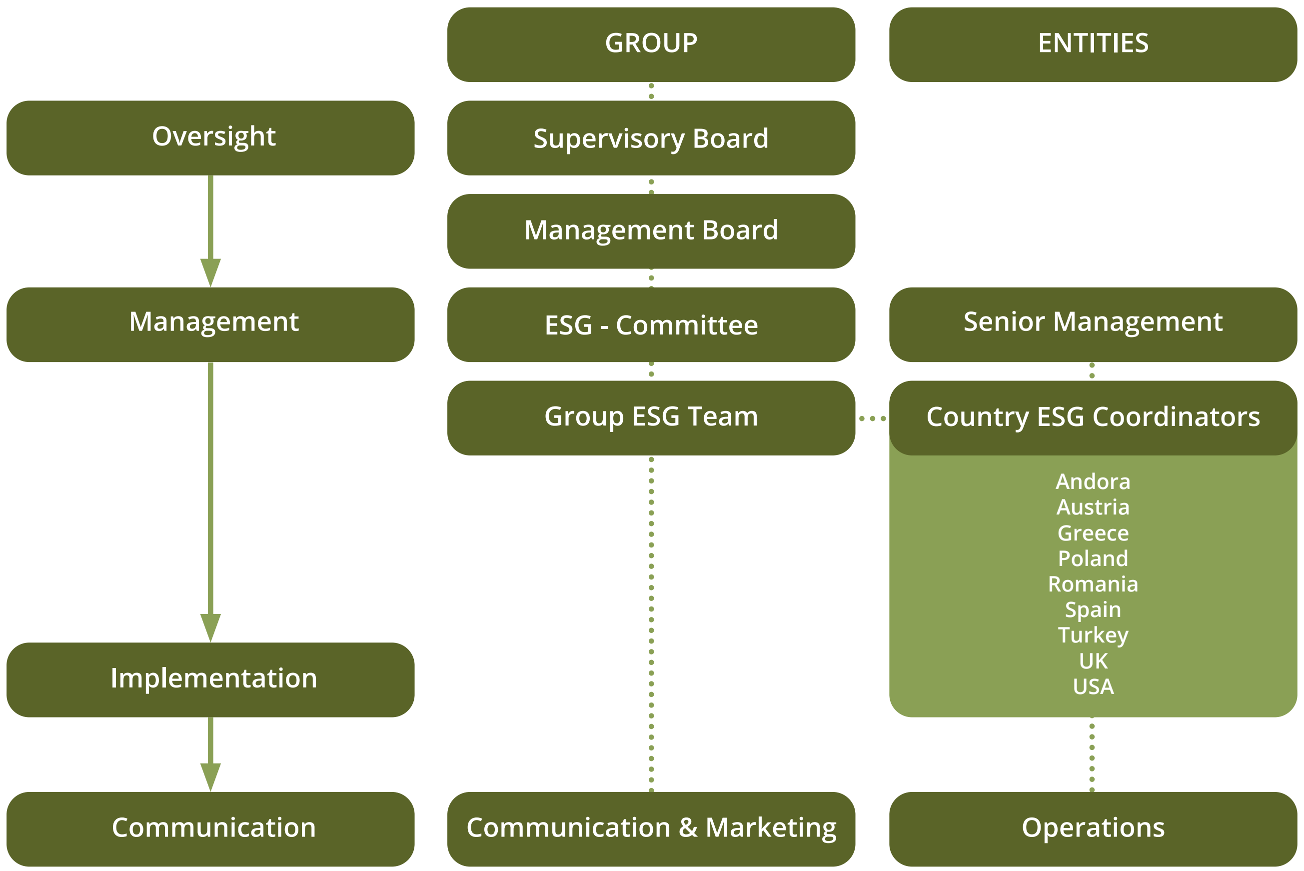
(3) The members of the Management Board are appointed by the Supervisory Board.
(4) CEO - Chief Executive Officer
(5) CTO – Chief Technology Officer
(6) CFO - Chief Financial Officer
(7) EVP - Executive Vice President
(8) CE/ E & W/E - Central Eastern Europe, Western Europe
(9) DACH - Germany (D), Austria (A), and Switzerland (CH) (DACH)
(10) Nordics: Nordic countries of Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden.
(11) USA – The United States of America

3.3.1. ESG-Governance within the Group

The Groups dedicated management structure has been updated to manage sustainability-related topics and issues more effectively, ensuring oversight and monitoring both across the entire Group and within each individual entity.

The Supervisory and Management Boards are responsible for overseeing the overall ESG strategy and ensuring that all ESG-related disclosures are accurate, comprehensive, and compliant with relevant regulations. They also ensure accountability for ESG-related matters at the top level, receiving quarterly updates to remain informed about progress, challenges, and key developments in the ESG program.

In the future, a newly formed ESG Committee comprising key management roles will steer the ESG strategy across the Group, ensuring alignment with corporate strategy and integration of sustainability into core business decisions. The ESG Committee regularly informs and advises the Management Board on all relevant ESG matters, ensuring that significant developments, risks, and opportunities are promptly communicated and



that the Board is equipped to make informed decisions regarding sustainability topics.
The Group ESG Team, headed by a newly installed dedicated Group ESG Manager, defines and executes the ESG strategy at the Group level, prepares reporting, supports compliance, and coordinates with country ESG Coordinators, who implement the strategy locally and support data collection.

Significant ESG issues identified at the local level are escalated to the Group ESG Team and, if necessary, to the ESG Committee and Boards. Regular engagement with key stakeholders ensures that their feedback is considered in the ongoing development of the ESG strategy. The Group is committed to continuous improvement and compliance with evolving ESG standards, supported by robust data quality controls. communicated and that the Board is equipped to make informed decisions regarding sustainability topics.

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

The Impacts, Risks, and Opportunities identified as material through the Double Materiality Assessment – which serve as the foundation for this report – are not individually addressed by the Supervisory or Management Board. Nevertheless, in connection with the company's broader ESG Strategy development and preparations for reporting requirements under the Corporate Sustainability Reporting Directive, the Management Board has focused on establishing the necessary resources, teams, and organisational structures to meet both immediate reporting needs and to lay the groundwork for ongoing enhancement of the Group's ESG Strategy from 2025 onward, in line with ESRS 2 SBM-3.

In 2025, the Group further strengthened its commitment to sustainability by hiring a dedicated Group ESG Manager and updating the ESG Management Structure. In anticipation of future developments, a newly formed Group ESG Committee is established to start overseeing ESG initiatives across the organisation in 2026.

The Management Board provides regular updates to the Supervisory Board, typically at least once per quarter, where sustainability-related topics are included in discussions. The Supervisory Board remains updated on current reporting responsibilities and additional ESG concerns. Furthermore, the Management Board actively encourages both Management members and employees to attend relevant external training sessions.

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

ACAG updated its Renumeration Policy in 2024 to allow ESG criteria in incentive schemes. As the Group's ESG strategy remains under development, these criteria were not applied this reporting year but may be implemented once specific targets are set next year.

3.6. GOV-4 Statement on due diligence

In 2024, ACAG conducted a double materiality assessment to identify significant impacts, risks, and opportunities (IROS). For the identified IROs, due diligence measures are partially in place, including quality controls, internal and external audits, and ongoing compliance with management systems such as ISO 9001, ISO 14001, or EMAS. However, ACAG has not yet implemented an overarching due diligence strategy to address these impacts, risks, and opportunities. The organization is committed to developing a comprehensive approach to prevent, mitigate, and account for actual and potential negative effects on both the environment and stakeholders associated with its operations in the future.

3.7. GOV-5 Risk management and internal controls over sustainability reporting

Group-wide Application of Risk Management

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.

Implementation and Responsibilities

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.

Risk Identification and Assessment

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.

Risk Matrix and Prioritisation

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.

Roles and Communication

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.

Audit and Continuous Improvement

During the year, audits were conducted by a specialised Group team across all significant local sites.
These audits included follow-up on action plans to mitigate identified risks. The Group aims to unify the measurement, assessment, follow-up, and action planning criteria for risks across all relevant subareas, ensuring consistency in the risk management approach.

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 2026

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

3.8.1. Business model

AUSTRIACARD HOLDINGS Group, headquartered in Vienna with its parent company AUSTRIACARD HOLDINGS AG (also known as "the Company"), has evolved the past 130 years from an international identity and payments solutions company to a holistic applied technology company powered by artificial intelligence (AI). The Group's portfolio includes a wide range of solutions that demonstrate significant synergies across product lines.
These include Identity & Payment Solutions (covering payments, identification and personalization), Digital Technologies (featuring AI-powered solutions, digital onboarding, and process and content management intelligence) and Document Lifecycle Management (which encompasses security documents, traceability, personalised digital printing, and document and output management services). These solutions are offered to financial institutions, public and private sectors.

AUSTRIACARD HOLDINGS has a presence in 17 countries, facilities in 9 countries, and maintain 16 sale offices.
It engages in commercial activities in more than 50 countries and has a global network of partners and sales agents. The Group's operating facilities are located in Andorra, Austria, Greece, Romania, Poland, the UK, Spain, Türkiye, and the USA, employing a workforce of almost 2,360 people.

Identity & Payment Solutions: Within the Identity & Payment Solutions, the Group focuses on delivering holistic secure data solutions for financial institutions, governments, public sector entities, transportation and the retail industry. The products and services in this category adhere to the highest security standards (such as EMV certifications in payment smart cards) and range from dual interface payment cards, government electronic identification cards, driving licenses, health cards, identity and authentication, to innovative digital payment solutions, including biometric cards, environmentally friendly cards, metal cards and also special features cards as the Group supports and embraces inclusiveness. Additional services offered include advisory during the card design and certification process, flexible solutions for PIN distribution, project management throughout the product life cycle and the development and customization of embedded smart card operating systems. The Group has developed its own proprietary chip operating systems: ACOS for payment cards and ACOS ID for identity cards. These systems deliver flexible, highly customizable functionalities for our clients. Our extensive R&D department continuously improves these operating systems to meet the highest security certification standards while providing tailored solutions to meet specific client needs.

The payment cards solution category has extensive obligatory certification requirements, that serve as significant barriers to new entrants in the market, on top of the requirement for trust, which is only built over long periods of quality service. AUSTRIACARD HOLDINGS among others is a certified producer of Visa, Mastercard (CQM) and Diners Club International brands and operates under permanent oversight of external auditors designated or accredited by the PCI Security Standards Council (PCI SSC) and other institutions following strict standards for digital and physical security.

