

EN

We keep traffic moving and create added value.

Intelligent transportation systems
for people, the environment and society.

Sustainability Report 2012/13.

always one step ahead

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Note:

This sustainability report fulfils the requirements for sustainability reporting under the Global Reporting Initiative (GRI) and constitutes our Communication on Progress for the United Nations Global Compact (UNGC). You can find an overview of the GRI Indicators in the GRI content index on pages 34 to 35, with references to the various sections of the report. At the side of each page we have added a column that refers to this information.



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Georg Kapsch

Dear readers,

The world is changing fast. New technologies are increasingly influencing our day-to-day lives and opening up innovative application options. This applies in particular to the business segments of Kapsch TrafficCom given that our core competence lies in the development, implementation and operation of innovative electronic toll collection systems and intelligent transportation systems.

By means of these products and solutions, we are making an active contribution to the environmentally- and resource-sensitive management of transportation systems and, therefore, to the sustainable development of our society. However, we are also striving hard to reach these goals in other areas of activity. Sustainability is therefore becoming an even more integrated element of our daily business and a fundamental pillar of our corporate strategy.

Our commitment to sustainable corporate management is bolstered by our involvement in the United Nations Global Compact (UNGC), the largest global initiative of socially committed companies. The resulting commitment to comply with the ten principles of the UNGC with regard to human rights, occupational standards and environmental protection, among others, as well as the annual Communication on Progress report, are complied with through the publication of this sustainability report.

This is the second sustainability report published by Kapsch TrafficCom AG and we have again orientated ourselves on the guidelines of the Global Reporting Initiative (GRI). A report of this kind can only provide an overview of corporate reality. I therefore invite you to get in touch with us to find out more. Please also let us know if you have any requests with regard to the reporting contained in the report since it is only in this way that we can continuously develop and make improvements.

Georg Kapsch
Chief Executive Officer

Global success.

Always one step ahead.

GRI 2.1, 2.2

With the aim of achieving and maintaining global quality and innovation leadership in the fast-growing market of intelligent transportation systems (ITS), we are always a decisive step ahead.

Kapsch TrafficCom is a leading global provider of intelligent transportation systems. Our systems rely on information and communication technologies which support and optimize transportation, taking infrastructure and vehicles as well as the needs of users and industry into account. Our current focus lies on application areas which aim to achieve improvements in terms of the safety, availability and quality of infrastructure. Our customers include governments, regional authorities and organizations, such as license holders.

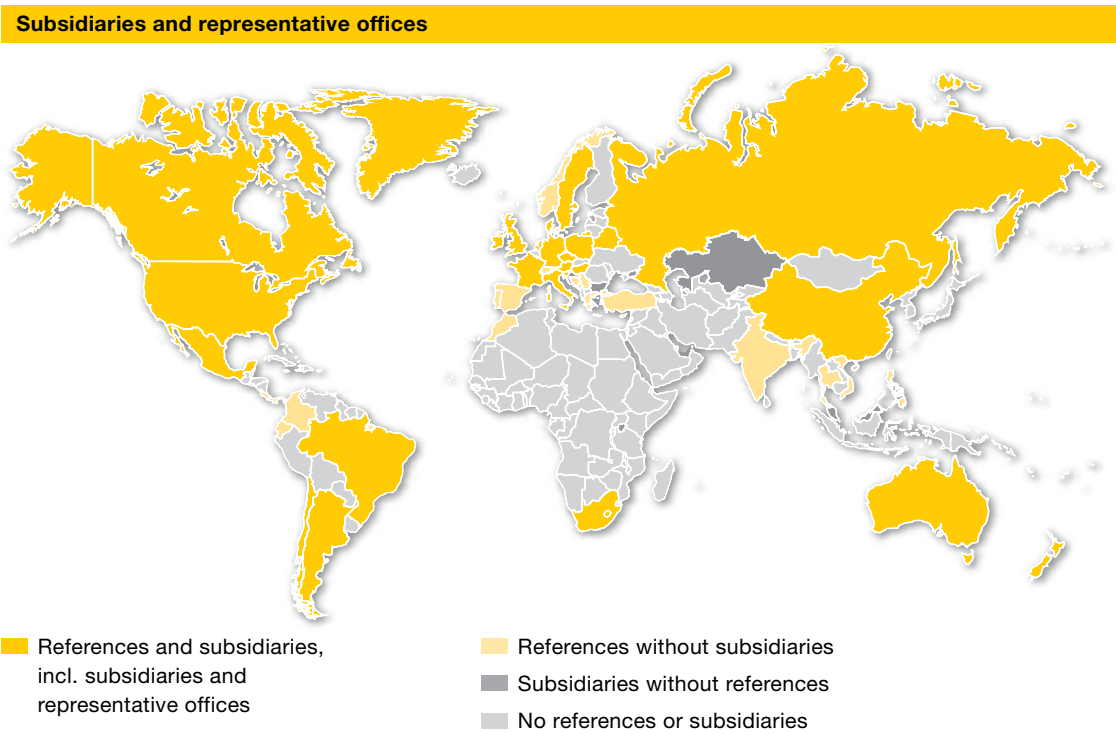
Our solutions in the application fields of road user charging, urban access and parking, road safety enforcement, commercial vehicle operations, electronic vehicle registration, traffic management and V2X cooperative systems help to provide funding for infrastructure projects, to reduce congestion, as well as further environmental pollution caused by road traffic, in order to increase traffic safety and security, as well as to enhance vehicle and fleet productivity and traveler convenience.

| Application fields | Applications | |
|--|------------------------------|------------------------------|
| Road user charging | Free-flow tolling | Plaza tolling |
| Urban access and parking | Urban road user charging | Low emission zones |
| | Limited access zones | Dynamic parking |
| Road safety enforcement | Speed enforcement | Weight enforcement |
| | Section speed enforcement | Lane enforcement |
| | Red light enforcement | Traffic surveillance |
| Commercial vehicle operations | Electronic vehicle screening | |
| Electronic vehicle registration | Vehicle registration | Vehicle monitoring |
| | Vehicle compliance | |
| Traffic management | Highway traffic management | Traveler information systems |
| | Tunnel management | |
| V2X cooperative systems | In-vehicle components | Road-side stations |

Our core business is designing, building and operating electronic toll collection systems for multi-lane, free-flow traffic. With our end-to-end solutions, we cover the entire value-added chain of our customers as a one-stop shop, from components and subsystems to their integration and operation.

Headquartered in Vienna, Austria, the Kapsch TrafficCom Group maintains subsidiaries and representative offices in 33 countries. More than 3,000 employees generated revenues of EUR 488.9 million in the fiscal year of 2012/13 (1st of April, 2012 to 31st of March, 2013), of which 92% were made abroad. References in 43 countries on all continents make us a recognized supplier of electronic toll collection systems worldwide.

GRI 2.3, 2.4, 2.5,
2.7, 2.8



Management.

Kapsch TrafficCom AG has a two-tier management and oversight structure in accordance with the Austrian Stock Corporation Act (*Aktiengesetz*), consisting of the executive board (*Vorstand*) and the supervisory board (*Aufsichtsrat*). The executive board is responsible for directing the business and represents the company in dealings with third parties. The supervisory board is responsible for appointing and dismissing the members of the executive board and supervising the business conducted by the executive board. Furthermore, the executive board must obtain the consent of the supervisory board before engaging in certain transactions in accordance with the Austrian Stock Corporation Act (*Aktiengesetz*), the company's articles of association and the executive board's internal rules of procedure (*Geschäftsordnung*). For details of the organizational structure and the independence of the top-level management bodies, please refer to the corporate governance report from page 38 onwards of the Annual Report 2012/13.

GRI 4.2

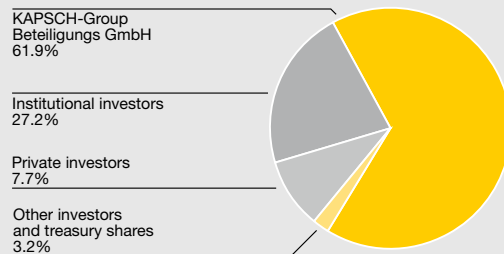
Kapsch TrafficCom Shares.

The shares of Kapsch TrafficCom AG have been listed on the prime market of the Vienna Stock Exchange since 26 June 2007. Since 2009, they have also been listed in the Austrian sustainability index, VÖNIX, which reflects the shares of those companies which play a leading role in terms of social and ecological services. In addition, Kapsch TrafficCom is included in the index ATX Global Players, which has been tracked by the Vienna Stock Exchange since May 2013.

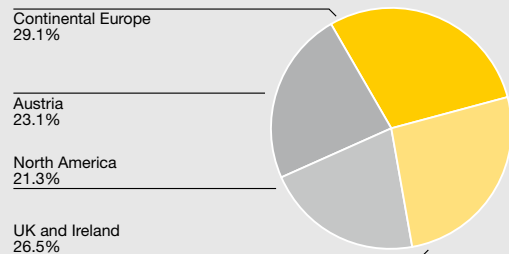
The share capital of EUR 13.0 million is divided into 13 million no-par value shares. Please refer to the following chart for a breakdown of the shareholder structure. For current information regarding the development of the share price and the dividend policy, readers are referred to the company website www.kapsch.net/ktc and the Investor Relations menu.

