Passion for light.

XAL GROUP

Sustainability Report 2024 | 2025

Today, tomorrow, and **in the future**

Foreword

Dear readers,

Sustainability is a core value at XAL and an integral part of our strategic management decisions. We have been implementing targeted measures to promote sustainable business practices for many years. These include the use of geothermal energy at our headquarters in Graz, the installation of solar panels in Belgium, Slovenia, and Austria, and the use of biomass as a substitute for oil at our production site in Graz. We also attach great importance to continuously optimizing the social impact of our actions. Our principles of responsible cooperation with all stakeholders are firmly anchored in our Code of Conduct.

In 2024, the XAL Group joined the Science Based Targets initiative (SBTi) to support measures to reduce greenhouse gas emissions. By participating in this global initiative, XAL is committed to setting and implementing science-based targets for reducing emissions. The aim is to use modern technologies that meet climate-friendly requirements and thus contribute to climate protection.

In 2025, we were once again awarded the EcoVadis Platinum Certificate for this commitment. This international and independent rating is a significant award that recognizes sustainability and responsible conduct in all areas of our company and motivates us to continue on this path together.

In the reporting year, we worked continuously to systematically expand our database and further optimize the quality of our environmental indicators. We now have reliable data on the impact of our economic activities both at product level – with almost 30 environmental product declarations – and at company level with our corporate carbon footprint. This foundation is crucial for implementing our long-term climate strategy and preparing the quantitative reduction targets that we will submit to the Science Based Targets initiative for validation in 2025.

Based on what we have learned so far, our focus remains clear: we will continue to work on the most energy-efficient lighting solutions, optimizing materials and designs in a targeted manner. Our goal is to make our products even more sustainable along the entire value chain – for our customers and for climate protection.

Our actions are guided by the Paris Climate Agreement and the Science Based Targets initiative to effectively implement both short-term and long-term emissions reductions. Our key measures include the increased use of efficient production processes, the use of renewable energies, ongoing investments in sustainable technologies, the optimization of working conditions, and the promotion of equal opportunities.

Our sustainability report, prepared with reference to the GRI standard, provides a detailed overview of our company's social responsibility. The report contains information on our greenhouse gas inventory and sustainable measures in the areas of production, logistics, sales, and administration. It also presents initiatives undertaken by our subsidiaries. This publication underscores our commitment to sustainability and responsible business practices.

We hope you enjoy reading our latest sustainability report!

Your XAL Management and Sustainability Team

Contents

Sustainable lighting solutions for **liveable spaces** Sustainability is an integral part of the XAL Group's corporate strategy. With energy-efficient lighting technology, a dedicated international team, and a scientifically sound approach to climate protection, we pursue the goal of creating lighting solutions that combine aesthetics, energy efficiency, and sustainability.

1. Introduction

XAL attaches great importance to sustainability – before we present our progress over the past year, we would like to use this chapter to explain who we are and what sustainability means to us.

Key **facts**

1 445

employees

€ 191

million in revenue

20

countries

1989

founded

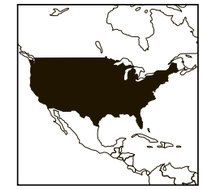
1.1 About XAL

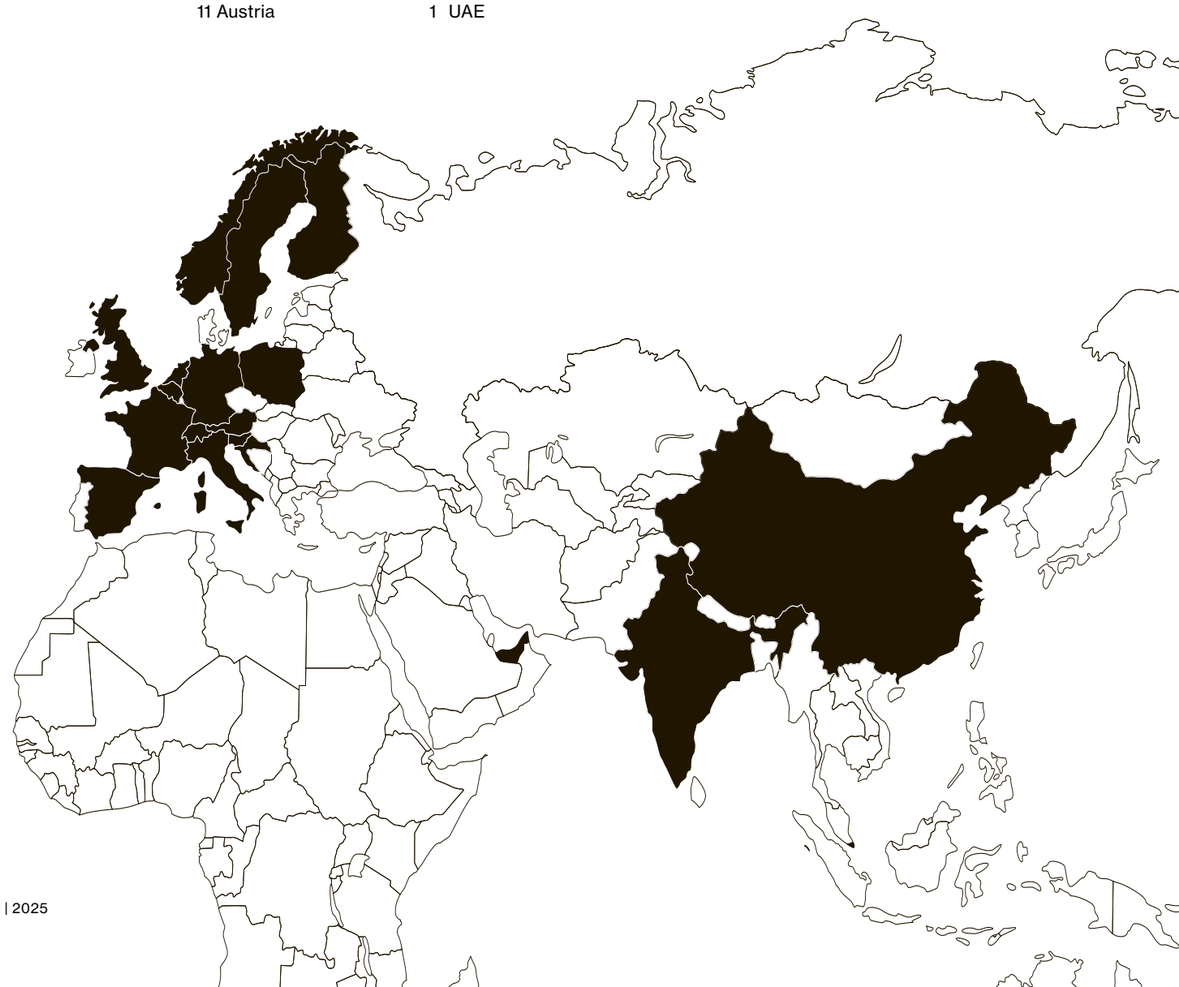
For over 35 years, we have been working with architects, designers, and planners to develop customized lighting fixtures that are state-of-the-art and impress with their style and aesthetics. We always have one goal in mind: to push the boundaries of what is technically possible and thereby enable visionary designs. We achieve this because our employees in our design labs and production and sales locations around the world deliver top performance. Being there for our customers is fundamental to our mutual success. Thanks to organizational efficiency and a high level of in-house production, we can respond individually to our customers' needs and continuously expand our existing product portfolio. Meeting seemingly impossible requirements is what drives and inspires us every day. From a novel concept to lighting innovation: a path that is created by crossing boundaries.

Europe
2 Belgium
7 Germany
1 Finland
2 France
2 India
3 Italy
1 Croatia
1 Netherlands
1 Norway
11 Austria
1 Poland
2 Sweden
7 Switzerland
1 Slovenia
3 Spain
1 United Kingdom

Asia
2 China
1 Singapore
1 UAE

USA
1 USA





The XAL Group brings together several lighting brands under one corporate structure. XAL and Wever & Ducré merged over ten years ago, and Wästberg joined the group in 2021. Over the course of more than three decades, XAL has undergone various phases of growth, change, and adaptation. In the process, it has recognized that sustainability plays an important role: values, relationships, habits, and strategies that prove themselves in a dynamic environment promote long-term development.

Brands of the XAL Group

Quality, sustainability, and excellent working conditions are top priorities in all our companies. Starting in 2015, our production sites were accredited with management systems for quality (ISO 9001) and environment (ISO 14001). In 2019, certifications for health and occupational safety (ISO 45001) were added. In 2020, we joined the UN Global Compact Initiative. The principles enshrined therein serve as guidelines for our cooperation, our relationship with stakeholders, the management of our supply chains, and our resource strategies.

Our efforts were rewarded in 2024 with a platinum medal from EcoVadis. You can find out more about this in section “4.1.1 We act in accordance with ethical, social, and environmental principles” on page 62.

1.1.1 Lighting without limits – and beyond

With innovative lighting solutions that can be flexibly adapted to customer requirements, XAL is a reliable project partner in the field of lighting technology. As a specialist in LED lighting, we are aware of the significant impact lighting has on people's well-being. Our focus is on creating healthy and comfortable environments for people in various areas such as schools, hospitals, restaurants, offices, and shops. We strive to design spaces that promote well-being while contributing to energy savings on a large scale. By using highly energy-efficient LED lighting solutions, XAL helps to minimize energy consumption at its customers' sites. XAL is a global player in the lighting sector and, with its brands XAL, Wever & Ducré, and Wästberg, covers a wide range of design and technical options for different areas of application. But we offer much more than just luminaires – with customer-specific development, professional lighting design including intelligent control systems, and replacement and maintenance services, we offer comprehensive project support that makes us a strong partner for projects of all sizes and degrees of complexity. Our business activities even go beyond lighting: with Green Electrics and XALAX, which offer services in the fields of photovoltaics and process digitalization, two further companies have joined the group in recent years, whose activities contribute to sustainable development.

1.1.2 Our team – the key to success

Advancing climate change highlights the importance of efficiency and sustainable solutions. To create high-quality, sustainable solutions, a team of dedicated people is essential. On the way to achieving this goal, we want to put our colleagues around the world at the centre of our work.

Our dedicated team of engineers takes pride in developing innovative solutions that provide users with the best lighting tools for their diverse needs. With around 560 production employees, manufacturing is one of the largest areas of the company. With two production sites in Europe and one in Asia, we strive to make our production processes as efficient as possible while minimizing transport routes. Our sales teams work closely with local designers in all countries to ensure that the best solutions are found and implemented. Effective communication and cultural understanding are crucial to creating a productive and harmonious working environment. To broaden our perspective and foster meaningful working relationships with departments in different countries, we support cross-company exchanges.

This initiative enables individuals to broaden their horizons and gain valuable insights from different perspectives. Learn more about the talent behind our innovative lighting solutions in chapter “3. Social sustainability” on page 46.

Area	Location	Employees
Research & Development XAL, Wever & Ducré, Wästberg	Austria, Spain	146
Production & Logistics XAL, Wever & Ducré, Wästberg	Austria, Belgium, China, Slovenia	673
Sales XAL, Wever & Ducré, Wästberg	20 countries	417
Other XAL Holding, XALAX, Green Electrics	Austria, Croatia	209
Total		**1 445**

Fig.01 Total number of employees (headcount) by area of activity and location

Country	Employees
Austria	626
Slovenia	244
China	214
Belgium	93
Germany	69
Switzerland	54
Other countries Europe	134
Other countries Asia	11
Total	**1 445**

Fig.02 Countries with more than 50 employees (headcount)

1.1.3 Our commitment to climate protection – science-based

The XAL Group is committed to the Science Based Targets initiative (SBTi) and has officially committed to setting short- and long-term company-wide emission reduction targets in line with science-based findings in 2024. Submission is planned for the end of 2025. In doing so, we are aligning ourselves with the latest scientific findings on limiting global warming to 1.5 °C and underlining our long-term commitment to ambitious climate protection.

> **“We rely on science-based targets because we are convinced that only a fact-based approach will have a long-term impact – for the climate and for our company.”**
>
> Martin Dlaska, Managing Director of XAL Holding GmbH

We are already working intensively on the development of a sound reduction strategy along the entire value chain. Our focus is on the short-term and significant reduction of direct emissions (Scope 1 and 2) and the systematic reduction of indirect emissions (Scope 3).

Since 2020, we have been communicating our commitment to the fight against climate change as a participant in the UN Global Compact Initiative. By implementing numerous measures and embedding the 10 principles of the UN Global Compact at all organizational levels, the XAL Group is making an important contribution to compliance with these principles.

The first-time completion of Scope 3 emissions in the Sustainability Report for the 2023 | 2024 fiscal year was another important step toward strengthening our responsibility for sustainable development and demonstrating our potential for action in the fight against climate change. In the current reporting year, we have also worked specifically on improving data quality in order to create the basis for a robust, science-based target and the strategy for achieving it.

Climate protection through **innovation and efficiency** XAL pursues a holistic approach to climate protection that goes far beyond production: The focus is on developing energy-efficient luminaires, reducing emissions along the entire value chain, and transitioning to a truly circular economy.

2. Environmental sustainability

2.1 Our greenhouse gas emissions at a glance

This chapter provides an overview of our greenhouse gas emissions, which are categorized by their source in accordance with the GHG Protocol (Scope 1, 2, and 3). The business processes that have the greatest impact on the results, how we have already reduced our emissions, and how we intend to further reduce them on our way to achieving our climate targets are outlined in the following chapters of this section.

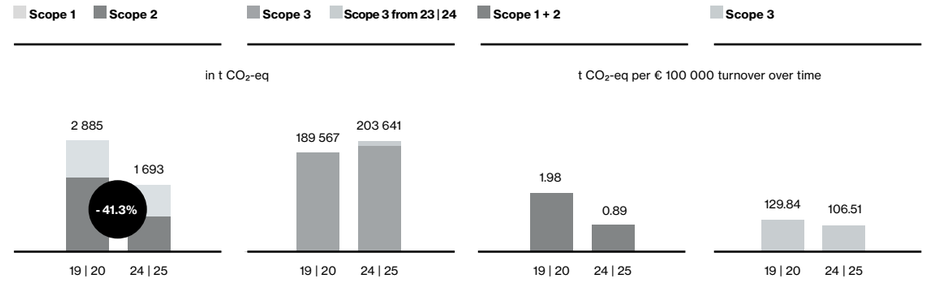
-1 192
Reduction in Scope 1 and 2 in t CO_2-eq compared to the base year

-55.1%
reduction in total emissions (Scopes 1 and 2) per € 100 000 in revenue compared to the base year

-18.4%
reduction in total emissions (Scopes 1–3) per € 100 000 in revenue compared to the base year

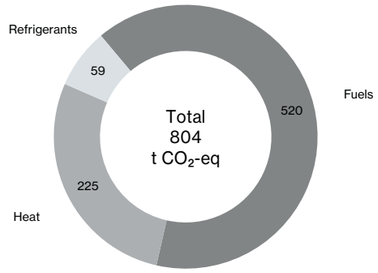
	Base year	2019|20	2022|23	2023|24	2024|25	Change to base year in %	Change to base year per € 100 000 turnover
Turnover in million €		146	178	189	191	30.8%	-18.4%
Emissions in t CO_2-eq							
Scope 1							
Fuel*		642	552	593	520	-19.0%	-38.1%
Heat		274	290	324	225	-17.8%	-37.1%
Refrigerants		37	78	57	59	59.5%	21.9%
Process emissions		n.a.	0	0	0	-	-
Total Scope 1		953	920	974	804	-15.6%	-35.5%
Scope 2							
Electricity*		1 932	1 877	965	876	-54.6%	-65.3%
District heating and cooling		0	2	5	13	-	-
Total Scope 2		1 932	1 879	970	889	-54.0%	-64.8%
Scope 3							
3.1 Purchased goods & services*		39 268	36 516	35 186	31 293	-20.3%	-39.1%
3.2 Capital goods		n.a.	n.a.	1 564	3 940	-	-
3.3 Indirect emissions		539	498	383	416	-33.1%	-48.3%
3.4 Upstream transportation*		n.a.	n.a.	3 197	2 817	-	-
3.5 Waste from operations		n.a.	n.a.	131	153	-	-
3.6 Business travel		2 604	1 781	1 914	1 229	-52.8%	-63.9%
3.7 Employee commuting		n.a.	n.a.	1 686	1 529	-	-
3.9 Downstream transportation*		n.a.	n.a.	307	194	-	-
3.11 Use phase*		147 156	206 247	185 183	161 802	10.0%	-16.0%
3.12 End of life		n.a.	n.a.	453	267	-	-
Total Scope 3		189 567	245 043	230 005	203 641	7.4%	-17.9%
Total Scope 1, 2, and 3		**192 451**	**247 842**	**231 949**	**205 334**	**6.7%**	**-18.4%**

*value for 23|24 corrected

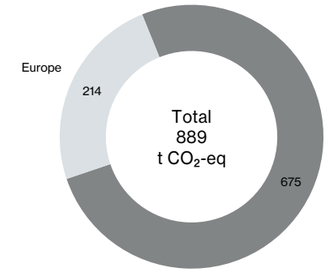


Total emissions
for Scope 1 and 2 as well as Scope 3 in t CO_2-eq compared to the base year

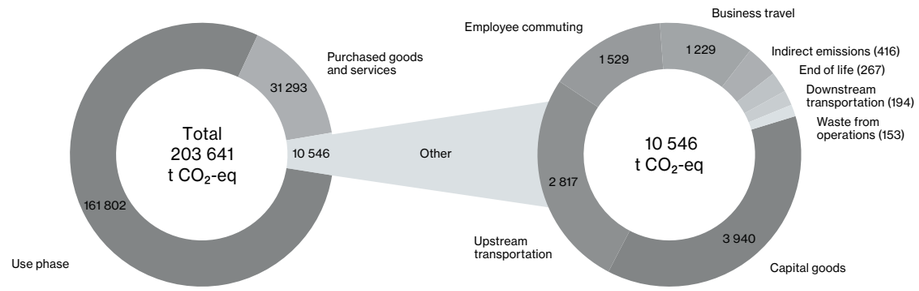
Emissions intensity
The denominator for calculating the emissions intensity is the total sales revenue for the respective period



Scope 1 total
Breakdown into fossil fuels, refrigerants, heat



Total Scope 2
Purchased electricity (market-based) and district heating | cooling by region



Total Scope 3
Purchased goods and services, capital goods, indirect emissions (from heat, fuels, and electricity), upstream transportation, waste generated, business travel, downstream transportation, use of sold products, end-of-life treatment of sold products

In this chapter, we explain the areas in which our products offer the greatest potential for reducing emissions and describe our contribution to the transition to a sustainable economy of the future.

