

Passion for light.

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 and the ESG Policy published in 2025.

In 2024, the XAL Group joined the Science Based Targets initiative (SBTi) and thereby committed to setting and implementing science-based targets for reducing greenhouse gas emissions. In the reporting year, these targets – including short- and long-term reduction targets and a net-zero target – were successfully validated. This provides the basis for systematically reducing our emissions and actively contributing to climate protection with climate-friendly technologies.

In 2026, XAL GmbH with its production site in Graz was 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 specifically expanded our database and further improved the quality of our environmental indicators. With more than 50 environmental

product declarations and a sound corporate carbon footprint, we now have a robust basis for implementing and tracking our SBTi-validated climate targets.

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 Group Management and Sustainability Team

Contents

1.	Introduction	8
1.1	About the XAL Group	10
1.1.1	Lighting without limits – and beyond	11
1.1.2	Our team – the key to success	13
1.1.3	Our commitment to climate protection – science based	14
2.	Environmental sustainability	16
2.1	Our GHG emissions at a glance	17
2.2	Developing sustainable lighting	20
2.2.1	Making our materials sustainable	20
2.2.2	Efficient lighting for more sustainability	22
2.2.3	From end of life to circular economy	25
2.3	Sustainable production and logistics	28
2.3.1	Sustainable heating and cooling for our sites	29
2.3.2	Sustainable electricity	31
2.3.3	Reduction of waste	33
2.3.4	Sustainable investments	34
2.3.5	Transport	34
2.4	Making sales and day-to-day work sustainable	38
2.4.1	Sustainable mobility	38
2.4.2	Business travel	40
2.4.3	Commuting behaviour of employees	41
2.5	Total energy consumption	44

3.	Social sustainability	46
3.1	Our employees	48
3.1.1	A workplace with ideal conditions	50
3.1.2	Health and safety at work	51
3.1.3	Active participation	52
3.1.3.1	Sustainability Experts	53
3.2	Our investments in education	56
3.2.1	Continuous training for our employees	56
3.2.2	Apprenticeship training	57
3.2.3	Internal and external training programs	57
4.	Sustainable governance	62
4.1	We take responsibility	64
4.1.1	We act in accordance with ethical, social, and environmental principles	64
4.2	We actively involve our stakeholders	68
4.2.1	Shaping digitalization together	69
4.2.2	We connect to all groups of stakeholders	70
4.3	We determine our sustainability context	72
4.3.1	How we work – value chains and preliminary analysis	72
4.3.2	Identification and assessment of impacts, risks, and opportunities	72
4.3.3	Decision-making processes, stakeholder involvement, and control	73
4.3.4	Results of the double materiality analysis	74
5.	About this report	78
5.1	Transparency and compliance as key values	80
5.1.1	Reporting period and companies included	80
5.1.2	Data quality and methodology	82
5.1.3	Further development of reporting	84
5.2	GRI index	85

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

1.1	About the XAL Group	10
1.1.1	Lighting without limits – and beyond	11
1.1.2	Our team – the key to success	13
1.1.3	Our commitment to climate protection – scientifically based	14

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

1 481

employees

203

million € in revenue

20

countries

1989

founded

1.1 About the XAL Group

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

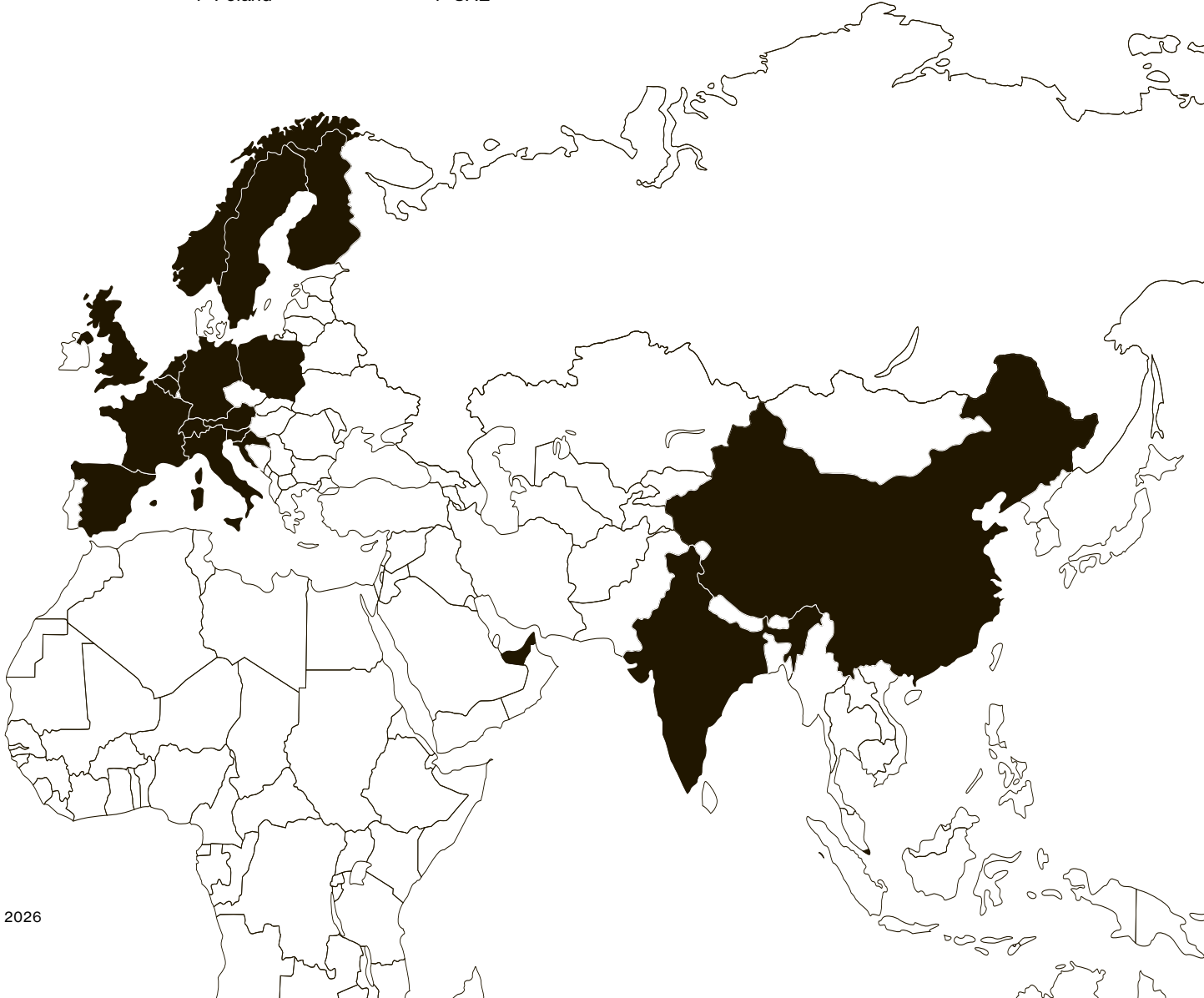
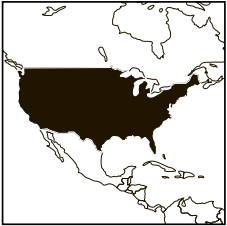
our mutual success. Thanks to organizational efficiency and a high level of in-house production, we can respond individually to our customers' needs and continuously expand our existing product portfolio. Meeting seemingly impossible requirements is what drives and inspires us every day. From a novel concept to lighting innovation: a path that is created by crossing boundaries.

- Europe**

 - 2 Belgium
 - 7 Germany
 - 1 Finland
 - 2 France
 - 3 Italy
 - 1 Croatia
 - 1 Netherlands
 - 1 Norway
 - 11 Austria
 - 1 Poland
- Americas**

 - 1 USA
- Asia**

 - 2 Sweden
 - 7 Switzerland
 - 1 Slovenia
 - 3 Spain
 - 1 United Kingdom
 - 2 China
 - 2 India
 - 1 Singapore
 - 1 UAE



The XAL Group brings together several lighting brands under one corporate structure. XAL and Wever & Ducré merged over ten years ago; Wastberg+ has been part of the Group since 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.

In 2026, our efforts were rewarded with a Platinum medal from EcoVadis for the Graz site for the third time. You can find out more about this in section "4.1.1 We act in accordance with ethical, social, and environmental principles" on page 64.



1.1.1 Lighting without limits – and beyond

With innovative lighting solutions that can be flexibly adapted to customer requirements, the XAL Group 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, the XAL Group helps to minimize energy consumption at its customers' sites. The XAL Group is a global player in the lighting sector and, with its brands XAL, Wever & Ducré, and Wastberg+, 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 are part of the Group whose activities contribute to sustainable development. X-TEC has been part of the XAL Group since 2024 and operates in the fields of carpentry and plastics processing. In addition to furniture and interior fittings, it also produces acoustic solutions for companies of the XAL Group.



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 544 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
Production & Logistics	Austria, Belgium, China, Slovenia	690
Sales	20 countries	420
Other	Austria, Croatia	235
Research & Development	Austria, Spain	136
Total		1 481

Fig.01 Total number of employees (number of persons) by main area of activity at the site

Country	Employees
Austria	617
China	251
Slovenia	237
Belgium	100
Germany	69
Switzerland	55
Other countries Europe	140
Other countries Asia	12
Total	1 481

Fig.02 Countries with more than 50 employees (number of persons)

1.1.3 Our commitment to climate protection – science-based

The XAL Group joined the Science Based Targets initiative (SBTi) in 2024 and officially committed to setting short- and long-term group-wide emission reduction targets in line with scientifically based findings. The targets were submitted and validated in 2025.

We aim to achieve net-zero emissions across the entire value chain by 2050 at the latest. On the way there, we will reduce our Scope 1 and 2 emissions by 75% by 2032 compared to 2019 and our Scope 3 emissions

by 40% compared to 2023. By 2050, we will reduce our emissions across all scopes by 90% (for Scope 1 and 2 compared to 2019 and for Scope 3 compared to 2023) and neutralize the remaining emissions to achieve net-zero emissions.

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

To achieve these ambitious targets, we are working intensively on developing 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. Implementing our climate targets requires consistent integration of emission reduction into our central decision-making and management processes. Building on the validated SBTi targets, we are continuously developing our reduction strategy along the entire value chain and focusing on those measures that will have the greatest short- and medium-term impact. At the same time, data quality is continuously evaluated and optimized. This ensures that our climate protection approach is effective, measurable, and viable in the long term.