GRI 2.6

Shareholder structure as at 31 March 2013



Geographical distribution of institutional investors



GRI 2.10

Awards received by Kapsch TrafficCom for outstanding achievements. (selection)

- Industry prize **Czech Traffic Technology of the Year 2012**
for a system to identify wrong-way drivers on freeways
- Carbon Disclosure Project: **Best Improver 2013**
- Kapsch Components: **Nomination for the environmental prize of the City of Vienna 2012**
as part of the EcoBusinessPlan Vienna for the Tech Park Vienna project
- Kapsch Components: **Ecoprofit 2013**

Our success is based on corporate responsibility with a long-term perspective.

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The 4 Paths of our Corporate Strategy 2016:

- 1. Exploit the growth potential of the ETC market**
- 2. Enter new regional markets**
- 3. Enter new ITS segments**
- 4. Prepare for the convergence of the ITS market**

Our sustainability targets and the associated action form integral elements of this strategy and serve to underpin future business success.

Sustainably safeguarding the business success.

For us, sustainability is the long-term guarantee of company stability while at the same time taking into account all economic, ecological and social aspects. We pursue clear objectives for all three dimensions of sustainability, which we aim to harmonize by means of future-oriented corporate management.

- GRI 4.14 All corporate business units are involved in the preparation of our sustainability agenda. The responsible divisions define objectives and action plans and then also monitor their implementation in the various corporate business units of the Kapsch TrafficCom Group. When defining these objectives, the needs of our stakeholder groups are taken into account as optimally as possible. Besides municipal, regional and government-level customers, industry and umbrella associations, our employees and society are also included.

Commercial success.

The commercial success of our company is measured on the basis of the development of revenue and earnings, as well as the ability to finance further growth using our own funds.

- GRI 2.9 The commercial development of the company in the fiscal year of 2012/13 was shaped by several factors. While we were able to significantly improve free cash flow in comparison with the prior year, revenues of EUR 488.9 million were 11% lower than in the prior year (EUR 549.9 million). This decline reflects, on one hand, the fact that our major implementation projects in Poland and South Africa had already been completed, while the new projects were smaller overall in terms of volume and only began contributing revenue as of the second half of the year. On the other hand, the operation revenues in Poland and South Africa were still significantly below expectations since the completed system in South Africa did not go into operation before the end of the fiscal year and the revenues earned in Poland reached the expected levels only as of the third quarter. The number of on-board units sold also remained below that of the previous year since no initial deliveries or subsequent deliveries for new systems took place. These issues accounted for a 64% year-on-year decline in EBIT to EUR 15.3 million. Please refer to the Annual Report 2012/13, from page 48 onwards, for a detailed analysis of the business environment and the business development.
- GRI 4.4 Kapsch TrafficCom follows a dividend policy based on long-term considerations. Accordingly, the executive board recommends a distribution of dividends based on a long-term average equivalent to a payout ratio of approximately one-third of group annual profits. For the fiscal year 2012/13, the executive board made a proposal to the shareholders' meeting on 12 September 2013 calling for the approval of a dividend of EUR 0.40 per share (2011/12: EUR 0.90 per share), representing a reduction in the payout ratio from 57% in the prior year to 54%.

| Earnings Data | | 2012/13 | 2011/12 | +/- | 2010/11 |
|--|----------------|-------------------|-----------------|--------|-----------------|
| Revenues | in million EUR | 488.9 | 549.9 | -11% | 388.6 |
| EBITDA | in million EUR | 32.9 | 60.6 | -46% | 62.5 |
| EBITDA margin | in % | 6.7 | 11.0 | | 16.1 |
| EBIT | in million EUR | 15.3 | 42.2 | -64% | 48.9 |
| EBIT margin | in % | 3.1 | 7.7 | | 12.6 |
| Profit before tax | in million EUR | 16.9 | 36.3 | -54% | 41.3 |
| Profit for the period | in million EUR | 16.7 | 27.5 | -39% | 28.4 |
| Earnings per share | in EUR | 0.74 | 1.62 | -54% | 1.81 |
| Free cash flow | in million EUR | 48.3 | -49.7 | -197% | -19.4 |
| Investments | in million EUR | 20.2 | 13.1 | 55% | 8.3 |
| Employees | | 3,013 | 2,705 | 11% | 2,167 |
| On-board units delivered | in million | 9.28 | 11.15 | -17% | 5.20 |
| Business Segments | | 2012/13 | 2011/12 | +/- | 2010/11 |
| Road solution projects (RSP) | | | | | |
| Revenues (share of total revenues in %) | in million EUR | 128.3 (26%) | 229.9 (42%) | -44% | 158.9 (41%) |
| EBIT (EBIT margin) | in million EUR | -51.7 (-40.3%) | 4.1 (1.8%) | <-300% | 0.1 (0.1%) |
| Services, system extensions, components sales (SEC) | | | | | |
| Revenues (share of total revenues in %) | in million EUR | 342.3 (70%) | 308.1 (56%) | 11% | 223.3 (57%) |
| EBIT (EBIT margin) | in million EUR | 66.1 (19.3%) | 37.3 (12.1%) | 77% | 48.3 (21.6%) |
| Others (OTH) | | | | | |
| Revenues (share of total revenues in %) | in million EUR | 18.3 (4%) | 12.0 (2%) | 52% | 6.4 (2%) |
| EBIT (EBIT margin) | in million EUR | 0.9 (5.1%) | 0.8 (6.5%) | 21% | 0.4 (6.7%) |

GRI 2.8, EC1

Social and ecological indicators.

In order to benchmark social and ecological developments, indicators for the fields of activity which are relevant for us have been defined which we aim to continuously improve by means of effective action. For details, please refer to the corresponding sections of this report (pp 15, 22 and 27).

Strategy 2016.

We are pursuing a long-term expansion strategy and our strategic goals include a clear, steady increase in revenues while maintaining a double-digit EBIT margin. Over the long term, we intend to generate three-quarters of our business through recurring revenues in order to reduce our exposure to the cash flow volatility arising from our project business. Furthermore, we will significantly increase the share of select ITS applications other than toll collection systems. In this way, we are preparing Kapsch TrafficCom Group for the convergence of the ITS market that we expect over the next five to ten years – applications, platforms and technologies are expected to become increasingly interconnected and converge over time. We believe that the future belongs to ‘connected vehicles in cooperative systems’, which are systems for real-time vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) interaction. To lay a foundation for this, we are continuing to strive for global quality and innovation leadership.

| We are | 4-Path Strategy | We will become |
|--|--|--|
| A Provider of primary electronic toll collection (ETC) | <ol style="list-style-type: none">1. Exploit the growth potential of the ETC market2. Enter new regional markets3. Enter new ITS segments4. Prepare for the convergence of the ITS market | A Provider of electronic toll collection and selected other intelligent transport systems |

Our sustainability targets and the associated action form integral elements of this strategy and serve to underpin future business success. Taking into account the needs of our most important stakeholder groups, such as customers, employees and the general public, the following fields of activity are classified as top priority:

- Conserving the environment and resources, as well as climate protection
- Safeguarding our innovative strength
- Product responsibility and quality assurance
- Ensuring our competitiveness and profitability
- Integrity and compliance
- Being an attractive and responsible employer

For details of our 4-Path Strategy, please refer to the Annual Report 2012/13, from page 30 onwards.

Integrated management systems for sustainability.

We regard sustainability as a continuous process and, in recent years, have begun to systemize all of the issues related to this. Please see below for a list of the most important instruments and management systems which support us in our endeavors.

Kapsch TrafficCom AG defines its processes in an integrated management system for health and safety, security, environment and quality (HSSEQ). Valid certifications are held for quality management pursuant to ISO 9001 (since 2002), for occupational health and safety, pursuant to OHSAS 18001, and for environmental management, pursuant to ISO 14001 (since 2005). Kapsch TrafficCom has implemented the necessary measures in its internal processes and monitors them continuously. The certificate pursuant to ISO 27001 ensures the necessary level of information security management. The certificate pursuant to ISO 20000 for IT service management in the area of technical operations guarantees a high level of service quality.

The so-called HSSEQ Circle meets once per quarter, in order to discuss the status of the objectives and action in the areas of health & safety, quality, environment and information security, and in order to optimize business processes and the exchange of information. These aspects are presented in a quarterly report to the executive board.

GRI 4.1

Responsibilities in all areas of the HSSEQ system are clearly defined. Moreover, the Marketing & Communication department organizes and is responsible for the preparation of the sustainability report. Over the course of recent years, an effective structure and clear responsibilities have been defined for those areas of activity which have been defined as being top priority. All related efforts are coordinated by a sustainability officer, who reports directly to the executive board. This direct reporting ensures that the top management bodies of Kapsch TrafficCom are not only involved in all issues relating to sustainable management, but can also actively participate in their further development.