Contrary to popular belief, payment smart cards, which are a major component of our Identity & Payment Solutions revenue, are experiencing growth worldwide. Alternative payment schemes, peer-to-peer payments, mobile payments, digital wallets (mostly funded with payment cards), and payment cards have all been growing while cash usage is declining. Moreover, there is no current technological advancements in the payments sector that can match the security, convenience and wide acceptance of the secure chip (smart) payment card. According to the filings of Visa and Mastercard, the global leaders of payment card services, the number of cards in circulation globally has grown at a rate of 4% over the past seven years and is expected to continue at this pace, based on industry reports. AUSTRIACARD is the market leader in Austria, Scandinavia, Central and Eastern Europe as well as Southeast Europe, while the Group also holds a market leading position in the provision of payment products to the Challenger/Neobanks, hence addressing a growing market segment with significant potential on world-wide scale.

Identity & Payment Solutions are supported by four (4) production facilities located in Andorra, Austria, Romania and UK and eight (8) 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 and a network of partners and sales agencies worldwide, enhance our distribution network.

Document Lifecycle Management: The Group offers Document Lifecycle Management solutions and services that provide security document solutions with secure data management capabilities. These solutions address various needs, including: traceability of goods for government tax revenue authorities, medicine and prescription management, election services, examination papers for students etc. Additionally in the same category products and services range from digital printing of statements, e-statements, to electronic document management and workflows with qualified signature among others.

The Group is one of the few secure printing providers globally with the expertise to handle complex, high stakes projects. For example, in 2022, the Group successfully delivered the highly complex elections project in Kenya, which included state-of-the-art security printing of ballot papers and election catalogues, as well as IoT-based process monitoring. This achievement demonstrates our position as the preferred partner for high-security election implementations in the Middle East and Africa. In 2024, an additional public sector contract was awarded and implemented in the African region which further underscores that we are a partner of choice in that area.

This business sector is supported by two production facilities located in Greece and Romania catering to the regional markets needs as well as export printing products and services internationally. In addition to our fulfilment services – whether provided by third parties or our own entities, such as Pink Post in Romania - we cover the last mile to the end-customer, providing vertically integrated end-to-end services.

Digital Technologies: Digital Technologies is the Group's fastest growing segment, providing a wide range of technological solutions for both the private and public sector such as: Enterprise Content Management and Content Understanding through AI, Document Digitization, Electronic Archiving and all types of Electronic Signatures, Advanced Analytics, Digital Onboarding and KYC/KYB, Enterprise Process Automation, in order to support existing and new clients in their own Digital Transformation journey. The digitization projects in the public sector, funded by the EU's Recovery and Resilience Facility (RRF), are another significant driver of growth. The Group's expertise in this area has already allowed us to win several related tenders.

The Group has expanded its capabilities into building Generative AI solutions for automating labour-intensive tasks under the strategic pillar "Digital Taskforce", using its proprietary Agentic AI platform GaiaB™. In November 2025, the Group began collaborating with Dell Technologies to develop and market the GaiaB™ Appliance. This advanced Generative AI solution automates business processes and operations while running entirely in an on-premise or private cloud environment. It is prepared for immediate deployment and is pre-integrated into Dell PowerEdge servers.

As part of the Group's evolution into a holistic applied technology provider, we developed our Card-as-a-Service (CaaS) solution for the financial services sector — combining our expertise in payments and technology to deliver an integrated, end-to-end offering.

3.8.2. Strategy

The Group's strategy focuses on strengthening its position as a leading provider of payment and identity solutions. It aims to transition into a full-service solutions provider and become a trusted, long-term partner. Applied technology is the cornerstone of the Group's strategic architecture, driving innovation and operational scalability. The growth strategy is built around four pillars: geographic expansion, market share expansion, enhancement of products and services portfolio, and value-accretive Mergers and Acquisitions.

Geographic expansion: The Group is actively expanding its footprint in markets where it is currently underrepresented or has not reached maturity. Key focus areas for developing cutting-edge products and comprehensive solutions include the UK (leverage on the market-leading positioning with Fintech to roll-out the Card-as-a-Service platform as well as expand the client universe into Tier 2 Banks), the US (target Fintech and Tier 2 Banks), the Middle East and Africa (MEA) region (target Tier 1-2 regional Banks, delivering holistic Citizen Identity services as well as engage with regional payment schemes SAMA, Afrigo, Verve).

Market share expansion: Building on its market-leading position in core Central and Eastern European markets and in fast-growing market segments (Fintech and Neobanks) together with its longstanding business relationships, the Group is transitioning from a product supplier to an end-to-end applied technology services and solutions provider. Through a regional cluster-based organizational structure, the Group aims to accelerate market entry and enhance cross-selling opportunities. Additionally recent acquisitions intend to broadening capabilities and market reach, allowing for further expansion of market share and a wider geographic presence.

Products and services portfolio enhancement: The enhancement of our products and services portfolio focuses on several key areas: payment and banking card solutions as a service, technology transformation for the public sector, holistic citizen identity and authentication solutions, and the integration of advanced digital technologies, such as AI, generative AI, machine learning, and data analytics. Additionally, we emphasize product innovation, including biometric, metal, and eco-friendly cards.

These elements are essential for achieving the Group's strategic objectives, which include: (a) transitioning to solution-led, recurring revenue models, (b) strengthening client relationships through platform integration and lifecycle services, and (c) expanding digital services to capture growth that enhances profit margins.

Value-accretive M&A: Disciplined, criteria-driven acquisitions aimed at expanding our technological capabilities, broadening our geographic footprint and increasing our market share. The Group plans to leverage its proven track record of value-accretive, synergistic acquisitions to date, to further scale its platform as well as to enhance cross-selling and upselling opportunities. Our primary focus regions are Western Europe and the United States, while our key areas of interest in terms of solutions and services include citizen biometrics, payment processing, and AI capabilities.

Sustainability and ESG principles are increasingly integrated into our strategy, with initiatives focused on eco-friendly materials, closed-loop recycling, and compliance with CSRD and EU Taxonomy requirements. In 2025, we prioritized establishing a transparent data foundation to measure our impact and progress, laying the groundwork for ambitious, collaborative ESG targets. We are committed to innovation and responsible resource management, driving measurable environmental improvements and lasting value for all stakeholders. Looking ahead, we are developing a robust ESG strategy framework, including a climate transition plan and greater circularity in our products, positioning us for sustainable growth.

3.8.3. Value chain

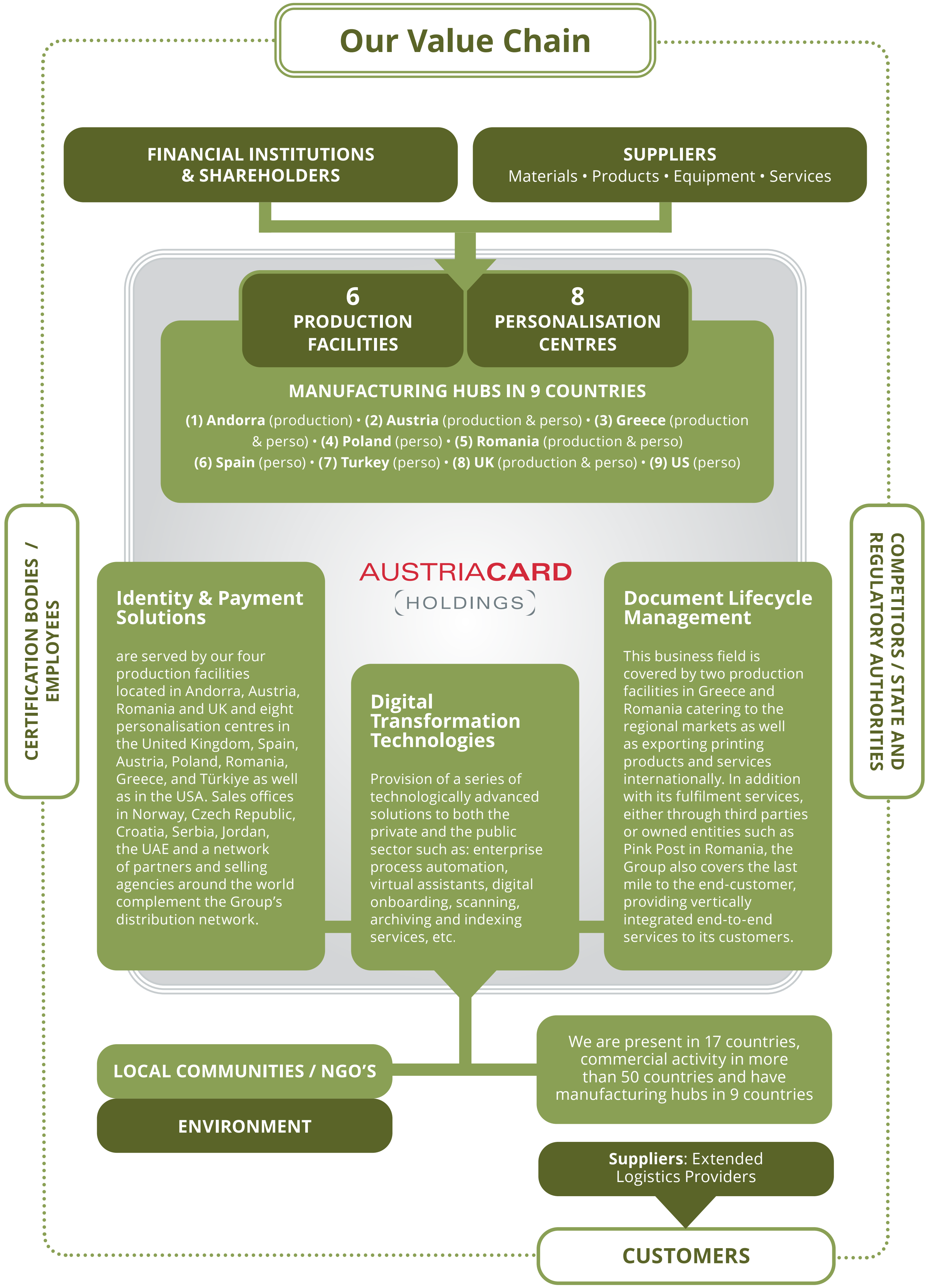
Within the scope of this sustainability report, we have mapped the value chain across the three different ACAG operational areas:

- Identity & Payment Solutions: key operations include production and personalisation of cards
  Entities: ACR, ACT, ACV, ILG, TAND, TPOL, TSPA, TUK, TUSA
- Document Lifecycle Management: key operations include printing and card personalisation, and postal services
  Entities: ILR, ILG, IPP
- Digital Technologies: key operation include document processing solutions, archiving solutions/ destruction solutions.
  Entities: ACV, CFM, ECOM, ILR, NDE, NDC

Under each of the operational areas, 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.