Climate protection through **innovation and efficiency** The XAL Group 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 GHG emissions at a glance	17
2.2	Developing sustainable lighting	20
2.2.1	Making our materials sustainable	20
2.2.2	Efficient lighting for more sustainability	22
2.2.3	From end of life to circular economy	25
2.3	Sustainable production and logistics	28
2.3.1	Sustainable heating and cooling for our facilities	29
2.3.2	Sustainable electricity	31
2.3.3	Waste reduction	33
2.3.4	Sustainable investments	34
2.3.5	Transport	34
2.4	Making sales and day-to-day work sustainable	38
2.4.1	Sustainable mobility	38
2.4.2	Business travel	40
2.4.3	Commuting behaviour of employees	41
2.5	Total energy consumption	44

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.

-1 251 Reduction in Scope 1 and 2 emissions in tonnes of CO ₂ equivalent compared with the base year	-59.3% Reduction in total emissions (Scope 1 and 2) per € 100 000 of turnover compared with the base year		-27.7% Reduction in total emissions (Scope 1 – 3) per € 100 000 of turnover compared with 2023 2024	
	Base year Scope 1 & 2 2019 20	Base year Scope 3 2023 24	2024 25	2025 26
Turnover in € 100 000	1 460	1 890	1 910	2 030
Change to base year per € 100 000 turnover				
				in %
39.0%				
Emissions in t CO₂-eq				
Scope 1				
Fuel	642	593	520	523
Heat*	274	387	224	227
Refrigerants	37	57	59	70
Process emissions	n.a.	0	0	0
Total Scope 1	953	1 037	803	819
Scope 2				
Electricity	1 932	1 054	885	806
District heating and cooling	0	5	13	8
Total Scope 2	1 932	1 059	898	814
Total Scope 1 and 2	2 885	2 096	1 701	1 633
Scope 3				
3.1 Purchased goods & services*	n.a.	35 186	33 773	33 104
3.2 Capital goods	n.a.	1 537	3 940	723
3.3 Indirect emissions	n.a.	420	414	363
3.4 Upstream transportation	n.a.	2 877	2 817	2 962
3.5 Waste from operations*	n.a.	131	167	191
3.6 Business travel	n.a.	1 914	1 230	875
3.7 Employee commuting	n.a.	1 686	1 532	1 349
3.9 Downstream transportation***	n.a.	338	237	251
3.11 Use phase	n.a.	185 183	161 802	138 339
3.12 End of life**	n.a.	426	267	188
Total Scope 3	n.a.	229 698	206 181	178 344
Total Scope 1, 2 und 3	2 885	231 794	207 882	179 978

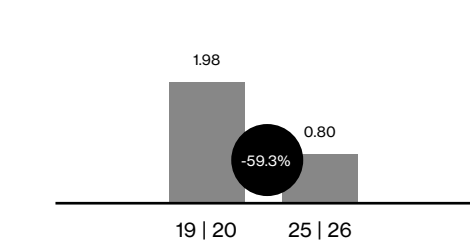
* Value corrected for 24 | 25 ** Value corrected for 23 | 24 Biogenic CO₂ emissions (Scope 1): 904 t | Biogenic CO₂ emissions (Scope 2): 96 t

Intensity per €100 000 of turnover in t CO₂-eq

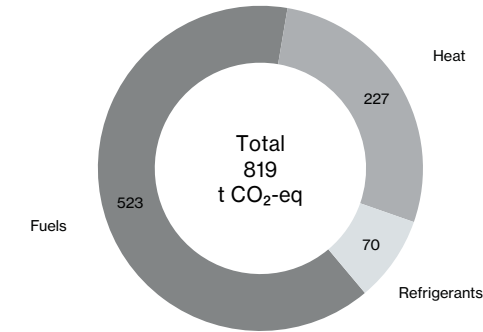
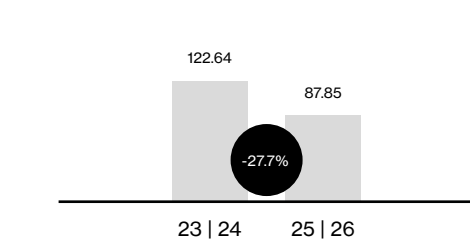
Scope 1 + 2	2019 20	2025 26	Scope 3	2023 24	2025 26
Turnover in € 100 000	1 460	2 030	Turnover in € 100 000	1 890	2 030
Scope 1 + 2 in t CO ₂ -eq	2 885	1 633	Scope 3 in t CO ₂ -eq	229 698	178 344
Scope 1 + 2 Intensity	1.98	0.80	Scope 3 Intensity	122.64	87.85

Tonnes of CO₂-eq per €100 000 of turnover

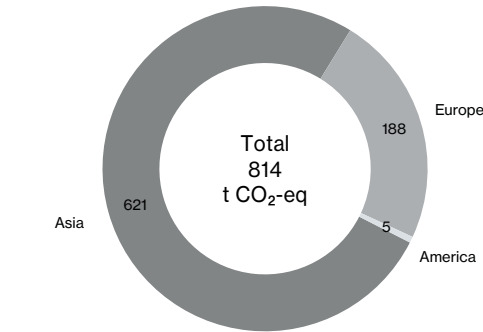
Scope 1 + 2



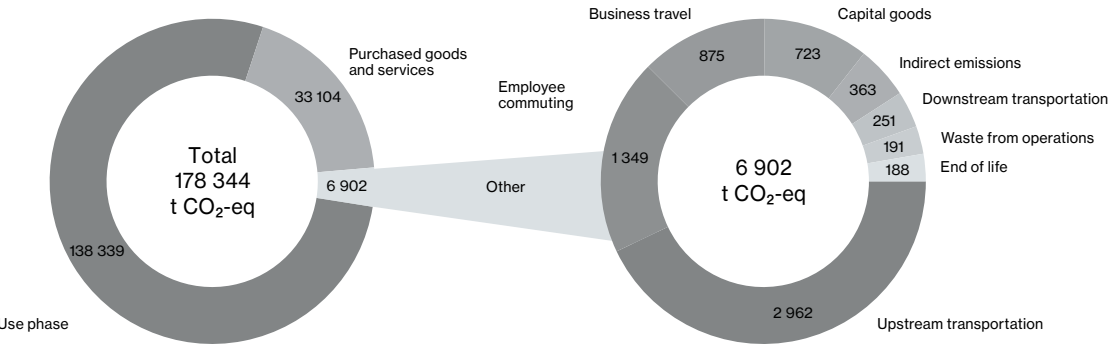
Scope 3



Total Scope 1
Fossil fuels, refrigerants, heating | cooling



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

33 104 t CO₂-eq

from goods and services

138 339 t CO₂-eq

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

-12.4%

emission reduction in purchased materials per € 100 000 revenue compared to the base year

-33.0%

emission reduction in the use phase per 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 50 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, 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.

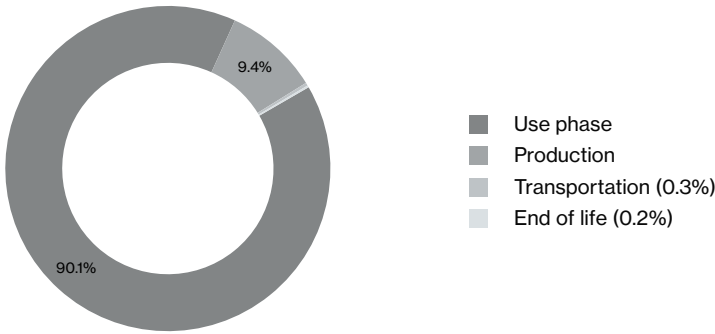


Fig. 03 Distribution of greenhouse gas emissions (GWP fossil without credits)

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 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 area luminaires. In addition to electronic components, aluminum 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.

the cost-based data. The reduction in cost-based data is primarily due to an improved adjustment of cost-based factors to purchasing power. Data quality was further improved in the mass-based data collection. Although emission factors changed slightly in all categories, it can generally be stated that both reductions and increases in emissions strongly correlate with changes in purchased quantities, while the total purchase volume remained virtually unchanged compared to the previous year. Significant reductions were recorded in the categories photovoltaics, iron & steel, and luminaires. The reduction in the first two categories is primarily due to lower purchasing volumes by Green Electrics. For luminaires, both the emission factor was adjusted and a lower quantity of luminaires was purchased externally. The largest increases occurred in the categories LEDs, mechanical luminaire components, and other mass-based items. In the first

Overall, there was a reduction of around 1% compared to the previous year, with a 0.3% increase in the mass-based data collection compared to a 16% reduction in

two categories, the increases strongly correlate with higher purchased quantities. The increase in purchased LEDs was partly due to improved production capacities in the new electronics production facility and partly due to replenishing inventories that had been reduced in the previous year. In the category other mass based, emissions increased despite lower quantities compared to the previous year due to the different distribution of subcategories and the adjustment of the emission factor. New categories were created to accurately reflect purchases by X-TEC. Subcategories that had previously

been assigned elsewhere were also allocated to these new categories, resulting in slight changes in the categories electronic components, mechanical luminaire components, and other mass-based items.

In this reporting year, work continued on transitioning remaining plastic packaging to alternatives. 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 – sustainable solution for product packaging

Products are often secured in their individual packaging using plastic strapping. To specifically reduce the use of plastic in this area, XAL is gradually switching to paper-based alternatives. The aim is to make product packaging more resource-efficient without compromising stability or transport safety. To this end, the packaging machines used are gradually being replaced by machines that can process paper strapping. In 2025, three machines were already replaced. This allows the plastic content in product packaging to be further reduced – a concrete step toward more sustainable packaging solutions.

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. Aluminum profiles, for example, have a wide range of emission values. Depending on where they are manufactured and how high the proportion of recycled aluminum in the end product is, greenhouse gas emissions in kg CO₂ 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 aluminum 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 aluminum or materials that are problematic for the circular economy, such as some plastics.

During the reporting period, ENVIVA suspended was launched on the market. It impresses with its significantly reduced use of materials and weighs only half as much as the comparable product. In addition, a low-emission aluminum profile and other innovative features are used; further information can be found in section “„2.2.3 From end of life to circularity“ 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. For bulk cable material, more than 90% of the purchasing volume was already covered by halogen-free cables in the reporting year. The use of our BPA-free reflector material was also further expanded – it is now used as standard in several product series.