Our values and the Kapsch Spirit.

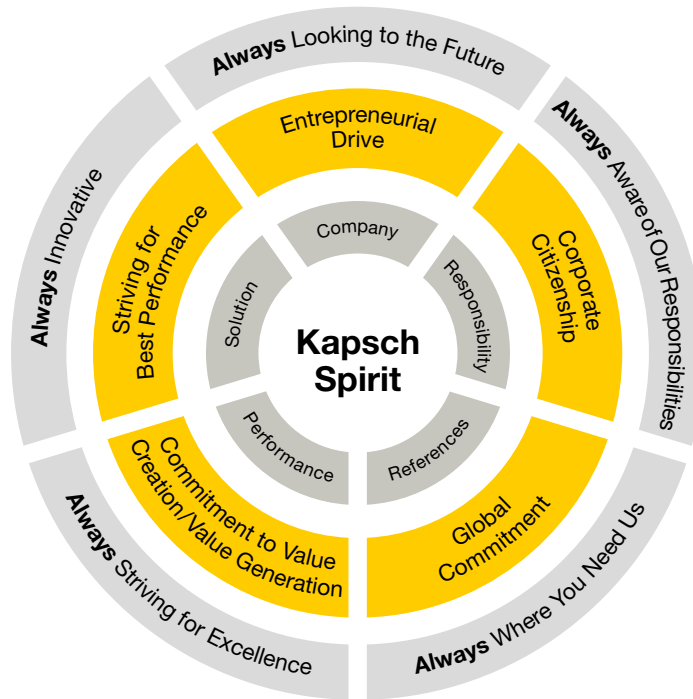
Our society and our technology are permanently developing. Ever since the founding of our company in 1892, the Kapsch Spirit has been a constant factor in how we approach all the challenges of today and tomorrow. It is one of the reasons why we have become a global technology group that is able to actively participate in shaping the future. This is why we are working to actively shape the future of communication and mobility.



"Technology is now, more than ever, one of the defining aspects of our culture. At Kapsch, we want to use it for the good of society. This requires more than outstanding technical competence. It requires a certain attitude on the part of all our employees: the Kapsch Spirit."

Georg Kapsch, Chief Executive Officer
of Kapsch TrafficCom AG

The Kapsch Spirit



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Common values are a key element of the corporate culture of Kapsch TrafficCom. Our activities also define values for the future and make an active contribution to responsible socio-political development. This involves us focusing on the following corporate values:

- **Responsibility.** We act in the interests of the company, take initiative and accept the consequences of our actions.
- **Respect.** We work together on the basis of mutual respect.
- **Performance.** Everyone contributes to the achievement of our goals with his or her personal dedication and success.
- **Discipline.** Following rules makes it possible for us to work together in accordance with our values.
- **Transparency.** We handle information openly to make our decision-making processes clear.
- **Freedom.** Individual freedom of action amplifies our personal willingness to contribute.
- **Family.** We all pull together and support each other.
- **Dynamic.** A constant readiness to accept change allows us to achieve our goals.

GRI 4.8 Alongside statutory requirements and internal guidelines, the code of conduct of the Kapsch Group defines binding principles for ethically, morally and legally correct behavior that apply to all business units – and therefore all employees of Kapsch TrafficCom. The code of conduct can be found on our website www.kapsch.net. An update and the addition of other issues are planned for the fiscal year 2013/14.

Active stakeholder dialog.

GRI 4.13, 4.14, 4.15

We employ a variety of communication channels to interact with our stakeholders; communication, which always revolves around relevance, transparency and fairness. Specially developed online portals and service hotlines have been set up for customers; existing and potential shareholders are supported by the Investor Relations department and there are also vibrant exchanges with industry-relevant non-governmental organizations, such as transport associations and other interest groups. Members of staff and the employee representatives are actively involved via regular information events and online media.

In order to safeguard corporate interests and to make an active contribution to discussions about current industry-relevant issues, the Kapsch TrafficCom Group is a member of more than 40 organizations. Besides regulatory and legal issues, aspects related to intelligent transportation systems are also focused on due to the commercial activities of the Group. For example, Kapsch TrafficCom is actively involved in the ITS consultancy group of the European Union.

The principles of transparency and compliance with legal regulations apply to all of the activities engaged in to safeguard business interests. Meticulous documentation of all the associated activities and expenditures ensures transparency and that the intended purpose is adhered to. These underlying principles of responsibility are also reflected in the voluntary signing by Kapsch TrafficCom AG of the Code of Conduct for Lobbying in Austria and that of the European Union. All lobbying activities by companies within the Kapsch Group are only engaged in after an announcement of the entry in the lobbying and stakeholder register and are only undertaken while this registration remains in effect.

Selected memberships maintained by the Kapsch TrafficCom Group:

- Auto-, Motor- und Radfahrerbund Österreichs (ARBÖ)
- Cities and regions working together to deploy innovative technologies
- Commercial Vehicle Safety Alliance
- Connected Vehicle Trade Association
- FEEI – the Association of the Austrian Electrical and Electronics Industries
- GSV – Austrian Association for Transport and Infrastructure
- Institute of Transportation Engineers
- International Organization for Standardization
- International Road Federation
- International Road Union
- International Transport Forum
- ITS Organization, International
- Austrian Road Safety Board (KSÖ)
- Network of European Metropolitan Regions and Areas
- Austrian Association for Research on Road, Rail and Transport
- VCÖ
- World Road Association

Our innovative ITS solutions make an important contri- bution to climate protection.

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They allow road users to reach their destinations quickly, efficiently and with low environmental impacts. Our mission forms the basis for this:

Better traffic control

Higher quality of life in cities

Greater safety and environmental protection

Our corporate values serve as signposts along this path:

Responsibility | Respect | Performance | Discipline | Transparency | Freedom | Family | Dynamic

Products with added value for the environment and society.

The products and solutions of the Kapsch TrafficCom Group can only withstand competition over time if they provide added value for customers and, ultimately, also advantages for society and the environment. This attitude is reflected in the mission of Kapsch TrafficCom, but is also measured on the basis of specific key performance indicators in order to ensure continuous improvement

| Value-adding products | 2011/12 | 2012/13 | Target 2013/14 |
|---|---------|---------|----------------|
| Proportion of product complaints | 2.02% | 3.49% | max. 3.5% |
| Proportion of products compliant with guidelines for environmentally sensitive design | 91.91% | 91.31% | min. 85% |
| Proportion of RSE products without batteries | 44% | 44% | min. 50% |
| Proportion of order volume with ISO 14001 suppliers | 35.25% | 25.25% | min. 30% |

From the mission to implementation.

The innovative solutions of Kapsch TrafficCom make valuable contributions to climate protection. They allow road users to reach their destinations quickly, efficiently and with low environmental impacts. The basis for this sustainable approach to our products is formed by the mission of Kapsch TrafficCom:

Better traffic control. Our toll collection systems around the world intelligently guide traffic. They increase road safety and reduce congestion. At the same time, they enable usage-based charging of tolls via pre-paid or post-paid models.

Higher quality of life in cities. Urban road user charging, limited access zones, low emission zones and dynamic parking prevent congestion and unnecessary distances. They also reduce noise pollution. In urban areas, Kapsch TrafficCom supports road user charging as well as urban access and parking.

Greater safety and environmental protection. Incident detection systems that promptly and intelligently identify events, video-based traffic sensors and multi-functional telematics platforms improve road safety. They help utilize existing infrastructure more efficiently and reduce environmental impacts. Our on-board units have impressively low energy consumption levels. Compared with typical products of this type, we produce half as much CO₂ in the production and packaging processes. In this way, we improve safety and environmental protection.

Customer Focus.

We regard being close to our customers as a key success factor. Close customer relationships are fostered by the local presence we enjoy with our subsidiaries and representative offices in 33 countries around the world. We achieve another dimension of closeness through intensive, appreciative collaboration with our international project partners and customers as well as by intentionally promoting regional value creation.

GRI PR5 Sales personnel rely on tried-and-tested questionnaires to conduct in-depth surveys of customer satisfaction. Overall, these take into account a representative sample of all customers. The areas of sales, supply, implementation and operations are assessed. The customer can define the importance of the criteria. A subsequent analysis of the responses allows us to define and implement timely and effective action in order continuously improve customer satisfaction.

GRI EN6, EN26

Innovative product portfolio.

The Kapsch TrafficCom Group proactively faces the challenges of its dynamic markets and regularly adds innovative solutions to its product portfolio. There follow examples of selected projects. For detailed information about our product portfolio, please visit our website www.kapsch.net/ktc and click on the menu option 'Products'.