3.9. ESRS 2 SBM-2 Interests and views of stakeholders

ACAG defines stakeholders as parties who impact or are impacted by our operations. We engage regularly to understand their interests and expectations, using tailored communication: customers via complaint systems, meetings, surveys, workshops, and social media; shareholders and investors through financial reports and meetings; suppliers and agents with evaluations, meetings, and exhibitions; certification and regulatory bodies with formal correspondence and audits. The views and interests of affected stakeholders were incorporated into the Double Materiality Assessment, the findings of which were subsequently communicated to the management and supervisory bodies to inform strategic decision-making and oversight regarding ACAG's sustainability-related impacts.



3.9.1. Our stakeholder engagement pathways

Direct Stakeholders	
Customers	• Complaint management (daily) • Conferences / Meetings • Customer support representatives (daily) • Customer surveys (annually) • Social media • Website • Sales network • Press releases • Brochures • Exhibitions
Employees	• Performance appraisal (annually) • Corporate internal networks • Internal communication activities • Events • Meetings • Trainings • Labor associations (where applicable)
Suppliers & Agents	• Offers/contracts management • Formal communication • Supplier evaluation (regularly, e.g., quarterly/annually) • Meetings
Financial Institutions, Shareholders & broader investment community	• Financial reports • General Meeting of Shareholders (annually/extraordinary) • Website • Meetings • Financial audits • Press releases

Indirect Stakeholders	
Certification Bodies	• Quality management (annually) • Audits (annually) • Formal communication • Meetings
State & Regulatory Authorities	• Discussion with representatives • Capital Markets Regulatory Authorities (Austria and Greece) • Stock Markets (VSE and ATHEX) • Formal communication • Events/Meetings • Membership in organizations, associations, and institutions
Local Communities	• Support of social support activities • Participation in social support initiatives • Partnerships
Non-Governmental Organizations (NGOs)	• Formal communication • Partnerships • Events
Competitors	• Formal dialogue (through the Smart Payment Association for technical and sustainability issues)

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

In 2024, a double materiality assessment was carried out to systematically identify potential impacts, risks, and opportunities arising from process activities at our operational locations. The assessment scope encompassed all relevant activities, resources, and stakeholder relationships associated with ACAG's business model, in addition to considering the broader external environment in which the organization operates. The resulting impacts, risks, and opportunities were mapped to ten distinct topics, aligned with the European Sustainability Reporting Standards framework and categorized accordingly:

- 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.

In this report, as stated in ESRS 2 BP-2, ACAG has elected not to report under ESRS E2 – pollution for the current reporting period based on the principle of materiality and regulatory thresholds, as well as omit reporting all information for ESRS S2 – workers in the value chain and ESRS S4 – consumers and end-users in accordance with the Delegated Regulation 2025/1416: Quick-fix, further reducing this to a total of 34 IROS consisting of 14 material impacts (13 negative and 1 positive), 12 risks and 8 opportunities. Additionally, five risks and one opportunity specific to ACAG where identified. The material impacts, risks, and opportunities, along with relevant details, have been disclosed in the subsequent topical sections of this report.

Building on our previous CSRD report from FY 2024 and the data it provided, we have created a strategy to address sustainability issues moving forward. This strategy will be further improved next year to include specific targets and a detailed action plan.

3.10.1. ESG Strategy

At AUSTRIACARD HOLDINGS, we are striving to develop an ESG strategy that embeds sustainability and responsible business practices at the core of our operations and long-term value creation. Recognizing the evolving expectations of our stakeholders—including customers, investors, employees, and regulators—we have developed a comprehensive approach that addresses both current challenges and future opportunities. We aim to develop a strategy evolving around five key pillars, each reflecting a fundamental area of impact and commitment:

1. Building a Low-Carbon Future
2. Renewable Energy Transition
3. Circular Economy and Resource Efficiency
4. Managing Water responsibly
5. Creating a Safe and Supportive Workplace

During the reporting year, the Group focused on establishing a reliable and transparent data foundation across all entities to better understand environmental impacts and enable the setting of Group-wide climate and circularity targets in the coming years. This groundwork will support coordinated implementation and progress tracking across the Group. This strategic direction ensures that environmental priorities can be addressed consistently and effectively across the Group in the coming years.

3.11. ESRS 2 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.

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.

3.11.1. Changes from previous year (2024)

As stated in ESRS 2 BP-2, ACAG has elected not to report under ESRS E2 – pollution for the current reporting period based on the principle of materiality and regulatory thresholds. Additionally, we omit reporting all information for ESRS S2 – workers in the value chain and ESRS S4 – consumers and end-users in accordance with the Delegated Regulation 2025/1416: Quick-fix, further reducing this to a total of 34 IROS.

4. EU-Taxonomy

4.1. Introduction

The EU Taxonomy Regulation (EU) 2020/852 is a classification framework that defines criteria for determining whether economic activities contribute to the six environmental objectives set out 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)

For the financial year 2025, ACAG chooses to comply with the EU Taxonomy by applying Regulation (EU) 2021/2178, Regulation (EU) 2021/2139 and Regulation (EU) 2023/2486, as applicable on 31 December 2025, and will not implement the amendments introduced by Commission Delegated Regulation (EU) 2026/73 of 4 July 2025.

As an Austrian listed company classified as a non-financial undertaking, ACAG reports on the eligibility and alignment of its economic activities with respect to these six environmental objectives. Eligibility indicates whether an activity falls within the scope of the EU Taxonomy, while alignment means that the activity meets the relevant technical screening criteria and is therefore considered environmentally sustainable under the regulation.

The scope of EU Taxonomy reporting corresponds to the scope of the consolidated financial statements. ACAG is not involved in nuclear energy or fossil gas related activities, including research, development, construction, operation, or refurbishment of its related facilities.

4.2. 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.

4.2.1. Turnover

The denominator: the total net turnover reported in the EU Taxonomy template equals revenue from the 2025 consolidated financial statement.
The eligible numerator: the eligible turnover is the portion of the turnover associated with the Taxonomy-eligible activities.

4.2.2. CapEx

Total Capital Expenditures (CapEx) covers additions to tangible and intangible assets during the 2025 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.

4.2.3. 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.

4.3. Taxonomy-eligible activities

The identification of eligible activities was carried out by screening ACAG's economic activities against the lists provided in the Climate Delegated Act, the Complementary Delegated Act, as well as the amendments to both the Climate Delegated Act and the Environmental Delegated Act. Following this initial screening, ACAG conducted a detailed assessment to determine whether each activity met the specific descriptions set out in the EU-Taxonomy.

One of ACAG's core business activities is the manufacturing, assembling, personalization, and sale of smart cards. As these products contain an electronic chip and an antenna, and require electric current to function, they fall under the definition of electrical and electronic equipment (EEE) according to Directive 2011/65/EU on the restriction of hazardous substances in EEE. Consequently, they have been identified as eligible under Taxonomy activity 1.2 Manufacture of electrical and electronic equipment, potentially contributing to the Transition to a Circular Economy.

In addition, the following activities have been identified as eligible:

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, maintenance and repair of energy-efficient light sources and HVAC-equipment in ACAG offices	CapEx, OpEx
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

For eligible activities to qualify as aligned with the EU-Taxonomy, they must meet the following criteria:

- Substantial Contribution (SC): The activity must substantially contribute to at least one of the six environmental objectives.
- Do No Significant Harm (DNSH): The activity must not significantly harm any of the remaining environmental objectives.
- Minimum Safeguards (MS): The activity must comply with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and related due-diligence requirements.

In the 2025 reporting period, ACAG continued developing and refining its EU-Taxonomy framework to improve the availability, structure, and reliability of data required for eligibility and alignment assessments. However, ACAG does not yet have all information necessary to fully evaluate the Substantial Contribution and DNSH criteria for its economic activities. Therefore, ACAG reports 0% Taxonomy alignment for the 2025 reporting period.

ACAG is committed to meeting the DNSH requirements in future reporting periods. To achieve this, the company plans to conduct a comprehensive climate risk and vulnerability assessment in 2026, to ensure compliance with Appendix A under the DNSH criteria for Climate Change Adaptation. This assessment is expected to improve ACAG's ability to demonstrate alignment in upcoming reporting cycles and strengthen long-term resilience to climate-related risks.

About the Minimum Safeguards, ACAG reaffirms its full commitment to respecting human rights, preventing corruption, and ensuring responsible business conduct in areas such as taxation and fair competition. These commitments are anchored in ACAG's Code of Conduct, Whistleblowing Handbook, and the Declaration on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.
In 2025, ACAG strengthened its governance framework by introducing a new Human Rights Policy, further formalizing its responsibility to respect human rights across its operations and value chain. Additionally, ACAG joined the United Nations Global Compact (UNGC) in 2025, reinforcing its commitment to the UNGC's Ten Principles on human rights, labour, environment, and anti-corruption.

4.4. Key Performance Indicators

4.4.1. Turnover

Proportion of turnover / Total turnover	2024	2024	2025	2025
(%)	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**
Climate change mitigation	0.00%	11.76%	0.00%	12.12%
Climate change adaptation	-	-	-	-
Water and marine resources	-	-	-	-
Pollution prevention and control	-	-	-	-
Circular economy	0.00%	33.21%	0.00%	29.16%
Biodiversity	-	-	-	-

4.4.2. CAPEX

Proportion of CAPEX / Total CAPEX	2024	2024	2025	2025
(%)	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**
Climate change mitigation	0.00%	10.20%	0.00%	4.18%
Climate change adaptation	-	-	-	-
Water and marine resources	-	-	-	-
Pollution prevention and control	-	-	-	-
Circular economy	-	-	-	-
Biodiversity	-	-	-	-

4.4.3. OPEX

Proportion of OPEX / Total OPEX	2024	2024	2025	2025
(%)	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**
Climate change mitigation	0.00%	8.04%	0.00%	2.08%
Climate change adaptation	-	-	-	-
Water and marine resources	-	-	-	-
Pollution prevention and control	-	-	-	-
Circular economy	0.00%	40.61%	0.00%	55.61%
Biodiversity	-	-	-	-

5. Climate Change

5.1. ESRS 2 SBM3 – material impacts, risks and opportunities and their interaction with strategy and business model

In 2024, a Double Materiality Assessment was carried out to identify climate-related Impacts, Risks, and Opportunities. Physical risks were included in the DMA; however, the assessment did not incorporate an analysis of climate emission scenarios. To enable us to assess the resilience of our strategy and our business model and to further evaluate physical climate risks for our locations, we plan to conduct a climate risk scenario assessment in 2026.
The following climate-related Impacts, Risks, and Opportunities have been identified as key outcomes of the 2024 Double Materiality Assessment:

5.1.1. 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. Respective risk of loss of regulative services included. This could lead to business/production downtime.	ST /MT / LT	-/DO/-	ACAG
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)

5.1.2. Connection to Business Strategy

Our strategic priority of expanding our geographic presence and market share—by growing our global footprint and strengthening operational capacities—remains closely interconnected with climaterelated challenges.
As we enter new regions and scale our logistical activities, we face rising energy demand, higher associated carbon emissions, and an increasing need to build climate resilience across our operations. At the same time, our portfolio enhancement efforts continue to open opportunities for innovation, particularly in response to growing customer and regulatory expectations for sustainable and energy-efficient products. This includes the development and use of recycled or alternative materials, as well as the expanded integration of green energy sources within our manufacturing processes.
From an operational perspective, our most significant climate impacts stem from manufacturing activities and transport logistics, which continue to drive the majority of our operational carbon emissions. As of 2025, we acknowledge that a Groupwide GHG management framework and a comprehensive climate resilience assessment have not yet been fully established. This gap may increase our exposure to climate-related risks—such as disruptions caused by extreme weather events—which could impact operational continuity, elevate costs, and slow our progress in achieving systematic emissions reductions aligned with evolving regulatory requirements and stakeholder expectations.