Materials	23 24 t CO ₂ -eq	24 25 t CO ₂ -eq	25 26 t CO ₂ -eq	Change to base year in %
Aluminium	10 342	10 416	12 385	18.9%
Other Metals*	145	136	158	16.5%
Iron and steel	564	540	409	-24.2%
Plastics	854	1 591	1 920	20.7%
Electronic components**	10 320	10 794	10 385	-3.8%
LED	145	94	140	49.6%
Luminares	3 974	1 766	1 217	-31.3%
Furniture and appliances*	n.a.	n.a.	30	
Mechanical luminaire parts**	710	606	825	36.1%
Paper wood packaging	1 175	1 046	1 227	17.3%
Photovoltaics	3 736	3 273	1 517	-53.7%
Other mass based	456	407	558	37.1%
Services cost based	2 123	2 627	1 840	-30.0%
Other cost based	643	478	493	3.1%
Total	35 186	33 773	33 104	-2.0%
Turnover in million €	189	191	203	6.3%

Fig. 04 Total emissions for purchased goods & services in t CO₂-eq compared to the previous year
*category created in 25 | 26 **value corrected for 24 | 25

2.2.2 Efficient lighting for more sustainability

Luminares 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 luminares – 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 luminares to consume as little energy as possible. Total emissions during the use phase are closely linked to our economic success. Total consumption during the use phase increased slightly by almost 4% compared to the previous year, but to a significantly lesser extent than revenue, which increased by around 6%. Nevertheless, absolute emissions during the use phase were reduced by around 14.5% compared

to the previous year. Emissions per unit sold decreased again by more than 19% after the strong decline in the previous year. The decline per unit is attributable to higher efficiency and thus lower average energy consumption of our products sold. The decline in absolute emissions can be attributed to the reduction 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 the electricity mix of the ten strongest sales countries and an electricity mix for the rest of the world based on the kilowatt hours per country during the reporting period. The average service life was assumed to be 35 000 hours. In contrast to the base year, real data was largely available for own products regarding the share of dimmable products and products with sensor modules (brightness and presence). 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 proportion of dimmable products was defined as 65% and the proportion 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. And it has been well received: in the reporting year, MOVE IT Pro already made it into the top five best-selling series of the XAL Group.

Following successful upgrades in previous years, 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 is being significantly reduced once again for many products. In the reporting year, the upgrade of a particularly important series for XAL began: the configurable UNICO. This project will

be completed during 2026 | 2027 and will lead to an average efficiency increase of around 24%.

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 professional 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 launched 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.

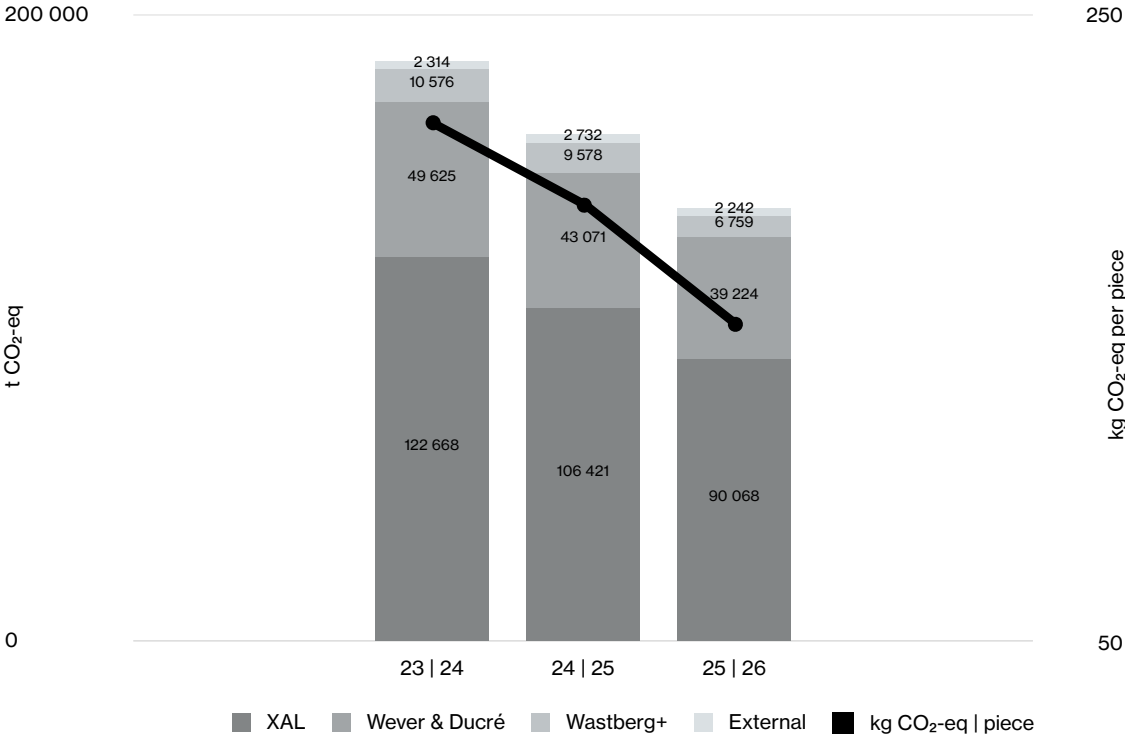


Fig. 05 Use phase of products sold in total t CO₂-eq and kg CO₂-eq per unit over time by brand

t CO ₂ -eq total	XAL	Wever & Ducré	Wastberg+	External	Total
23 24	122 668	49 625	2 314	10 576	185 183
24 25	106 421	43 071	2 732	9 578	161 802
25 26	90 068	39 224	2 242	6 759	138 293
kg piece	XAL	Wever & Ducré	Wastberg+	External	Total
23 24	258	97	148	517	179
24 25	213	82	112	284	149
25 26	165	70	90	268	120
Change in kg piece compared to the base year	-36.0%	-27.8%	-39.4%	-48.2%	-33.0%

Fig. 06 Comparison of total t CO₂-eq and kg CO₂-eq per unit of product sold over time by brand

Efficient lighting refurbishment for a future-proof bank building

The headquarters of Volksbank Südtirol in Bolzano was already equipped with XAL luminaires in 2015. In 2025, the existing lighting system was comprehensively converted to highly efficient LED technology. The aim was to continue using the existing architecture and luminaire structure while significantly reducing energy consumption. As part of the project, the existing fluorescent lamps were replaced with customized LED retrofit kits. This reduced the energy demand for lighting by 52% – without replacing the luminaires completely. The refurbishment shows how existing buildings can be modernized sustainably and how operating costs can be reduced in the long term through targeted technical adaptations and durable products.

2.2.3 From end of life to circularity

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“ starting on page 78.

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 cause only a little more than one ton 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 larger 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.

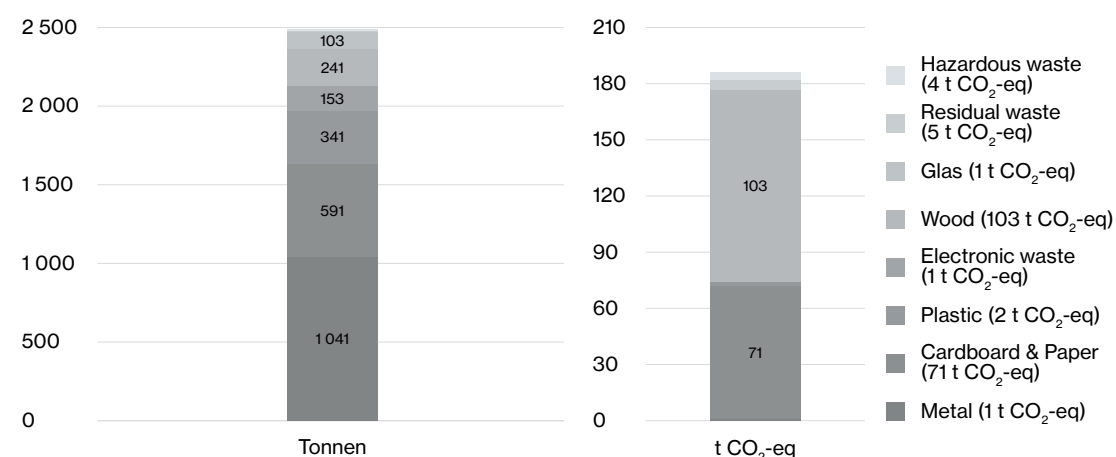


Fig. 07 Quantities in tonnes and emissions in tonnes of CO₂-equivalent generated at the end of the product life (Scope 3.12)

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.

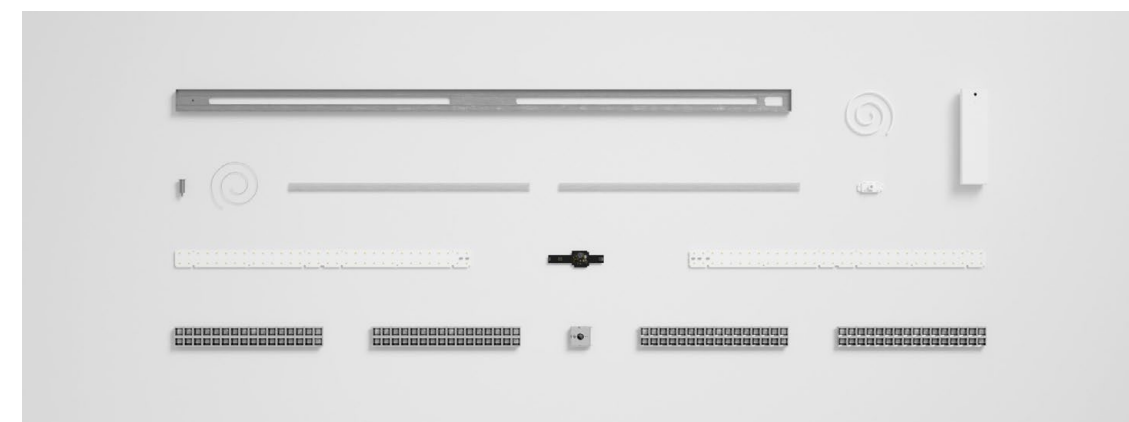
However, the transition to a circular economy is not only important in terms of greenhouse gas emissions. The extraction and limited availability of primary materials has numerous additional social and environmental impacts. For this reason, a particular focus was placed on

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, the implementation of the Sustainable Design Guidelines was completed, defining binding requirements for sustainable product design.

ENVIVA – optimized for the cycle

With ENVIVA, a luminaire was launched that takes sustainability aspects into account 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 enable return to the material cycle.



In 2025, as part of preparations for Cradle to Cradle Certified® certification of ENVIVA suspended, the company focused even more strongly on the topic of circular economy. At the end of the fiscal year, the product was successfully assessed in accordance with the science-based requirements in the five categories of the standard and is now Cradle to Cradle Certified® (full scope, Bronze level, according to Standard Version

4.0). This confirms that the product was developed for the cycle and with consideration of the entire product life cycle. ENVIVA suspended has also received several design awards and was one of three nominated projects in the climate protection category of the TRIGOS Steiermark sustainability award, ranking among the best initiatives in the category.