Key **facts**

31 293 t CO_2-eq

from purchased goods and services

161 802 t CO_2-eq

in the use phase (35 000 h average service life assumed)

- 39.1%

emission reduction of purchased goods and services per €100 000 turnover compared to the base year

- 36.9%

emission reduction in use phase per piece of sold product compared to the base year

2.2 Developing sustainable lighting

The materials used and the energy efficiency of a luminaire account for the largest share of our environmental impact. This was not only the result of our calculations at company level, but also of in-depth LCA studies that have now been carried out for over 30 of our products. The results of the LCA studies have been published in environmental product declarations prepared in accordance with ISO 14025 and EN 15804:2012+A2:2019.

As you can see below, over 99% of the total emissions from our luminaires are generated during production and the use phase. This applies not only to greenhouse gas emissions (see below), but also to other environmental impacts assessed in the environmental product declarations, such as the depletion potential of minerals, metals, and fossil resources, or water consumption.

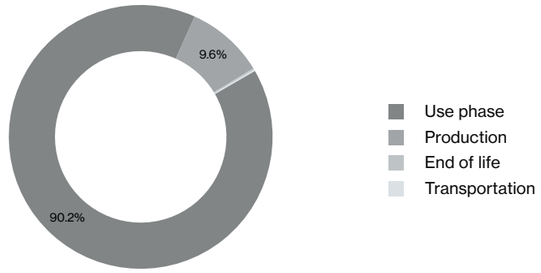


Fig. 03 Distribution of greenhouse gas emissions (GWP fossil without credits)

We begin our sustainability initiatives in the early stages of product development, as we know that these phases play a crucial role in the subsequent sustainability of the market-ready product (Scope 3.1 and 3.11 according to the GHG Protocol). For this reason, our international research and development teams in particular are working on solutions to make our products more sustainable.

2.2.1 Making our materials sustainable

Generally speaking, luminaires consist of the luminaire body, a light source, electronic components for connecting the luminaire to a power source (usually an LED converter) and, depending on the luminaire, additional electronic components (e.g. for dimming or light control). The luminaire body can vary greatly from series to series and ranges from small spotlights to track systems with various installation options to large surface luminaires. In addition to electronic components, aluminium and plastics are the main materials used. The mass-based data collection of purchased materials in Scope 3.1 is supplemented by cost-based purchasing data for goods and services.

Overall, there was an 11% reduction compared to the previous year, with a 13% reduction in the mass-based data collection compared to a 12% increase in the cost-based data. The increase in cost-based data is primarily due to improvements in the data collection method compared to the first survey in 2023 | 2024. The data quality was also further improved in the mass-based data collection. On the one hand, the material categories for assigning a suitable emission factor were further refined, particularly in the area of electrical components, which is the main reason for the reduction in this category. Second, the quality of the master data has been improved, resulting in a shift away from the mixed category of mechanical lighting components to other categories (primarily plastics). Some emission factors have also decreased, while others (especially for plastics) have increased.

These two factors led to an increase in the plastics category, contrary to the trend in the other categories. In any case, a significant portion of the decline in emissions

can be attributed to an actual reduction, as the total weight of purchased goods also decreased by around 3% compared to the previous year.

Measures to optimize our materials, which were implemented during the reporting period, are also responsible for part of the reductions. In the reporting year, work on transitioning remaining plastic packaging to alternatives continued. The reduction resulting from lower purchase volumes for plastic packaging is not shown in Figure 04, as purchase volumes for other subcategories grouped in this category increased; however, plastic packaging recorded a further decline of around 21%. However, we are not only trying to replace plastic with paper and cardboard, but also to continuously reduce the use of paper and cardboard.

Plastic-free packaging – with a clever in-house development

The switch to plastic-free packaging brings many challenges – one of them is the caps on our cardboard tubes. Until now, they were made of plastic and were difficult to replace. A suitable, plastic-free alternative was not available on the market. Instead of compromising, we developed an in-house solution: a machine that simply presses the ends of the tubes together. This seals the contents securely – without the need for additional caps. This not only saves plastic, but also material and emissions. A small technical detail with a big impact – and an example of how we think about sustainability in practical terms at XAL.

The reduction in emissions in the LED category is mainly due to a reduction in the quantity purchased during the reporting period. The reduction in the lighting category is partly due to a lower quantity of purchased lighting and partly to a reduction in the emission factor used. The average footprint for all XAL products for which EPDs (Environmental Product Declarations) have been created was used as the data basis for calculating the emission factor. As new EPDs were published during the reporting period, the average value has been reduced by including this data. In addition, reductions in purchasing volumes in various categories can also be attributed to having used up stock built up in previous years . In the photovoltaics category, there was a reduction following last year's increase, as Green Electrics reduced its stock levels from the previous year in the reporting year. This also influenced the reduction in the iron & steel category. This company's activities include the sale and installation of photovoltaic systems. The items purchased for this purpose, such as photovoltaic panels, storage systems, and inverters, are grouped in the photovoltaics category.

Various approaches are being pursued in product development to further reduce the emissions associated with the materials used. We work with suppliers to make the materials we use more sustainable. Aluminium profiles, for example, have a wide range of emission values. Depending on where they are manufactured and how high the proportion of recycled aluminium in the end product is, greenhouse gas emissions in kg CO_2 equivalents per kg of profile can vary by a factor of up to 10.

The country of production plays a particularly important role for materials with energy-intensive manufacturing processes. The local electricity mix, whether predominantly from fossil or renewable sources, has a significant impact on the environmental impact of products. For this reason, XAL sources all of its aluminium profiles from Europe. A higher recycling share not only reduces the footprint but also has a positive effect on the depletion of mineral and metal resources. The increase in the recycling share of materials used is continuously evaluated.

In addition to this approach, which can help reduce the environmental footprint of existing designs, the research and development department is also working on sustainable product innovations. These innovations focus on reducing the use of materials as much as possible and using innovative materials to replace emissions-intensive materials such as aluminium or materials that are problematic for the circular economy, such as some plastics. During the reporting period, a luminaire was developed that impresses with its significantly reduced use of materials and weighs only half as much as the comparable product. In addition, a low-emission aluminium profile and other innovative features are used. The product is scheduled to be launched in 2025; further information can be found in section “2.2.3 From end of life to circular economy” starting on page 25

However, sustainable materials are not just about reducing greenhouse gas emissions. We also continuously evaluate our procurement with regard to the avoidance of hazardous substances or substances of concern such as SVHC (substances of very high concern). In the reporting year, the long-term project of switching all cables to halogen-free alternatives was significantly advanced and the use of BPA-free reflector material was further expanded.

Materials	19|20 t CO_2-eq	22|23 t CO_2-eq	23|24 t CO_2-eq	24|25 t CO_2-eq	Change in %
Aluminium	21 068	13 712	10 342	10 416	0.7%
Iron and steel	462	412	564	540	-4.3%
Plastics	896	685	854	1 591	86.4%
Electronic components*	12 069	12 062	10 320	8 407	-18.5%
LED	470	220	145	94	-35.4%
Luminaires	1 656	5 598	3 974	1 766	-55.6%
Mechanical luminaire parts	611	806	710	526	-25.9%
Paper | wood packaging*	1 110	1 360	1 175	1 046	-11.0%
Photovoltaics*	-	972	3 736	3 273	-12.4%
Other mass based*	926	688	600	533	-11.2%
Services cost based	n.a.	n.a.	2 123	2 676	26.1%
Other cost based	n.a.	n.a.	643	427	-33.7%
Total	**39 268**	**36 516**	**35 186**	**31 293**	**-11.1%**
Turnover in million €	**146**	**178**	**189**	**191**	**1.1%**

Fig. 04 Total emissions for purchased goods and services in t CO_2-eq compared to the previous year

*value for 23|24 was corrected

2.2.2 Efficient lighting for more sustainability

Luminaires need electricity to function. This simple fact has a decisive impact on the XAL Group's emissions profile. While companies in many other sectors have no emissions during the use phase of their products, the energy consumption of our products is the largest area in our carbon footprint.

A simple example: A company that manufactures a wooden table must take into account the greenhouse gas emissions that are generated until the table reaches the customer. After that, no further emissions are generated until the product reaches the end of its service life. With our luminaires – as with most other electrical or electronic products – the majority of emissions are generated after the luminaire has reached the customer. Of course, XAL has only limited influence on the emissions that occur during the use phase, as these depend, for example, on our customers' electricity mix.

Nevertheless, we make a major contribution to reducing emissions during the use phase by designing our luminaires to consume as little energy as possible. The total emissions during the use phase are closely linked to our economic success. Nevertheless, absolute emissions during the use phase were reduced compared to the previous year despite an increase in sales of around one percent. Emissions per unit sold have even decreased by over 16% since the previous year. This decline is mainly due to higher efficiency and thus lower average energy consumption of our products sold. A smaller part of the decrease can be attributed to improved data quality and the decline in the emission factor. All products containing a light source and separately sold light sources were included in the calculation.

The emission factor for electricity consumption was defined as the weighted average between an electricity mix for Europe and an electricity mix for the rest of the world based on sales per country during the reporting period. The average service life was assumed to be 35 000 hours. In contrast to the previous year, real data was available regarding the share of dimmable products and products with sensor modules (brightness and presence) for most of our own products. A reduction of 25% of electricity consumption was assumed for dimmable products and a reduction of 45% for products with sensor modules. For products without real data on control options, the share of dimmable products was defined as 65% and the share of products with sensor modules as 2% of products sold.

“Our efficiency strategy goes beyond LEDs and control gear: we are continuously reducing the carbon footprint of our luminaires through customized optics based on state-of-the-art reflector and lens technologies as well as material- and design-optimized components.”

Christian Kügerl, Head of Product Development, XAL GmbH

So, what can we do to make our products more energy-efficient? The search for solutions for more energy-efficient lighting has been a core competence of our research and development team for many years. XAL was definitely an early adopter when LED technology was introduced, and a lot has happened since then. The power consumption of a luminaire can be reduced in various ways. One option is to reduce overall consumption during operation.

Another option is to use technical measures to ensure that the luminaire is only used when needed and to the extent necessary. This is a win-win situation: XAL reduces its footprint for products sold and customers reduce their footprint for electricity consumption. The first approach is implemented through the use of high-quality LEDs and control gear, and the product designs are adapted to achieve the highest light output with the lowest possible power consumption. In this way, up to 190 lm/W can be achieved for the MOVE IT PRO series launched in 2024.

Following successful upgrades in 2023 | 2024, which led to significant increases in efficiency, further optimizations were made to the product portfolio in the reporting year. Despite already efficient luminaires as a starting point, the required luminous flux was significantly reduced once again for many products. The effectiveness of these measures is primarily responsible for the reductions achieved in the use phase of the products compared to the previous year.

The second approach is realized through the integration of intelligent lighting controls with motion and daylight sensors in our luminaires and lighting systems. With customized lighting solutions and lighting design, we help our customers actively reduce their electricity consumption.

Reductions are achieved by using the right lighting solution for each application and avoiding unnecessarily bright lighting. However, customized solutions are not just luminaires that are specially tailored or adapted to the needs of customers.

For example, the energy efficiency of a lighting system is significantly increased when a new light source replaces an old non-LED light source. We offer customized retrofit kits for existing luminaires for this purpose. At the same time, material emissions are reduced because only the light source is replaced and not the entire luminaire. In addition to the existing retrofit kits, two further products optimized for renovation projects were developed in the reporting year: INTO is ideal as an insert panel for use in existing ceiling structures, and MITA 200 round recessed, with a diameter of 200 mm, corresponds exactly to the dimensions of standard ceiling cutouts for lighting. With these products, luminaires installed in the ceiling of existing buildings can be replaced and brought up to the latest state of the art with little effort and no additional costs for adapting the ceiling construction.

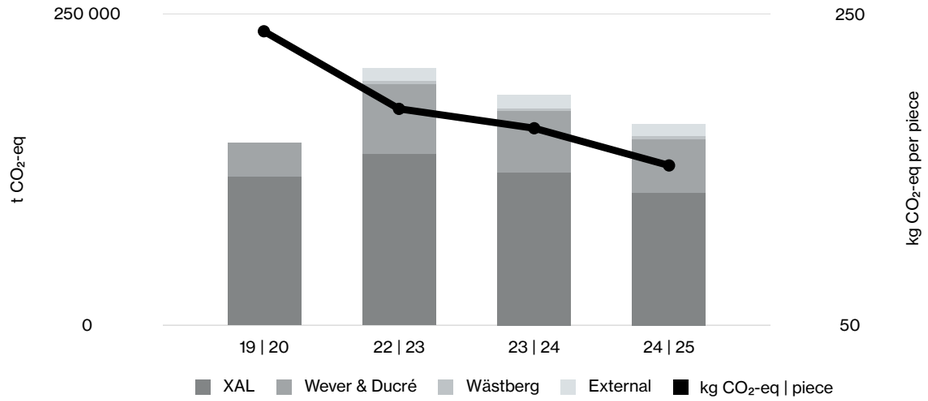


Fig. 05 Use phase of products sold in total t CO_2-eq and kg CO_2-eq per unit over time by brand

Total	XAL*	Wever & Ducré*	Wästberg	External	Total
19|20	119 653	27 123	n.a	n.a	146 776
22|23	137 914	55 529	2 589	10 215	206 247
23|24	122 668	49 625	2 314	10 576	185 183
24|25	106 421	43 071	2 732	9 578	161 802

kg | piece	XAL*	Wever & Ducré*	Wästberg	External	Total
19|20	324	108	n.a	n.a	237
22|23	282	103	167	406	193
23|24	258	97	148	517	179
24|25	213	82	112	284	149
Change in kg | piece compared to the base year	**-34.3%**	**-24.0%**	**n.a.**	**n.a.**	**-36.9%**

Fig. 06 Comparison of total t CO_2-eq and kg CO_2-eq per unit of product sold over time by brand

*Values corrected for 23|24

Intelligent lighting for a smart headquarters
In 2024, the offices at the XAL headquarters in Graz were redesigned. In addition to architectural adjustments, the focus was on integrating our own intelligently controlled lighting. Using modern sensor technology, these lights can automatically adapt to daylight, presence, and usage situation. This creates suitable lighting conditions and reduces energy consumption in line with the defined sustainability strategy.

2.2.3 From end of life to circular economy

In order to map the entire life cycle of the products in this report, data on the end of the product life cycle was also taken into account. The items sold were categorized according to their material composition, and specific disposal scenarios were defined for each category. These scenarios served as the basis for calculating the emission factors per material category. The figure below shows the allocation of materials to products and the respective emission quantities. Further information on this can be found in chapter “5. About this report” on page 76.