Austrian Ecopoint system. In Austria, we were awarded the contract for the realization of the Ecopoint system in 1995, the world's first emissions-based traffic management system. On 1 January 2004, a nationwide electronic toll collection system for all vehicles over 3.5 tons was launched. This system now covers roughly 2,200 kilometers of freeways and expressways. With an average toll transaction rate of 99.8%, the system generated toll revenues of EUR 1.1 billion in 2012. As of 31 March 2013, we have equipped some 3,000 lanes and delivered around 1.2 million on-board units.

Kapsch TrafficCom – urban traffic solutions in Italy

47%

of the PM₁₀ emissions in Bologna have been cut.

28%

of all Italian cities with more than 100,000 inhabitants are equipped with an urban traffic management system provided by Kapsch.



Approx. 70%

of 200 urban traffic zones with access restrictions are monitored.

46%

of all Italians who live in a city with more than 100,000 inhabitants benefit from a Kapsch TrafficCom system.

Urban traffic solutions. Electronic telematic systems identify and manage traffic with the aid of automation. They provide information in terms of traffic volumes, as well as journey time and are an effective means of managing and reducing noise and environmental pollution such as emissions (CO₂, PM₁₀, ozone, etc.). Kapsch urban traffic solutions are a comprehensive combination of products and systems designed to manage traffic volumes in urban areas which can also integrate different levels of charges, parking management and access regulations. These solutions rely on technologies and systems which have been developed for the requirements of electronic toll collection systems and which are ideally suited for urban areas. These technologies contain the so-called tag-and-beacon system, which relies on DSRC microwave communication between road-side units and on-board units in the vehicles. Automatic number plate recognition (ANPR) relies on video sensor systems for vehicle recognition purposes. Devices to perform and monitor toll collection can, if required, also be used, whereby the road-side system is supplemented by functions of the central systems, such as journey time information, customer interface and, possibly, technology and operations. The advantages associated with this are highlighted in the illustration on page 16 based on Italy as an example.

Weigh-in-motion — greater road safety, less road surface damage. In the case of weigh-in-motion systems, a row of sensors measures whether vehicles exceed the maximum permissible weight limit — at full speed. The sensors identify the vehicles by means of their number plates, with the data being transmitted and analyzed in a timely manner. This allows overloaded heavy goods vehicles to be identified on the move without hampering the flow of traffic. Road safety increases, while road surface damage and emissions are reduced.

GRI PR1

Electronic vehicle registration system. In May 2013, Kapsch TrafficCom presented its new electronic vehicle registration (EVR) system at the Intertraffic fair in Istanbul. This solution supports public authorities in registering vehicles and identifying unregistered vehicles. This new EVR system makes it possible to centrally manage vehicle registration data and to automatically check compliance with registration requirements by means of electronically readable markings. An improved registration rate, less fraud and more road safety are the aims of the new system. The key advantages include higher tax receipts, thanks to the higher proportion of properly registered vehicles, a higher success rate in terms of prosecutions and cost reductions in the collection of traffic-related fines, fewer cases of uninsured vehicles on the road, more regular technical vehicle inspections, as well as greater efficiency in terms of the automatic identification and discovery of suspicious, stolen or vehicles otherwise involved in criminal acts.

Safeguarding our innovative strength.

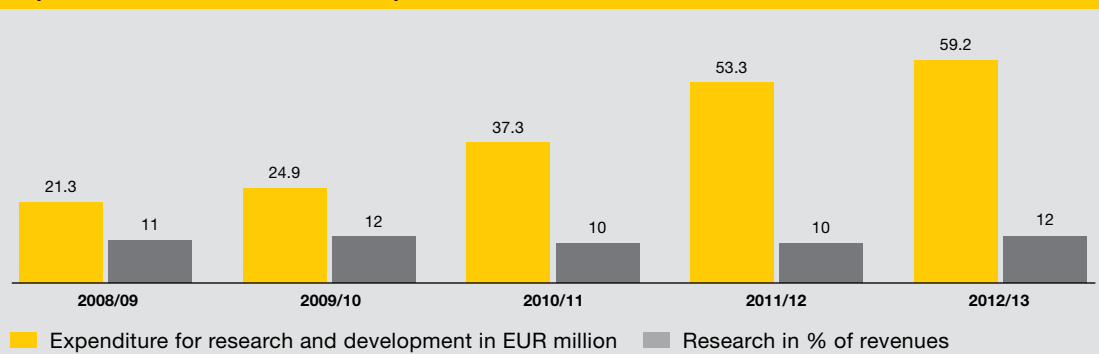
Strategy 2016 is key to our objective of achieving global quality and innovation leadership. It goes without saying that we aim to create and ensure clear competitive advantages and benefits for our customers and partners, without limiting our own responsibility vis-a-vis the environment. Our clear focus on the needs of our customers and our dependable action are the keys to winning your trust, while optimal service underpins long-term and robust relationships.

Market-orientated research and development activities are crucial for us to reach our strategic objectives. Knowledge and the use of entirely new technologies, based on national and international standards, form the basis for a successful business development and enable us to enter new markets. The investments that we make in this field are therefore correspondingly high. In the 2012/13 fiscal year, we invested EUR 59.2 million, equivalent to around 12% of revenues, in research and development activities.

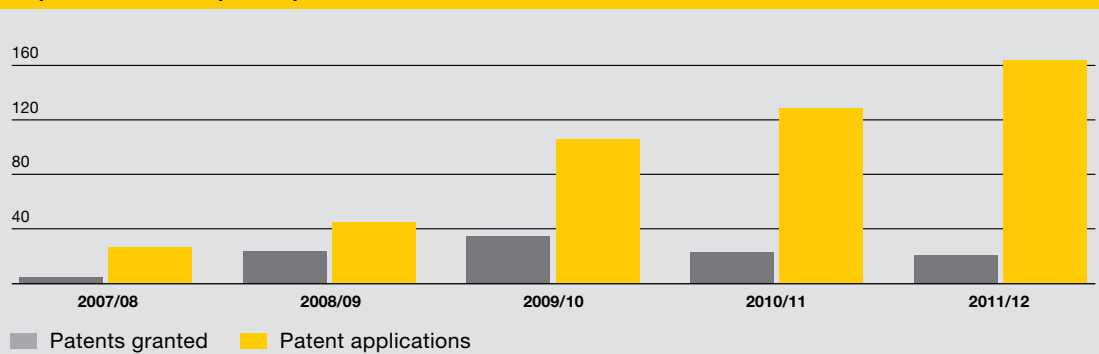
The Kapsch TrafficCom Group maintains a global network of research and development centers: in Vienna and Klagenfurt (Austria), Jönköping (Sweden), Bologna (Italy), Buenos Aires (Argentina), Toronto (Canada), Kingston (USA) and Cape Town (South Africa). As of 31 March 2013, the Kapsch TrafficCom Group employed more than 500 (previous year: more than 400) engineers for its research and development activities.

Important inputs also come from numerous academic cooperations such as those with the Vienna University of Technology, Vienna University of Economics and Business, University of Innsbruck, University of Applied Sciences Technikum Wien, University of Applied Sciences FH Joanneum, FH Wien University of Applied Sciences of WKW, University of Applied Sciences Wiener Neustadt and the University of Applied Sciences, FH bfi Vienna.

Expenditure for research and development



Kapsch TrafficCom patent portfolio



Transportation systems fit for the future.

The number of automobiles on the world's roads and, therefore, levels of traffic are rising continuously. While there were an average of 47 vehicles per kilometer of existing road counted in 2003, by 2010 this figure had already risen to 55. The density of traffic has therefore risen by approximately 17% in just eight years.¹⁾

Within the EU, around 10% of the entire road network already qualify as excessively used, and there are no indications of the situation easing in the near future.²⁾ Globally, the so-called emerging markets in particular are expected to experience a massive increase in volumes of traffic, with the rising prosperity of a constantly growing segment of the population and the desire for mobility being the main drivers behind this development.

Mobility as an indicator of prosperity.

For the majority of people, mobility is an indication of quality of life and also one of the fundamental preconditions for the global economic system functioning on a global scale. An efficient transportation system ensures that mobility is comfortable, time-saving and safe. It enables more freedom for people to decide how far away from their workplaces they live and which attractions they can visit during their leisure time. For companies, the capacity of the transportation system is a key factor influencing location-based decisions. This is essential to ensuring access to the necessary resources and to making their products and services available at competitive prices. The contribution of the transport sector to the total economy is therefore correspondingly high: In the EU alone, around 10.5 million jobs, and 5% of the gross domestic product, are directly associated with this sector.³⁾

Effective design of transportation systems.