5.2. E1-1 Transition plan for climate change mitigation

ACAG is committed to aligning its future climate strategy with the objectives of the Paris Agreement and the 1.5°C pathway. While a formal Group-wide climate transition plan and targets have not yet been established, significant progress has been made in laying the foundation for a robust approach.
In 2025, we focused on strengthening the accuracy and completeness of our Scope 1, 2, and 3 GHG inventory, building on the initial inventory completed in 2024. This enhanced dataset will serve as the cornerstone for developing a comprehensive climate transition plan in 2026. The plan will include measurable and actionable decarbonization levers to drive emissions reductions across all operations.

Current initiatives at individual sites—such as lighting optimization, efficient use of electronic devices, and temperature control for HVAC systems—are being harmonized into a standardized Group-wide framework. Additionally, innovative measures like the use of recycled PVC ("ReACt" materials), which can substantially reduce emissions per card, demonstrate our commitment to embedding sustainability into product design.

Looking ahead, ACAG aims to integrate climate risk management and transition planning into its core business strategy, ensuring resilience and long-term value creation. Our 2026 plan will not only define clear reduction targets but also outline pathways for energy efficiency, material innovation, and supply chain engagement to accelerate the transition toward a low-carbon economy.

5.3. E1-2 Policies related to climate change mitigation and adaptation

Currently, ACAG does not have a unified climate change policy at the Group level. Efforts remain decentralized, with subsidiaries taking independent steps to address climate-related risks and opportunities while the Group works toward establishing a comprehensive strategy.

5.4. E1-3 Actions related to climate change mitigation and adaptation

In 2025, our subsidiaries advanced climate initiatives through a range of measures. These included electrification of vehicle fleets, deployment of renewable energy such as photovoltaic parks, and energy efficiency improvements like LED lighting, insulation, and voltage optimization. Several entities transitioned to 100% renewable electricity and implemented heat recovery systems. Additional efforts focused on supply-chain decarbonization, recycling programs, and reducing Scope 1 emissions. Planned actions include solar panel installations, low-carbon heating solutions, and further electrification of fleets.

5.5. E1-4 Targets related to climate change mitigation and adaptation

Subsidiaries have defined individual climate-related targets to guide their sustainability efforts. These include plans to expand renewable energy generation, reduce greenhouse gas emissions progressively, and eliminate fossil fuels in facilities where feasible. Some entities have set reduction goals, such as cutting emissions by 50% by 2030 and 90% by 2045, while others aim to lower Scope 1 and Scope 2 emissions and reduce product-related footprints. Additional objectives focus on optimizing fuel and electricity consumption. As these targets reflect a decentralized approach to climate action, we are committed to centralize our ambition and work toward a unified strategy.

5.6. E1-5 Energy consumption and mix

5.6.1. Total energy consumption in MWh related to the Group's operations

ACAG has recalculated the 2024 KPIs for E1-5 Energy Consumption and Mix following methodological improvements introduced in 2025. This recalculation ensures full comparability between the two reporting years and provides a more accurate representation of the Group's energy performance.

Overall, the comparison between 2024 and 2025 shows several notable developments in ACAG's energy consumption and mix. Total renewable energy consumption remained broadly stable year on year. Within this, the contribution of self-generated renewable energy increased significantly, reflecting the installation of a second photovoltaic (PV) system at ILG in January 25, which expanded the Group's on-site renewable electricity generation capacity and strengthened the role of self-generation within the energy mix.

Energy consumption and mix	2024	2025	% 2025/2024
(1) Fuel consumption from coal and coal products (MWh) [2]	0	0	-
(2) Fuel consumption from crude oil and petroleum products (MWh)	5,333	4,991	-6%
(3) Fuel consumption from natural gas (MWh)	3,790	4,046	+7%
(4) Fuel consumption from other fossil sources (MWh)	11	13	+21%
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	4,730	4,081	-14%
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**13,863**	**13,130**	**-5%**
Share of fossil sources in total energy consumption (%)	**47%**	**46%**	**-1%**
(7) Consumption from nuclear sources (MWh)	**0**	**0**	**-**
Share of consumption from nuclear sources in total energy consumption (%)	**0**	**0**	**-**
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0	-
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	13,129	12,109	-8%
(10) The consumption of self-generated non-fuel renewable energy (MWh)	2,246	3,302	+47%
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**15,376**	**15,411**	**0%**
Share of renewable sources in total energy consumption (%)	**53%**	**54%**	**+1%**
(12) Total purchased electricity (MWh) (calculated as the sum of lines 5 and 9)	**17,860**	**16,190**	**-9%**
Share of renewable electricity in total purchased electricity (%)	**74%**	**75%**	**+1%**
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	**29,239**	**28,541**	**-2%**
Energy intensity per net revenue (MWh/mEUR) [3]	**74.75**	**79.24**	**+6%**

At the same time, ACAG recorded a slight decrease in total fossil energy consumption compared to the previous year. This reduction was mainly driven by lower fuel consumption and a decline in fossil-based energy use overall. As a result, the share of fossil energy in total energy consumption decreased marginally, while the share of renewable energy increased slightly due to the higher contribution from self-generated sources.

[2] *MWh = Megawatt hour*
[3] *MWh/mEUR = Megawatt hour (MWh)/ Million EUR (mEUR)*

Looking ahead, ACAG aims to further enhance its energy mix by increasing the share of purchased renewable electricity, complementing its growing self-generation capacity and supporting the continued transition toward a more sustainable energy portfolio.

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

5.7.1. Methodology and Interpretation

The calculations are based on the following standards:

- GHG Protocol Corporate Accounting and Reporting Standard (2004);
- GHG Protocol Scope 2 Guidance (Version 2015)
- GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011)

No data gaps were identified for Scope 1 and Scope 2 emissions in 2025, reflecting improvements in the Group's data collection processes during the reporting year. The reduction in Scope 1 and Scope 2 emissions compared to the prior year is mainly attributable to a decrease in fuel consumption and an increased share of renewable electricity within the Group's energy mix. As last year's energy consumption figures were recalculated, as disclosed under ESRS E1-5, the associated Scope 1 and Scope 2 emissions for 2024 were also recalculated to enhance year-on-year comparability.

For Scope 3 emissions, data quality was significantly improved in 2025. In particular, the calculation approach for Scope 3.1 (Purchased Goods and Services) was partially transitioned from a spend-based methodology to a supplier-specific approach for key materials, such as chips and PVCs, sourced from the Group's largest suppliers. This methodological refinement resulted in a decrease in reported Scope 3.1 emissions.

For Scope 3 emissions, data quality was substantially improved in 2025. In particular, the calculation approach for Scope 3.1 (Purchased Goods and Services) was partially transitioned from a spend-based methodology to a supplier-specific approach for key materials, such as chips and PVCs, sourced from the Group's largest suppliers. This improvement in data quality resulted in a reduction of reported Scope 3.1 emissions. Further methodological updates were implemented for emissions related to transportation services (Scope 3.4 and Scope 3.9 – Upstream and Downstream Transportation and Distribution) and for Scope 3.7 (Employee Commuting), while data coverage for Scope 3.5 (Waste Generated in Operations) was also enhanced compared to the previous reporting year.

Overall differences in Scope 3 emissions between reporting years are therefore mainly driven by a significant increase in data quality and methodological refinements in 2025 compared to the previous year. A full recalculation of Scope 3 emissions for 2024 was not feasible due to data availability constraints. Since the Scope 3 data for 2025 is not directly comparable with the previous reporting year, no year-on-year comparison is presented.

For spend-based emissions where source data was provided in currencies other than EUR, GBP or USD, amounts were converted to align with the applicable emission factors. Emission factors were selected based on regional relevance wherever possible; where regional data was unavailable, globally recognized average emission factors were applied.

5.7.2. Emission Inventory Summary

	2024	2025	% 2025/2024
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO2e)	**2,244**	**2,210**	**-2%**
Scope 1.1 Stationary Combustion (heating)	790	852	+8%
Scope 1.2 Mobile Combustion (car fleet)	1,418	1,331	-6%
Scope 1.4 Fugitive Emissions (AC)	36	27	-24%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	-
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO2e)	**4,023**	**3,377**	**-16%**
Gross market-based Scope 2 GHG emissions (tCO2e)	**1,809**	**1,346**	**-26%**
Significant scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO2e)	**86,378**	**68,500**	**-**[4]
3.1 Purchased goods and services	48,439	37,465	-
3.2 Capital goods	2,768	2,306	-
3.3 Fuel and energy-related activities	1,251	1,023	-
3.4 Upstream transportation and distribution	13,456	24,803	-
3.5 Waste generated in operations	163	559	-
3.6 Business traveling	473	353	-
3.7 Employee commuting	3,114	1,512	-
3.9 Downstream Transportation and Distribution	16,279	479[5]	-
Total GHG emissions			
Total GHG emissions (location-based) (tCO2e)	**92,645**	**74,087**	**-**
Total GHG emissions (market-based) (tCO2e)	**90,431**	**72,056**	**-**

[4] Since the Scope 3 data for 2025 is not directly comparable with the previous reporting year, no year-on-year comparison is presented.

[5] Due to an update in the calculation methodology for emissions related to transport services (Scope 3.4 and Scope 3.9 – Upstream and Downstream Transportation and Distribution), emissions previously reported under Scope 3.9 for 2024 have been reclassified and are now reported under Scope 3.4.

5.7.3. GHG Intensity based on net revenue

GHG intensity per net revenue	2024	2025	% 2025/2024
Total GHG emissions (location-based) per net revenue (tCO2e/mEUR)	236.84	205.7	-13%
Total GHG emissions (market-based) per net revenue (tCO2e/mEUR)	231.18	200.06	-13%

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

In 2025, the entities TAND compensated 1,237 tCO2e and TUK compensated 991 tCO2e. The underlying certificates were sourced from reduction projects certified under the Clean Development Mechanism (CDM) of the UNFCCC and the Verified Carbon Standard (VCS) by Verra. ACAG does not currently have a Net Zero target in place; however, in 2026 the organisation is assessing its compensation approach based on the consolidated GHG inventory for 2025 and will establish reduction targets accordingly.