The figure shows that wood and cardboard account for the largest share of emissions. Although metals are in a leading position in terms of consumption, they only cause 8 tons of emissions. This is because, in accordance with the GHG Protocol guidelines, only transport emissions to the recycling plant are recorded when metals are recycled. Emissions from the production of recycled materials are allocated to the purchased materials. Despite the high energy consumption involved in metal recycling, emissions are lower than those from the production of primary materials. For materials where a large proportion of disposal ends up in landfills, emissions are higher in the end-of-product-life category. However, compared to other categories, emissions in this category remain low overall.

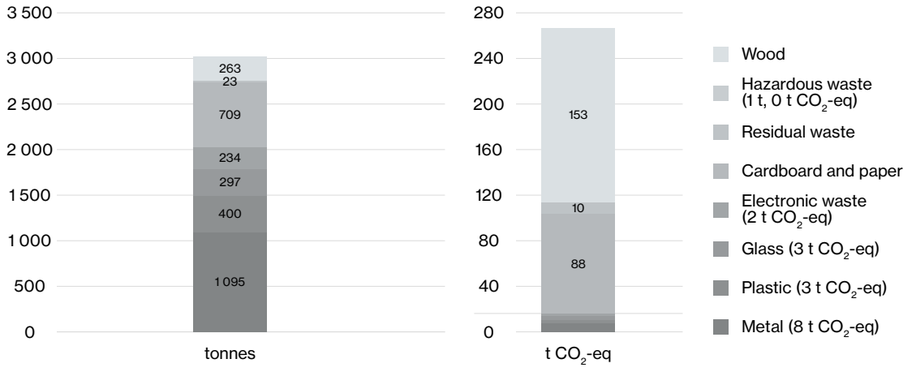


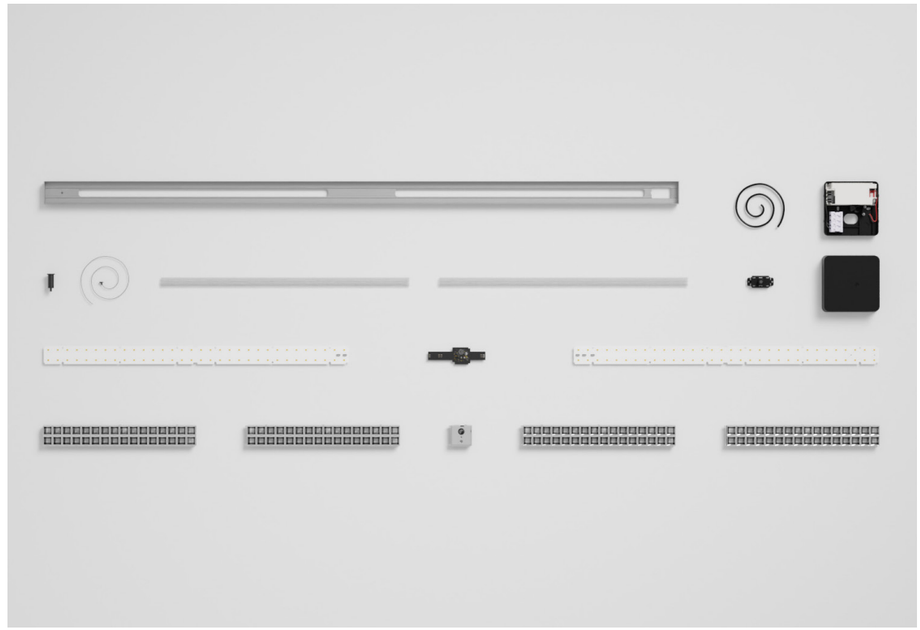
Fig. 07 Quantities in tonnes and emissions in tonnes of CO_2-equivalent generated at the end of the product life (Scope 3.12)

As part of our product development, we aim to continuously optimize the return of raw materials to the value chain. The use of recycled materials also enables us to minimize our Scope 3.1 footprint (purchased goods and services) and other environmental impacts resulting from the use of primary resources.

However, the transition to a circular economy is not only important in terms of greenhouse gas emissions. The extraction and limited availability of primary materials has numerous additional social and environmental impacts. For this reason, a particular focus was placed on the contribution that the XAL Group can make to this transformation process in the reporting year. It became clear that how a luminaire is handled at the end of its life cycle is largely determined during product development. The choice of materials and how they are combined in the design determine at an early stage how easy it will be to reuse or recycle components at the end of their service life.

In the reporting year, concrete measures were therefore taken to implement a Sustainable Design Guideline that defines binding requirements for sustainable product design.

ENVIVA – optimized for the cycle
ENVIVA is a luminaire that has been developed with sustainability in mind throughout its entire life cycle. The focus was on designing a luminaire that is not only efficient, but can also be produced, used, and recycled in a resource-friendly manner. The result is a modular luminaire with low material usage and an optimized environmental footprint, equipped with a sensor module and an efficiency of up to 175 lm/W. It is easy to disassemble, repair, and recycle. Single-type components were used instead of composite materials to facilitate the return to the material cycle.



Reducing Scope 1 and 2 emissions in line with the Goals of the Paris Agreement requires targeted management of energy consumption at our facilities. This chapter outlines the measures implemented to date and future strategies for achieving our climate targets.

Key **facts**

284 t CO_2-eq

in Scope 1 heat and refrigerants

876 t CO_2-eq

in Scope 2 electricity

-27 t CO_2-eq

in Scope 1 heating and cooling compared to the base year

-1 056 t CO_2-eq

in Scope 2 electricity compared to the base year

2.3 Sustainable production and logistics

XAL has significant potential to contribute to climate protection. By developing highly efficient luminaires, we reduce the total electricity consumption over the lifetime of our products, which supports the transition to a sustainable and circular economy. Nevertheless, it remains very important to us to reduce the environmental impact of our own production and logistics. In this chapter, we take a closer look at the greenhouse gas emissions caused by our facilities.

In terms of the GHG Protocol, this includes direct Scope 1 emissions for heating, cooling, and process heat, refrigerants, and other process emissions, as well as indirect Scope 2 emissions for purchased electricity. Scope 1 emissions are generated directly at our sites, for example when heating oil is burned for heating, while Scope 2 emissions for purchased electricity are not generated when the electricity is used at our sites, but when it is generated at the power plant. In contrast to indirect Scope 3 emissions, we have a higher degree of control over Scope 2 emissions. In accordance with the GHG Protocol, the indirect emissions from our energy consumption (Scope 3.3) – i.e., emissions that arise in the upstream supply chain before combustion – are reported separately. Fossil fuels that belong to Scope 1 according to the GHG Protocol are included in section “2.4 Making sales and day-to-day work sustainable” on page 38, as they are mainly attributable to our sales activities. Depending on the activities of the various companies and locations within the XAL Group, we have identified different priorities for realizing reduction potential. Our production and logistics processes at our sites in Austria, China, Belgium, and Slovenia consume a larger amount of energy compared to our office operations. The production processes are powered by electricity and heat, which are consumed in addition to the amounts required for the basic functions of the building and administration, such as heating, cooling, lighting, and IT equipment.

Other process emissions occur only in insignificant quantities at our production facility in China, where small amounts of volatile organic compounds (VOCs) can be measured in the exhaust gases from the wet paint shop after they have been filtered through a state-of-the-art filter system. The amount corresponds to less than three tons.

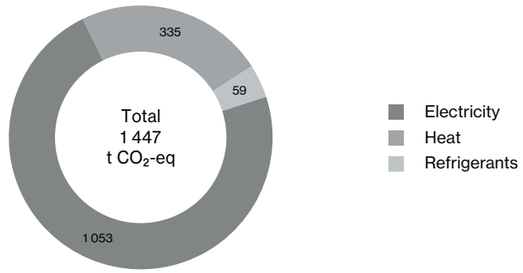


Fig. 08 Total emissions from our sites (Scope 1, 2, and 3.3) excluding fuel consumption during the reporting period in t CO_2-eq

We are constantly looking for ways to reduce our energy consumption and emissions in order to create a more sustainable future. We value sustainable practices within our production and logistics chain and are committed to reducing our energy consumption and emissions to minimize our impact on the environment. To achieve this goal, we regularly review our processes and look for innovative solutions to ensure that our activities are in line with our sustainability goals. In view of the specific level of greenhouse gas emissions in production and logistics, measures to reduce emissions were intensified in the reporting period, particularly in the area of electricity, as explained in more detail on the following pages.

2.3.1 Sustainable heating and cooling for our facilities

Heat is required for various production processes at our production sites in China and Slovenia. While these processes in China are currently still mainly powered by natural gas, we use biomass, a low-emission option, for our production processes in Slovenia, particularly for powder coating.

Increasing the efficiency of our processes

In order to cure the coating powder during powder coating, temperatures between 180 °C and 200 °C were previously required in a curing oven. The switch to new low-temperature powders available on the market, which enable curing at 160 °C, began last year and continued during the reporting period. This has significantly reduced energy consumption. The powder coating plant in Slovenia also avoids emissions by using the heat generated during the curing process to dry the parts.

Our headquarters in Graz is largely heated and cooled using groundwater heat pumps. All new buildings planned for the coming years will be equipped with groundwater heat pumps or other electrified methods for heating and cooling. The installation of photovoltaic plants on our buildings facilitates the heat pumps to be operated partly with our own low-emission electricity. This concept was also implemented in the expansion of the electronics production facility, which was completed in 2024: The existing photovoltaic plant was extended on the new building, and thanks to additional deep boreholes it is supplied with heating using a groundwater heat pump.

Further information can be found below under “2.3.2 Sustainable electricity” on page 31.

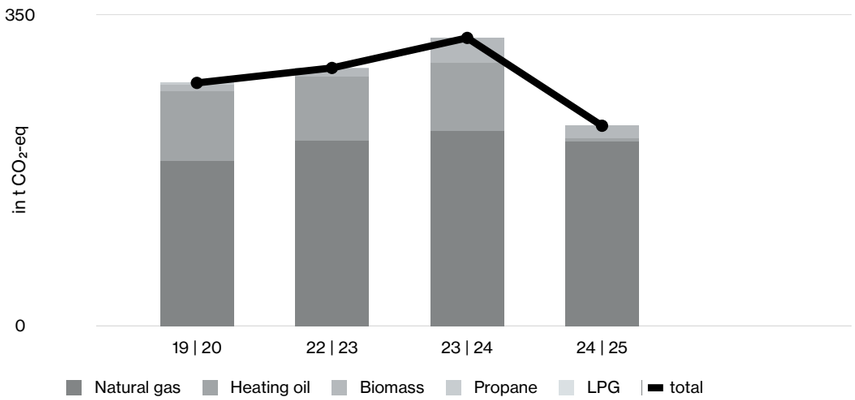


Fig. 09 Direct emissions (Scope 1) for heat in t CO_2-eq by energy source over time

Total emisisons in t CO2-eq	**Europe**		**Asia**	
	23|24	**24|25**	**23|24**	**24|25**
Natural gas	154	132	117	125
Heating oil	98	5	0	0
LPG		0	1	0
Biomass	42	60	0	0
Total	**294**	**197**	**118**	**125**
Change Europe | Asia compared to the previous year		**-32.9%**		**6.3%**

Fig. 10 Total emissions (Scope 1 and Scope 3.3) for heating and cooling in t CO_2-eq by energy source and region compared to the previous year

Emissions to air by type for heating | cooling				
Type of GHG	**NO_x**	**SO_x**	**PM**	**CH_4**
kg	1 196	408	81	570

Fig. 11 Emissions to air by type of greenhouse gas in kg for heating and cooling (including district heating and cooling) for the reporting period

Emissions from heating and process heat decreased significantly in the reporting period. This is mainly due to the replacement of the oil heating system in the old headquarters building with a pellet heating system. Despite the additional quantities of biomass in Austria, consumption volumes fell slightly. This is due to lower consumption in Slovenia, mainly because of a mild winter and, in part, because of the ongoing switch to low-temperature powder. Emissions for biomass decreased in Scope 1 due to the adjustment of the emission factor and increased significantly in Scope 3. In addition, data quality at sales locations was improved: the number of locations for which information on heating type and consumption is available, has increased. As a result, the rather conservative standard heat requirement per square meter of office space only had to be used for a small proportion of the locations. For sites without consumption data, natural gas was assumed as the heating type. This results in a slight reduction in natural gas, despite a subsequent adjustment for natural gas for the site in Graz and roughly the same consumption for China as a whole. The improved data quality at sales locations also explains the sharp relative rise in emissions from district heating in Scope 2.

In the coming years, we expect a significant reduction through the further electrification of heating systems and optimization when changing sales locations. Investing in the replacement of oil heating was a first step here – and, as the figures show, a decisive one.

> **“The further electrification of our heating and cooling systems is a challenging but certainly worthwhile project that will give us a decisive advantage in reducing our direct emissions.”**
>
> Martin Dlaska, Managing Director of XAL Holding GmbH

The emissions from the refrigerants used to cool our buildings are also included in Scope 1. Compared to heating agents, only small amounts of refrigerants are consumed per year, but as these have high emission factors, refrigerants still cause 59 t CO_2-eq. Parts of the headquarters building in Graz are kept cool in an environmentally friendly manner using ceiling cooling with well water. In addition to the direct emissions from combustion in our plants, heating and cooling processes already cause indirect emissions in the upstream supply chain before they reach our plants. Direct emissions arise, for example, from the combustion of natural gas for heating. Indirect emissions arise during the extraction and transport of natural gas until it is available for combustion in our plants. These emissions are recorded separately in Scope 3.3 in accordance with the GHG Protocol. Fossil fuels have higher direct emissions during combustion and lower indirect emissions in comparison. Direct emissions from renewable energy sources or nuclear power are very low to non-existent; emissions are mainly caused in the upstream supply chain.

Indirect emissions in t CO_2-eq	23|24	24|25	Change in %
Natural gas	53	50	-6.8%
Heating oil	21	1	-95.2%
LPG	0	0	14.3%
Biomass	14	46	232.6%
Total	**88**	**97**	**10%**

Fig. 12 Scope 3.3 Indirect emissions for heating and cooling in t CO_2-eq compared to the previous year

2.3.2 Sustainable electricity

Most of the electricity is consumed at the headquarters in Graz and at the production sites in China and Slovenia.

Following the drastic reduction in emissions in the previous year, achieved by switching to 100% electricity from renewable sources in Slovenia, further reductions were achieved in 2024 | 2025, albeit to a slightly lesser extent.

Most of the remaining Scope 2 emissions come from China, as a large proportion of the electricity there is still generated from coal combustion. The electricity at the headquarters in Graz comes from 100% renewable sources, which means that there are no direct emissions, even though a significant portion of the XAL Group's electricity consumption is attributable to activities at the Graz site. The headquarters in Graz is the largest site in terms of floor space and number of employees. In addition to production processes and workplaces for over 500 employees, the electrically operated heating and cooling system for the premises also contributes to electricity consumption.

Systematic energy efficiency
In 2024, comprehensive energy audits were carried out at the headquarters in Graz and at the site in Belgium to further optimize electricity consumption. The aim was to identify additional potential for reducing emissions from electricity use. The audits revealed various technical and organizational opportunities for improvement. Initial measures to increase efficiency have already been implemented, with further measures in the planning stage. This will lay the foundation for more sustainable electricity use based on data and structured processes.

The following figure illustrates the success in terms of emissions reduction associated with the use of electricity from renewable sources. The left column shows the emissions from our actual electricity mix, while the right column shows the emissions from the location-based approach. Location-based means that the average electricity mix of a country is used for this calculation.

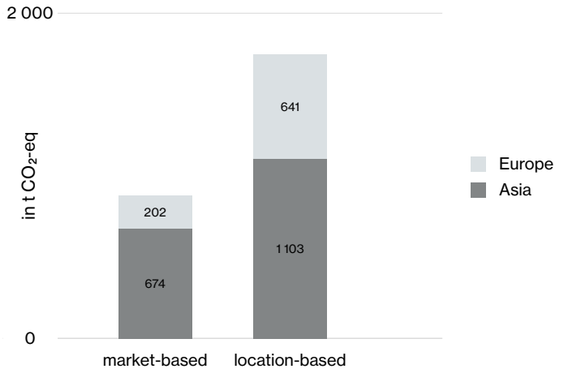


Fig. 13 Scope 2 electricity emissions during the reporting period using market-based and location-based methods

In addition to measures to optimize and reduce our energy consumption in general, the existing photovoltaic system in Graz was expanded by 228 kWp to a total of 956 kWp in the reporting year. It became operational towards the end of the reporting year. With the systems in Graz (728 kWp), Murska Sobota (878 kWp) and Kortrijk (137 kWp) in place during the reporting year, almost 1 614 MWh of green electricity was generated for our production sites.