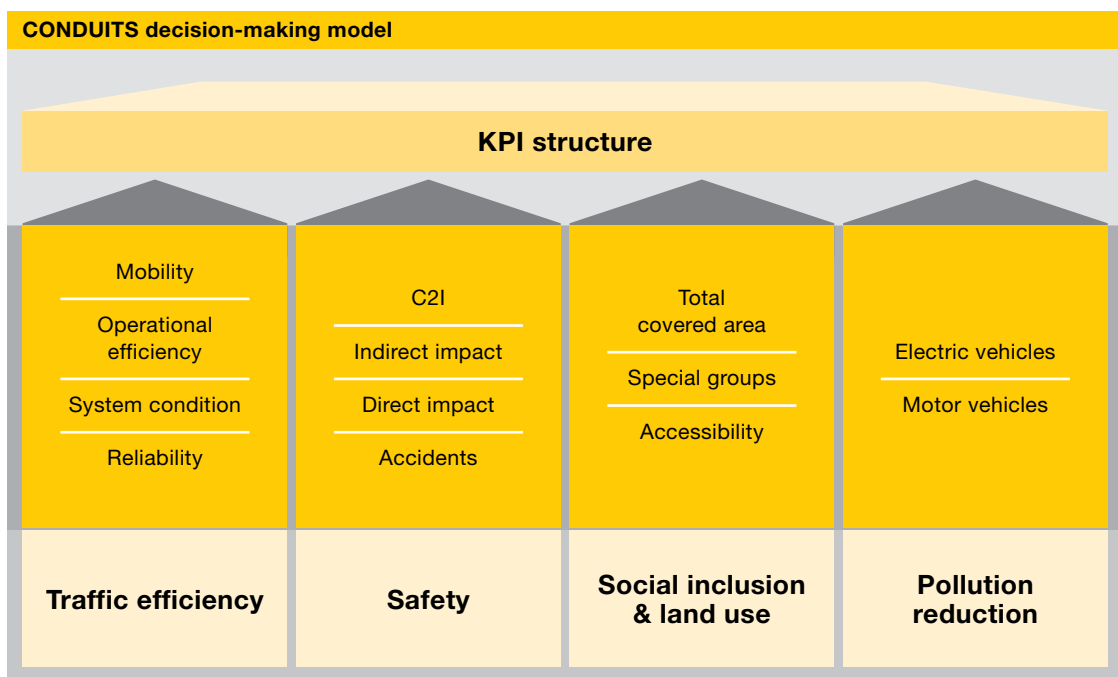
Besides the advantages mentioned above, certain negative effects are also associated with transportation in its current form which, in the interests of sustainability, should be limited. The CONDUITS Decision Support Tool developed with the support of the EU makes it possible to perform a far-reaching analysis of these impacts. This tool allows the various consequences of action to be considered in isolation from one another. The aim is to compare these in order to identify and select the most favorable alternative.

The action is considered on the basis of four pillars:

- **Traffic Efficiency,**
- **Safety,**
- **Social Inclusion and Land Use,**
- **Pollution Reduction.**

Issue-related indicators are assigned to the four pillars to ensure their measurability.

1) Source: World Bank 2) Source: BMVIT 3) Source: European Commission



As mentioned above, the density of traffic is increasing continuously; as a consequence, the risk of traffic-congestion is also on the rise. The resulting overall economic and ecological impacts of this are far-reaching. Road users waste time while the use of fuel and, therefore, the impacts on the environment and human health all rise. In addition, there are also accidents, which are associated with physical and psychological injuries. In 2012, 522 people lost their lives on Austrian roads.⁴⁾ The comparable figure for 1995 amounted to 1,210 deaths.

Other effects are associated with the increase in traffic density. For example, transportation infrastructure currently covers around 3% of the land area in Austria, and approximately 6% in urban areas.⁵⁾ In addition to this are also those areas dedicated to the production of the necessary resources. The energy requirements of the various transport carriers are particularly high. In the EU, the transport sector is currently responsible for more than 30% of the energy demand.⁶⁾ At the Austrian level, approximately 27% of all greenhouse emissions are attributable to the transport sector.⁷⁾

Intelligent transportation systems.

Besides technological developments in the form of propulsion systems and increases in efficiency, the intelligent management of traffic is the order of the day and the key to making journeys shorter and more resource-efficient, i.e. reducing the health and ecological impacts. The technologies, solutions and services of Kapsch TrafficCom for the intelligent transportation systems (ITS) market are already tapping this potential today (for details of selected examples, please refer to page 16).

4) and 5) Source: BMVIT 6) Source: European Commission 7) Source: Environmental Agency Austria

We are working to optimize our use of resources.

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It was possible to make the following progress during the reporting period:

- A significant reduction in the consumption of paper
- Greater reliance on telecommunication solutions to reduce business travel
- A considerable drop in energy consumption
- A reduction in packaging materials
- The implementation of a guideline for sustainable product design

What we weren't satisfied with in 2012/13:

- The rise in CO₂ emissions due to an expansion-driven increase in the vehicle fleet and different energy procurement sources

Protecting the environment and resources.

The commercial activities of Kapsch TrafficCom are associated with the consumption of resources and the emission of climate-relevant emissions. We are working hard to minimize these impacts.

GRI EN3, EN5 The majority of the climate-relevant impacts resulted from the operations of the subsidiary Kapsch Components, which is responsible for production, as well as from the vehicle fleet of the entire Group. By means of several measures to increase fuel efficiency and as a result of a lower production volume, it was possible for Kapsch Components to reduce its requirements for electrical energy by 24,108 KWh in the fiscal year 2012/13 compared to the prior year.

| Protecting the environment and resources | | 2011/12 | 2012/13 | Target |
|--|--|----------|---------|----------|
| Paper consumption/employee per quarter in sheets | | 861 | 564 | maintain |
| Share of employees using the office communication server (OCS) | | 74.03% | 85.03% | min. 80% |
| Ratio of servers to applications | | 16.25/47 | 14/47 | maintain |
| Electricity consumption in production (Kapsch Components) in MWh | | 450.5 | 426.4 | reduce |

| Development of CO ₂ emissions | | 2011/12 | 2012/13 | Change absolute | Change in % |
|--|----|---------|---------|-----------------|-------------|
| CO ₂ emissions from electrical energy (Kapsch Components) | kg | 91,905 | 99,804 | 7,899 | 8.6% |
| CO ₂ emissions per ton of product (Kapsch Components) | kg | 182 | 211 | 29 | 15.9% |
| CO ₂ emissions by vehicle fleet (Kapsch Components – Tech Park Vienna site) | kg | 36,100 | 32,500 | –3,600 | –10.0% |
| CO ₂ emissions by vehicle fleet of Kapsch TrafficCom/KSA Europlatz site | kg | 623,860 | 736,990 | 113,130 | 18.1% |
| CO ₂ emissions, total | kg | 751,865 | 869,294 | 117,429 | 15.6% |

GRI EN22 Due to a number of factors, it was not possible to achieve the aim of cutting CO₂ emissions across the entire Group; the main reason for this was the expansion-related increase in the vehicle fleet and a change in terms of the energy supplier. On the other hand, it was possible to make progress with regard to the manufacturing operations of the subsidiary Kapsch Components. In comparison with the prior year, the volume of waste in the 2012/13 fiscal year declined by 14.1 tons or 16% to nearly 74 tons. This is equivalent to a reduction of 20.3% per ton of product. All waste materials are disposed of in accordance with legal requirements.

GRI EN1 Besides a reduction in power consumption and the generation of waste, it was also possible to cut the consumption of nitrogen which is used in the manufacturing processes of Kapsch Components. The absolute level of consumption declined by 22%; measured relative to the weight of products manufactured, this represents a decrease of 17.3% per ton.

In addition to the increase in energy efficiency, there is also a focus on the use of office materials in administration departments. For example, it was possible to reduce the use of paper per employee per quarter by nearly 300 sheets.

Several initiatives and steps were relied upon in the 2012/13 fiscal year to raise internal awareness levels of environmental protection issues. For employees of Kapsch Components, for instance, e-bike tests were organized as a means of them discovering the advantages of environmentally friendly mobility. Telepresence and video conferencing system are being increasingly used to reduce business travel. The aim of boosting the proportion of personnel who use the Office Communicator, an innovative communications tool, to an annual average of at least 80% was achieved in 2012/13.

GRI EN18

Guidelines for sustainable product design.

A comprehensive guideline has been defined to ensure that environmental, economic, social, health and safety aspects are taken into account in the development and design of Kapsch TrafficCom products in an optimal and structured manner. The contents of this guideline document are to be integrated into functional specification documents and RFPs. The guideline is regularly reviewed and updated by the environmental officers of the departments, who are also members of the HSSEQ Circle. During the reporting year, this guideline was applied to no fewer than 91.31% of all products.

GRI PR1

Optimal use of resources.

Several of our projects and initiatives aim to steadily reduce the consumption of resources across the Group. In production, for example, particular attention is paid to the reusability of raw materials. An example of this is the low power transceiver (antenna mounted on toll gantries), the recycling share of which is 97.6%. Another objective is to reduce the use of batteries in road-side equipment (RSE). In the 2012/13 fiscal year, the share of all RSE units shipped which are usable without a battery amounted to 44%. The aim is to increase this to 50% in the 2013/14 fiscal year. Environmentally compatible and recyclable materials are being increasingly used as packaging materials. Paper, cardboard and wood are favored over plastics.