Reducing Scope 1 and 2 emissions in line with the Paris Agreement goals 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

297 t CO₂-eq

in Scope 1 heat and refrigerants

806 t CO₂-eq

in Scope 2 electricity

- 14 t CO₂-eq

in Scope 1 heating and cooling compared to the base year

-1 126 t CO₂-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 half a ton.

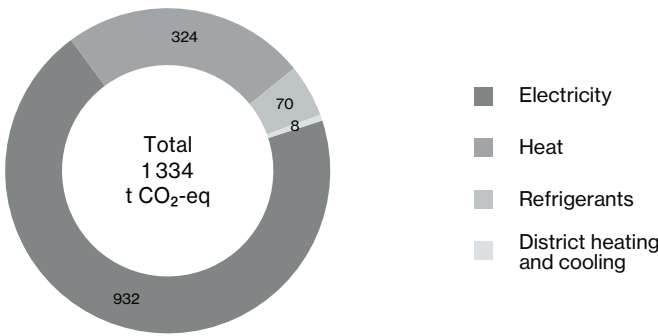


Fig. 08 Total emissions from our sites (Scope 1, 2, and 3.3) excluding fuel consumption during the reporting period in t CO₂-eq

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 in 2024 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 is supplied with heating using a groundwater heat pump.

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

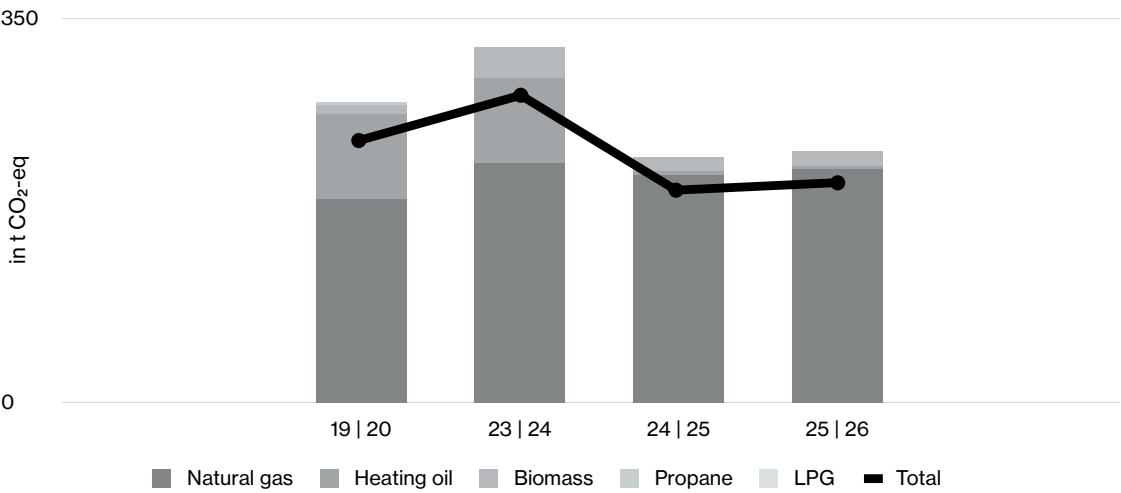


Fig. 09 Direct emissions (Scope 1) for heat in t CO₂-eq by energy source over time

Total emissions in t CO ₂ -eq	Europe		Asia		Americas
	24 25	25 26	24 25	25 26	25 26
Natural gas	107	103	101	111	0
Heating oil	4	3	0	0	0
LPG	0	0	0	0	0
Biomass	13	13	0	0	0
Total	123	119	101	111	0
Change Europe Asia compared to the previous year	-6.0%		10.3%		0

Fig. 10 Total emissions (Scope 1 and Scope 3.3) for heating and cooling in t CO₂-eq per energy source and region compared to the previous year

Emissions to air by type for heating cooling				
Type of THG	NO _x	SO _x	PM	CH ₄
kg	1 199	396	79	586

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 increased slightly compared to the previous year during the reporting period. This is due to a slight overall increase in consumption. Emissions from biomass and heating oil decreased, while emissions from natural gas increased. The reduction in heating oil is due to the fact that remaining quantities of heating oil from the previous year were eliminated as part of the switch to pellets at headquarters. Biomass consumption in Slovenia was reduced again by more than 11%, offsetting additional quantities at the headquarters and at the new group company X-TEC. The reduction in wood chip consumption in Slovenia is mainly due to the increased use of the heat pump and, in part, to the continued switch to low-temperature powder. The increased gas consumption is primarily attributable to increased production activities in China. At Wever & Ducré in Belgium, by contrast, gas consumption was significantly reduced by 20%. The reduction is attributable to measures implemented following an external energy audit. In particular, the adjustment of the setpoint temperature of the condensing boiler led to more efficient operation of the heating system in Belgium. Data quality at sales locations was also 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 smaller proportion of the locations. For sites without consumption data, natural gas was assumed as the heating type.

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 in 2024 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 70 t CO₂-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	19 20	23 24	24 25	25 26	Change in %
Natural gas	25	69	50	51	2.4%
Heating oil	18	21	1	1	- 36.4%
LPG	1	0	0	0	- 88.1%
Biomass	8	12	42	45	7.7%
Total	51	104	93	97	4.2%

Fig. 12 Indirect emissions for heating (Scope 3.3) in t CO₂-eq over time and compared to the previous year (excluding district heating and cooling)

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 significant reductions in emissions in previous years, for example by switching the electricity tariff in Slovenia to 100% electricity from renewable sources, further reductions were achieved in 2025 | 2026, 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. However, toward the end of the reporting year, the company also began purchasing electricity from verified renewable sources

there. Despite the short period and increased consumption, this reduced electricity emissions in China by around 8%. A further significant reduction can be expected in the next reporting year. The electricity at the headquarters in Graz comes from 100% renewable sources, which means that there are no direct emissions there, 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.

Innovation saves resources

During the reporting year, an automated laser welding system was purchased for the production site in Slovenia. Laser welding already saves energy compared to TIG welding – and the increased precision, especially in automated laser welding, saves further resources for post-processing steps such as grinding or milling. In this way, we save emissions through the use of innovative technologies.

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.

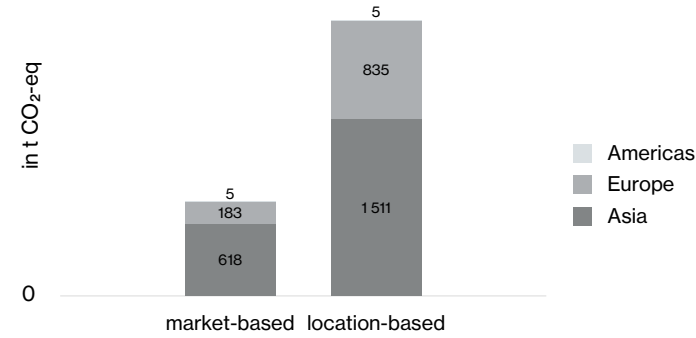


Fig. 13 Scope 2 electricity emissions during the reporting period using market-based and location-based methods

In addition to measures to optimize and reduce our energy consumption in general, the existing photovoltaic system in Graz was expanded by 77 kWp to a total of 1 033 kWp in the reporting year. With the systems in Graz (1 033 kWp), Murska Sobota (878 kWp), Kortrijk (137 kWp), and St. Margarethen (219 kWp) in place during the reporting year, almost 2 050 MWh of green electricity was generated for our production sites.

For the next reporting year, the installation of a battery storage system with a capacity of 300 kWh is planned at the headquarters in Graz in order to use our

self-generated solar power even more efficiently in the future. The figures below show that the measures taken are already having an effect. Electricity consumption increased, while emissions decreased. At the logistics site in Belgium, the switch to electricity from renewable sources during the reporting year led to a reduction in emissions of around 72%. Electricity consumption and related emissions without market-based data, such as external charging of electric vehicles, increased, which is why the overall reduction in electricity emissions was comparatively low at around 8%.

Purchased electricity (market-based) in t CO ₂ -eq	in MWh		in t CO ₂ -eq		Change in %
	24 25	25 26	24 25	25 26	
Hydro power	1 181	996	-	-	0.0%
Nuclear energy	215	163	-	-	0.0%
Oil	1	1	1	1	1.2%
Natural gas	140	40	55	18	-67.1%
Wind power	254	178	-	-	0.0%
Solar power	799	2 168	-	-	0.0%
Coal	646	546	643	569	-11.5%
Biomass	1 146	107	-	-	0.0%
Other renewable sources	-	439	-	-	-
Other fossil	31	80	29	76	-158.0%
Other	96	0	49	0	-99.6%
Mix (electricity from offices without consumption volumes + electric cars)	506	589	107	142	31.7%
Total market-based	5 016	5 308	885	806	-8.9%
Total location-based	5 016	5 308	1 825	2 352	28.8%

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

2.3.3 Waste reduction

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 from 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 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.

Waste category	in t			in t CO ₂ -eq		
	23 24	24 25	25 26	23 24	24 25	25 26
Cardboard & paper	285	302	360	39	37	43
Metal	212	206	350	57	2	2
Residual waste*	60	133	196	27	54	79
Glass	0	1	2	0	0	0
Hazardous waste	52	51	104	7	21	42
Plastic	56	44	45	1	0	0
Electronic waste	2	3	3	0	0	0
Wood	69	94	56	1	54	24
Total	736	836	1 115	131	167	191

Fig. 15 Waste generated in tonnes and emissions in t CO₂-eq (Scope 3.5) *value for 24 | 25 corrected

Turning cut-offs into resources

At X-TEC, larger quantities of cut-offs were previously generated during the production of PET panels. To reduce these quantities, the ordered dimensions of some materials were optimized. This led to initial successes, although a change was not possible for all materials due to the dimensions required for the end products. Therefore, an alternative use was found for the remaining quantities: cut-offs of the panels are used as filling material or surface protection in transport packaging. This has significantly reduced waste volumes from PET panels.

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	25 26
Buildings and equipment	1 171	3 476	574
Intangible assets	302	397	77
Other	64	67	72
Total	1 537	3 940	723

Fig. 16 Capital goods purchased over time in t CO₂-eq (Scope 3.2)

The figure shows the development of emissions resulting from the acquisition of capital goods since the base year. As expected, emissions in this category fell sharply compared to the previous year. The main reason for the increase in the previous year was 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. In 2025 | 2026, investment was lower than in the previous year. The strongest effect in this category resulted from the conversion of the former electronics production area at the headquarters into modern and energy-efficient office space. Overall, this category continues to account for a 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 customers were also counted as upstream transports. Transports organized by our customers, as well as assumed transport routes for deliveries from distributors to end customers and storage, 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 transport. 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. Assumptions were made regarding transport distances and storage periods for downstream transport and storage by retailers.