Further expansion in Graz is planned for the coming years. Even though the additional 70 kWp planned represents only a limited increase in relation to the existing photovoltaic capacity of around 950 kWp, we are making efficient use of existing roof space and are further improving our self-sufficiency in renewable electricity in a targeted manner.

The figures below show that the measures taken are already having an effect. Both electricity consumption and electricity emissions have fallen. There were reductions at all major locations with the exception of Belgium. There, the increase is mainly due to the charging of the additional electric vehicles purchased.

Purchased electicity (market-based) in t CO_2-eq	in MWh 23|24	in MWh 24|25	in t CO_2-eq 23|24	in t CO_2-eq 24|25	Change in %
Hydropower	3 305	1 181	-	-	0.0%
Nuclear energy	198	215	-	-	0.0%
Oil	2	1	1	1	-7.1%
Natural gas	124	140	46	52	13.9%
Wind power	400	254	-	-	0.0%
Solar power	170	799	-	-	0.0%
Coal	708	646	699	643	-8.1%
Biomass	42	1 146	-	-	0.0%
Other fossil	10	31	9	29	214.1%
Other	154	96	77	46	-40.6%
Mix (electricity from offices without consumption volumes + electric cars)	496	140	132	105	-20.9%
Total market-based*	**5 608**	**4 651**	**965**	**876**	**-9.3%**
Total location-based*	**5 608**	**4 651**	**2 072**	**1 744**	**-15.8%**

Fig. 14 Electricity consumption and resulting Scope 2 emissions using a market-based method compared to the previous year

*Values for 23|24 corrected

2.3.3 Reduction of waste

Using raw materials efficiently also means avoiding waste as much as possible. Optimizing the cutting of cardboard packaging, reusing transport packaging, and avoiding unnecessary printing in everyday office life are some of the measures that help us reduce waste at our sites. To calculate the footprint of the waste category (Scope 3.5), real data was collected from our production sites and some sales offices.

For offices where no information on waste volumes was available, these were calculated on the basis of existing data. The recycling scenarios described in chapter 5 were then defined for all types of waste and the emissions for the respective waste categories were determined. Even assuming an unfavourable scenario for sales offices with estimated waste volumes, the overall reduction potential for this area is low in terms of the total footprint.

Regardless of the results of the greenhouse gas inventory, reducing waste remains a key concern in terms of the circular economy. Nevertheless, both emissions and waste volumes increased in the reporting year, partly due to construction activities and site-specific special effects. Fluctuations in individual waste types are partly due to irregular disposal cycles or the first-time collection of certain data.

	in t		in t CO_2-eq	
Waste category	**23|24**	**24|25**	**23|24**	**24|25**
Cardboard & paper	285	302	39	37
Metall	212	206	56	2
Residual waste	60	99	27	39
Glass	0	1	0	0
Hazardous waste	52	51	7	21
Plastic	56	44	1	0
Electronic waste	2	3	0	0
Wood	69	94	1	54
Total	**736**	**800**	**131**	**153**

Fig. 15 Waste generated in tonnes and emissions in t CO_2-eq (Scope 3.5)

Creative packaging with QR codes
To encourage customers to reuse packaging, Wever & Ducré Belgium will be adding QR codes to its outer packaging in the future. These will link to a landing page with ideas, videos, and templates for creative reuse. The aim is to raise awareness of the circular economy in a playful, inspiring, and customer-oriented way.

Transport packaging used for internal transport of components is reused several times. Our cardboard cutting machines ensure that both the product packaging and the outer packaging are precisely tailored to fit. This efficiently reduces both the transport volume, and the amount of cardboard required. To ensure that our products are optimally protected during shipping, we now use tissue paper instead of plastic. Cardboard that has been processed using a shredder is used as filling material.

Resource-saving packaging
In order to package our products securely while conserving resources, we mainly use paper and cardboard. If necessary, we also wrap pallets in plastic film made from 30% recycled material to protect them from moisture and other influences.

2.3.4 Sustainable investments

The GHG Protocol requires capital goods purchased to be included in Scope 3.2. The company's carbon footprint is only affected in the year of purchase, and the intensity depends on the amount and type of investment. For data collection, the acquisition costs for goods included in the fixed assets were allocated to this category.

Category	**23|24**	**24|25**
Buildings and equipment	1 199	3 476
Intangible assets	302	397
Other	64	67
Total	**1 564**	**3 940**

Fig. 16 Capital goods purchased in the reporting period in t CO_2-eq (Scope 3.2)

The figure shows the emissions resulting from the acquisition of capital goods in the reporting year. As expected, emissions in this category rose sharply compared to the previous year. The main reason for the increase is the investment in the new electronics production facility in Austria and the automated warehouse system in Belgium. Both projects were implemented with sustainability in mind: Both the state-of-the-art electronics production facility and the warehouse system, which is characterized by very low power consumption, are supplied to a significant extent with electricity from the company's own photovoltaic systems. Nevertheless, this category still accounts for a relatively low proportion of total emissions. Depending on annual investments, fluctuations in this category are to be expected over time.

2.3.5 Transport

Transport accounts for a significant portion of our Scope 3 emissions. According to the GHG Protocol, upstream transport is assigned to Scope 3.4 and downstream transport to Scope 3.9.

In accordance with the GHG Protocol, in addition to the transport of purchased goods, all transports organized by a company of the XAL Group that went directly to the end customer were also counted as upstream transports. Transports organized by our customers and assumed transport routes for deliveries from distributors to end customers were allocated to downstream transport.

Since the majority of transports is organized by the companies in the Group, this results in a much higher emission value for upstream transportation. To calculate upstream transport emissions, the weights of the purchased goods and the distances between the suppliers and the production site were determined. For downstream transport to our direct customers, weights and transport distances were also collected and used for the calculation. For downstream transport from distributors, assumptions were made for the transport distances.

For the means of transport used, real data was available in some cases, while in others assumptions were made based on the geographical location of the suppliers or customers.

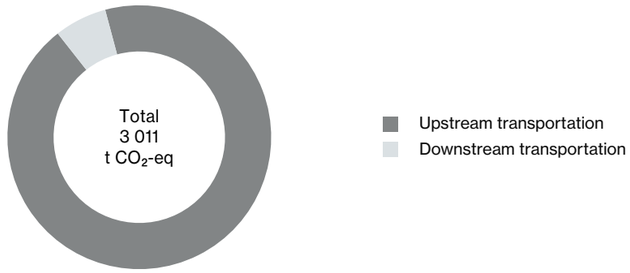


Fig. 17 Distribution of transport emissions between upstream and downstream transportation

	Upstream transportation		Downstream transportation	
Type of transport	**23|24**	**24|25**	**23|24**	**24|25**
Land freight	897	535	23	19
Sea freight	143	144	8	9
Air freight	2 157	2 138	258	152
Transport mix			18	15
Total	**3 197**	**2 817**	**307**	**194**

Fig. 18 Overview of emissions from upstream (Scope 3.4) and downstream (Scope 3.9) transportation in t CO_2-eq
*Values for 23|24 corrected

The short distance between our production facility in Murska Sobota (Slovenia) and the logistics centre for XAL in Graz enables us to reduce transport emissions. We also continuously optimize product and transport packaging. The precise cutting of product packaging and the shipment-specific cutting of transport packaging leads to a reduction in transport volume and weight, and thus to an additional reduction in transport emissions. Reductions compared to the previous year were achieved on the one hand through a slight decrease in the weight shipped and on the other hand through slightly shorter transport distances.

> **“We are constantly optimizing our production and logistics processes – and in doing so, we recognize how efficient management benefits the sustainability of our work.”**

Martin Dlaska, Managing Director of XAL Holding GmbH

In this chapter, we explain how our employees around the world actively contribute to reducing our company's environmental footprint.

Key **facts**

- 46 823 l

fuel consumption compared to the base year

- 122 t CO_2-eq

emissions from fuel consumption compared to the base year

- 1 375 t CO_2-eq

through business travel compared to the base year

18%

of employees ride their bike or e-bike to work occasionally

2.4 Making sales and day-to-day work sustainable

Customer satisfaction is our top priority. We are there for our customers – on site, but increasingly also virtually. With our sales offices, we are where our customers are, and we are committed to sustainable mobility. Sustainability is an integral part of our sales and marketing strategies. One example of this is the continuous expansion of digital services for our customers and the simultaneous reduction of print materials. In the reporting year, virtual reality goggles were introduced, which can be used to display project plans digitally. In addition, virtual tours of the new showrooms in Brussels and Frankfurt provide insight without the need for physical presence.

2.4.1 Sustainable mobility

With a strong focus on e-mobility, the XAL vehicle fleet will be converted to electric vehicles in all areas where this is feasible by 2026 at the headquarters in Austria and by 2030 for all group companies. At the end of the reporting period, the XAL fleet consisted of 116 electric vehicles and 10 hybrid vehicles, compared to 118 vehicles with combustion engines. In the 2024 | 2025 fiscal year, around 48% of our fleet were purely electric and 4% hybrid vehicles. This means that almost three-quarters of the kilometres driven by employees of XAL Holding GmbH, XAL GmbH, and Wever & Ducré GmbH were covered by electric vehicles. The number of electric cars increased by around 47% in the fiscal year compared to the previous year. The remaining conventional vehicles will be replaced continuously as far as possible.

Vehicles per type	**Asia**	**Europe**
Petrol	2	24
Diesel		81
Electric		110
Hybride		11
Total	**2**	**226**

Fig. 19 Number of vehicles by type and region at the end of the reporting period

The effectiveness of this measure is reflected in the decline in fuel-related emissions in Scope 1 since the base year. Compared to the previous year, a further reduction in direct emissions from fuel was also achieved. This is primarily due to lower fuel consumption, which was made possible by the high proportion of electric mobility despite increased mileage.

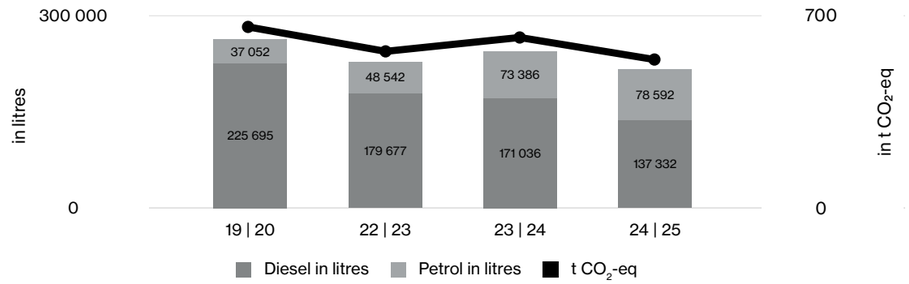


Fig. 20 Fuel consumption and resulting emissions over time (values corrected for 23|24)

> **We are increasingly relying on electric cars for sales in Austria. In 2024 | 2025, more than 70 % of the kilometres driven were already covered by electric vehicles.**

Harald Dirnberger, Managing Director of XAL GmbH

	23|24	24|25	Change in %
Diesel in Liter*	171 036	137 332	-19.7%
Petrol in Liter	73 386	78 592	7.1%
Diesel t CO_2-eq*	558	445	-20.2%
Petrol t CO_2-eq	204	217	6.3%
Total t CO_2-eq	**762**	**662**	**-13.1%**

Fig. 21 Fuel consumption and resulting emissions (total) over time

*Values for 23|24 corrected

Fuel consumption causes both direct emissions (when the fuel is burned in the vehicle) and indirect emissions (emissions caused by upstream processes in fuel production). As a result, there is also a reduction in indirect emissions compared to the 2023 | 2024 fiscal year.

	t CO_2-eq 23|24		t CO_2-eq 24|25		
Fuel related emissions	**direct**	**indirect**	**direct**	**indirect**	**Change in %**
Diesel*	429	129	345	100	-20.2%
Petrol	164	40	175	42	6.3%
Total	**593**	**170**	**520**	**142**	**-13.1%**

Fig. 22 Direct and indirect emissions from fuel consumption in t CO_2-eq compared to the previous year

*Values for 23|24 corrected

Emissions in CO_2-eq include all greenhouse gases. The table below shows the direct emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions separately.

Emissions to air from fuel				
Type of GHG	**NO_x**	**SO_x**	**PM**	**CH_4**
kg	236	171	16	785

Fig. 23 Emissions to air by type of greenhouse gas in kg for diesel and gasoline for the reporting period

2.4.2 Business travel

Business travel is mostly carried out using company cars but longer distances also require the use of air travel. Employees are encouraged to use virtual meetings wherever possible and to use alternatives to air travel, such as public transportation, for shorter distances. Employees should avoid air travel as much as possible through optimized planning, for example by efficiently bundling several customer appointments within a single trip. These measures are having an effect: in the reporting year, a significant reduction in emissions from business travel was achieved, in particular through the reduction of air travel, as this causes the highest emissions compared to other modes of transport.

Category	**23|24**	**24|25**	**Change in %**
Airplane	1 721	1 058	-38.5%
Train	5	3	-33.8%
Bus	0	1	667.2%
Motorbike	1	4	253.2%
Car	133	60	-54.7%
Hotel	54	102	89.7%
Total	**1 914**	**1 229**	**-35.8%**

Fig. 24 Emissions for business travel (Scope 3.6) by mode of transport compared to the previous year

Compared to other categories in Scope 3, business travel contributes less to total emissions, but in absolute terms (especially compared to Scope 1 and 2) it is still significant. Although business travel is naturally subject to certain fluctuations – for example, due to events such as the biennial Light + Building trade fair – we are continuously working to further reduce the associated emissions.

> **Traveling by train not only saves emissions, it also gives me productive time to work. For many routes, it is now the better choice – both for business and the environment.**

Georg Kloepfer, Area Sales Director, XAL GmbH

2.4.3 Commuting behaviour of employees

For the first time, a survey was conducted for the reporting period 2023 | 2024 to find out which modes of transport our employees use to get to work. This data provided the basis for reporting our emissions in Scope 3.7 (employee commuting). Emissions generated by working from home were also taken into account. For 2024 | 2025, the results of the previous year's survey were used and extrapolated to the current number of employees. As significant changes in mobility behaviour are more likely to occur in the long term, mobility surveys are expected to be conducted every three years.

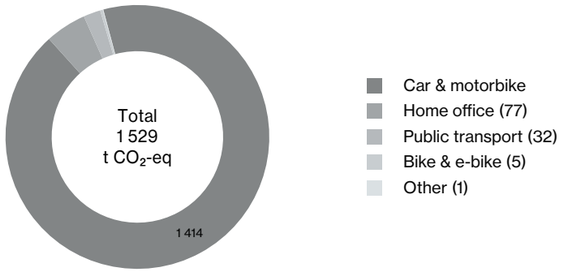


Fig. 25 Emissions from employee commuting (3.7) including home office

The majority of employees use their cars to get to work. Across the Group, 13% of our employees use bicycles to get to work. This is a particularly popular means of transport for commuting at our headquarters in Graz, where almost a quarter of the workforce cycles at least once a week.

E-scooters for employees in Spain
To promote sustainable mobility, XAL Spain provides e-scooters that can be used by all employees. This is particularly beneficial for colleagues with longer commutes or limited public transport connections. The offer complements our existing mobility solutions and supports flexible, environmentally friendly travel in everyday working life.

Everyone should have the opportunity to get around in a healthy, safe, and sustainable way – including in their everyday working lives. With the "Cycle Champ 2.0 XAL" project, we have sent a strong signal for active mobility and environmental responsibility. The aim was to establish the bicycle as an everyday means of transport while promoting the health of our employees.

Even before the project began, XAL had laid important foundations for a bicycle-friendly corporate culture: covered bicycle parking spaces, showers and changing rooms, e-bike charging stations, a direct connection to the city's bicycle network at the headquarters in Graz, as well as an annual bicycle check and a biker tool box with tools for self-repair were available to employees. A bike leasing program was also already in place and was used by many employees.

As part of the project, these existing structures were further developed and supplemented with new ideas. For example, lighting was installed at the bike parking spaces to make them safer and more comfortable to use in the early morning and evening hours. An internal bike blog was launched, which provides regular information about campaigns, tips, and experience reports and serves as a platform for exchange and motivation.