GRI EN2, EN6, EN26

The re-designed on-board units of Kapsch TrafficCom are further evidence of the innovative strength of the company and the potential savings achievable as a result. Several improvements in the areas of manufacturing and shipping have enabled CO₂ emissions to be more than halved compared with conventional products of this type.

An overview of the advantages:

- A 50% reduction in packaging materials
- A 50% saving in terms of electronic components and plastics used in production
- A 50% reduction in weight and size (and therefore the shipping volume)
- Recycling options after end of life

Future-oriented project: calculating the CO₂ footprint of products.

We are currently working on calculating the CO₂ footprint of products, taking into account the transport dimension. This will form the basis for steps to achieve continual reductions. Detailed information on this will be published in the next sustainability report.

Environmentally-sensitive procurement.

Besides economic and quality-relevant aspects, procurement processes also optimally take into account the environmental impacts of upstream processes, including those associated with raw materials and excipients. This is ensured by a detailed guideline document which serves as a decision-making tool during procurement. Particular attention is to be paid here to properties such as durability, recyclability and reparability. In as far as it is commercially plausible, we also favor suppliers with a certified environmental management system. We avoid the use of materials and products containing materials which are harmful to human health and the environment. We rely on the material safety data sheets to assess the potential risks.

GRI EC6 In the case of bulk goods, we favor transportation by rail over journeys by truck. Where the quality and costs are comparable, we favor local suppliers in order to reduce journey distances. Whenever possible, we avoid procuring products and raw materials which have to be disposed of as hazardous waste after being processed or used.

Environmentally-relevant criteria for procurement in connection with customer projects:

- Durability
- Maintenance-free components and products
- Energy-saving components and products
- Reparability
- Recyclability or the option to re-process
- Re-establishment of original state
- Appropriate disposal of waste materials
- Reference to environmentally-relevant procurement criteria on orders / order confirmations / enquiries

Supplier evaluations.

We are successively evaluating our suppliers in terms of their conformity with our ecological procurement criteria. Suppliers with established environmental management systems are given preference. During the reporting period, 25.25% of the purchasing volume was sourced from ISO-14001-certified suppliers. The mid-term aim is to increase this value up to 30%.

We continuously invest in the skills of our personnel.

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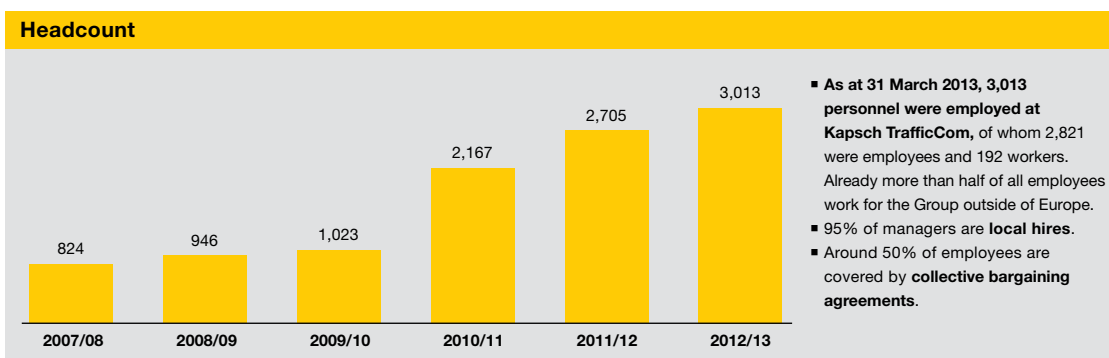
Important developments in the 2012/13 fiscal year:

- Average headcount increases by 8.2% to approximately 2,800 employees
- Training costs rise by 11.9% to approximately EUR 2.3 million
- A reduction in occupational accidents from four to one incident

A competent team.

As a result of forging ahead with our growth strategy, the average headcount of the Kapsch TrafficCom Group rose during the 2012/13 fiscal year by 8.2% to 2,796. The number of trainees increased from 18 to 21.

GRI EC7
GRI LA1, LA4

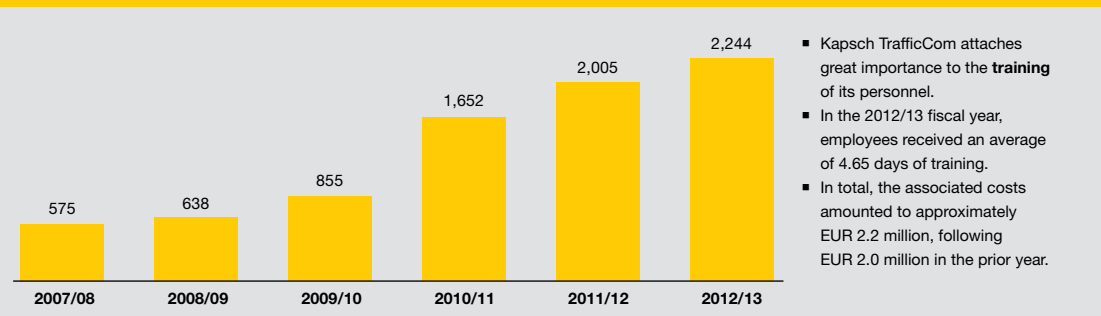


| Breakdown of new personnel in 2012/13: 308 | | | | | | | |
|--|--------|--------|------|----------------|-----------------|-----------------|----------------|
| Region | Number | Female | Male | < 30 years old | 30–40 years old | 40–50 years old | > 50 years old |
| Austria | 77 | 19 | 58 | 25 | 38 | 13 | 1 |
| Central and Eastern Europe | 151 | 29 | 122 | 65 | 57 | 24 | 5 |
| Western Europe | 16 | 5 | 11 | 6 | 7 | 2 | 1 |
| Americas | 20 | 4 | 16 | 7 | 9 | 3 | 1 |
| Rest of the World | 44 | 15 | 29 | 13 | 22 | 7 | 2 |

GRI LA2

| Employee turnover 2012/13 (termination by the employee): 1.2% | | | | | | | |
|---|--------|--------|------|----------------|-----------------|-----------------|----------------|
| Region | Number | Female | Male | < 30 years old | 30–40 years old | 40–50 years old | > 50 years old |
| Austria | 14 | 6 | 8 | 9 | 2 | 2 | 1 |
| Central and Eastern Europe | 2 | 1 | 1 | 2 | - | - | - |
| Western Europe | 2 | 2 | 0 | 1 | 1 | - | - |
| Americas | 41 | 15 | 26 | 22 | 8 | 8 | 3 |
| Rest of the World | 72 | 35 | 37 | 34 | 14 | 19 | 5 |

Training costs in TEUR



GRI LA10

Comprehensive training program.

GRI LA11

Besides specialist training, soft skills are also conveyed as part of the training programs of the Kapsch TrafficCom Group. A job-rotation program, a tailored range of courses for trainees and annual staff appraisals are also offered. The new Kapsch on-boarding program 'Connected' has also been implemented across the Group in order to support new personnel joining the company. In addition to information units about the company values and culture, this also includes training to convey security-related issues such as the management of sensitive customer data.

| Personnel | 2011/12 | 2012/13 | Target 2013/14 |
|--|---------|---------|--------------------------------------|
| Average training days / employee | 2.5 | 4.65 | Maintain at 2012/13 level |
| Number of occupational accidents incl. traffic accidents | 4 | 1 | 0 |
| Staff appraisals performed | 77% | 75% | Aggregated over the fiscal year: 50% |

GRI LA10
GRI LA12

Profit-sharing.

Kapsch TrafficCom is aware of the employees' contribution to its success and acknowledges this through a profit participation plan distributing to them up to 5% of the group profit before income taxes.

Pension fund.

Kapsch TrafficCom makes contributions to an external pension fund for employees of group companies in Austria under a defined contribution scheme. The amounts of the payments are based on the individual employee's income and the operating profit margin of the company.

Advancement of women.

Kapsch TrafficCom AG does not pursue a specific plan to increase the proportion of women on the executive board or in managerial roles at the company and its subsidiaries. The selection of candidates always aims to find the best person for the relevant vacant position, irrespective of gender. A committee for equality has been established at Kapsch TrafficCom in order to ensure equality for women.

GRI LA13 Women hold several management positions within Kapsch TrafficCom AG and its subsidiaries. These currently include two members of the supervisory board, equivalent to around one-third of the members.

Women are supported through a flexible working hours scheme that is designed to help combine professional and private life. Kapsch TrafficCom cooperates with schools, universities and colleges in order to increase the proportion of women employed, among other goals. The company also promotes women in the workforce through participation in specific programs such as “FIT Frauen in die Technik” or “FemTech”.

GRI LA15 No employees in Austria returned to work for the company in the 2012/13 fiscal year following a period on maternal leave or part-time parental leave.

For details of the members of the executive bodies, please refer to the Annual Report 2012/13, from page 38 onwards.