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. For the first time, the data for locally organised transports carried out by smaller subsidiaries were also taken into account on a cost basis in 25 | 26.

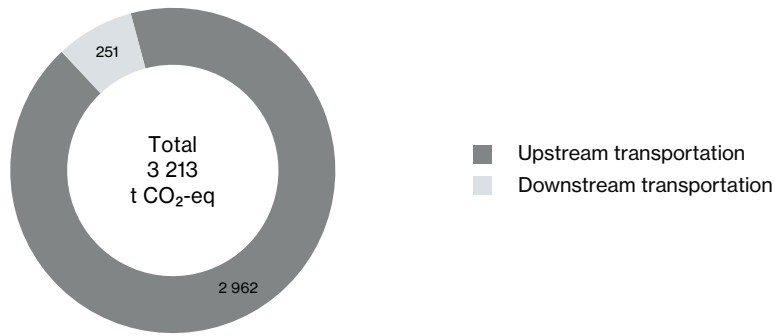


Fig. 17 Distribution of transport emissions between upstream and downstream transportation

Type of transport	Upstream transportation			Downstream transportation		
	23 24	24 25	25 26	23 24	24 25	25 26
Land freight	580	535	577	23	19	27
Sea freight	143	144	178	8	9	10
Air freight	2 155	2 138	2 071	248	152	155
Transport mix			136	15	15	15
Storage of goods				43	43	43
Total	3 197	2 817	2 962	338	237	251

Fig. 18 Overview of emissions from upstream (Scope 3.4) and downstream (Scope 3.9) transportation in t CO₂-eq

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 packaging leads to a reduction in transport volume and weight, and thus to lower transport emissions. Slight increases compared to the previous year result from the higher total quantity of products sold and the improvement of data quality for small subsidiaries.

“ 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

-41 331 l

fuel consumption compared to the base year

-148 t CO₂-eq

emissions from fuel consumption compared to the base year

-1 039 t CO₂-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. Sales teams have access to virtual reality glasses, which can be used to display project plans digitally. In addition, virtual tours of the new showroom in Hamburg and showrooms that have already existed for some time in several countries provide insight without the need for physical presence. Sustainability was also taken into account in the stand

concept when preparing for the Light + Building trade fair in March 2026. For the XAL and Wever & Ducré brands, parts of the exhibition stands were rented to ensure reuse. The stand was supplemented with materials mainly sourced in the immediate vicinity of the exhibition grounds and stored after the fair for further use in showrooms and construction projects. This applied, among other things, to furniture, carpets, and drywall panels. Most of the luminaires used were also put to further use, including in showrooms, as sales samples, or for product testing. Specifically, for Wever & Ducré, more sustainably produced cardboard panels were used instead of drywall panels. At Wastberg+, the entire exhibition stand was designed for storage and reuse at future trade fairs.

2.4.1 Sustainable mobility

With a strong focus on e-mobility, the XAL Group vehicle fleet is being converted to electric vehicles in all areas where this is feasible in order to achieve our emission reduction targets. At the end of the reporting period, the XAL fleet consisted of 126 electric vehicles and 13 hybrid vehicles, compared to 100 vehicles with combustion engines. In the 2025 | 2026 fiscal year, around 53% of our fleet were purely electric and 5% 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 15% 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	26
Diesel		70
Electric		129
Hybrids		13
Total	2	238

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

“ We are increasingly relying on electric cars for sales in Austria. In 2025 | 2026, more than 70% of the kilometers driven were already covered by electric vehicles. ”

Harald Dirnberger, Managing Director of XAL GmbH

The effectiveness of this measure is reflected in the decline in fuel-related emissions in Scope 1 since the base year. However, compared to the previous year, there was a minimal increase of less than 1%. Diesel consumption decreased, while gasoline consumption increased. This is due, among other things, to the fact that newly added hybrid vehicles are mostly gasoline-powered. Through further replacement of conventional vehicles in the coming years, we plan to reverse this trend as quickly as possible.

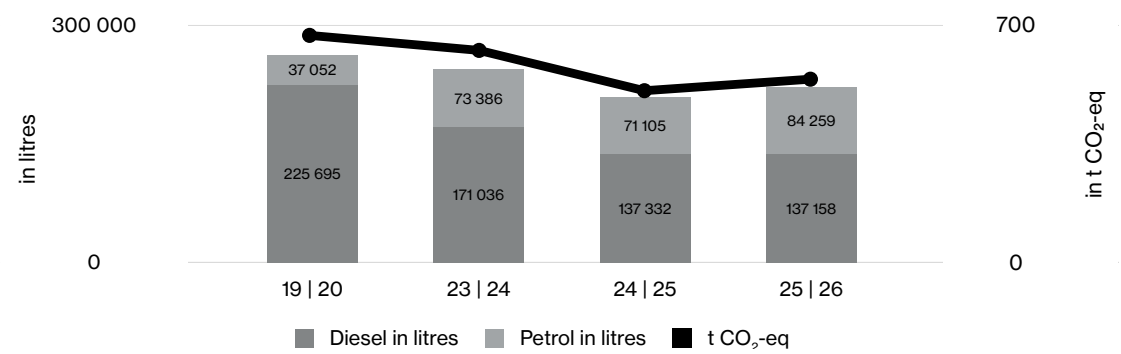


Fig. 20 Fuel consumption and resulting emissions over time (values corrected for 23 | 24)

	19 20	23 24	24 25	25 26	Change in %
Diesel in litres	225 695	171 036	137 332	137 158	-0.1%
Petrol in litres	37 052	73 386	71 105	84 259	18.5%
Diesel t CO ₂ -eq	563	429	345	342	-0.9%
Petrol t CO ₂ -eq	79	164	175	181	14.3%
Total t CO₂-eq	642	593	520	523	3.9%

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



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). Despite the slight increase in consumption, there was a reduction in indirect emissions compared to the 2024 | 2025 fiscal year due to the changed distribution between gasoline and diesel – as gasoline has lower emissions than diesel.

Fuel related emissions	t CO ₂ -eq 24 25		t CO ₂ -eq 25 26		Change in %
	direct	indirect	direct	indirect	
Diesel	345	100	342	96	-1.7%
Petrol	175	42	181	43	14.2%
Total	520	142	523	139	3.2%

Fig. 22 Direct and indirect emissions from fuel consumption in t CO₂-eq compared to the previous year

Emissions in CO₂-eq include all greenhouse gases. The table below shows the direct emissions of nitrogen oxides (NO_x), sulphur oxides (SO_x), and other significant air emissions separately.

Emissions to air from fuel				
Type of GHG	NO _x	SO _x	PM	CH ₄
kg	242	177	17	805

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. In addition, air travel should be avoided 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. The reductions result on the one hand from lower activity data and on the other hand from the adjustment of the emission factors in the source used (see „5.1.2 Data quality and methodology“ starting on page 82).

Category	23 24	24 25	25 26	Change in %
Airplane	1 721	1 058	776	-26.7%
Train	5	3	4	11.1%
Bus	0	1	1	-1.0%
Motorbike	1	4	-	-100.0%
Car	132	60	14	-75.9%
Hotel	54	104	79	-23.4%
Total	1 914	1 230	875	-28.9%

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

2025 | 2026, the results of the survey from the base year 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.

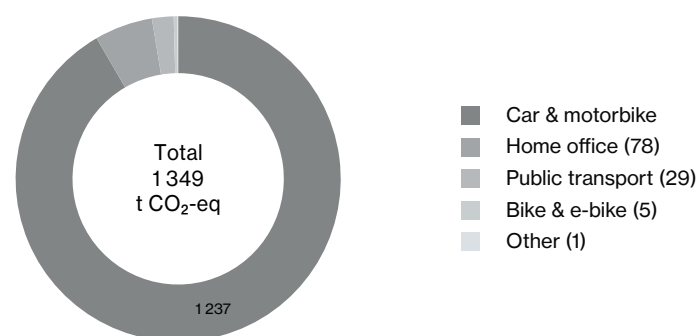


Fig. 25 Emissions from employee commuting (3.7) including home office

The majority of employees use their cars to get to work. Across the Group, 18% of our employees use bicycles to get to work at least occasionally. 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 one-and-a-half-year project "Cycle Champ 2.0 XAL" at the headquarters, bicycle use in everyday working life was specifically promoted and established as an integral part of a sustainable mobility culture within the company. Building on existing measures, infrastructure, communication formats, and practical offers such as bicycle checks and workshops were further developed and supplemented, enabling more employees to be encouraged to use active mobility.

and the active involvement of employees, whose needs were directly incorporated into implementation through mobility surveys. In this way, bicycle-friendliness was measurably improved and bicycle use in everyday working life increased. Cycling will remain a central part of our corporate culture in the future: successful measures will be continued, continuously developed, and sustainably secured through established structures such as the bicycle blog, regular campaigns, and integration into the workplace health promotion programme.

A particular focus was placed on low-threshold measures

XAL in the slipstream – commitment to "Österreich radelt"

In 2025, XAL once again took part in the "Österreich radelt" ("Austria cycles") initiative and motivated employees to consciously switch to cycling in everyday life. Whether commuting to work or in their free time, colleagues collectively cycled numerous kilometres and made a valuable contribution to reducing CO₂ emissions. With many active participants and over 18 800 kilometres counted, a strong result was achieved. Particularly noteworthy were the high participation rate within Styria and the very good ranking in the Austria-wide comparison with other companies. Another highlight was our "kilometer queen," who was awarded a goodie bag for her achievement. The initiative shows how sustainable mobility can be anchored in everyday life while strengthening team spirit, health, and environmental awareness.



In order to achieve our climate targets, 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

2 050 MWh

electricity generated by photovoltaic systems

62.4%

share of renewable energies in total energy consumption

-28.3%

reduction in energy intensity since 2019 | 2020

2.5 Total energy consumption

The share of energy from renewable sources in total energy consumption has been growing since the base year. In the reporting year, the share of energy from renewable sources exceeded 60% for the first time. This is also due to the increase in the amount of energy we obtain directly from our own photovoltaic systems. Around 32% of the electricity consumed at sites with photovoltaic systems was generated directly on site. You can find out more about the measures taken in sections 2.3 and 2.4.