Cycling Community – riding together
We are reinventing the wheel: With the new Cycling Community on the intranet, XAL in Austria is creating a space for everyone who loves cycling – or would like to learn to love it. Whether on the way to work or in your free time, cycling connects people, keeps you fit, and makes a valuable contribution to climate protection. Since mid-November 2024, colleagues have been able to share their personal cycling stories, tips, and favourite cycling routes here – whether on their way to work or in their free time. Everyone was invited to submit their best cycling moments for the launch. The best photos were published to mark the inauguration of the community and show how much fun cycling is – and how easy it is to do something good for the environment and your health.

A central element of the project was the active involvement of employees. Two mobility surveys – at the beginning and towards the end of the project – provided valuable insights into behaviour and needs, which were directly incorporated into the measures. In addition, practical offers such as employee discounts on bicycle purchases and repair workshops were created to promote sustainable mobility and conscious use of resources.

Even after the end of the project, we are committed to continuity and further development: the bicycle blog will remain a platform for exchange and information, regular campaigns and events will continue, and new ideas from the workforce will be actively taken up. In this way, "Cycle Champ" remains not just a project, but a living part of our corporate culture.

"With Cycle Champ, we have not only strengthened the active mobility of our employees but also shown how a sustainable mobility culture can be lived within the company – together, in a practical way, and with enthusiasm."

Maria Erkinger, Cycle Champ Project Manager, Corporate Services, XAL Holding GmbH

In order to achieve climate neutrality, it is necessary to continuously increase the share of renewable energies in total energy consumption. The previous chapters analysed the emission reduction potential of this measure. This chapter provides an overview of the composition of energy consumption.

Key **facts**

1 614 MWh

Electricity generated by own photovoltaic plants

55.9%

share of renewable energies in total energy consumption

- 23.6%

reduction in energy intensity

2.5 Total energy consumption

The share of energy from renewable sources in total energy consumption has been growing since the base year. In this fiscal year, we again sourced more than half of the energy we needed from renewable sources. This is due to the increase in the amount of energy we obtain directly from our own photovoltaic systems. Around 16% of the electricity consumed was generated directly on site. You can find out more about the measures taken in sections 2.3 and 2.4.

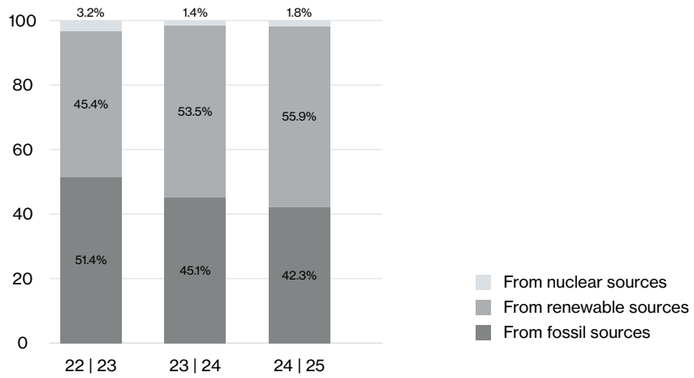


Fig. 26 Total energy consumption broken down by energy source over time

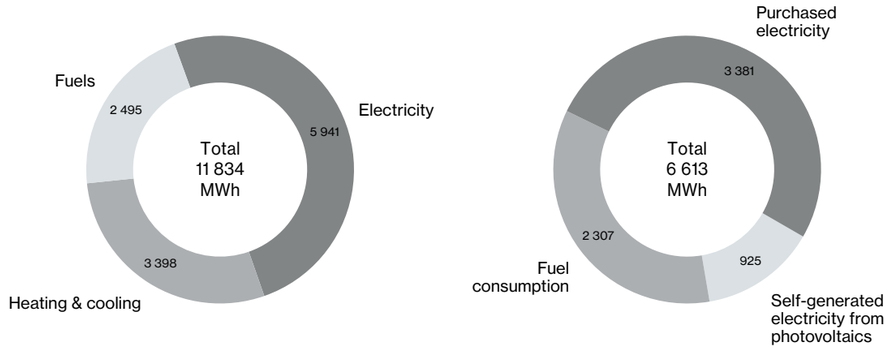


Fig. 27 Breakdown of total energy consumption and renewable share in MWh

As the figure above shows, 50% of energy consumption comes from electricity, 29% from heat and 21% from fuel. For electricity and heat, the share of energy from renewable sources is over 65% in each case. Although total energy consumption rose by 2% in the last fiscal year, it only increased by 1% in relation to sales growth. The increase in energy consumption is due to a rise in the amount of electricity generated by photovoltaics, while the amount of electricity purchased has decreased.

In the coming years, we will continue to work on making use of reduction potential and increasing the share of renewable energy used.

Empowering people, **shaping the future** XAL understands social sustainability as a responsibility that must be lived out in practice: the focus is on an appreciative working environment with ideal conditions, targeted health and training opportunities, and genuine opportunities for all employees to play a role in shaping the company.

3. Social sustainability

Our employees are the foundation of our company's success. This chapter covers the structure of our workforce and our measures to promote healthy working conditions, continuing education, and diversity.

Key **facts**

1 445

Employees worldwide

33.3%

Women in management positions

+10.8%

Increase in full-time equivalents compared to the base year

3.1 Our employees

Creating exceptional lighting solutions and accompanying services for customers requires a high level of knowledge and quality orientation. Achieving this high standard requires a high level of commitment from our 1 445 employees. We are committed to our employees and continuously work to create a liveable working environment where employee satisfaction is a priority, and everyone is given the opportunity to develop according to their individual needs. Our employees work internationally at over 40 locations, most of them in Europe.

Distribution FTE by gender and region	**male**	**female**	**other**	**total**
Europe	683	489	1	1 173
Asia	127	98	0	225
Total	**810**	**587**	**1**	**1 398**

Fig. 28 Distribution of employees (full time equivalents) by gender and region

Our employees work in various fields around the world – because developing lighting solutions requires many experts to ensure that a high-quality product is delivered at the end of the process. From designers and engineers to production and logistics staff to sales representatives, every employee in this industry has unique skills and expertise that contribute to our success. Our employees are specialists in many different areas but can be broadly divided into six categories: administration, marketing, procurement, sales, research and development, as well as production and logistics – the latter being the largest in terms of number of employees.

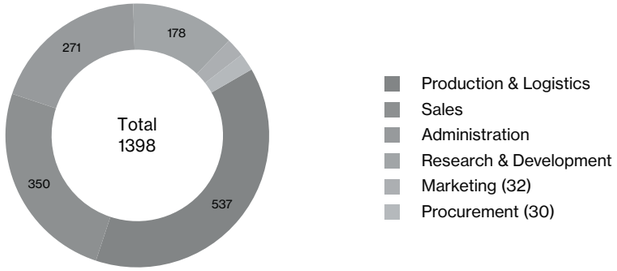


Fig. 29 Distribution of full-time equivalents by area of activity in the reporting period

Compared to the previous year, there was a slight increase in turnover, while the number of employees decreased marginally. The slight shift in the number of employees from Asia to Europe seen in the last reporting period did not continue. The number of employees in Asia rose, while in Europe it fell.

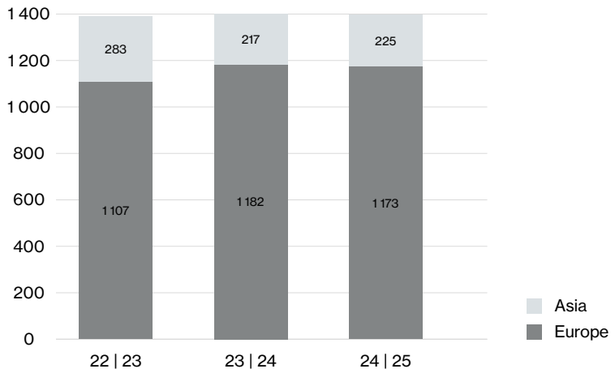


Fig. 30 Development of full-time equivalents by region over time

During the reporting period, the average number of employees (excluding temporary staff) was 1 445 (number of persons). Twenty-four persons who were not employed by a company in the XAL Group but whose work was controlled by XAL were working for XAL on the reporting date – an increase of 50% compared to the previous year. During the year, 283 people left the company, a slight decrease compared to the previous reporting period. This results in a total turnover rate of 20%; adjusted for the location in China, it is 16%. Around 77% of employees worldwide are covered by a collective agreement. We comply with international standards such as ISO 45001 – our production and administrative sites in Austria and Slovenia have been certified according to this standard since 2019, and improvement measures are being implemented on an ongoing basis.

You can read more about health and safety at work in section “3.1.2 Health and safety at work” on page 51.

The age structure of the XAL Group shifted slightly toward older age groups during the reporting period. While the proportion of employees under 30 declined, the proportion of those aged 30 to 50 and over 50 rose slightly. This emphasizes the importance of cross-generational personnel development and knowledge transfer.

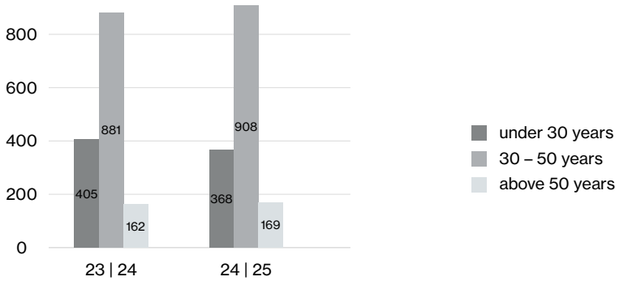


Fig. 31 Distribution of age groups (number of people)

3.1.1 A workplace with ideal conditions

Everyone deserves a workplace that is tailored to their needs and offers ideal working conditions so that they can fulfil their potential. We want to promote the professional and personal development of our employees and strive to take advantage of opportunities for growth and development in order to create the ideal workplace. Employee training is crucial to achieving this high standard of quality.

We therefore promote the development of our employees through internal and external training (see section below). Flexible working hours allow employees to organize their working time flexibly. This makes it very easy to reconcile private and professional commitments. A home office concept enables employees whose work is not location-dependent to work flexibly and in a results-oriented manner. The XALdc daycare centre on the company premises in Graz offers parents the best possible support in balancing family and career. In addition, the daycare centre also offers summer vacation care. In the reporting year, 24 men and 35 women took parental leave. All employees within the EU are entitled to parental leave. At group level, 94% of employees have this entitlement, although eligibility may vary internationally, as parental leave is not granted to both parents in all countries.

Compared to the previous year, the number of full-time and part-time employees remained roughly the same. The current reporting period also shows a gender-specific distribution in working time models: 78% of part-time employees are women, while women account for 39% of full-time employees. This means that the imbalance has increased slightly compared to the previous year.

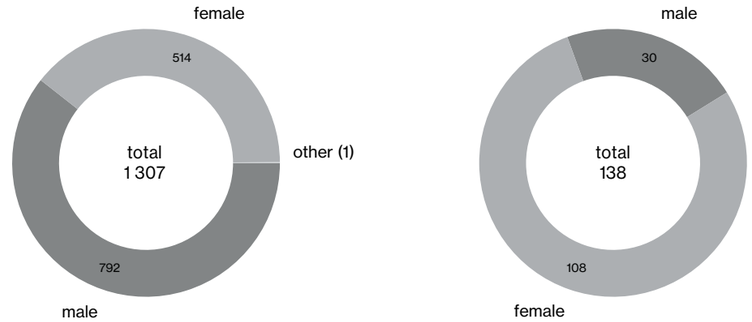


Fig. 32 Distribution of full-time and part-time employees by gender (left: full-time, right: part-time)

To counteract this social effect, we promote female employees in management positions. Some of our initiatives, such as the XAL daycare centre and management training, are available to all employees regardless of gender, but actively support women in management positions. With a female share of 33%, we have improved significantly compared to the previous year (29%). We see this as an important step toward a more balanced distribution of management positions and will continue to intensify our measures in the coming reporting periods.

Number of employees in management positions	Number	Share in %
male	129	66.2%
female	65	33.3%
other	1	0.5%
Total	**195**	

Fig. 33 Distribution of management positions by gender

3.1.2 Health and safety at work

As part of our occupational health management program, we continuously implement a wide range of behaviour- and situation-oriented measures with participatory approaches for the benefit of our employees. Health management, occupational safety, and health protection are an integral part of our human resources policy. Our approach to health management goes beyond compliance with legal requirements.

We offer a wide range of balanced measures with a variety of focuses to strengthen the physical, mental, and social well-being of our employees. The offer ranges from a varied sports and fitness program to motivational talks, “walkings”, and team events, ergonomic workplace design including individual consulting, and employee discounts. This is supplemented by a comprehensive in-house training and development program, noise protection measures, and attractively designed break rooms. We continuously evaluate and expand our offerings based on the needs of our employees.

Strike for team spirit
Bowling combines physical activity with social interaction, which is what characterizes participation in the annual business bowling league. The XAL Slovenia team takes part and represents the company. The league promotes motor skills and cooperation within the group. The competition fosters the pursuit of common goals and strengthens the sense of community.

Both the headquarters in Graz and the site in Murska Sobota are certified according to ISO 45001 for health and safety at work. Within the framework of ISO 45001, structured management and the reduction of health risks for employees, as well as the associated statistics, are essential tasks.

During the reporting period, only seven accidents at work and seven commuting accidents were recorded in Austria. The number of accidents at work is therefore in line with the annual average for the last ten fiscal years and slightly below the industry average accident rate. Within the XAL Group, there were eight further documented accidents at work, two of which occurred in Slovenia and six in Belgium. Three of these were commuting accidents that occurred in Belgium. The average number of sick days fell to 11.4 days compared to the previous reporting period and is thus below the industry average. Although our production facility in China is not currently certified according to ISO 45001, it also records work-related accidents and illnesses. There was one workplace accident in China during the reporting period.

Focus on ergonomics – for healthy working
An ergonomic workplace is essential for healthy working conditions. In 2024, XAL introduced a skin protection plan for production employees and customized hearing protection in noisy areas. Height-adjustable desks, ergonomic chairs, and regular ergonomic consultations have long been standard. These measures promote the well-being and performance of the workforce.

3.1.3 Active participation

Employees are actively involved in decision-making processes on an ongoing basis, and bidirectional feedback loops are used. Goals, tasks, and career planning are defined in structured, regular employee appraisals.

Regular employee surveys and health circles led by external experts serve to determine employee satisfaction and jointly develop suggestions for improvement. Employee surveys are conducted annually. Every three years, most recently in June 2023, a comprehensive questionnaire is followed by health circles in which employees from all areas discuss the results of the survey, opportunities for improvement, and proposed measures with independent third parties in small groups. The results of these health circles are then forwarded to top management in anonymized form.

We appreciate the valuable input of our employees – ten measures were derived from the last health circles in November 2023. Short-term measures such as expanding the XAL in motion offer were implemented in the course of 2024. Long-term projects such as the expansion of our headquarters were also driven forward in the reporting year: the new hall with electronics production and modern workstations for 51 employees was completed, and additional office workstations are currently being built, with completion scheduled for the second half of 2025.

The next comprehensive employee survey, followed by health circles, is planned for 2026. Until then, the existing measures will be continuously evaluated and further developed to improve working conditions at XAL in the long term.

Sweet competition with team spirit
Already before the big XAL Christmas party in 2024, XAL Germany organized a creative gingerbread house challenge. Teams from various German locations took on the task of designing their most imaginative structures out of gingerbread. The results were presented at the XAL Group's Christmas party in Austria – and the team from Stuttgart won the most votes with their original design. The campaign not only created a festive atmosphere but also strengthened team spirit across national borders.

The fact that former employees regularly return to us after gaining experience in other companies is also a sign that employees greatly appreciate the working environment and development opportunities at the XAL Group.

An established on-site reporting system has been in place at our locations in Austria and Slovenia for many years. This system was expanded to the entire XAL Group in 2023 with the introduction of the web-based whistleblower platform “Trust Line.” This online tool enables employees and external stakeholders to report possible violations of our corporate values and guidelines around the clock and, if desired, anonymously.

Trust Line covers all areas of our business activities and is a central tool for promoting transparent, fair, and responsible cooperation. In particular, it supports our principles in the areas of anti-corruption, anti-discrimination, and compliance. No incidents were reported via the platform during the 2024 reporting period. We see this as confirmation of the trust in our corporate culture and the values we live by in our everyday work.

3.1.3.1 Sustainability Experts

Sustainability is not an abstract goal, but a concrete mission that we pursue together with the active commitment of all employees in every area of our company. That is why we have created a network of Sustainability Experts who integrate sustainability into their everyday work in a practical, cross-functional manner with clear responsibilities.

Each Sustainability Expert contributes specific expertise from their own area and helps to ensure that sustainability remains more than just a strategic goal but is made visible through concrete measures. The Experts are direct contacts for sustainability in their departments and act as a link between top management, the Sustainability & Compliance department, and the operational teams.