6. Water & Marine resources

6.1. 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 material Impacts, Risks and Opportunities identified below represent the outcomes of the Double Materiality Assessment from 2024. While they have not yet been incorporated into ACAG's current strategy and business model, they will play a key role in shaping our ESG strategy, which is to be developed in 2026, ensuring that any identified gaps are effectively addressed.

6.1.1. 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)

6.1.2. Connection to Business Strategy:

Our growth strategy increases demand for raw materials and electrical hardware, which can heighten environmental impacts from material extraction, production, and disposal. Water consumption has been identified as a material topic exclusively in our upstream value chain, primarily due to the procurement of chips whose manufacturing processes are highly waterintensive. While our products require materials such as chips and electronic components that rely on significant water use during production, water consumption is not considered a material impact within our own operations, where our direct water use is minimal and does not pose significant environmental risks.

6.2. E3-1 Policies related to water and marine resources

ACAG has not implemented a comprehensive company-wide policy or guidance governing water withdrawal, discharge, consumption, use, and management across the upstream value chain or within ACAG's own operations. However, the majority of sites operate under broader environmental management frameworks such as ISO 14001, with the exceptions of Poland and Turkey; additionally, Vienna, Austria, is certified by the Eco-Management and Audit Scheme (EMAS). The TAND site has established an Environmental Policy aimed at reducing water consumption. All operational sites adhere to local environmental protection regulations and requirements.

With respect to water resources, water consumption has only been identified as a material topic for upstream operations. As this impact has only recently been recognized by ACAG, there is currently no policy in place specifically addressing freshwater consumption by suppliers in upstream value chain operations.

Water discharge is regarded as a potential material topic for ACAG's direct operations. Continuous monitoring of wastewater discharge is conducted at all operational sites to maintain compliance with regulatory standards. Most locations with wastewater streams regularly monitor parameters including pH, suspended solids, and metal content at final discharge points, ensuring adherence to threshold values set by local regulations. No penalties were incurred for breaches during the FY25 reporting period.

At present, there is no unified Group-level policy addressing water resource management through product and service design or for sites identified as having elevated water risk.

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

As part of the broader double materiality assessment in 2024, all business entity sites were previously evaluated for basin risk exposure using the WWF Risk Filter Tool, identifying facilities in Andorra, Greece, Romania, Spain, and Turkey as operating in water-stressed regions.

Several entities conduct water recycling or reuse, including ILG, ACV, TUK, and ACR. ILG operates a biological water purification system that treats wastewater from office operations for reuse in landscape irrigation, monitored monthly by an external partner. Additional ongoing measures include water-saving production machinery, filtration systems that prevent harmful substances from entering wastewater, timed taps to reduce consumption, and closed-loop systems in production. Subsidiaries such as ACR and ILR monitor water consumption, underground water quality, and treatment processes, while others implemented improvements such as treatment station upgrades and lake cleaning.

Planned actions for 2026 include installing efficient washing equipment to reduce water use and implementing filtration solutions to avoid water pollution.

6.4. E3-3 Targets related to water and marine resources

Water consumption is not currently considered a material topic for ACAG's direct operations; however, it remains relevant within the upstream value chain due to the use of water-intensive raw materials. At the Group level, no quantitative water targets have been defined. Some individual sites have introduced their own objectives based on local priorities, including setting internal consumption thresholds, aiming to reduce water withdrawals and discharges, and ensuring safe and compliant water use in line with legal requirements and environmental policies. In several manufacturing locations, wastewater discharge continues to be treated according to regulatory standards. While most entities have not established formal water-related targets, the topic will remain part of ACAG's broader efforts to advance sustainable procurement and improve the consistency of water-related data across the Group.

6.5. E3-4 Water consumption

	2024	2025	% 2025/2024
Total water consumption of all in-scope ACAG companies (m^3)	24,795	20,757	-16%
Total water consumption in areas at water risk, including areas of high-water stress (m^3)	11,858	13,681	+15%
Water intensity ratio ACAG (m^3/mEUR)	69.85	61.96	-11%

Limitations: Total water consumption data does not include volume for TUSA as no primary data was available. Therefore, the net revenue of these companies has also been excluded when calculating the water intensity ratio.

ACAG currently does not track or collect 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).

7. Circular economy

7.1. 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 material Impacts, Risks and Opportunities identified below represent the outcomes of the Double Materiality Assessment from 2024. While they have not yet been incorporated into ACAG's current strategy and business model, they will play a key role in shaping our ESG strategy, which is to be developed in 2026, ensuring that any identified gaps are effectively addressed.

7.1.1. 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)

7.1.2. Connection to Business Strategy:

Our growth strategy increases demand for raw materials and electrical hardware, which can heighten environmental impacts from material extraction, production, and disposal; this dependence on materials such as metals, minerals, and plastics means that upstream suppliers involved in extraction and manufacturing can contribute to soil, water, and land degradation. To address these risks, we are expanding our product range with more sustainable materials—such as our recycled PVC card "ReACt"—while strengthening ecological sourcing practices, enhancing supplier assessments, and engaging more closely with partners to support our ambition to lead sustainable markets and build strong, responsible supply chain relationships across the organization.

7.2. E5-1 Policies related to resource use and circular economy

ACAG has not established a comprehensive Group-wide policy to address significant environmental impacts, risks, and opportunities related to resource use and the circular economy. Approaches remain decentralized, with several entities maintaining their own environmental or recycling policies, while others have no formal policy in place. Where policies exist, they typically include commitments to the efficient use of resources, the use of sustainably sourced, renewable, or recycled materials where legally permitted, and support for circular economy principles. These local policies often emphasize extending material lifespans, reducing waste generation, and increasing the proportion of recyclable materials in waste streams, applying the waste hierarchy and structured waste-separation practices as part of operational processes.
Some entities without formal policies have nonetheless adopted practical measures—such as reusing packaging materials—to reduce waste. Others have defined internal recycling guidelines or environmental policies that address responsible resource consumption in line with local regulatory requirements. While these efforts contribute to circularity at the site level, they do not yet constitute a harmonized Group-wide approach. ACV additionally maintains a sustainable procurement policy, though it does not yet include specific guidance for supplier engagement in relation to resource use.

Overall, ACAG remains in the early stages of building a unified approach to resource management and circular economy practices. Work to align site-level initiatives and strengthen Group-level expectations will continue as part of the broader development of environmental governance and sustainable procurement frameworks.

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

Several of our subsidiaries operate environmental management systems such as ISO 14001, with two additional entities acquiring the certification in 2025 and our site in Romania acquired an EcoVadis certification.

	2024	2025
Entities with an ISO 14001 certification	8	10
Entities with an EcoVadis rating	2	3

We strengthened our sustainable materials portfolio by renewing Mastercard Card ECO-Certification for our recycled PVC (rPVC) card bodies and obtaining certification for our new biobased PLA product line. The following card bodies received certification under the Mastercard Card Eco Certification (CEC) Scheme:

- ReACT card body (r-PVC)
- ReACTe card body (r-PVC)
- ReVero card body (PLA)

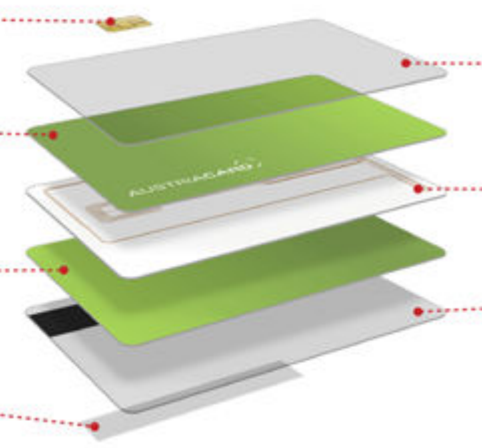
Practical circularity measures at certain sites include the reuse of inbound packaging for outbound shipments, participation in initiatives related to bio-based or recycled material alternatives and take-back programmes in which used products are collected and sent for professional recycling. Operational efficiency measures—such as employee training, process monitoring, and regular maintenance of production equipment—are used across several locations to reduce resource-related impacts.

As the Group continues to enhance its environmental governance framework, resource efficiency and circularity are increasingly integrated into product-related initiatives. This entity-level work forms an important foundation for ACAG's broader product sustainability strategy. The transition toward circular product design, responsible sourcing, and reduced dependence on virgin materials is reflected in the Group's "Sustainable by Design" approach, which is outlined below.

7.3.1. Sustainable by Design - Our 4-Pillar Approach to Sustainable Products

At AUSTRIACARD HOLDINGS, product sustainability is a core value and strategic priority. We recognize that our responsibility extends beyond compliance – our commitment is to ensure that our products and operations are safe for employees, customers, and the environment. We continuously strive to reduce or prevent environmental impacts throughout every phase of our operations, designing and elaborating eco-friendlier products, and implementing practices that go beyond regulatory requirements. Our environmental approach is rooted in ongoing assessment, transparent communication, and the pursuit of best practices to minimize our carbon footprint. This commitment translates into a holistic 4-pillar strategy that addresses environmental impact throughout the product lifecycle. Our approach is anchored in innovation, responsible sourcing, and circularity, ensuring our products contribute meaningfully to climate action and resource conservation.

Exemplary construction of a payment card:



1. Card Material & Printing Techniques

We prioritize the use of sustainable materials and advanced printing methods to minimize environmental impact. Our portfolio features two flagship sustainable card products:

ReACt – Recycled PVC Card

ReACt is AUSTRIACARD's answer to the urgent need for climate action in the payment card industry. Made from up to 99% recycled PVC, ReACt cards demonstrate that high-performance payment solutions can be achieved with minimal environmental footprint. The recycled PVC used in ReACt is sourced from industrial waste, and each batch may show subtle colour variations—an authentic sign of its recycled origin.

The product has once again received the Mastercard Card ECO-Certification in 2025 for several consecutive years.

Key features include:

- Environmental Impact: The use of recycled PVC results in a 57% reduction in CO2 emissions and a 19% [6] reduction in halogen content compared to conventional first-use PVC cards.
- Functionality: ReACt cards retain all the properties of standard PVC, supporting dual interface technology, coloured edges, textures, hot stamping, and a wide range of personalization options.
- Certifications: Fully certified by Mastercard and Visa, including compliance with the Mastercard Card Eco (CEC) Scheme.
- Circularity: By choosing ReACt, clients contribute to a circular production model, reducing landfill waste, energy consumption, and oil usage. For every kilogram of recycled PVC, 1.6 kg of CO2 is saved, and significant resources are conserved.