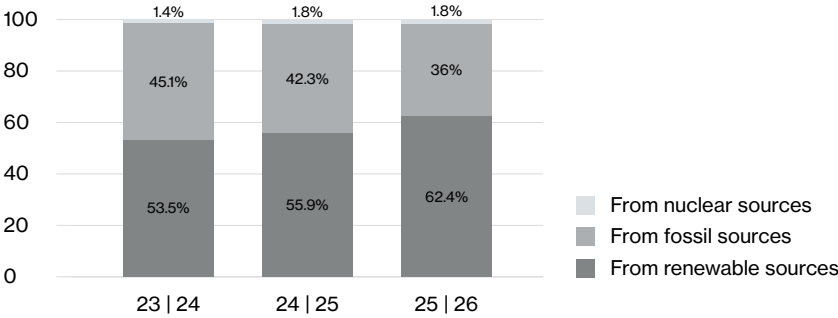


Fig. 26 Total energy consumption broken down by energy source over time

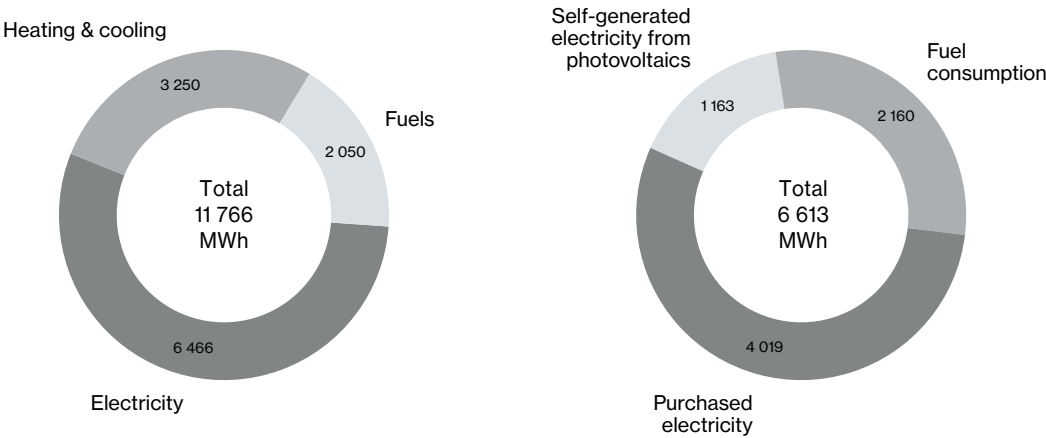


Fig. 27 Breakdown of total energy consumption and renewable share in MWh

As the figure above shows, 55% of energy consumption comes from electricity, 28% from heat and 17% from fuel. For electricity and heat, the share of energy from renewable sources is over 65% in each case. Total energy consumption decreased slightly in the last fiscal year. This reduction was achieved despite revenue growth through a 6% reduction in energy intensity. It shows that the increasing electrification of the vehicle fleet is reducing the share of energy attributable to fuels, while the share of electricity is increasing. This development is particularly positive because, by sourcing electricity from renewable sources and generating electricity with our own photovoltaic systems, we are able to obtain this energy with low emissions.

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

3.1	Our employees	48
3.1.1	A workplace with ideal conditions	50
3.1.2	Health and safety at work	51
3.1.3	Active participation	52
3.1.3.1	Sustainability experts	53
3.2	Our investments in education	56
3.2.1	Continuous training for our employees	56
3.2.2	Apprenticeship training	57
3.2.3	Internal and external training programs	57

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

1 481

Employees worldwide

26.5%

Women in management positions

+ 13.7%

Increase in full-time equivalents compared to 2019 | 2020

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 1 481 employees. We are committed to our employees and continuously work to create a livable 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	689	481	1	1 171
Asia	141	122	0	263
Total	830	603	1	1 434

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.

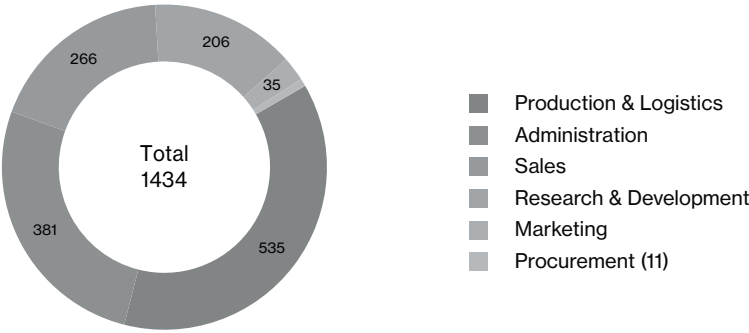


Fig. 29 Distribution of full-time equivalents by area of activity in the reporting period

Compared to the previous year, in addition to an increase in revenue, an increase in the number of employees was also recorded. As in the previous year, the number of

employees in Asia increased slightly, while it decreased slightly in Europe.

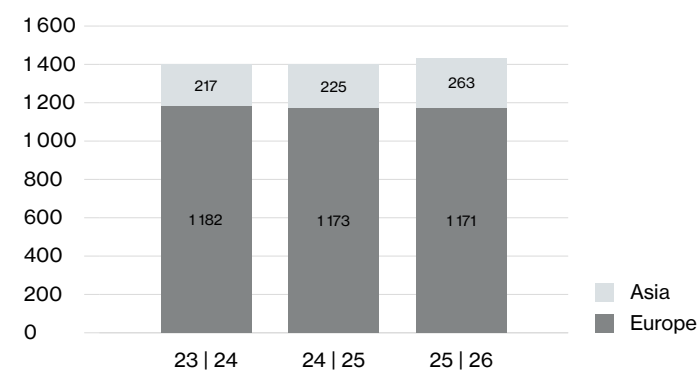


Fig. 30 Development of full-time equivalents by region over time

During the reporting period, the average number of employees (excluding temporary staff) was 1 494 (number of persons). Six 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 – a reduction of 75% compared to the previous year. During the year, 317 people left the company, a slight increase compared to the previous reporting period. This results in a total turnover rate of 21 %; adjusted for the location in China, it is 14 %. Around 68 % 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, as it had in the previous year. While the proportion of employees under 30 declined, the proportion of those aged 30 to 50 remained constant. The proportion of employees over 50 increased slightly during the reporting period. This emphasizes the importance of cross-generational personnel development and knowledge transfer.

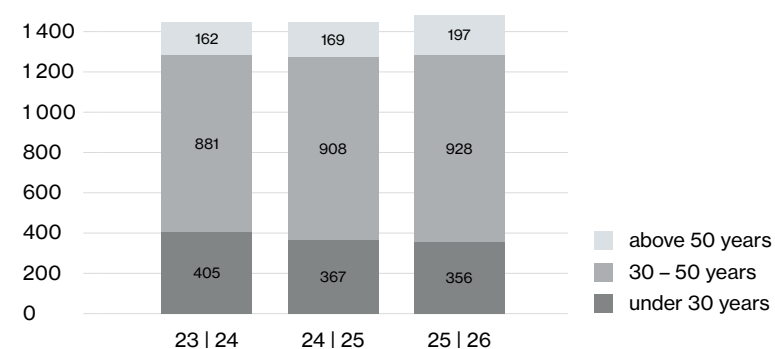


Fig. 31 Distribution of age groups (number of people)

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 the reporting year, 13 men and 17 women took parental leave. All our employees in the EU are entitled to parental leave. At group level, entitlement is based on the respective national requirements.

Compared to the previous year, the number of full-time and part-time employees shifted slightly. The current reporting period also shows a gender-specific distribution in working time models: 74 % of part-time employees are women, while women account for 40 % of full-time employees. This means that the imbalance has decreased slightly compared to the previous year.

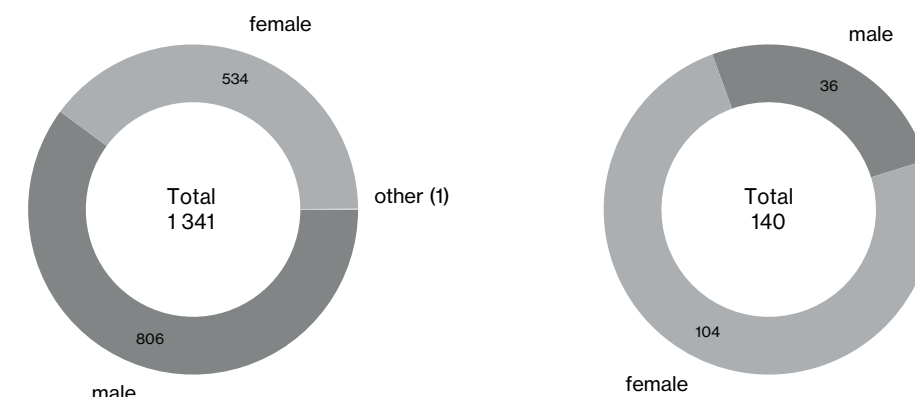


Fig. 32 Distribution of full-time and part-time employees by gender (left: full-time, right: part-time)

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 30%, we are below the previous year's value (33%) in the current reporting period.

The change is due to an adjusted calculation method: while the previous year's evaluation was based on job titles, the current calculation is based on actual staff responsibility. Regardless of this, the figure shows that further action is needed to achieve a more balanced distribution of management positions. We see this as an important impetus to further develop our existing measures in a targeted manner and intensify them in the coming reporting periods.

Number of employees in management positions	Number	Share in %
male	134	69.8%
female	57	29.7%
other	1	0.5%
Total	192	

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 three accidents at work were recorded in Austria. The number of accidents at work is therefore below the annual average for the last ten fiscal years and slightly below the industry average accident rate. Within the XAL Group, there were six

further documented accidents at work, two of which occurred in Slovenia and four in Belgium. Two of these were commuting accidents that occurred in Belgium. The average number of sick days in the Austrian companies continued to fall to 10.3 days compared to the previous reporting period and is therefore below the national average. Although our production facility in China is not currently certified according to ISO 45001, it also records work-related accidents and illnesses. There were three workplace accidents in China during the reporting period.

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. Until now, short employee surveys have been conducted annually, and every three years, most recently in June 2023, a comprehensive questionnaire was followed by health circles in which employees from all areas discussed the results of the survey, opportunities for improvement, and proposed measures with independent third parties in small groups. The results of these health circles were 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 consistently driven forward: the new production hall with modern electronics production and workplaces for 51 employees was already put into operation in 2024. Additional office workstations at the headquarters were successfully completed during the reporting period.

During the reporting year, work was carried out on modernizing the survey concept. The next survey for 2026 will be conducted according to a further developed concept: in addition to evaluating psychological stress and other insights, the Teamecho tool will be used for the first time as a flexible system that enables shorter, regular surveys as well as topic-specific deep dives. Based on the results, targeted deep-dive sessions on individual focus areas and the derivation of further measures are planned.

XAL New Year's Eve – celebrating the year together

With the first-ever XAL New Year's Eve event, a new setting was created to reflect on the completed fiscal year together and celebrate successes. In a relaxed atmosphere, employees gathered in the Graz showroom to look back on the year and raise a glass to our achievements. Catering and musical accompaniment by a DJ created a festive celebration that encouraged exchange and togetherness. XAL New Year's Eve underscores the importance of shared moments and appreciation – as an important part of a strong and positive corporate culture.