Occupational health and safety.

The health of all employees is a key and deep-felt concern of the Management of Kapsch TrafficCom. It is for this reason that health information campaigns, vaccination programs, medical check-ups and eye tests are performed in addition to offering fitness packages and other comparable options. A company doctor is available to employees at the Vienna site.

| GRI LA7 | Working days lost 2012/13 by region | Illness | Other | Total as % of working days | Work-related deaths |
|---------|-------------------------------------|---------|-------|----------------------------|---------------------|
| | Austria | 4,524 | 739 | 2.0% | - |
| | Central and Eastern Europe | 3,385 | 176 | 3.8% | - |
| | Western Europe | 1,163 | 286 | 2.1% | - |
| | Americas | 1,015 | 1,815 | 2.6% | - |
| | Rest of the World | 11,927 | 3,460 | 4.2% | - |

Prevention. Near misses are also documented in the reporting system in order to be able to define preventative action based on a root cause analysis.

| Occupational safety KTC & KTS-A | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
|--|---------|---------|---------|---------|
| Work-related accidents | 2 | 5 | 4 | 1 |
| of which involving travel | 1 | 4 | 4 | 1 |
| Near misses (documented) | 6 | 1 | 1 | 0 |
| Illness rate (based on required working hours) | 2.17% | 1.91% | 1.86% | 2.04% |

One of the main focuses in the 2012/13 fiscal year was on training for managers in dealing with illness-related absences, the prevention of burn-out and the management of employee workloads. Other training areas were the identification of crisis situations and how to react appropriately.

We accept responsibility vis-a-vis society.

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In addition to institutions many of which have been supported by the Kapsch Group for decades, Kapsch TrafficCom also focused on the promotion of the following projects and initiatives:

- St. Anna Children's Hospital
- CliniClowns
- Numerous international projects in developing countries (Institute for Development Cooperation – ICEP)

Corporate social responsibility.

The Kapsch TrafficCom Group is also aware of its corporate social responsibility beyond its operational business and therefore coordinates the relevant activities with the widespread engagement of the Kapsch Group. The main focus lies on the promotion of health and development, as well as supporting art and cultural institutions. In addition, the regional subsidiaries are also free to support social projects in their area.

‘Make a Difference’ Award 2013 – The Year of Responsibility.

The companies of the Kapsch Group encourage their employees to demonstrate social engagement in various areas. Selected projects are financially supported in order to pay tribute to the initiative shown by employees and the associated time and energy they invest during their leisure time. As part of the ‘Make a Difference Award 2013’, which was organized under the motto ‘The Year of Responsibility’, employees were invited to submit projects in which they are personally involved. The most convincing projects were selected during the course of a ceremony. One example of the diverse commitment shown was the non-governmental organization Lobby 16, which one employee has been involved with for around two years. This NGO supports young migrants to Vienna in the areas of education, work and everyday life. In 2013, for instance, 25 traineeships were arranged, including seven which allowed young people to start their careers at Kapsch in the fall. Youth employment is also the focus of the ‘gemma’s an!’ project, which one employee has been particularly involved with in his leisure time for more than four years and which is also supported by the Kapsch Group. One employee has worked for more than 10 years for the non-profit Hotcart Racing Association, the main focus of which is on working together with mentally disabled people.

Health. For many years, the Kapsch Group has already been supporting various health-related activities. These include the CliniClowns, whose aim it is to cheer up seriously ill people and, as a result, to accelerate their recovery. Support is also provided to the St. Anna Children’s Hospital in Vienna; an example of this is the project known as ‘Next Generation Sequencing’, the goal of which is to gain information about the human genome. This research work yields findings regarding genetic changes which are associated with the course of an illness and its treatment. Kapsch is supporting this complex project due to its conviction that the chances of recovery of children with cancer can be significantly improved as a result.

Social initiatives. One example of the many social projects funded by the Kapsch TrafficCom Group both in Austria and abroad is the Institute for Development Cooperation (ICEP). The aim of this organization is to globally combat poverty by means of projects with reliable local partners in several countries. Besides this, Kapsch TrafficCom also provides funding for projects which rely on targeted action to promote the integration of marginalized groups and, in so doing, makes a contribution to social justice, to the positive development of society and to long-term security.

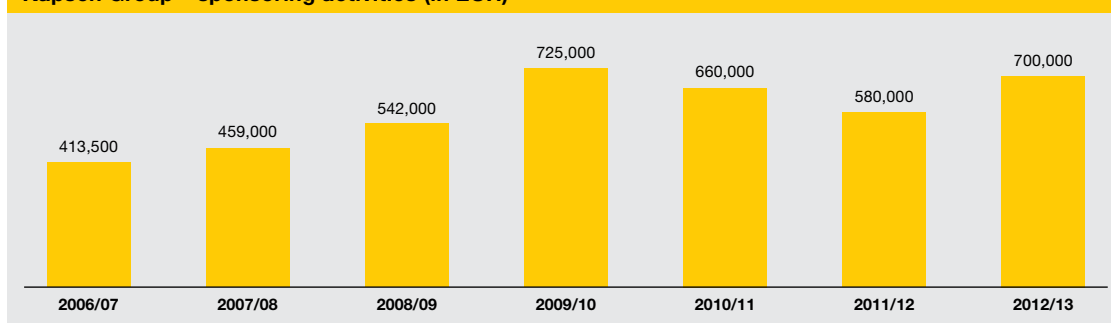
Educational institutions. Since 2005, the Kapsch Group has been supporting INiTS Universitäres Gründerservice Wien GmbH, a company which offers young entrepreneurs in-depth knowledge on how to implement their ideas in the form of fully fledged business plans.

Music. The Kapsch Group has been one of the main sponsors of Wiener Konzerthaus since 1992. The existing and unconventional program of this institution masters the balancing act of preserving tradition and attracting a new audience. One annual highlight is the so-called 'Wien modern' festival, one of the most globally renowned festivals of contemporary music, and one which has been part of the sponsoring program of Kapsch since 1989.

Visual art. One of the most important desires of the Kapsch Group is to promote up-and-coming artists both at home and abroad. One example of this is the photo calendar which the Kapsch Group has been publishing since 1994, the presentation of which takes place once per year in the course of an opening event. The 2013 art calendar features works of art by the Vorarlberg artist Reinhold Ponesch.

Jewish culture. The Kapsch Group is also a sponsor of the event series 'Kultur im Tempel' at the synagogue in Kobersdorf and at the Jewish Museum Vienna. Both of these institutions make Jewish life and the associated culture accessible to others, including younger generations.

Kapsch Group – sponsoring activities (in EUR)



GRI EC8

Compliance and anti-corruption. As part of the corporate governance, all business units over which Kapsch TrafficCom AG has primary influence are analyzed with regard to their corruption risks. The employees of the first and second management levels are trained in the anti-corruption policy of the company as well as in the related processes and tools. The code of conduct also provides explicit instructions which are binding upon on all employees. This can be accessed online at www.kapsch.net/KapschGroup/aboutus/Code-of-Conduct.

GRI SO2, SO3

Marcus Handl is responsible for compliance management in accordance with the provisions of the Issuer Compliance Directive (ICV). In his role as Compliance Officer, he invested a lot of time in the 2012/13 fiscal year in updating the compliance policy and the list of insiders as well as implementing the recommendations made after an audit in accordance with § 48q, para. 1(3), and § 86, para. 6(8), of the Stock Exchange Act (*BörseG*) by the Conduct of Business Rules department of the Financial Market Authority (FMA) in March 2011.

Details of the report.

GRI 3.1–3.8, 3.10, 3.11

This, the second sustainability report issued by Kapsch TrafficCom, covers the sustainability-related activities and key performance indicators of the Kapsch TrafficCom Group. Financial data and the details relating to the areas of products and employees relate to the reporting parameters of the 2012/13 annual report. Ecological KPIs were calculated particularly for the manufacturing activities of the subsidiary Kapsch Components (please refer to specific details in the relevant sections). The information relating to social responsibility and sponsoring cover the Kapsch Group. Any additional activities of the Kapsch TrafficCom Group are explicitly reported as such.

The financial year 2012/13 represents the reporting period. In comparison with the first sustainability report of Kapsch TrafficCom covering the period 2010/11, we have further developed the structure of the report in particular, as well as having defined key performance indicators and targets in the relevant areas of activity.

The contents of the report reflect the sustainability focuses of Kapsch TrafficCom, as well as the annual program derived from HESSQ management.

This report is structured in five main focus areas:

- Ensuring sustainable success
- Products with added value for the environment and society
- Protecting the environment and resources
- A competent team
- Corporate social responsibility

The data capturing for the sustainability report takes place not only by means of the use by Ecoprofit of existing reporting tools such as the HESSQ Management Report and the Kapsch Components Environmental Report, but is also based on interviews with internal experts from the various corporate divisions. The data were centrally collated, evaluated and subjected to plausibility testing by the Sustainability Coordinator of Kapsch TrafficCom in cooperation with the external sustainability consultant.