[6] *Values are based on the Mastercard Card Eco Certification (CEC) 2024*

ReVero – Biodegradable PLA Card

ReVero represents AUSTRIACARD's commitment to renewable resources and compostable materials. The card body is made entirely from corn-based PLA bioplastic, which is biodegradable and compostable under industrial conditions. The product has for the first time received the Mastercard Card ECO-Certification in 2025.

Key features include:

- Environmental Impact: ReVero cards reduce long-term environmental effects by breaking down into natural components under appropriate composting conditions, helping to prevent microplastic pollution.
- Renewable Resource Base: PLA is derived from corn, reducing reliance on fossil fuels and lowering the overall carbon footprint of the card's lifecycle.
- Production Benefits: Fewer toxic byproducts are generated during production, and there are no restrictions on colour or effects during manufacturing.
- Certifications: ReVero is Mastercard and Visa certified, ensuring full compatibility with payment systems. The only limitation is that the card cannot be personalized using laser engraving.
- Innovation: The latest ReVero modules feature a premium dual interface chip.

2. Alternative Consumables & Digital Solutions

We use FSC-certified and recycled paper for carriers, leaflets, and envelopes, and partner with printers certified under the Austrian Eco Label. Climate-neutral printing practices and reduced ink usage further lower the carbon footprint of our products.

3. Card Collection & Recycling

AUSTRIACARD promotes secure collection and recycling of used cards, shifting from linear to circular production models. Cards are shredded and processed for recycling, saving landfill space, energy, and oil consumption, and preventing microplastic pollution. For every kilogram of recycled PVC, 1.6 kg of CO2 is saved.

A recent example of this commitment is a pilot project launched in Poland in partnership with Nest Bank, TPOL, and Visa. In this initiative, Nest Bank customers are encouraged to return expired payment cards using a special envelope provided with their renewed card.

Tag Systems ensures the secure destruction and removal of sensitive data, while Visa oversees the recycling of PVC and other card components so that materials can be reused in new products. This project not only increases customer security but also supports the circular economy and sets a new benchmark for sustainable card recycling in the Polish market. The pilot has been met with very positive feedback from customers, who appreciate the convenient and responsible way to return their old cards.

4. Alternative Energy & Climate Action

Sustainable products can only be produced by sustainable production sites. That is why our production sites in Vienna and Bucharest utilize solar panels and source 100% renewable electricity from suppliers. Production waste recycling programs are established and expanding.

7.3.2. Progress in Reducing Virgin Material Use

ACAG continued to advance its transition away from virgin PVC by expanding the use of recycled materials across the Group. The share of recycled cards manufactured and sold increased substantially from 34% in 2024 to 49% in 2025, marking a 15-percentage-point improvement year-on-year. This reflects the Group's sustained efforts to integrate circular materials into card production and reduce reliance on virgin plastics.

	2024	2025	% 2025/2024
Share of recycled cards manufactured and sold in reporting year	**34%**	**49%**	**+15%**

7.4. E5-3 Targets related to resource use and circular economy

Currently, no formal Groupwide targets have been established concerning resource use and the circular economy. Consequently, there are no quantified goals relating to increasing circular product design or material use, reducing consumption of primary raw materials, expanding sustainable procurement, incorporating renewable sources in our products, or improving waste management. However, this will be addressed as part of our forthcoming ESG strategy for 2026, which will introduce clear quantitative targets and robust measures to drive progress in all these areas.

7.5. E5-4 Resource inflows

Despite our efforts to ensure highquality and accurate reporting, ACAG is currently unable to disclose values for ESRS E5-4 Resource inflows due to incomplete data collection from several sites and the heterogeneous nature of our product portfolio, which ranges from biologically based printing products to predominantly plastic card bodies, as well as entities without physical production. These differences currently prevent us from calculating a reliable percentage of biological materials used for the reporting period. To address this gap, we are developing a coherent and representative methodology that will enable comprehensive and comparable reporting from the next reporting year onward. Until this methodology is finalised and implemented, we will limit our disclosure to reporting the number of recycled cards produced in 2025 and the share of recycled PVC purchased for card production in ACV/ACR.

Share of recycled PVC/rPVC purchased in reporting year	2024	2025	% 2025/2024
PVC	**61%**	**50%**	**-11%**
Recycled PVC	**39%**	**50%**	**+11%**

In 2025, we increased the share of recycled PVC used in our card production in ACV/ACR by 11% compared to 2024. This development reflects our proactive alignment with evolving cardscheme requirements and market expectations, as major payment networks and issuing banks are accelerating the transition away from virgin PVC toward recycled and other more sustainable material alternatives.

7.6. E5-5 Resource outflows

Name	2024	2025
(1) Total Waste generated (t) (calculated as the sum of lines 4 and 7)	**2,354**	**3,583**
(2) Non-recycled waste (t)	460	1,636
(3) Percentage of non-recycled waste (%)	20%	46%
(4) Total amount of non-hazardous waste (t) (calculated as the sum of lines 5 to 6)	**-** [7]	**3,273**
(5) Total amount of non-hazardous waste diverted from disposal (t)	-	1,782
(6) Total amount of non-hazardous waste directed to disposal (t)	-	1,491
(7) Total amount of hazardous waste (t) (calculated as the sum of lines 8 to 9)	**333 t**	**310**
(8) Total amount of hazardous waste diverted from disposal (t)	-	21
(9) Total amount of hazardous waste directed to disposal (t)	-	289
(10) Total amount of radioactive waste (t)	**N/A**	**N/A**

To enhance the accuracy and completeness of its waste-related disclosures, ACAG has significantly improved the underlying data collection process in 2025 by increasing the share of reporting entities to cover all sites except TUSA and by expanding the level of granularity captured across waste streams. Owing to these methodological improvements and the broader reporting coverage, the waste data for 2025 is not directly comparable with the previous reporting year and therefore no year-on-year comparison is presented. Looking ahead, ACAG aims to achieve 100% entity coverage and to strengthen its focus on waste prevention as a central component of its circularity and resourceefficiency efforts.

[7] *This data was not collected in 2024*

8. Own workforce

8.1. ESRS 2 SBM-2 – Interests and views of stakeholders

In 2025, ACAG continues to recognize its own workforce as a key Group of affected stakeholders whose interests, views, and rights inform the company's strategy and business model. We are committed to fostering an exceptional work environment that prioritizes the health and safety of our employees, respects human rights, embraces diversity and meritocracy, and supports ongoing training and development. Our approach is guided by our Code of Conduct and the newly adopted Global Human Rights and Labor Standards Policy, which reinforce our dedication to internationally recognized human rights and labour standards across all operations.

To ensure that the perspectives and needs of our workforce are integrated into strategic decision-making, we maintain multiple channels for open dialogue and feedback. These include annual performance appraisals, corporate internal networks, internal communication activities, events, meetings, training sessions, and, where applicable, engagement with labour associations. We actively encourage employees to express their opinions freely, both individually and collectively, and we uphold their rights to participate in labour unions and engage in collective bargaining in accordance with national laws and regulations.

The insights gained from these ongoing interactions directly inform the development and evolution of our business model and strategy. By systematically considering the interests and rights of our workforce, we aim to create long-term value for both our employees and the organization, while upholding our commitment to ethical conduct, inclusivity, and sustainable growth.

8.2. 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 material Impacts, Risks and Opportunities identified below represent the outcomes of the Double Materiality Assessment from 2024. While they have not yet been incorporated into ACAG's current strategy and business model yet, they will play a key role in shaping our ESG strategy, which is to be developed in 2026, ensuring that any identified gaps are effectively addressed.

8.2.1. Impacts, Risks and Opportunities:

IRO Description	Timeframe (1)	Value chain location (2)	Affected stakeholders
Impacts (Positive):			
Strengthened employee wellbeing, engagement, and long-term retention through a holistic set of benefits, flexible working arrangements, and targeted physical and mental health initiatives, complemented by development opportunities and inclusive workplace practices, ultimately contributing to higher job satisfaction, organizational resilience, and employer attractiveness	ST /MT /-	-/DO/-	Workers

IRO Description	Timeframe (1)	Value chain location (2)	Affected stakeholders
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. 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.	ST /MT / LT	-/DO/-	Workers
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/-	Workers
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)

8.2.2. Connection to Business Strategy:

ACAG's growth and innovation depend on attracting and retaining skilled employees, ensuring workplace safety, and supporting employee satisfaction. In 2025, we continued improving centrally managed monitoring systems and policies, including those related to collective bargaining and the gender pay gap, while advancing initiatives that promote fair treatment, wellbeing, and trust across the workforce. We remain focused on managing health and safety risks—such as those arising from hazardous materials or unsafe working conditions—as they can affect both operational efficiency and our reputation. To mitigate these risks, we are strengthening safety protocols, expanding wellbeing programmes, and developing Groupwide policies that ensure equal opportunities. The Group is also promoting ISO 45001 adoption across all manufacturing entities to reinforce accident prevention, reduce occupational risks, and foster a culture of safety and holistic wellbeing.

8.3. S1-1 Policies relating to own workforce

ACAG continues to recognize and uphold internationally recognized human rights principles, including the United Nations' International Declaration of Human Rights and International Conventions on Child Labour. This commitment is now further strengthened by the adoption of the Global Human Rights and Labor Standards Policy in 2025, which applies to all employees, business partners, and suppliers across the Group. Key elements of our approach include:

- Strict prohibition of child and forced labour: No person is employed below the legal working age, and all forms of forced or compulsory labour are strictly forbidden.
- Non-discrimination and equal opportunity: The new policy reinforces our stance against discrimination and promotes diversity and inclusion throughout the organization.
- Fair wages and working hours: We ensure compliance with local laws and international standards regarding compensation and working conditions.
- Freedom of association and collective bargaining: Employees' rights to join labour unions and engage in collective bargaining are fully respected.
- Accessible grievance mechanisms: The policy establishes clear channels for employees to raise concerns related to human rights or labour practices, with protection against retaliation.

Our Code of Conduct continues to define our commitment to mutual respect, diversity, and health and safety, and is complemented by the Group Whistleblowing Policy, which provides a confidential reporting channel for potential violations. We are now a member of the United Nations Global Compact, further aligning our practices with global standards on human rights, labour, environment, and anti-corruption.

While some subsidiaries maintain additional local policies (e.g., UK Modern Slavery Act Policy, various Equality Inclusion and Diversity Polices), the new Group-wide policy provides a unified framework for human rights and labour standards and supplier expectations have been updated to reflect these commitments.

Occupational health and safety management remains a priority, addressed through the Code of Conduct and supported by local health and safety policies and management systems (e.g., ISO 45001 certification, individual policies following legal obligations) at all our entities. We continue to work towards a more standardized approach to accident prevention and anti-discrimination across all entities.

8.4. S1-2 Processes for engaging with own workforce and workers' representatives about impacts

ACAG does not yet have a fully standardized, Group-wide procedure governing how workers or their representatives are systematically involved in decision-making regarding actual or potential impacts. However, across the Group, entities have established a range of structured and semi-structured engagement practices that facilitate dialogue with employees and support their ability to raise concerns, provide feedback, and participate in processes related to social impacts, risks, and opportunities.