To meet these high standards, clear criteria for nomination have been defined: In addition to in-depth process knowledge, strong communication skills and an interest in sustainability are among the most important requirements. For larger areas, several experts can be appointed to adequately reflect the diversity of topics. The tasks of the Sustainability Experts are varied: they coordinate measures, report regularly on progress, assist with data collection for sustainability reporting, and promote awareness of environmental, social, and ethical issues in their environment. In doing so, they are guided by the ESG criteria (environmental, social, governance) and the goals of the Science Based Targets initiative (SBTi), to which the XAL Group committed in November 2024.

In the reporting year, over 100 measures were developed in the areas of energy efficiency, mobility, product development, social responsibility, and governance. Examples range from the use of intelligent lighting control systems and the switch to halogen-free cables in our products to the promotion of carpooling and the development of sustainable design guidelines for new products.

The diversity of the contributions is particularly noteworthy: in electronics production, for example, research was done on sustainable circuit boards made of jute fibres that can be dissolved in hot water, enabling easy recovery of the materials. In IT, a new supplier for energy-efficient office equipment was found, while in marketing, the focus was on paperless catalogues and sustainable printing materials.

These measures show that sustainability is not a project, but a process – driven by many committed people who are willing to take responsibility. The Sustainability Experts are not only multipliers, but also pioneers for a sustainable corporate culture.

Organic vegetable boxes delivered directly to the office
Fresh, local, and sustainable: Since 2025, organic farmer Klaas Ysebaert has been delivering vegetable boxes directly to the two Wever & Ducré Belgium locations on a regular basis. Eighteen employees are already participating. The project saves packaging, reduces transport routes, and promotes healthy eating – contributing to greater well-being in the workplace.

XAL invests extensively in education – from continuous employee training and excellent apprenticeship programs to a wide range of internal and external training formats that promote lifelong learning and personal development

Key **facts**

5.8

average training hours per employee

48

apprentices

8 390 h

total training hours

3.2 Our investment in education

We support all employees in their continuing education and promote potential in a targeted manner. We offer all our employees at all locations a great deal of creative freedom, development opportunities, and support in their continuing education ambitions.

We promote the training of young people and offer a comprehensive internal training program, which is supplemented by additional courses from external specialists.

3.2.1 Continuous training for our employees

We want to accompany people on their career path. We support them in their professional ambitions – not only by providing them with targeted training to develop their leadership skills, but also by enabling them to gain further qualifications in their field or even to change careers. We firmly believe that lifelong learning is a great benefit for people on a personal and professional level. XAL supports its employees in combining work and education in the best possible way and in implementing flexible solutions tailored to individual needs.

Digital transformation is a reality at XAL – and it starts with our employees. Targeted training formats such as “15 Minutes Copilot,” role-based training, and practical pilot projects enable employees to integrate digital tools such as Microsoft Copilot confidently and effectively into their everyday work. This offering is complemented by a company-wide AI community that promotes exchange and supports the responsible use of AI in accordance with the AI policy. More on this in section “4.2.1 Shaping digitalization together” starting on page 67.

3.2.2 Apprenticeship

XAL bears a great responsibility for tomorrow's society. This makes it all the more important for us to train apprentices in a modern working environment. 48 apprentices were employed during the reporting period. In Austria, an apprenticeship is a form of training that combines solid vocational training with professional experience. This form of training is not provided for by law in every country. For this reason, most of our apprenticeships are set up in our Austrian subsidiaries. We offer a total of 15 apprenticeships; positions for nine apprenticeships were filled during the reporting period. We try to offer a wide variety of apprenticeships, which is why the apprenticeship as a production measurement technician was added last year.

XAL offers apprenticeships in technical and commercial fields, which are presented and explained to students at various events at our headquarters and at career fairs. We see our apprentices as our future specialists and managers. Depending on their personal plans, apprentices are also supported in completing a high school diploma or an internship abroad at one of our subsidiaries.

The right to education is particularly important to us. XAL offers young people the opportunity to pursue one of many apprenticeships, become part of a successful team, and learn in a practical environment. Potential is recognized and specifically promoted.

Award-winning apprenticeship work
In 2024, XAL was awarded the Austrian State Prize “Best Training Companies – Fit for Future” – a strong sign of the quality and innovative strength of our apprenticeship training. In a multi-stage selection process, XAL impressed in the category “Apprenticeship Marketing – Employer Branding – Recruiting” with its project “Inspired by light”. The jury particularly praised the cross-departmental teamwork, which not only gave our apprentices creative freedom but also real responsibility. The award is a joint success – driven by commitment, creativity, and genuine cooperation.

3.2.3 Internal and external training programs

Our internal training program covers a wide range of topics. Some of these are training courses that support our employees in their work, such as product training, training on the use of software tools, or training on processes and their legal and compliance background, as well as soft skills training. Our leadership program, which is completed by all individuals in management positions and is open to employees interested in a management position, covers organizational and leadership fundamentals as well as elements of personal development. While some of the offerings are location-based and only available to our employees in Graz, a large part of our training is online (live online training and learning videos) and therefore also available to our international subsidiaries. The programmes offered by the headquarters are supplemented by local training initiatives.

15 Minutes of Input – Sharing knowledge in a short format
With the new internal training series 15 Minutes of Input, XAL is creating a platform for fast, practical knowledge exchange. In short, compact sessions, colleagues pass on their expertise to others – directly from their everyday work, for everyday work. Whether tools, processes, or best practices: the content is as diverse as our team. The aim is to learn from each other, gain new perspectives, and work together in a more digital, efficient, and connected way. The 15 Minutes of Input sessions are part of the XAL Academy and complement the existing training program with a flexible, low-threshold format based on personal initiative and collegial exchange.

XAL is aware of its responsibility in the areas of compliance, data protection, and information security. To ensure that our values, such as respect for human rights and responsible business conduct, are lived out in our day-to-day work and that sensitive data from employees, customers, partners, and competitors is treated confidentially and only passed on to authorized third parties in accordance with the law, we have implemented an international training program for our employees with an external provider, supplemented by additional formats such as regular cross-departmental and cross-company meetings.

“With the 15 Minutes of Input, we create space for spontaneous, practical knowledge exchange – directly from everyday work, for everyday work. This format not only strengthens personal initiative, but also collegial cohesion and makes lifelong learning at XAL tangible.”

Helga Fazekas, Head of Human Resources, XAL Holding GmbH

	23|24	24|25
Europe	1 483	8 340
Asia	114	50
Global	10 922	0
Total	**12 519**	**8 390**

Fig. 34 Number of training hours during the reporting period, broken down by region compared to the previous year

	23|24	24|25
Male	1.1	8.3
Female	1.2	2.5
Other	0.0	12.3
Not assigned	7.5	n.a.
Average	**8.6**	**5.8**

Fig. 35 Average training hours per employee by gender compared to the previous year

One of the reasons for the significant difference in average training hours by gender is that around 60% of training hours were completed by employees of XAL GmbH in the last fiscal year. More than two-thirds of the employees at this company are male, which explains the significant difference between the genders at the group level, where the gender ratio is more balanced.

We continuously support our employees in their development. We place particular emphasis on ensuring that they get off to a good start in the company. Depending on their area of work, employees undergo various training courses during their induction phase, which provide them with the information they need for their work and familiarize them with their new workplace and colleagues. The structured onboarding process also includes meetings with the direct manager for bidirectional feedback to ensure that new employees receive the support they need during their onboarding phase.

Bidirectional feedback loops have been standard practice in Austrian companies for years. Structured, regular meetings are held to discuss not only current well-being in the workplace, but also to set development goals for the future. During the reporting period, this was also rolled out to other companies in the XAL Group.

Strategically anchoring **sustainability** XAL lives sustainable corporate governance as a strategic core process: with clear ethical principles, active stakeholder involvement, and data-based materiality analysis, the company creates the basis for responsible action, transparent decisions, and future-proof innovation.

4. Sustainable governance

We are committed to open communication and close cooperation with our stakeholders. Our focus is on transparency, commitment, and partnerships for mutual benefit.

Key **facts**

5 years

membership of the UN Global Compact

4

EcoVadis ratings

2024

commitment to the Science Based Targets initiative

4.1 We take responsibility

XAL is aware of its responsibility towards the environment, its employees, and all other stakeholders. We know that change must come from within and that a working environment that promotes change is only possible if the top management is committed to it. We believe that our actions must be comprehensible and transparent, which makes it essential to adhere to clear standards.

We promote sustainable production strategies to support business growth and are committed to ethical practices and respectful cooperation. The scale of our success determines the level of responsibility we must assume. To ensure our high standards, we take a variety of measures to guarantee the sustainability of our business activities. Our top management is committed to ensuring that sufficient resources are available to create a sustainable business organization.

XAL takes initiatives to promote environmental awareness and focuses on a preventive approach to environmental challenges. Economic, social, and environmental impacts and the associated risks and opportunities are regularly evaluated as part of the annual risk and management assessment in accordance with ISO 9001/14001/45001. Our management systems enable us to carry out comprehensive and thorough risk assessments in the workplace using a risk matrix and to identify and manage environmental risks through appropriate controls in order to minimize potential environmental impacts. We work according to the precautionary principle, which helps us to identify risks in advance and prevent damage, even if it is not yet clear.

In order to make informed decisions, the management team requires a comprehensive range of skills and extensive knowledge on a wide variety of topics. To further develop these skills and formulate strategies for sustainable development based on objective and scientific criteria, contributions from internal and external experts are regularly included in the agenda of the monthly strategic meetings of top management. While top management is fully responsible for managing the economic, environmental, and social impacts of the organization, including reviewing and approving the information contained in this report, management responsibilities are delegated to local management levels at subsidiaries to achieve the specified objectives in an efficient manner.

4.1.1 We act in accordance with ethical, social, and environmental principles

That is why we communicate our commitment and the resulting measures to contribute to the United Nations Sustainable Development Goals as a member of the UN Global Compact Initiative since 2020 and have our social responsibility assessed by independent providers. EcoVadis regularly assesses our social responsibility holistically and based on objective criteria, focusing on the environment, labour and human rights, ethics, and sustainable procurement. Most recently, XAL GmbH was once again awarded the Platinum Medal for its Graz location.

> **“Being awarded the Platinum Medal two years in a row confirms our consistent commitment to sustainability and responsible action.”**

Paul Fraissler, Managing Director of XAL GmbH

PLATINUM Top 1% ecovadis Sustainability Rating APR 2025

87/100
Overall score

99.
Percentile

90/100	88/100	85/100	82/100
Labor & human rights	Environment	Sustainable procurement	Ethics
●●●●	●●●○	●○○○	●●○○
Impact on score	Impact on score	Impact on score	Impact on score

Fig. 36 EcoVadis overall rating and rating by topic for XAL Graz site compared to the industry average

In accordance with the principles of the UN Global Compact Initiative, XAL is committed to the further development and dissemination of environmentally friendly technologies. For decades, XAL has consistently pursued the goal of developing lighting concepts with ever lower energy consumption. In addition, XAL strives to influence its environmental footprint through careful selection of materials and technologies. And it does so in an ambitious and scientifically sound manner, as demonstrated by its commitment to the Science Based Targets initiative at the end of 2024.

XAL's management is fully committed to the ten principles of the UN Global Compact, in particular the protection of international human rights. These principles are bindingly anchored in the XAL Group's Code of Conduct and apply to all areas of the company worldwide. They form the basis for our daily actions and reflect our self-image as a responsible company. XAL implements targeted measures to ensure compliance in all areas of its business activities. XAL is committed to freedom of association and the effective recognition of the right to collective bargaining and condemns all forms of forced and compulsory labour, child labour, and discrimination in employment and occupation.

Fig. 37 UN Sustainable Development Goals and contributions by the XAL Group

Not only do we strictly reject child and forced labour, but our suppliers also ensure that they do not employ young people for dangerous work or night work. XAL is committed to equal opportunities and fair treatment for all employees and ensures that employment relationships comply with both local laws and internationally recognized standards. XAL attaches great importance to ethical business practices. We respect the personal dignity of every human being, regardless of ethnic origin, race, culture, religion, ideology, age, disability, skin colour, sexual identity, or gender. The same high standards that we set for ourselves also apply to our suppliers, as set out in our Supplier Code of Conduct. This Code of Conduct is part of our purchasing conditions, through which suppliers commit to complying with fundamental principles such as respect for human rights throughout the supply chain. We conduct ad hoc formal supplier audits. If we identify violations of our Supplier Code of Conduct, this will lead to a reassessment of the collaboration. XAL's production strategy focuses on establishing facilities in close proximity to key markets, such as our production sites in Europe. This approach enables faster delivery times and shorter transport routes, which ultimately benefits our customers. In addition, XAL attaches great importance to a safe and pleasant working environment in which all employees can fully develop their skills and advance their careers.

Respectful behaviour, both internally among colleagues and with external business partners, is of utmost importance to XAL. Employees are free to terminate their employment at will. They are also guaranteed the right to freedom of association and participation in collective bargaining. As part of our strategy to implement our values in our day-to-day business, we offer training on compliance topics such as anti-corruption to all employees.

As an expression of our understanding of transparency and ethical conduct, the updated Code of Conduct was made publicly available on our website for the first time during the reporting period. The Code of Conduct describes the fundamental principles and values that guide our daily actions, including integrity, fairness, respect, and responsibility toward people and the environment. It serves as a binding framework for all employees and business partners worldwide.

We value all our stakeholders highly. Transparency in communication, meaningful engagement, and mutually beneficial partnerships form the foundation of our stakeholder management.

Key **facts**

967

visitors to our headquarters in Graz

2025

introduction of AI policy

282

members in the AI community

4.2 We actively involve our stakeholders

XAL attaches great importance to open, transparent, and target group-oriented dialogue with all stakeholders. As an international group of companies, we operate in a complex network of stakeholders who have different communication needs. This often requires overcoming linguistic and cultural barriers. Our local branches and subsidiaries in many locations, most of which are managed by people with close ties to the local communities, play a central role in our effective stakeholder engagement. Taking different perspectives, backgrounds, and expectations into account enables us to identify potential and actual impacts at an early stage – in order to both seize opportunities for growth and development and avoid or minimize risks for XAL or its stakeholders. This is particularly relevant in relation to sustainability issues.

Member of the Barcelona Sustainability Network
Since 2024, XAL Spain has been part of the More Sustainable Barcelona Network, a network of organizations, institutions, and individuals committed to sustainable development in Barcelona. Membership enables us to actively exchange ideas with other committed players, hold regular meetings, and access a community where ideas, questions, and best practices relating to sustainability are shared.

We maintain constant contact with many stakeholders, such as customers, suppliers, employees, and applicants, through various instruments and channels. The exchange with our customers helps us to better understand what they expect and need from our products and services. At the same time, close cooperation with suppliers, research partners, and universities provides us with valuable impetus for innovative solutions and the sustainable development of our products and activities.

Online communication offers a quick and easy way to connect with stakeholders across large distances or interact with a large number of interest groups. However, face-to-face meetings and events will continue to play an important role. Often, a combination of multiple channels proves to be the most effective method for engaging stakeholders in an appropriate and target group-oriented manner.

Fig. 38 Stakeholder groups of the XAL Group

For example, sharing info about our products and activities with our customers is most efficient digitally. But to show what our products look like, feel like, and how they work, sales events and personal customer visits are essential.

4.2.1 Shaping digitalization together

At XAL, digital transformation is an integral part of our daily business operations. The introduction of the position of Digitalization Manager represents a significant step toward managing digital developments in a targeted manner and anchoring them sustainably throughout the company. This process is supported by committed early adopters who test new tools, provide feedback, and act as multipliers. A central element is the establishment of a company-wide Copilot & AI community that promotes the exchange of ideas on digital working methods and enables employees to integrate new technologies into their everyday work in a meaningful way.

Copilot – AI support in everyday work
Copilot provides all employees with a powerful AI assistant that is directly integrated into Outlook, Teams, and browsers. Whether writing, structuring, or researching, Copilot helps employees work more efficiently, develop new ideas, and complete routine tasks faster. Its use is based on clear guidelines defined in the company-wide AI policy. This ensures that innovation, data protection, and responsible use of AI go hand in hand. Copilot is part of our digital transformation – open, secure, and designed collaboratively.

Particular attention is paid to the responsible use of artificial intelligence. The newly introduced AI policy defines clear guidelines for the safe and ethical use of generative AI tools. Employees are actively involved – whether through pilot projects, idea collections, or open exchange about opportunities and challenges in dealing with new technologies.