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. During the 2025 | 2026 reporting period, four incidents were reported via the platform, processed, and closed. We see the active use of the platform as a sign of trust and openness in practice.

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 created a network of Sustainability Experts in the previous reporting period, integrating sustainability into 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.

Since the 2025 | 2026 reporting year, more than 170 measures have been 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.

A strong focus on material efficiency and the circular economy is particularly noteworthy: in production, offcut quantities are systematically analysed, reduced and – where possible – directly reused. At the same time, packaging solutions were further optimized, for example by eliminating plastic components and developing alternative, material-efficient approaches. In addition, concepts such as modular design, improved reparability and updatability of products, as well as the reuse of materials and components, are becoming increasingly important. Transparency along the supply chain is also continuously improved in order to enable informed decisions on more sustainable materials and processes.

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.

Strengthening health – support for quitting smoking

At XAL, sustainability is also actively practiced in the social sphere – and this includes promoting the health of our employees. During the reporting year, an initiative was launched to support colleagues in quitting smoking. In cooperation with external partners, information and support services were made available that enabled flexible participation regardless of location. The measure can have positive effects not only on individual health, but also on the overall working environment. This example shows how targeted impulses in everyday life can initiate sustainable change – voluntarily, with low barriers to participation, and with long-term added value for people and the company.



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

5.2

average training hours
per employee

35

apprentices

7 752h

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.

Employees were specifically supported through a broad range of internal training courses in German and English. The training sessions covered basic and advanced content relating to sustainable business practices, company-wide policies and principles of conduct, climate accounting and emissions management, as well as strategic sustainability targets and their implementation in the corporate context. In total, more than 300 colleagues took part in the training sessions. With these formats, we strengthen a shared understanding of sustainability, promote the active involvement of employees, and consistently embed sustainable action in everyday working life.

In the reporting year, a particular focus was placed on expanding sustainability skills within the company.

Sustainability Week – experiencing sustainability together

With the Sustainability Week held for the first time in 2025, Wever & Ducre Belgium created a special framework for making sustainable action tangible. For an entire week, sustainability was at the centre of everyday working life – with a wide range of activities that combined information, exchange, and shared experiences. The program ranged from informative sessions on sustainable business practices and interactive formats to joint activities focusing on health, awareness, and team spirit. Social responsibility was also made visible, for example through inspiring insights into supported projects. Sustainability Week illustrates Wever & Ducre’s holistic approach: sustainability is not only considered but actively practiced – within the company and beyond.

3.2.2 Apprenticeship

The XAL Group bears great responsibility for tomorrow's society. This makes it all the more important for us to train apprentices in a modern working environment. Thirty-five apprentices were employed on the reporting date. 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 three apprenticeships were filled during the reporting period. We try to offer a wide variety of apprenticeships; most recently, the apprenticeship as a production measurement technician was added. The

XAL Group 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. The XAL Group 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.

Upcycling with impact

At XAL in Austria, our apprentices also take responsibility for sustainable action. For the "Klanglicht" events – a regional art festival with light and sound installations – they independently designed and implemented an exhibition stand, from the initial idea to final realization. A particular focus was placed on conserving resources: the stand was made predominantly from existing materials and reused residual materials. The project combines practical learning with sustainable thinking and at the same time promotes creativity, personal responsibility, and teamwork. After its use, the exhibition stand was reused and converted into a mulled wine stand for colleagues during the winter.

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.

Information sessions – promoting exchange and transparency

Regular information sessions are a central component of internal communication at Wever & Ducreé Belgium. In quarterly meetings, employees are informed about current developments within the company and actively involved in dialogue. The sessions create transparency, strengthen shared understanding, and promote exchange across all areas. A particular focus is placed on corporate culture. In dedicated formats, employees explore what "That's so Wever & Ducreé" means – from our values and attitude to their implementation in everyday working life. Through the Wever & Ducreé Academy, employees can register specifically for these sessions and actively contribute to the further development of the corporate culture. Sustainability is firmly anchored in these formats as a recurring topic.

The XAL Group 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.

“ We are continuously developing our training concept. In the coming years, the focus will be particularly on digitalization, automation, and clearly structured learning paths. ”

Britta Schindler, Head of People & Culture, XAL Holding GmbH

	24 25	25 26
Europe	8 340	7 714
Asia	50	38
Total	8 390	7 752

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

	24 25	25 26
Male	8.3	5.4
Female	2.5	5.1
Other	12.3	4.7
Total	8.6	5.2

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.

Reasons for the reduction in training hours compared to the previous year include, on the one hand, improved data quality – in particular through the recording of actual time spent on online training – and, on the other hand, the development of a new, comprehensive training portal for managing, controlling, and further developing our training activities, which tied up resources for the organization of training during the reporting year. As a result of this measure, we expect a significant increase in training hours in the coming reporting periods. The average training hours by gender converged during the reporting period.

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Strategically anchoring **sustainability** The XAL Group 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

4.1	We take responsibility	64
4.1.1	We act in accordance with ethical, social, and environmental principles	64
4.2	We actively involve our stakeholders	68
4.2.1	Shaping digitalization together	69
4.2.2	We connect to all groups of stakeholders	70
4.3	We determine our sustainability context	72
4.3.1	How we work – value chains and preliminary analysis	72
4.3.2	Identification and assessment of impacts, risks, and opportunities	72
4.3.3	Decision-making processes, stakeholder involvement, and control	73
4.3.4	Results of the double materiality analysis	74

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

6 years

membership of the UN Global Compact

5

EcoVadis ratings

2025

validation of emission reduction targets by SBTi

4.1 We take responsibility

The XAL Group 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.

The XAL Group 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 at our production sites 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 three years in a row confirms our consistent commitment to sustainability and responsible action.”

Paul Fraissler, Managing Director of XAL GmbH



90/100

Overall score

99.

Percentile

90/100

Labour & human rights

93/100

Environment

88/100

Sustainable procurement

87/100

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, the XAL Group is committed to further development and dissemination of environmentally friendly technologies. For decades, the XAL Group has consistently pursued the goal of developing lighting concepts with ever lower energy consumption. In addition, the XAL Group 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 and the validation of the targets in 2025. Further information can be found in section „1.1.3 Our commitment to climate protection – science-based“ starting on page 14. The management of the XAL

Group 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 ESG Policy 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. The XAL Group implements targeted measures to ensure compliance in all areas of its business activities. The XAL Group 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. The XAL Group 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. The XAL Group 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 the XAL Group. 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 Code of Conduct was supplemented during the reporting period by a detailed ESG Policy. 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. The ESG Policy is also addressed to all stakeholders of the XAL Group and explains the statements of the Code of Conduct in greater detail to make it easier for those affected to implement the principles in everyday work. Both documents are publicly available on our website.

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

Key facts

800

visitors to our headquarters in Graz

2025

introduction of AI policy

339

members in the AI community

4.2 We actively involve our stakeholders

The XAL Group 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.

Systematically driving sustainability forward

Wever & Ducré in Belgium has successfully participated in the “Voka Charter for Sustainable Entrepreneurship” for three consecutive years – a program run by the Belgian Chamber of Commerce for the strategic and continuous implementation of sustainability. Each year, ten concrete measures are defined and implemented, and their progress is reviewed by external auditors. This structured approach makes objectives and results transparent and creates a clear basis for further development. At the same time, visible implementation motivates all those involved to actively help shape sustainable change.

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

For the XAL Group, digital transformation is an integral part of daily business operations. The introduction of the position of Digitalization Manager in 2024 represented 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 continuous development 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 the XAL Group 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. 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 800 visitors, exceeding the visitor level 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.

Sharing knowledge and rethinking resources

Product samples that are no longer needed still offer potential. At the Barcelona site, such samples are handed over to a university, where they remain available to students in a materials depot. In addition, a course on product design was held, providing practical insights. The collaboration shows how targeted exchange with external stakeholders can both enable resources to be used meaningfully and knowledge to be shared.

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) for the first time, which was updated in the reporting year, in order 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

243

IROs assessed

7

material ESRS 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 (business conduct).

Based on the data already available from previous years, we assumed that these three standards would certainly be material to our activities. For the 2024 | 2025 reporting year, a double materiality analysis (DMA) in accordance with ESRS was carried out for the first time to identify additional material topics and include them in reporting. For the update of the DMA, additional impacts, opportunities, and risks were added, including those resulting from the expansion of the XAL Group through X-TEC, a company active in wood and plastics processing. Below, we present the process and results of this analysis.

4.3.1 How 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 section “1.1 About the XAL Group” from page 10 onwards., and our upstream value chain (in particular the main raw materials and components used) in section “2.2.1 Making our materials sustainable” 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” on page 22 to “2.2.3 From end of life to circular economy” on page 25 and about our stakeholders in “4.2 We actively involve our stakeholders” on page 68. A peer analysis was carried out and industry analyses 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. 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.

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. During the initial assessment in 2024, the team was supported by external experts from susform OG.

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 (IROs) were assessed on a five-point scale, with the threshold for materiality set at three. The thresholds, assessment

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 section 4.2. 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 People & Culture, 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. At the level of topics and subtopics, the results did not change significantly compared to the previous year as a result of the update.