This report fulfills the requirements for sustainability reporting under the Global Reporting Initiative – (GRI Guideline G3.1 (Application Level 3)) for sustainability reports and constitutes our Communication on Progress for the United Nations Global Compact. The publication cycle is one year.

The GRI Content Index from page 34 provides details about the various indicators and the degree to which these are complied with. The sustainability report mainly presents ecological and social aspects. Please refer to the Annual Report 2012/13 of Kapsch TrafficCom AG for more details regarding business development, the corporate profile and the issue of corporate governance.

In order to signalize that general references in this sustainability report to persons apply equally to women and men, male and female gender forms have been used in part. For reasons of legibility, the male gender form has on occasion been used although the reference is always to both men and women.

Glossary.

ANPR

Automatic number plate recognition – a method that uses optical character recognition (OCR) on images to automatically identify the license plate number of a vehicle

CO₂

The chemical abbreviation for carbon dioxide

Compliance

In business administration parlance, this refers to respecting legislation and company policies

CVO

Commercial vehicle operations – systems for operating commercial vehicles in order to enhance freight carrier productivity and safety

DSRC

Dedicated short-range communication – one-way or two-way short to medium-range wireless communication channels designed for communication between on-board and roadside equipment

ETC

Electronic toll collection to enable drivers to pay toll fees without stopping at toll stations

GNSS

Global navigation satellite system – standard generic term for satellite navigation systems that provide autonomous geo-spatial positioning with global coverage

GPS

Global positioning system

GRI

Global Reporting Initiative, developed in the course of a participating process; guidelines for the preparation of sustainability reports

GSM

Global system for mobile communication – standard to describe technologies for digital cellular networks

ISO

International organization for standardization

ITS

Intelligent transportation systems, in which information and communication technologies are employed to support and optimize road transportation, including infrastructure, vehicles, users and industry

OHSAS

Occupational Health and Safety Assessment Series

On-board unit

An on-board unit (OBU) is an electronic device readable and writeable via wireless communication. An OBU identifies a vehicle and/or serves as a payment means and/or as data memory for vehicle and/or personal data

PVTMS

Public vehicle transportation management systems to facilitate the management of both local and long-distance public transportation

Transceiver

A roadside mounted radio communication device for the bidirectional data exchange to on-board units by means of dedicated short-range communication (DSRC). In the USA often referred to as a reader

Transponder

A transponder is an on-board equipment with a dedicated short-range communication (DSRC) interface and a buzzer serving as the only human-machine interface to the driver

UNGC

United Nations Global Compact; a global alliance between companies and the UNO in order to make globalization more socially and ecologically compatible

V2X

Vehicle-to-X is the abbreviation for vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communication, a core technology for managing and improving future traffic safety and mobility

VÖNIX

The VBV Austrian Sustainability Index is a stock index that comprises listed Austrian companies that play a leading role in terms of their social and environmental performance

WAVE

Wireless access in vehicular environment refers to a set of emerging standards for mobile wireless radio communications

GRI Content Index.

| No. | Indicator | Status | Reference/Note |
|---|--|--------|--|
| 1 Strategy and Analysis | | | |
| 1.1 | Statement of the most senior decision-maker of the organization | • | SR p. 3 |
| 2 Organizational Profile | | | |
| 2.1 | Name of the organization | • | SR p. 1 |
| 2.2 | Primary brands, products, and/or services | • | SR p. 4, 15f, AR p. 16f |
| 2.3 | Operational structure of the organization | • | SR p. 5, AR p. 38f, 120f |
| 2.4 | Location of organization's headquarters | • | SR p. 5 |
| 2.5 | Number of countries where the organization operates | • | SR p. 5 |
| 2.6 | Nature of ownership and legal form | • | SR p. 6 |
| 2.7 | Markets served | • | SR p. 5, AR p. 18f |
| 2.8 | Scale of the reporting organization | • | SR p. 5, 9 |
| 2.9 | Significant changes during the reporting period regarding size, structure, or ownership | • | SR p. 8, AR p. 26 |
| 2.10 | Awards received in the reporting period | • | SR p. 6 |
| 3 Report Parameters | | | |
| 3.1 | Reporting period | • | SR p. 32 |
| 3.2 | Date of most recent report | • | SR p. 32 |
| 3.3 | Reporting cycle | • | SR p. 32 |
| 3.4 | Contact point for questions regarding the report or its contents | • | SR p. 35 |
| 3.5 | Process of defining report content | • | SR p. 32 |
| 3.6 | Boundary of the report | • | SR p. 32 |
| 3.7 | State any specific limitations on the scope or boundary of the report | • | SR p. 32 |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations | • | SR p. 32 |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports | • | SR p. 32 |
| 3.11 | Significant changes from previous reporting periods | • | SR p. 32 |
| 3.12 | GRI Content Index | • | SR p. 34f |
| 4 Governance, Commitments, and Engagement | | | |
| 4.1 | Governance structure of the organization and responsibility for sustainability | • | SR p. 11 |
| 4.2 | Independence of Chair of highest governance body | • | SR p. 5 |
| 4.3 | Structure of governance bodies in organizations with supervisory board | n.a. | Supervisory board has been established |
| 4.4 | Mechanisms to provide recommendations to executive board | • | SR p. 8 |
| 4.13 | Membership of associations and/or national/international advocacy organizations | • | SR p. 12 |
| 4.14 | List of stakeholder groups engaged by the organization | • | SR p. 8, 13 |
| 4.15 | Basis for identification and selection of stakeholders | • | SR p. 13 |
| 5 Management Approach and Performance Indicators | | | |
| EC Economic Performance Indicators | | | |
| EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments | • | SR S. 9, AR p. 26 |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation | • | SR p. 24 |

Legend

Core indicators
Additional indicators

• Fully reported
• Partially reported

n.a. not applicable
SR Sustainability Report 2012/13

AR Annual Report 2012/13

| | | | |
|---|---|---|---|
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation | • | SR p. 26 |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement | • | SR p. 31 |
| EN Environmental Indicators | | | |
| EN1 | Material used by weight or volume | • | SR p. 22 |
| EN2 | Percentage of materials used that are recycled input materials | • | SR p. 23 |
| EN3 | Direct energy consumption by primary energy source | • | SR p. 22 |
| EN5 | Energy saved due to conservation and efficiency improvements | • | SR p. 22 |
| EN6 | Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives | • | SR p. 16, 23 |
| EN16 | Total direct and indirect greenhouse gas emissions by weight | • | SR p. 22 |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved | • | SR p. 23 |
| EN22 | Total weight of waste by type and disposal method | • | SR p. 22 |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation | • | SR p. 16, 23 |
| LA Labor Practices and Decent Work | | | |
| LA1 | Total workforce by employment type, employment contract, and region | • | SR p. 26 |
| LA2 | Employee turnover | • | SR p. 26 |
| LA4 | Percentage of employees covered by collective bargaining agreements | • | SR p. 26 |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region | • | SR p. 28 |
| LA10 | Employee training | • | SR p. 27 |
| LA11 | Programs for skills management and lifelong learning | • | SR p. 27, AR p. 58 |
| LA12 | Percentage of employees receiving regular performance and career development reviews | • | SR p. 27 |
| LA13 | Diversity and composition of governance bodies | • | SR p. 27, AR p. 38 |
| LA15 | Return to the workplace and remaining in the company after parental leave | • | SR p. 28 |
| HR Human Rights Performance Indicators | | | |
| HR4 | Total number of incidents of discrimination and corrective actions taken | • | No incidents of discrimination during reporting period |
| SO Society Performance Indicators | | | |
| SO2 | Investigations related to corruption risks | • | SR p. 31 |
| SO3 | Employees trained in anti-corruption policies | • | SR p. 18 |
| SO4 | Actions taken in response to incidents of corruption | • | No incidents of corruption during reporting period |
| SO7 | Total number of legal actions for anti-trust/monopoly practices | • | No legal actions on the grounds of anti-competitive behavior, anti-trust and monopoly practices during the reporting period |
| PR Product Responsibility | | | |
| PR1 | Initiatives to investigate the products and services offered on the basis of their impacts on health and safety and corrective and preventative actions | • | SR p. 17, 23 |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction | • | SR p. 15 |

Abbreviations

| | | | | | | | |
|-------|--|------|---------------------------------------|------|------------------------------------|------|-------------------------------|
| GRI | Global Reporting Initiative | ICEP | Institute for Development Cooperation | ITS | Intelligent Transportation Systems | OBU | On-board units |
| HSSEQ | Health-Safety-Security-Environment-Quality | | | NGOs | Non-Governmental Organizations | UNGC | United Nations Global Compact |

Kapsch Group

Kapsch is one of Austria's most successful technology companies and a major global player in future-oriented markets, intelligent transportation systems (ITS) and information and communication technology (ICT). Kapsch. Always one step ahead.

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