Digitalization at XAL is a joint project – driven by curiosity, responsibility, and the courage to break new ground. Through targeted training, open exchange formats, and a culture of co-creation, we are creating the conditions for digital skills to grow and develop sustainably within the company. At XAL, this means not only technological advancement, but also cultural change – driven by an open communication culture, mutual trust, and the goal of working together to design future-proof solutions. External stakeholders such as customers, partners, and suppliers also benefit from this development, for example through more efficient processes, transparent communication, and innovative digital services.

> **“For us, digitalization means not only efficiency, but also responsibility. With our AI policy, we are creating clear guidelines for the safe and meaningful use of AI in everyday work.”**
>
> Lukas Pinegger, Head of Legal, Corporate & Sustainability, XAL Holding GmbH

4.2.2 We connect to all groups of stakeholders

Although it is part of our daily business to have a wide range of tools for communicating with frequent contacts such as employees and customers, it is equally important to us to maintain contact with stakeholder groups that are not involved in our daily business interactions. Years ago, our headquarters in Graz invested in making the extensive product development and testing activities in our competence centre transparent to visitors – in the truest sense of the word. Glass windows allow visitors to gain insights into how our laboratories work. Even after many years, the glass laboratories are still the highlight of the frequent company tours for many visitors. Events with various stakeholders take place on a regular basis. In addition to customers and employees of our subsidiaries, our tours are also very popular with external interested parties. Schools in particular are very interested in visiting our facilities. During the reporting period, we were once again able to bring the world of light closer to many people with 967 visitors, exceeding the visitor numbers from the previous reporting period. Our commitment to lifelong learning is described in section “3.2 Our investment in education” on page 56. Our investment in education also extends to external stakeholders. Several of our internal experts and managers share their knowledge and experience by giving lectures or courses at universities and technical colleges.

Hands-on career experiences
In specially organized workshops, XAL Slovenia gave eighth and ninth grade students an exciting insight into the profession of a production worker. Together, they simulated the manufacturing process of a key ring with light: the young people picked the components, assembled the key ring themselves, and finished it with a personalized engraving. This made technology tangible – and perhaps laid the foundation for future careers.

We also want to give something back to the community. We sponsor selected charities as well as cultural and sporting events. Given the international and local environment in which we operate, our annual charitable sponsorship around the holiday season always includes an international and a local initiative. Meaningful engagement also includes communicating the expectations we have of our business partners with regard to human rights. This includes, for example, publicly communicating our values as part of the UN Global Compact initiative and accepting our Supplier Code of Conduct as a prerequisite for working with our suppliers.

“With Love for People” corporate fund
With the newly established “With Love for People” corporate fund, Wever & Ducré Belgium is sending a strong signal of its social commitment. In collaboration with the Streekfonds West-Vlaanderen and the King Baudouin Foundation, local projects are supported with a focus on young people, mental health, and social participation. 75% of the fund's budget goes to Oranjehuis, an organization that supports young people in difficult life situations. It offers support for mental health challenges, promotes social integration, and accompanies young people on their path to a self-determined life. The remaining 25% of the budget remains flexible so that it can be used to respond to acute social needs, for example by supporting other local initiatives.

In 2024, XAL conducted a double materiality analysis (DMA) to systematically assess impacts, risks, and opportunities (IROs) and align them with CSRD and ESRS requirements. The results drive ESG integration throughout the company.

Key **facts**

2024

introduction of DMA

229

IROs assessed

7

key standards

4.3 We determine our sustainability context

In recent years, based on feedback from various stakeholders, including customers, employees, suppliers, and research partners, we have determined that, on the one hand, the fight against climate change is a priority of our sustainability efforts, but on the other hand, a comprehensive understanding of sustainability and sustainable development that takes into account not only environmental but also social and governance aspects forms the basis for the selection of our material topics. Previous reports therefore included the most important issues for each of these three aspects. The information presented already covered most of ESRS E1 (climate change), S1 (own workforce) and G1 (corporate policy). Based on the data already available from previous years, we assumed that these three standards would certainly be material to our activities. For this report, we have taken the next step toward full reporting in accordance with CSRD and ESRS: conducting a double materiality analysis (DMA) to identify additional material topics and include them in our reporting. Below, we present the process and results of this analysis.

4.3.1 How do we work? – Value chains and preliminary analysis

For the analysis of our business model, the value chain, and potentially affected stakeholders, we were able to rely on available data in many areas. Learn more about our company and our business model in “1.1 About XAL” starting on page 10 and our upstream value chain (in particular the main raw materials and components used) in section “2.2.1 Making our materials sustainable” starting on page 20. You can find information about our downstream value chain (in particular the use of our products and how they are handled at the end of their life cycle) in sections “2.2.2 Efficient lighting for more sustainability” starting on page 22 to “2.2.3 From end of life to circular economy” starting on page 25 and about our stakeholders in “4.2 We actively involve our stakeholders” on page 66. A peer analysis was carried out and industry analysis were reviewed for identifying important topics.

4.3.2 Identification and assessment of impacts, risks, and opportunities

Based on the topics identified in the first step, the Sustainability Team compiled a list of opportunities, risks, and impacts (IROs). A structured assessment process was used to distinguish between different types of impacts – including positive, negative, potential, and actual – and to classify them systematically. Opportunities and risks were assessed according to their probability of occurrence and potential magnitude. The aim was to identify the sustainability issues that are material to the XAL Group.

The parameters used to assess impacts were magnitude, scope, and irreversibility. These were used to derive the severity. For potential impacts, the likelihood of occurrence was also taken into account. All parameters for impacts, opportunities, and risks were assessed on a five-point scale, with the threshold for materiality set at three. The thresholds, assessment scales, and calculation formulas were documented in a software tool.

The ESRS topics were handled by the Sustainability Team. Depending on the topic, specialist departments were involved in the process to provide data sources and assessments via interviews. The team was supported by external experts from susform OG.

Available data from the existing risk management systems in accordance with ISO 9001/14001/45001 was consulted and taken into account, but not directly included in the double materiality analysis, as the scope of these systems is limited to part of the XAL Group and the materiality analysis was carried out for the entire Group.

4.3.3 Decision-making processes, stakeholder involvement, and control

The analysis of the important stakeholder groups could be taken from the existing management system despite different scopes. Read more about our important stakeholder groups in “4.2 We actively involve our stakeholders” on page 66. For this year's analysis, stakeholders were mainly involved indirectly, for example through the results of previous employee surveys on working conditions and health issues. Financial institutions and tax advisors were interviewed to identify key issues. Data on customers and, in particular, their ESG priorities was available to specialist departments such as product management and the Sustainability Team from market analysis and past projects. NGOs representing affected communities and employees in the value chain were only involved insofar as their analysis of various impacts were used as a data source. Over the next few years, an evaluation will be carried out to determine whether and in which areas direct stakeholder involvement is appropriate.

After completing the documentation and a preliminary assessment of the IROs, a review was carried out by external experts. The IROs were then validated and approved by the internal Sustainability Alignment Board (SAB), consisting of the top management of the XAL Group, the local management of the two most important international production sites, the Head of Human Resources, and the Department Head of Sustainability & Compliance.

4.3.4 Results of the double materiality analysis

The analysis revealed that the following topics in particular have or could have a significant impact on people and the environment.

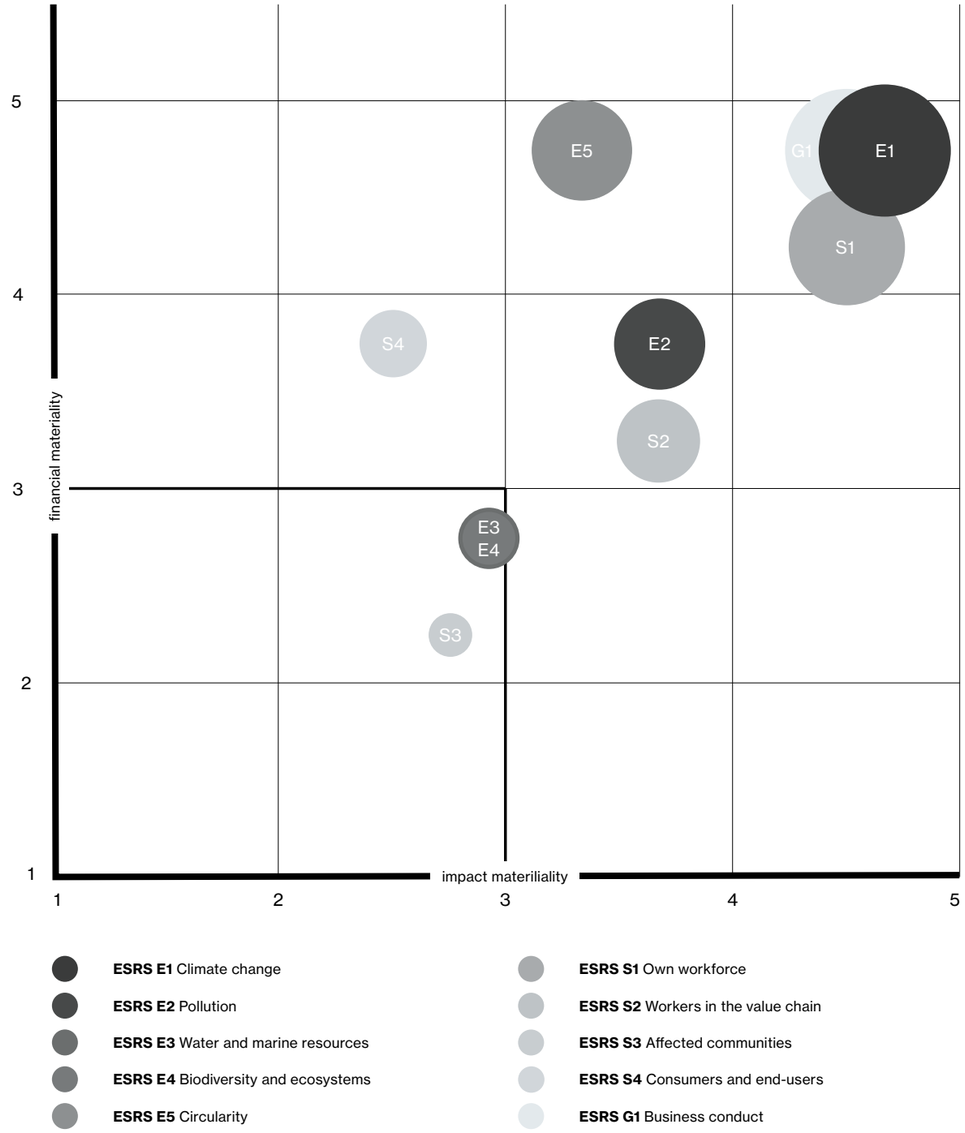


Fig. 39 Results of the materiality analysis

Category	Standard	Sub-topic	SDG
Environment	ESRS E1 Climate change	Climate change mitigation	**13, 11, 9**
		Climate change adaptation	**13**
		Energy	**7, 13**
	ESRS E2 Pollution	Substances of concern	**12**
	ESRS E5 Circularity	Resource inflows including resource use	**12, 9**
		Resource outflows related to products and services	**12**
		Waste	**12**
Social	ESRS S1 Own workforce	Working conditions	**8, 3**
		Equal treatments and opportunities for all	**5**
		Other work related rights	**8**
	ESRS S2 Workers in the value chain	Working conditions	**8, 3**
		Equal treatments and opportunities for all	**8**
	ESRS S4 Consumers and end-users	Information-related impacts for consumers and/or end-users	**12**
		Personal safety of consumers and/or end-users	**16, 3**
Governance	ESRS G1 Business conduct	Corporate culture	**8, 9**
		Protection of whistleblowers	**16**
		Management of relationsips with suppliers including payment practices	**12**
		Corruption and bribery	**16**

Fig.40 Allocation of topics according to ESRS to the Sustainable Development Goals

The identified material impacts, risks, and opportunities have a significant influence on key components of the XAL Group's business model. Product development is increasingly focused on energy-efficient, durable, and recyclable solutions. In addition, the supply chain is continuously evaluated and optimized, taking social and environmental criteria into account. The employee strategy focuses on long-term retention, diversity, and targeted skills development. Governance structures have been expanded to systematically record and manage ESG risks. Strategic decisions, such as those relating to the choice of location, the selection of suppliers, or the development of new product lines, are increasingly made against the backdrop of relevant sustainability aspects.

The main impacts, risks, and opportunities relate to different time horizons. In the short term, these include regulatory requirements, reputational risks, and potential disruptions in the supply chain. In the medium term, the focus is on adapting to new ESG standards and investing in sustainable technologies. In the long term, climate risks, the availability of resources, and changing social expectations play a central role. Currently, the financial impact on the net assets, financial position, and results of operations is still limited. However, increasing investments in ESG-related areas are to be expected in the medium term. Risks exist in particular where regulatory requirements could lead to adjustments to products or processes. At the same time, opportunities arise from innovation potential, access to new markets, and stronger customer loyalty.

The assessment of impacts, risks, and opportunities was linked to existing management systems such as those in accordance with ISO 9001, 14001, and 45001, as well as to strategic corporate planning. The results of the materiality analysis are directly incorporated into corporate governance, the further development of the sustainability strategy, and the prioritization of measures. All identified material topics are covered by the disclosure requirements of the ESRS. The material topics identified in the materiality analysis were systematically assigned to the relevant ESRS topic standards, disclosure requirements and, where already possible, specific data points. This was based on the structured recording of the topics at sub-topic level and their assignment to the respective ESRS modules (e.g. E1, S1, G1). This was done in close coordination between the Sustainability Team and the Sustainability Alignment Board.

The material impacts, risks, and opportunities (IROs) identified in the materiality analysis are already an integral part of the XAL Group's strategic orientation and management system. Sustainability is not just a declared goal, but a guiding principle that is systematically taken into account in all areas – from product development and production to corporate management. The results of the materiality analysis are incorporated into the further development of the sustainability strategy and are used to prioritize measures, investments, and innovation projects.

Sustainability with a system

XAL sees sustainability reporting as a strategic management tool: with high data quality, clear standards, and a consistent focus on transparency and comparability.

5. About this report

This chapter explains the scope and structure of the report, as well as the analysis processes and methodology used to identify the most important issues and collect reliable data.

Key **facts**

58

GRI disclosures

49

locations with data collected

100%

of consolidated revenue covered by the report scope

5.1 Transparency and compliance as key values

Transparent and open communication are part of our corporate culture and have been anchored in our mission statement for many years. This also applies to the area of ESG and related reporting.

Developments in the ESG area have shown that objective and uniform standards are decisive factors in achieving common (climate) goals at the global, regional, national, and local levels. With the CSRD (Corporate Sustainability Reporting Directive) and the ESRS (European Sustainability Reporting Standards), further regulations have been created to ensure transparent reporting.

With this report, we are taking the next step toward complete, transparent, and objective ESG reporting. To ensure transparency, comparability, and accuracy, it was important for us to refer to an established framework of standards. For this reason, this report was prepared with reference to GRI and the GHG Protocol was used to calculate our greenhouse gas inventory. In order to fully meet future requirements under the CSRD and ESRS, this report also refers to the ESRS. The first report prepared in full accordance with ESRS and externally verified will be prepared for the reporting period 2027|2028. This report is an important tool for communicating with our internal and external stakeholders and serves to track the effectiveness of our measures over time using objective and scientific criteria to ensure that we achieve our sustainability goals.

5.1.1 Reporting period and companies included

The reporting period for sustainability reporting is aligned with our fiscal year, which runs from February 1st to January 31st. The information in this report relates to the fiscal year 2024 | 2025 and will be updated annually. In preparation for the first report (2022 | 2023), a GHG inventory was calculated for the fiscal year 2019 | 2020 as the base year. The decision to use a base year that is not the immediately preceding fiscal year was made due to the COVID-19 pandemic, which temporarily had a significant impact on our business activities. To ensure the comparability of the data, the last full fiscal year before the start of the pandemic was selected as the base year for calculating our greenhouse gas inventory.

In terms of scope, all companies of the XAL Group in which the parent company, XAL Holding GmbH, holds a majority interest were included in the reporting. There are only insignificant differences compared to the companies included in the consolidated financial reporting, as shown in the following table.