Multiple entities maintain regular communication channels with employees—including team meetings, internal announcements, direct communication with HR and line managers, and mechanisms for gathering input ahead of organizational changes. Several subsidiaries operate formal dialogue structures such as periodic meetings, internal surveys, communication and complaint channels, or health and safety committees, often aligned with legal requirements. In Austria-based entities, workers and elected representatives are systematically involved in processes concerning actual or potential impacts on employees.

In locations where no formal employee representation structures exist, engagement occurs through direct communication channels with management in line with local labor law.

At Group level, employees may raise concerns confidentially through the Whistleblowing Policy and reporting channel, as referenced in the Code of Conduct, providing an additional mechanism for surfacing impacts and informing decision-making.

While engagement practices are well-established at the entity level, ACAG acknowledges—consistent with ESRS 2 SBM-2—that these approaches remain heterogeneous across the Group, and a unified, formalized process for worker engagement in identifying, assessing, and addressing material impacts, risks, and opportunities is still under development.

8.5. S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

In 2025, ACAG has further strengthened its processes for remediating impacts and providing channels for employees to raise concerns. The newly adopted Global Human Rights and Labour Standards Policy and the unified Code of Conduct guide all employees to freely express concerns or complaints regarding violations, discrimination, or any negative impacts. Confidentiality and protection against retaliation are ensured for anyone reporting violations, in line with international standards.

The Code of Conduct is distributed to all employees at the start of employment, after amendments, and remains accessible via the intranet. In addition, ACAG has now implemented a Group-wide Whistleblowing Channel, harmonizing previous subsidiary-specific systems. This channel, compliant with the EU Whistleblowing Directive, is available to all employees and relevant third parties, providing a secure and confidential mechanism for reporting misconduct or grievances. The Legal and Compliance Department centrally manages all reports, ensuring impartial investigation and prompt, confidential handling. Legal advisors and new department members receive annual training on the whistleblowing process.

All employees were informed about the unified Whistleblowing Channel and its scope through townhall meetings, intranet updates, and site notices. Works Councils were consulted prior to implementation. The system supports both anonymous and named reporting, with feedback provided to whistle-blowers within defined timeframes.

No grievances were reported in 2025 across ACAG or its subsidiaries. The Group continues to focus on effective communication of its Code of Conduct, vision, mission, and core values, ensuring compliance with legal and industry regulations in all locations.

8.6. S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

At the business entity level, several individual actions continue to be undertaken to support positive impacts and avoid negative impacts for the workforce (e.g., "emotional salary program"). These initiatives are implemented locally and are not yet directly linked to the Impacts, Risks, and Opportunities (IROs) identified in the Double Materiality Assessment.

At the Group level, ACAG has not yet developed a centralized strategy with specific actions and targets that systematically address the identified IROs relating to the own workforce. However, this is a key priority for the coming year. In the future, ACAG plans to develop and implement a comprehensive ESG strategy that will incorporate the outcomes of the IRO assessment and establish clear actions and targets to remediate or prevent negative impacts, deliver positive impacts, and assess their effectiveness across the workforce.

In the interim, risk management procedures remain in place at the local level, with designated staff responsible for monitoring and minimizing identified risks. These representatives report regularly to cluster office leadership to support ongoing Group-wide risk assessment and coordination.

8.7. S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In 2025, ACAG has not yet established unified, time-bound, or outcome-oriented targets at Group level in relation to material impacts, risks, and opportunities concerning its own workforce. While a number of ESG-related objectives and initiatives have been discussed and, in some cases, piloted across different entities, these efforts remain at an early stage and are not yet fully coordinated or systematically implemented throughout the Group. The development of clear targets and a comprehensive approach to managing workforce-related impacts and opportunities is planned as part of the broader ESG strategy work, which is scheduled for 2026. Until then, the organization continues to build on existing initiatives and local practices, with the aim of aligning and formalizing these efforts in the near future.

8.8. S1-6 Characteristics of employees

8.8.1. Employees headcount by gender [S1-6_50a]

	2024 [8]		2025	
	Headcount	%	Headcount	%
Female	1,080	46%	1,072	45%
Male	1,291	54%	1,288	55%
Other	0	0	0	0
Not reported	0	0	0	0
Total Employees	2,371	100%	2,360	100%

8.8.2. Employee head count by contract, broken down by gender and region [S1-6_50b, 51]

Region		Number of employees (permanent contract) 2025	Number of employees (temporary contract) 2025	Number of Not-guaranteed -hours employees 2025	Number of full-time employees 2025	Number of part-time employees 2025	Number of total employees (headcount) 2025	Number of total employees (headcount) 2024 [9]
WEST	**Total**	**473**	**26**	**40**	**512**	**27**	**539**	**432**
	Female	282	19	38	317	22	339	-
	Male	191	7	2	195	5	200	-
	Other	0	0	0	0	0	0	-
CEE	**Total**	**1,725**	**3**	**0**	**1,437**	**291**	**1,728**	**1,848**
	Female	717	0	0	634	117	718	-
	Male	1,008	3	0	803	174	1,010	-
	Other	0	0	0	0	0	0	-
MEA	**Total**	**93**	**0**	**0**	**93**	**0**	**93**	**91**
	Female	15	0	0	15	0	15	-
	Male	78	0	0	78	0	78	-
	Other	0	0	0	0	0	0	-
Not reported		**0**	**0**	**0**	**0**	**0**	**0**	**0**

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

[8] The 2024 values are representing a reduced reporting scope, excluding a total of 30 employees.
[9] The 2024 values are representing a reduced reporting scope, excluding a total of 30 employees

8.8.3. Employee head count in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees [S1-6_50a]

Country: Romania (ACR, ILR, NDC, NDE, IPP)	2024		2025	
	Headcount	%	Headcount	%
Female	594	44%	553	44%
Male	752	56%	703	56%
Other	0	0	0	0
Not reported	0	0	0	0
Total Employees	1,346	100%	1,256	100%

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

8.8.4. Employee turnover (headcount) [S1-6_50c]

	Unit	2024	2025
Employees who left the Group	Number	971	472
Employee turnover	%	38%	20%

8.9. S1-8 Collective bargaining coverage and social dialogue

8.9.1. Collective bargaining coverage and social dialogue for countries with >50 empl. representing >10% total empl. [S1-8_60, 63,AR_70]

	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%	1,256	Romania	Romania
20 - 39%	-	-	-
40 - 59%	-	-	-
60 - 79%	-	-	-
80 - 100%	-	-	-

In 2025 522 employees were covered by a collective bargaining agreement which represents 22% of ACAGs workforce.

8.10. S1-9 Diversity metrics

8.10.1. Employee headcount at top management level[10] by gender [S1-9_66a]

	2024		2025	
	Headcount	%	Headcount	%
Female	0	0%	0	0%
Male	10	100%	9	100%
Other	0	0	0	0
Not reported	0	0	0	0
Total Employees	10	100%	9	100%

8.10.2. Distribution of employees by age group (%) [S1-9_66b]

	2025 [11]
Under 30 years old	10%
30-50 years old	52%
Over 50 years old	38%
Not reported	0
Total Employees	100%

8.11. S1-10 Adequate wages

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

[10] *The Group defines "top management" as individuals who are members of the management- or supervisory board.*

[11] *This KPI was not evaluated in 2024, therefore no comparison is possible*

8.12. S1-14 Health and safety metrics

Work-related accidents Unit	2024	2025
% Employees Covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines	100%	100%
Number of Fatalities - Own Workforce	0	0
Number of recordable work-related accidents for own workforce	17	21
Rate of Work-Related Accidents – Own Workforce (Number of cases/ the total number of hours worked by the own employees) * 1,000,000	3.42 [12]	6.14
Number of Recordable Work-Related Ill Health Days – Own Workforce	3	2
The number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	664	426

8.13. S1-16 Compensation metrics (pay gap and total Renumeration)

8.13.1. Gender pay gap and total annual renumeration ratio [S1-16_97a, 97b]

	2024	2025
Gender pay gap	22%	21%
Annual total renumeration ratio	49,9 [13]	26

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 without taking into account structural factors such as positions or qualifications. The value presented above is the average within the in scope ACAG companies. Data exclude CFM and ACT.

[12] *ACAG updated the calculation methodology for determining the total number of hours worked by its own employees in 2025 to more accurately reflect the actual hours worked. This refinement led to a lower total number of reported hours, providing a more realistic basis for calculating safety performance indicators. As a consequence of this methodological change, the rate of work-related accidents appears significantly higher compared with the previous year, even though the absolute number of recorded accidents increased only marginally, with just four additional cases reported in 2025.*

[13] *ACAG updated the methodology for calculating the median annual salary in 2025 to ensure full coverage of all Group entities. The value for 2024 has been recalculated consequently to allow for a comparison.*

The Annual total Renumeration ration has been calculated by dividing the highest annual Renumeration by the annual median of the remaining employees (excluding the highest paid individual) of the whole Group. ACAG updated the calculation methodology for the median annual salary in 2025 and recalculated the 2024 value, ensuring full coverage of all Group entities and a more accurate representation of Renumeration across the organisation.

8.14. S1-17 Incidents, complaints and severe human rights impacts

During the reporting period, the undertaking recorded no work-related incidents, complaints, or severe human rights impacts within its own workforce. Consequently, no fines, sanctions, or compensation payments related to such matters were incurred. To further prevent potential adverse impacts and to reinforce our commitment to respect and protect human and labour rights, the Group has introduced a Global Human Rights and Labour Standards Policy, which sets out clear principles and expectations applicable across all operations.

9. Workers in the value chain & Consumers and end-users

9.1. ESRS S2 – Workers in the value chain

ACAG omits reporting on ESRS S2 – workers in the value chain, as permitted by Delegated Regulation 2025/1416: Quick-fix. However, since the topic is material, we will still provide a summary of key issues according to ESRS 2 17.

In 2025, ACAG continued to recognize the risk of human rights violations in the upstream supply chain, particularly in the sourcing of metals such as gold, silver, tin, cobalt, and copper. While these risks have not yet been fully integrated into our business model and strategy, their relevance is acknowledged, and integration is planned as part of the ESG Strategy development in 2026. At present, no formal time-bound targets have been set for value chain workers, but performance is monitored through supplier audits and country-level human rights risk assessments. Targets and metrics will be established with the implementation of the ESG Strategy.