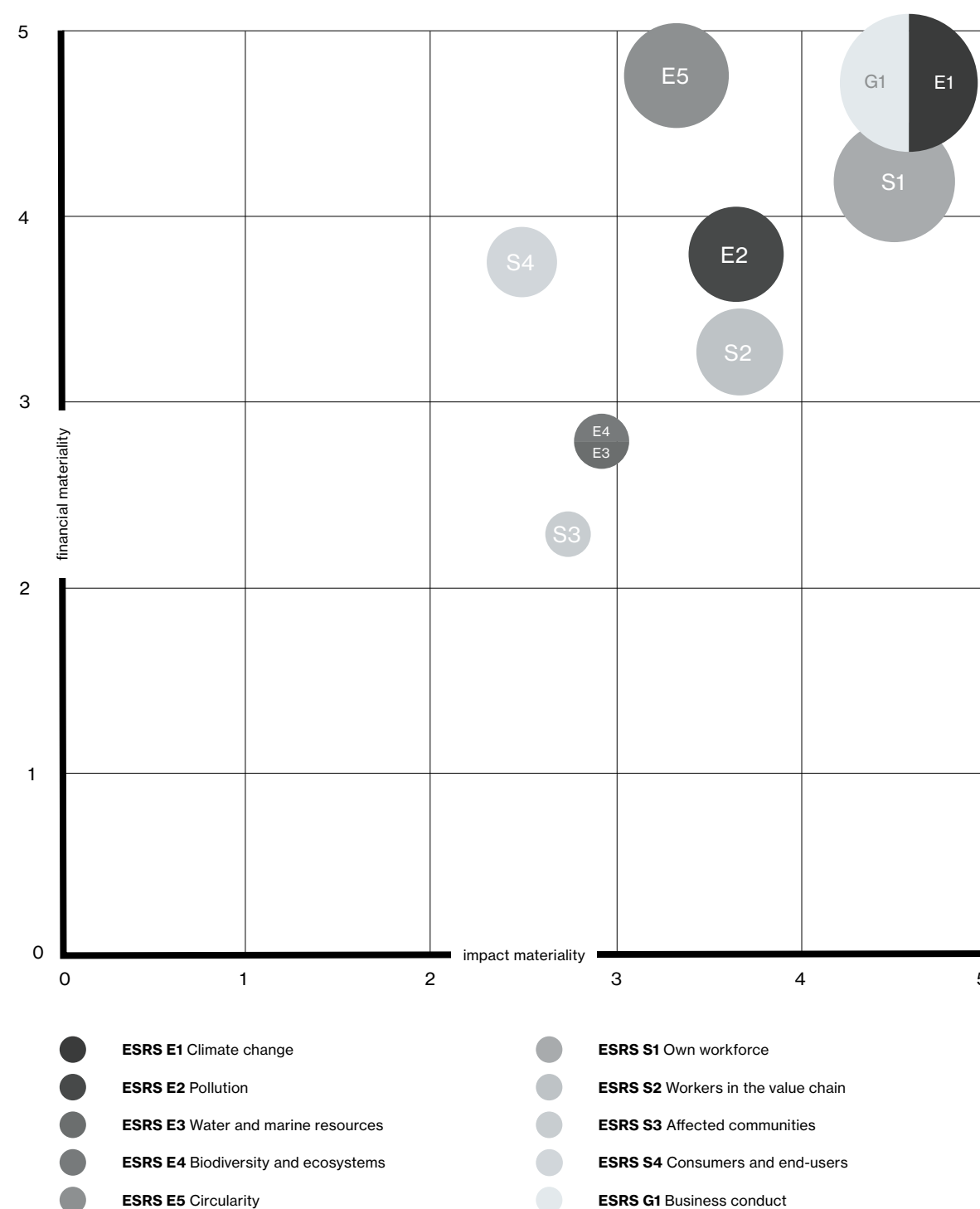


Fig. 39 Results of the materiality analysis

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 treatment and opportunities for all	5
		Other work related rights	8
	ESRS S2 Workers in the value chain	Working conditions	8, 3
		Equal treatment 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 relationships 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 The XAL Group understands 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

5.1	Transparency and compliance as key values	80
5.1.1	Reporting period and companies included	80
5.1.2	Data quality and methodology	82
5.1.3	Further development of reporting	84
5.2	GRI index	85

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

54

GRI disclosures

59

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. GRI remains a reliable and widely accepted choice in the international context.

With this report, we are taking the next step toward complete, transparent, and objective ESG reporting. It 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.

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 the previous year, the XAL Group was still potentially subject to a future reporting obligation under the newly created EU regulatory framework, the Corporate Sustainability Reporting Directive (CSRD), and the European Sustainability Reporting Standards (ESRS). After an initial alignment with the ESRS in the 2024 | 2025 reporting year, only GRI was used as the reporting standard for this report, as in the first two reporting years. This decision was made due to the changes introduced by the EU Omnibus Regulation: because the reporting obligation under the CSRD no longer applies and, at the end of the reporting period, the ESRS were still being revised and alternative standards for voluntary reporting at European level were still being developed, the additional indexing of another standard was suspended for the reporting period. Further information on the planned future development can be found in section “5.1.3 Further development of reporting” from page 84 onwards.

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 2025 26
XAL Holding GmbH	Graz, Austria	yes
XAL GmbH	Graz, Austria	yes
XAL GmbH	Markt Indersdorf, Germany	yes
XAL Limited	London, United Kingdom	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	Rothenburg, 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
Wastberg AB	Malmö, Sweden	yes
Green Electrics Licht & Energietechnik GmbH	Ludersdorf, Austria	yes
Wastberg GmbH	Frankfurt am Main, Germany	yes
Wever & Ducré Lighting S.L.	Barcelona, Spain	yes
XAL Lighting India Private Limited	Noida, India	yes
XAL Singapore Pte. Ltd	Singapore	yes
REW re:workX GmbH	Vienna, Austria	no
XAL Österreich GmbH	Graz, Austria	yes
XAL North America Inc.	Miami, USA	yes
Flexfy GmbH	Roßdorf, Germany	no
X-TEC GmbH	St. Margarethen, Austria	yes
XAL Greece ΜΟΝΟΠΡΟΣΩΠΗ Ι.Κ.Ε.	Athens, Greece	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.

The development of the company REW re:workX and the investment Flexfy is being monitored so that emissions are included in the inventory as soon as they exceed the materiality threshold, which was not the case during the reporting period.

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 2019 | 2020 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 had already been reported since 2019 | 2020. The categories were selected based on criteria of assumed reduction potential and data availability.

Since 2023 | 2024, 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. Note on the presentation of emissions over time: in this and future reports, in line with the selected base year for Scope 3, only values from 2023 | 2024 onward are presented, as the data situation is considered complete from this point onward (even though previous reports

also included figures for certain Scope 3 categories for periods before 2023 | 2024).

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).

For the first time, direct biogenic CO₂ emissions are disclosed for the reporting year 2025 | 2026. These occur during the combustion of biomass for heat or electricity generation and through the combustion of fuels with blended biofuels. These emissions are not included in total emissions and are also not taken into account for the SBTi emission reduction targets, as the business activities of the companies of the XAL Group do not result in significant quantities of biogenic emissions. Data from the Austrian Federal Environment Agency was used as the source for the calculation. Since most activities involving the combustion of biomass take place in Austria or neighboring countries, these factors are applied to all countries in which biogenic CO₂ emissions occur.

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 further 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	22% incineration, 78% landfilling
Wood	46% recycling, 54% incineration

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, sulphur oxides), PM (PM>10, PM10, PM2.5-10, PM2.5) and CH₄. Any discrepancies in the totals of the figures shown are due to rounding. 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

During the reporting year, extensive changes were decided at European level both with regard to the size of companies subject to reporting obligations and the data points to be reported. As a result of these changes, the XAL Group falls outside the scope of companies for which mandatory sustainability reporting under the CSRD applies.

Despite the discontinuation of the legal reporting obligation, the XAL Group will continue to report voluntarily. The annual publication of the greenhouse gas inventory is also part of our commitment to the SBTi. The

company continues to pursue the goal of transparent and standardized sustainability reporting and aligns its reporting structure with the internationally recognized GRI Standards. For future reporting periods, the inclusion of additional reporting standards, in particular at European level, will be evaluated.

Regardless of the standard used, we still plan to add further data points and key figures in the coming years on topics that were identified as material for the XAL Group based on the double materiality analysis performed, but which have so far been underrepresented in the report.

5.2 GRI Index

Standard No.	GRI disclosure	GRI standard	Value	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		p.80
2-3	Reporting period, reporting frequency and contact point	General Disclosures 2021		p.80
2-4	Correction or restatement of information	General Disclosures 2021	If an adjustment to previous years was necessary, this is stated directly in the relevant chapter	GRI Index
2-5	External audit	General Disclosures 2021	No external audit was carried out for the current reporting year. In 2023 24, the corporate carbon footprint was audited by susform OG. In 2024 25, a review was carried out for the DMA, though this did not constitute an audit in the strict sense.	GRI Index
2-6	Activities, value chain and other business relationships	General Disclosures 2021		p.10
2-7	Employees	General Disclosures 2021		p.48
2-8	Workers who are not employees	General Disclosures 2021		p.48
2-9	Governance structure and composition	General Disclosures 2021	Senior management of the XAL Group: Management Board of XAL Holding GmbH (Martin Dlaska) and Supervisory Board	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		p.64
2-13	Delegation of responsibility for managing impacts	General Disclosures 2021		p.64
2-14	Role of the highest governance body in sustainability reporting	General Disclosures 2021		p.64
2-15	Conflicts of interest	General Disclosures 2021	No member of the Supervisory Board holds a senior position in any group company	GRI Index
2-16	Communication of critical concerns	General Disclosures 2021		p.48
2-17	Collective knowledge of the highest governance body	General Disclosures 2021		p.64
2-22	Statement on sustainable development strategy	General Disclosures 2021		p.4 p.10
2-23	Policy commitments	General Disclosures 2021		p.64
2-24	Embedding policy commitments	General Disclosures 2021		p.64
2-25	Processes to remediate negative impacts	General Disclosures 2021		p.64
2-26	Mechanisms for seeking advice and raising concerns	General Disclosures 2021		p.48
2-27	Compliance with laws and regulations	General Disclosures 2021		p.64
2-28	Membership in associations	General Disclosures 2021		p.64
2-29	Approach to stakeholder engagement	General Disclosures 2021		p.68
2-30	Collective bargaining agreements	General Disclosures 2021		p.72
3-1	Procedure for determining material topics	Key topics in 2021		p.72
3-2	List of material topics	Key topics in 2021		p.72
205-1	Permanent establishments that have been audited for corruption risks	Anti-corruption 2016		p.64
205-2	Communication and training on anti-corruption policies and procedures	Anti-corruption 2016		p.64
205-3	Confirmed Corruption Incidents and Actions Taken	Anti-corruption 2016	No incidents of corruption were reported during the reporting period	GRI Index
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		p.44
302-3	Energy Intensity	Energy 2016		p.44
302-4	Reduction of energy consumption	Energy 2016		p.44

Standard No.	GRI disclosure	GRI standard	Value	Page refers to the first page of the chapter
302-5	Reduction of energy consumption for products and services	Energy 2016		p.20
305-1	Direct GHG emissions (Scope 1)	Emissions 2016		p.17
305-2	Indirect energy-related GHG emissions (Scope 2)	Emissions 2016		p.21
305-3	Other indirect GHG emissions (Scope 3)	Emissions 2016		p.21
305-4	Intensity of greenhouse gas emissions	Emissions 2016		p.17
305-5	Reducing greenhouse gas emissions	Emissions 2016		p.17
305-6	Emissions of ozone-depleting substances	Emissions 2016		p.28
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions 2016		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		p.48
403-2	Hazard identification, risk assessment and incident investigation	Occupational health and safety 2018		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		p.48
403-9	Work-related injuries	Occupational health and safety 2018		p.48
403-10	Work-related illnesses	Occupational health and safety 2018	No work-related illnesses occurred during the reporting period	GRI Index
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		p.56
406-1	Incidents of discrimination and remedial measures taken	Non-discrimination 2016		p.64

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