Company	Legal seat	Included in report 2024|25
XAL Holding GmbH	Graz, Austria	yes
XAL GmbH	Graz, Austria	yes
XAL GmbH	Markt Indersdorf, Germany	yes
XAL India Private Limited	Pune, India	no
XAL Limited	London, Great Britain	yes
XAL Schweiz GmbH	Zurich, Switzerland	yes
XAL Svetila d.o.o.	Murska Sobota, Slovenia	yes
XAL Tool India Private Limited	Pune, India	yes
XAL SARL	Paris, France	yes

XAL s.r.l.	Milano, Italy	yes
XAL Iluminación S.L.	Barcelona, Spain	yes
XAL B.V.	Amsterdam, Netherlands	yes
XAL sp. z o.o.	Warsaw, Poland	yes
XAL Finland Oy	Helsinki, Finland	yes
XAL Middle East FZCO	Dubai, UAE	yes
XAL AS	Oslo, Norway	yes
XAL AB	Stockholm, Sweden	yes
XALAX GmbH	Graz, Austria	yes
XALAX d.o.o.	Varazdin, Croatia	yes
Wever & Ducré GmbH	Graz, Austria	yes
Wever & Ducré Deutschland GmbH	Markt Indersdorf, Germany	yes
Wever & Ducré B.V.	Kortrijk, Belgium	yes
Wever & Ducré Schweiz GmbH	Lucerne, Switzerland	yes
Wever & Ducré Asia Pacific Limited	Hongkong, China	yes
Wever & Ducré s.r.l.	Milano, Italy	yes
Asia Pacific Trading & Investment Company Limited	Hongkong, China	yes
To Be Lighting Co. Ltd	Dongguan, China	yes
Wästberg Lighting AB	Helsingborg, Sweden	yes
Green Electrics Licht & Energietechnik GmbH	Ludersdorf, Austria	yes
Wästberg Deutschland GmbH	Frankfurt am Main, Germany	yes
Wever & Ducré Lighting S.L.	Barcelona, Spain	yes
XAL Lighting India Private Limited	Hubli, India	yes
XAL Singapore Pte. Ltd	Singapore	yes
REW re:workX GmbH	Vienna, Austria	no
XAL Österreich GmbH	Graz, Austria	yes
X-TEC GmbH	St. Margarethen, Austria	no
XAL North America Inc.	Miami, USA	no
Flexfy GmbH	Roßdorf, Germany	no

Fig. 41 List of companies included

Most of the companies not included are newly founded and did not yet have any significant operating activities during the reporting period, which is why they were not included in the data collection process for reasons of efficiency. However, they will be included from next year (with the exception of XAL India, which is no longer operational). The company X-Tec was only integrated into the XAL Group in the last quarter and will therefore only be included in the sustainability reporting from the next fiscal year. The development of the investments REW re:workX and Flexfy is being monitored so that emissions in Scope 3.15 are included in the inventory as soon as they exceed the materiality threshold.

5.1.2 Data quality and methodology

It is important for us to report accurate, reliable, and complete data in order to present the reality of the environmental impact of our business activities as accurately as possible. Data quality has been further improved compared to the previous year. For the base year, primary data was collected from production sites and representative sales locations. The results for the remaining locations were then extrapolated on this basis. For the reporting year 2023|2024, data was collected from all companies included in the scope, with differences in quality, particularly for Scope 3. For Scope 3, 5 of the total 15 categories have been reported since the base year. The categories were selected based on criteria of assumed reduction potential and data availability.

Since the last reporting period, all categories deemed material have been included in the data collection and calculation. The categories “Further processing of sold products” and “Franchises” are not relevant to the activities of the Group. There were no significant activities in category 3.15 (Investments) during the reporting period. The emissions include all greenhouse gases and were calculated using factors derived from data sets from Sphera's LCA for Experts database (primarily for purchased materials) and public sources such as the Austrian Federal Environment Agency (Umweltbundesamt), the International Energy Agency and the UK Department for Environment, Food and Rural Affairs (DEFRA).

Category GHG Protocol	**Sources for emission factors**
Scope 1	Umweltbundesamt Österreich
Scope 2	Sphera
3.1 Purchased goods and services	Sphera; United States Environmental Protection Agency
3.2 Capital goods	United States Environmental Protection Agency
3.3 Indirect emissions	Umweltbundesamt Österreich; Sphera
3.4 Upstream transportation	UK Government GHG Conversion Factors for Company Reporting
3.5 Waste from operations	UK Government GHG Conversion Factors for Company Reporting
3.6 Business travel	Umweltbundesamt Österreich; Climcalc Tool; UK Government GHG Conversion Factors for Company Reporting
3.7 Employee commuting	Umweltbundesamt Österreich; Climcalc Tool
3.9 Downstream transportation	UK Government GHG Conversion Factors for Company Reporting
3.11 Use phase	Sphera
3.12 End of life of sold products	UK Government GHG Conversion Factors for Company Reporting

Fig. 42 Sources used per scope

As the report covers the entire group of companies, data has been consolidated where appropriate. Data has been consolidated in particular for product-related Scope 3 categories (Scope 3.1 purchased materials and 3.11 use phase) in order to avoid double counting. In the approach chosen, intra-group transactions were excluded from the calculation and only purchases/sales from/to external suppliers and customers were included for each company. No consolidation was necessary for direct emissions; each company was included with 100% of the reported emissions. This also complies with the requirement to align the scope of the corporate carbon footprint with financial reporting. Primary data was available for all major sites for emissions from electricity, heating, and waste (Scopes 1, 2, and 3.5). For small sales locations, consumption was calculated using standard values per square meter or per employee if no primary data was available.

Where available, physical quantities were used as the basis for calculation. Emissions for purchased goods that we use to manufacture our products and merchandise were calculated using a mass-based approach. In this year's report, all other purchases of goods and services were additionally included in Scope 3.1 using cost-based emission factors. Capital goods (Scope 3.2) were also taken into account. Emissions for business travel were calculated based on the distances travelled, where available, and the remainder was calculated based on costs. Data quality varied for transportation. For some of the data, the place of dispatch and destination, gross weights, and means of transport used were available. Kilometres were calculated using a route calculator. If no gross weight was available, the net weight was used with a packaging surcharge of 30%. If no means of transport was available, different scenarios were defined depending on the geographical location.

For the use phase of the sold products, better data availability enabled a slight adjustment to the method compared to the previous year, resulting in even more accurate results. The distribution of sold products between dimmable and non-dimmable luminaires is now largely based on real data. Additional deductions were also made for luminaires with sensor modules. The assumption of a service life of 35 000 hours is based on product-level standards, in particular the definition of the functional unit for lighting in the PEP (Product Environmental Passport). For the end of the product life, a percentage distribution of the weight between different waste categories was determined for all goods sold. Scenarios for waste recovery were defined for each category. The scenarios for categories 3.5 (waste) and 3.12 (end of product life) were defined as follows:

Material category	Assumed waste scenario
Plastic	100% incineration
Metal	60% recycling, 40% landfilling
Glass	100% landfilling
Electronic waste	38% recycling, 62% landfilling
Paper & cardboard	80% recycling, 10% incineration, 10% landfilling
Residual waste	15% incineration, 85% landfilling
Hazardous waste	78% landfilling, 22% incineration
Wood	54% incineration, 46% recycling

Fig. 43 Recycling scenarios for the specified material categories at the end of the product life cycle

Emissions to air include NO_x (nitrogen dioxide, nitrogen monoxide, nitrogen oxides), SO_x (sulphur dioxide, sulphur trioxide, sulfur oxides), PM (PM>10, PM10, PM2.5-10, PM2.5) and CH_4. With regard to our employees, there are differences in the availability of data between companies. While basic data such as the number of employees is available everywhere, data on personnel development, training participation, and health and safety measures is not yet available across the Group, which is one reason why the reported data tends to focus on headquarters. The other reason is that the headquarters also develops concepts and training programs that are available to other companies, depending on labour law requirements and other factors that affect the implementation of such concepts. If measures or data are only available for some companies, this is indicated in the relevant sections. During the reporting period, some processes were already rolled out to international subsidiaries. We plan to continue improving group-wide data availability in this area on a regular basis.

5.1.3 Further development of reporting

Based on the double materiality analysis performed, a gap analysis will be carried out to identify the material data points that are not yet included in the reporting. These will be integrated step by step. A complete report will be available by the time the reporting requirement becomes effective for the XAL Group.

The key performance indicators relating to the Taxonomy Regulation contained in the previous report have not been further expanded for this report and are not included in the report. This is due to the revision of the requirements by the European Union. We will monitor developments and, based on the outcome of the revision, may include these key figures in the report again. If mandatory disclosure is no longer required in the future, we will evaluate the extent to which voluntary disclosure can offer added value to our stakeholders.

5.2 GRI index

Standard No.	GRI disclosure	GRI standard	Value	ESRS disclosure requirement	Page refers to the first page of the chapter
2-1	Organizational details	General Disclosures 2021			p. 10
2-2	Entities included in the organization's sustainability reporting	General Disclosures 2021		ESRS 1 5 b	p. 78
2-3	Reporting period, reporting frequency and contact point	General Disclosures 2021		ESRS 1 §73	p. 78
2-4	Correction or restatement of information	General Disclosures 2021	If an adjustment to previous years was necessary, the information is provided directly in the relevant chapter	ESRS 2 BP-2 §13, §14 (a) to (b)	GRI index
2-5	External audit	General Disclosures 2021	No external audit was carried out for the current reporting year. In the previous year, the corporate carbon footprint was audited by susform OG. For the current reporting year, a review by the DMA followed, but this does not constitute an audit in the strict sense of the word.		GRI index
2-6	Activities, value chain and other business relationships	General Disclosures 2021		ESRS 2 SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	p. 10
2-7	Employee	General Disclosures 2021		ESRS S1 S1-6	p. 48
2-8	Workers who are not employees	General Disclosures 2021		ESRS S1 S1-7	p. 48
2-9	Governance structure and composition	General Disclosures 2021	Highest management level of the XAL Group: Management of XAL Holding GmbH (Martin Dlaska) and supervisory board	ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b)	GRI index
2-11	Chair of the highest governance body	General Disclosures 2021	Chairman of the supervisory board: Andreas Hierzer		GRI index
2-12	Role of the highest governance body in overseeing the management of impacts	General Disclosures 2021		ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d); ESRS G1 §5 (a)	p. 62
2-13	Delegation of responsibility for managing impacts	General Disclosures 2021		ESRS 2 GOV-1 §22 (c) i; ESRS G1-3 §18 (c)	p. 62
2-14	Role of the highest governance body in sustainability reporting	General Disclosures 2021			p. 62
2-15	Conflicts of interest	General Disclosures 2021	No member of the Supervisory Board holds a managerial position in a Group company		GRI index
2-16	Communication of critical concerns	General Disclosures 2021		ESRS G1 G1-1 AR 1 (a); G1-3 §18 (c)	p. 52
2-17	Collective knowledge of the highest governance body	General Disclosures 2021		ESRS 2 GOV-1 §23	p. 62
2-22	Statement on sustainable development strategy	General Disclosures 2021		ESRS 2 SBM-1 §40 (g)	p. 4 | p. 14
2-23	Policy commitments	General Disclosures 2021		MDR-P §65 (b) to (c) und (f); ESRS G1 G1-1 §7 und §AR 1 (b)	p. 62
2-24	Embedding policy commitments	General Disclosures 2021		ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS G1 G1-1 §9 und §10 (g)	p. 62
2-25	Processes to remediate negative impacts	General Disclosures 2021		ESRS S1 S1-1 §20 (c); S1-3 §32 (a), (b) und (e), §AR 31; ESRS S2 S2-1 §17 (c); S2-3 §27 (a), (b) und (e), §AR 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c); S3-3 §27 (a), (b) und (e), §AR 23; S3-4 §33 (c); ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b) und (e), §AR 23; S4-4 §32 (c	p. 62
2-26	Mechanisms for seeking advice and raising concerns	General Disclosures 2021		ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS S3 S3- 3 §AR 24 (d); ESRS S4 S4-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)	p. 52
2-27	Compliance with laws and regulations	General Disclosures 2021		ESRS E2 E2-4 §AR 25 (b); ESRS S1 S1-17 §103 (c) to (d) und §104 (b);	p. 62
2-28	Membership in associations	General Disclosures 2021			p. 66
2-29	Approach to stakeholder engagement	General Disclosures 2021		ESRS 2 SMB-2 §45 (a) i to (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e) und §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e) und §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d) und §22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20 (d) und §21	p. 66
2-30	Collective bargaining agreements	General Disclosures 2021		ESRS S1 S1-8 §60	p. 62
3-1	Procedure for determining material topics	Key topics in 2021		ESRS 2 BP-1 §AR 1 (a)	p. 70
3-2	List of material topics	Key topics in 2021			p. 70
205-1	Permanent establishments that have been audited for corruption risks	Anti-corruption 2016		ESRS G1 G1-3 §AR 5	p. 62

Standard No.	GRI disclosure	GRI standard	Value	ESRS disclosure requirement	Page refers to the first page of the chapter
205-2	Communication and training on anti-corruption policies and procedures	Anti-corruption 2016		ESRS G1 G1-3 §20, §21 (b) und (c) und §AR 7 und 8	p. 56
205-3	Confirmed Corruption Incidents and Actions Taken	Anti-corruption 2016		ESRS G1 G1-4 §25	p. 62
206-1	Legal proceedings based on anti-competitive behaviour, cartel and monopoly formation	Anti-competitive behavior 2016	No pending or closed litigation in the reporting period		GRI index
301-1	Materials used by weight or volume	Materials 2016			p. 20
302-1	Energy consumption within the organization	Energy 2016		ESRS E1 E1-5 §37; §38; §AR 32 (a), (c), (e) und (f)	p. 28
302-3	Energy Intensity	Energy 2016		ESRS E1 E1-5 §40 to §42	p. 44
302-4	Reduction of energy consumption	Energy 2016			p. 44
302-5	Reduction of energy consumption for products and services	Energy 2016			p. 20
305-1	Direct GHG emissions (Scope 1)	Emissions 2016		E1-6 §44 (a); §46; §50; §AR 25 (b) und (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)	p. 21
305-2	Indirect energy-related GHG emissions (Scope 2)	Emissions 2016		E1-6 §44 (b); §46; §49; §50; §AR 25 (b) und (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), und (f)	p. 21
305-3	Other indirect GHG emissions (Scope 3)	Emissions 2016		ESRS E1 E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) und (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)	p. 21
n.a.	Total GHG emissions			ESRS E1 E1-6 AR 47	p. 21
305-4	Intensity of greenhouse gas emissions	Emissions 2016		ESRS E1 E1-6 §53; §AR 39 (c); §AR 53 (a)	p. 21
305-5	Reducing greenhouse gas emissions	Emissions 2016		ESRS E1 E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) und (c);	p. 21
305-6	Emissions of ozone-depleting substances	Emissions 2016		ESRS E2 E2-4 §28 (a); §30 (b) und (c); §31; §AR 21; §AR 26	p. 28
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions 2016		ESRS E2 E2-4 §28 (a); §30 (b) und (c); §31; §AR 21; §AR 26	p. 28 | p. 38
306-3	Waste generated	Waste 2020			p. 28
401-1	New hires and employee turnover	Employment 2016			p. 48
403-1	Occupational safety and health management systems	Occupational health and safety 2018		ESRS S1 S1-1 §23	p. 48
403-2	Hazard identification, risk assessment and incident investigation	Occupational health and safety 2018		ESRS S1 S1-3 §32 (b) und §33	p. 48
403-3	Occupational Health Services	Occupational health and safety 2018			p. 48
403-4	Employee participation, consultation and communication on occupational safety and health	Occupational health and safety 2018			p. 48
403-5	Employee training on occupational safety and health	Occupational health and safety 2018			p. 56
403-6	Promoting employee health	Occupational health and safety 2018			p. 48
403-7	Prevention and mitigation of impacts on occupational safety and health directly related to business relationships	Occupational health and safety 2018			p. 48
403-8	Employees covered by an occupational safety and health management system	Occupational health and safety 2018		ESRS S1 S1-14 §88 (a); §90	p. 48
403-9	Work-related injuries	Occupational health and safety 2018		ESRS S1 S1-4, §38 (a); S1-14 §88 (b) und (c); §AR 82	p. 48
403-10	Work-related illnesses	Occupational health and safety 2018		ESRS S1 S1-4, §38 (a); S1-14 §88 (b) und (d); §89; §AR 82	p. 48
404-1	Average number of hours of training per year and employee	Training and education 2016			p. 56
404-2	Employee skills improvement and transition assistance programmes	Training and education 2016		ESRS S1 S1-1 §AR 17 (h)	p. 56
406-1	Incidents of discrimination and remedial measures taken	Non-discrimination 2016		ESRS S1 S1-17 §97, §103 (a), §AR 103	p. 62
n.a	Parameters for training and competence development	n.a.		ESRS S1 S1-13	p. 56
n.a.	Work-life balance metrics	n.a.		ESRS S1 S1-15	p. 48

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