To strengthen our commitment to ethical business practices, ACAG introduced a comprehensive Global Human Rights and Labor Standards Policy and an updated Code of Conduct in 2025. The Global Human Rights and Labor Standards Policy prohibits child and forced labour, ensures fair wages and working hours, promotes non-discrimination and equal opportunity, and upholds freedom of association and collective bargaining. It applies to all employees, business partners, and suppliers, and establishes accessible grievance mechanisms and transparent reporting channels. The Code of Conduct sets out ethical standards for all employees and business partners, emphasizing compliance with international human rights frameworks, mutual respect, diversity, health and safety, environmental responsibility, anti-corruption, and whistleblowing.

Actions taken include requiring suppliers to sign the Code of Conduct and, where possible, applying social and environmental criteria in supplier selection. However, there are currently no Group-level processes for direct engagement with value chain workers or comprehensive complaint mechanisms, and effectiveness is limited by supplier choice. No remediation actions have been implemented to date, but monitoring is performed through audits and incident evaluations.

9.2. ESRS S4 – Consumers and end-users

ACAG omits reporting on ESRS S4 – consumers and end-users, as permitted by Delegated Regulation 2025/1416: Quick-fix. However, since the topic is material, we will still provide a summary of key issues according to ESRS 2 17.

In 2025, ACAG's assessment of impacts, risks, and opportunities related to consumers and end-users remains unchanged from the previous reporting period. No material negative impacts have been identified in connection with S4. The principal risks continue to include the potential for cyber-attacks affecting key systems, data, and customer confidence, as well as the risk of misuse of products and services in ways that conflict with ACAG's values or contribute to adverse human rights impacts. Opportunities identified previously, such as supporting the digital transformation of public health systems, also remain relevant. These findings have not yet been integrated into the business model or strategy but will inform the development of the ESG Strategy in 2026.

To address these risks, ACAG maintains a comprehensive set of policies and procedures, including the Group Cyber Security Incident Handling Plan and a unified approach to data protection and cybersecurity. The company holds multiple certifications (e.g., ISO 27001, ISO 27701, PCI, FIDO, INTERGRAF) that demonstrate compliance with international standards for information security, privacy, and product safety. Engagement with consumers and end-users is conducted through regular communication channels such as complaint management, customer support, surveys, and digital platforms. While these mechanisms facilitate feedback and address concerns, there are currently no Group-level processes or formal mechanisms to monitor compliance with international human rights guidelines or to remediate negative impacts.

No breaches or material incidents involving consumers or end-users have been recorded to date. At present, there are no formal time-bound targets, monitoring, or specific metrics established for managing impacts, risks, or opportunities related to consumers and end-users. Performance is monitored through audits and incident evaluations.

10. Business Conduct

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

The material Impacts, Risks and Opportunities identified below represent the outcomes of the Double Materiality Assessment from 2024. While they have not yet been incorporated into ACAG's current strategy and business model, they will play a key role in shaping our ESG strategy, which is to be developed in 2026, ensuring that any identified gaps are effectively addressed.

10.1.1. Impacts, risks and opportunities

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.

10.1.2. Connection to Business Strategy

Expanding into high-risk regions exposes ACAG to increased challenges related to human rights, corruption, and fraud, making it essential to uphold the principles of the United Nations Global Compact as well as our Code of Conduct and business ethics, particularly as we move into areas with less robust governance. This commitment helps reduce the likelihood of human rights concerns or environmental harm throughout our supply chain, especially given that our ongoing operations depend on the reliable supply of essential raw materials from upstream sources, where engagement with certain suppliers may carry risks related to human rights violations, environmental damage, or ethical misconduct.

10.2. G1-1 Business conduct policies and corporate culture

ACAG has established a comprehensive set of business conduct policies and a unified corporate culture, guided by a central Code of Conduct applicable Group-wide. In the sections below, you will find an in-depth presentation of four cornerstone policies: the Code of Conduct, the Anti-Corruption and Anti-Bribery Policy, the Data Protection Policy, and the Health & Safety Policy. Together, these policies outline ACAG's commitment to ethical, compliant, and safe business operations worldwide and ensure consistent standards and responsible practices across all entities and employees.

10.2.1. Key Policies in Place:

Code of Conduct:

- Applies to all employees, managers, and business partners globally.
- Based on international standards (UN Guiding Principles, ILO, OECD, UN Global Compact).
- Covers mutual respect, diversity, health and safety, environmental responsibility, anti-corruption, transparency, data protection, fair competition, and responsible use of AI.
- Sets expectations for ethical behaviour, prohibits discrimination and harassment, and outlines procedures for handling conflicts of interest and confidential information.
- Requires all agents, consultants, and business partners to comply with these standards.

Group Whistleblowing Policy:

- Implements the EU Whistleblowing Directive and applies to all Group entities.
- Provides a secure, confidential channel for reporting misconduct, accessible to employees and third parties.
- Prohibits retaliation against whistle-blowers and ensures protection for those reporting in good faith.
- Outlines responsibilities for the Legal and Compliance Department, which operates independently to investigate and manage reports.
- Details the scope of reportable issues, including breaches of law, fraud, corruption, workplace safety, and violations of the Code of Conduct or Anti-Bribery Policy.

10.2.2. New and Enhanced Policies Introduced in 2025

Anti-Bribery and Anti-Corruption Policy:

- Establishes a zero-tolerance approach to bribery and corruption, in line with Austrian, EU, US, and UK regulations.
- Applies to all directors, employees, contractors, agents, and third parties acting on behalf of ACAG.
- Prohibits offering, giving, soliciting, or accepting bribes, kickbacks, or improper advantages.
- Sets clear rules for gifts, hospitality, and entertainment, including monetary thresholds and mandatory reporting.

- Requires accurate record-keeping, regular audits, and immediate reporting of breaches through confidential channels.
- Outlines disciplinary and legal consequences for non-compliance, and mandates annual policy review and updates.

Global Human Rights and Labour Standards Policy:

- Commits to upholding internationally recognized human rights and labour standards across all operations and value chains.
- Strictly prohibits child and forced labour, ensures fair wages and working hours, and promotes non-discrimination and equal opportunity.
- Upholds freedom of association and collective bargaining, and applies to all employees, business partners, and suppliers.
- Establishes accessible grievance mechanisms and transparent reporting channels for human rights or labour concerns.
- Requires business partners to adhere to equivalent standards and supply chain due diligence requirements.

Certifications and Management Systems:

ACAG supports its business conduct framework with a range of management systems and certifications, including ISO 22301 (Business Continuity), ISO 9001 (Quality Management), ISO 37001 (Anti-Bribery), SEDEX, and Achilles Repro, among others.

UN Global Compact Membership:

In 2025, ACAG became a member of the United Nations Global Compact, further strengthening our commitment to aligning our strategies and operations with universal principles on human rights, labour, environment, and anti-corruption.

10.3. G1-2 Management of relationships with suppliers

ACAG has developed long-term partnerships with its suppliers and service providers, governed primarily by framework contracts with indefinite or up to three-year durations, based on operational needs. The company practices fair selection, business conduct, and payment transactions with suppliers, as outlined in the Code of Conduct. Supplier selection is guided by a formal work instruction for Supplier Evaluation, ensuring decisions are made in the best interest of ACAG, with input from all entities. While centralized, ACAG continues to source products and services locally where possible, supporting local economies in each country of operation.

In 2025, ACAG strengthened its approach to responsible sourcing by introducing the Global Human Rights and Labor Standards Policy. This policy applies to all employees, business partners, and suppliers, and sets out clear expectations for upholding internationally recognized human rights and labour standards throughout the value chain. Key commitments include:

- Strict prohibition of child and forced labour.
- Ensuring fair wages and working hours.
- Promoting non-discrimination and equal opportunity.
- Upholding freedom of association and collective bargaining.
- Requiring business partners and suppliers to comply with equivalent standards and supply chain due diligence.
- Establishing accessible grievance mechanisms and transparent reporting channels for human rights or labour concerns.

ACAG adopts the principles of sustainable development across its supply chain and promotes these standards at all sites and operations. Supplier evaluation is conducted regularly (annually or biannually), and on-site audits may be performed depending on supplier type and evaluation results. Unsatisfactory assessments may result in discontinued collaboration. While some Group companies have adopted supplier codes of conduct and introduced environmental and social criteria in supplier selection, the new Group-level policy now provides a unified framework for human rights and labour standards. Financial sustainability analysis remains a criterion for supplier evaluation, and payment practices are managed at the individual company level.

10.4. G1-3 Prevention and detection of corruption and bribery

ACAG maintains a zero-tolerance approach to corrupt activities of any kind. This commitment is formalized through a comprehensive set of regulations, including the Code of Conduct, Anti-Bribery Policy, Anti-Money Laundering Policy, and Employee Handbooks across all countries of operation. 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.

In 2025, ACAG strengthened its anti-corruption framework by introducing a new Anti-Bribery and Anti-Corruption policy. This policy applies to all directors, officers, employees, contractors, consultants, agents, intermediaries, and third parties acting on behalf of ACAG. Key features include:

- Strict prohibition of bribery and corruption in any form, whether direct or indirect.
- Clear rules for gifts, hospitality, and entertainment, including monetary thresholds and mandatory reporting for anything exceeding these limits.
- Prohibition of gifts to public officials, political parties, or in connection with public tenders.
- Mandatory reporting of any actual or suspected breaches through confidential whistle-blower channels, with protection against retaliation for those reporting in good faith.
- Accurate record-keeping and regular internal audits to detect and prevent bribery and corruption.
- Disciplinary and legal consequences for non-compliance, including termination and legal action.
- Annual review and update of the policy to reflect changes in laws, regulations, or operations.

The Code of Conduct continues to guide acceptable and prohibited practices, including those that could inappropriately affect business transactions or infringe free and fair competition. All employees are required to report suspected or observed violations to their supervisor, a director, or the Legal Department.

The Legal Department operates independently and is responsible for receiving, investigating, and managing whistleblowing cases. Reports are handled promptly, carefully, and confidentially, with confirmation provided within seven days and feedback within three months. Whistle-blowers may be asked for additional information and are encouraged to check the reporting channel for updates. All documentation related to reports and investigations is retained for at least five years, in compliance with legal requirements.

Preventive procedures are implemented at the individual site level, focusing on compliance with local competition laws and providing internal contact points or communication channels for potential cases. While there is no specific preventive process to identify corruption and bribery incidents beyond whistle-blower notification, employees receive regular briefings and training on anti-money laundering and terrorism funding. No cases were reported regarding anti-competitive behaviour, anti-trust, or monopoly practices during the past years and the reporting year.

10.5. G1-4 Incidents of corruption of bribery

Name	2024	2025
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	0
Amount of fines for violation of anti-corruption and anti- bribery laws	0	0

11. Glossary

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

Term	Full Form	Definition	Source
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

Term	Full Form	Definition	Source
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

AUSTRIACARD HOLDINGS AG
Lamezanstrasse 4-8
A-1230 Vienna, Austria
Phone: +43 (0)1 61065 – 0

investors@austriacard.com
https://www.austriacard.com