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# **Sustainability Report 2010/11**

## **Kapsch TrafficCom AG.**

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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). Both initiatives require that we report on certain content (indicators and principles). At the side of each page we have added a column that refers to this information. You can find an overview of the GRI Indicators in the GRI Content Index on pages 22 to 23, while the UNGC principles are presented on page 10.





Erwin Toplak

Georg Kapsch

André F. Laux

Dear readers,

The core competencies of Kapsch TrafficCom AG focus on the development, implementation and operation of electronic toll collection systems. Many of our products have been employed around the world for decades. It is therefore vital for us to adopt a forward-facing approach in order to be successful amidst the ever-changing economic and social climate. Each and every day we focus on environmental and social issues that will shape our society in the future, analyzing their influence on our business model and our strategic orientation.

This means that sustainability forms an integral part of our daily business and is rooted in our corporate strategy as one of the main pillars of our operations. This approach also includes safeguarding the many interests of our stakeholders – those of our customers and business partners as well as our members of staff, our shareholders and society as a whole.

Our pledge to ensure sustainable management is underpinned by participating in the United Nations Global Compact (UNGC), the largest global initiative of businesses prioritizing their social responsibilities. By publishing this sustainability report we are living up to our commitment to the ten principles of the UNGC with regard to human rights, labor standards and the environment, amongst others, and to making an annual report on progress. This is the first Sustainability Report of Kapsch TrafficCom AG, and we have drawn on the guidelines of the Global Reporting Initiative.

Sustainability demands an entrepreneurial vision and a strong sense of one's responsibilities. To enable us to meet the related challenges in the future to the best of our ability and to the benefit of our stakeholders, we invite you to use this report to learn about our company and enter into constructive dialogue with us.

Georg Kapsch  
Chief Executive Officer

Erwin Toplak  
Chief Operating Officer

André F. Laux  
Executive Board Member

GRI 1.1  
UNGC Statement of  
Support

# Kapsch TrafficCom.

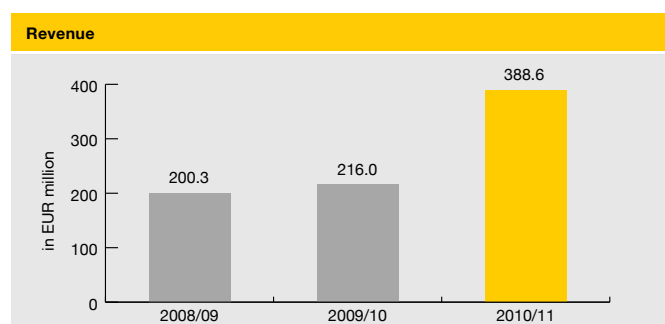
## Always looking to the future.

GRI 2.4 Kapsch TrafficCom is an international company based in Vienna. As a globally recognized specialist of  
 GRI 2.2 technologies and services in the field of intelligent transportation systems we benefit from the powerful growth  
 GRI 2.5 of this market and during the reporting period had subsidiary companies in 25 countries. Our clientele around  
 GRI 2.7 the world include public bodies and institutions, private concessionaries and leading system integrators.  
 Over the last few years we have realized approximately 260 reference projects – both on our home market Austria as well as on all five continents around the globe – including Chile, Australia, the USA, South Africa, Poland or the Czech Republic.

GRI 2.8 Kapsch TrafficCom looks in particular to harness the dynamics of these markets. In the 2010/11 financial year alone we more than doubled the number of our staff members to 2,167 (including 113 blue-collar workers). Alongside projects in South Africa and Poland, this expansion is also due to several business acquisitions.

Employees	31 March 2011	31 March 2010	31 March 2009	31 March 2008	31 March 2007
<b>Breakdown by region</b>					
Europe:					
Austria	605	528	519	497	475
Sweden	134	122	110	97	89
Western Europe	15	13	10	1	0
Central and Eastern Europe (excluding Austria)	195	152	148	128	108
Latin America	196	132	112	80	94
Asia and Africa	845	38	14	12	2
Australia and New Zealand	12	11	10	9	6
USA and Canada	165	27	23	0	0
<b>Total</b>	<b>2,167</b>	<b>1,023</b>	<b>946</b>	<b>824</b>	<b>774</b>

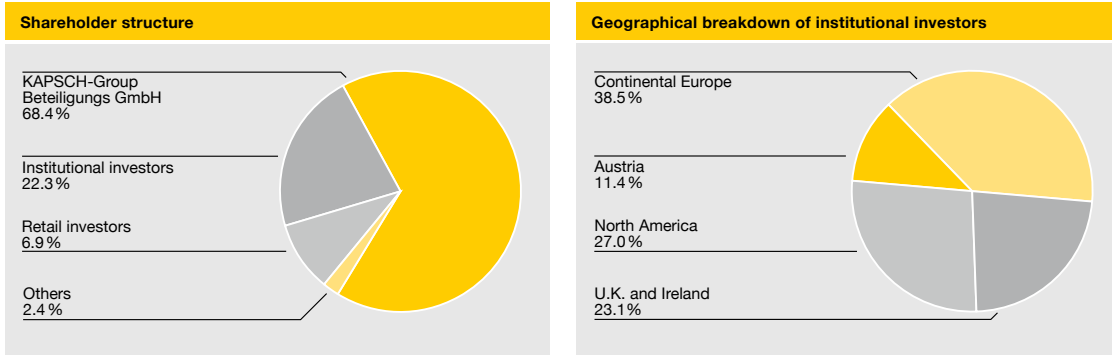
GRI EC1 In the 2010/11 financial year, the Kapsch TrafficCom Group increased its revenue by 80% to EUR 388.6 million,  
 GRI 2.8 thus reaching an all-time high; EBIT was equally pleasing, coming in at EUR 48.9 million and therefore almost double the figure recorded in the previous year. The related improvement in the EBIT margin from 11.4% to 12.6% confirms that Kapsch TrafficCom focuses on safeguarding its earnings capacity by means of above-average growth.



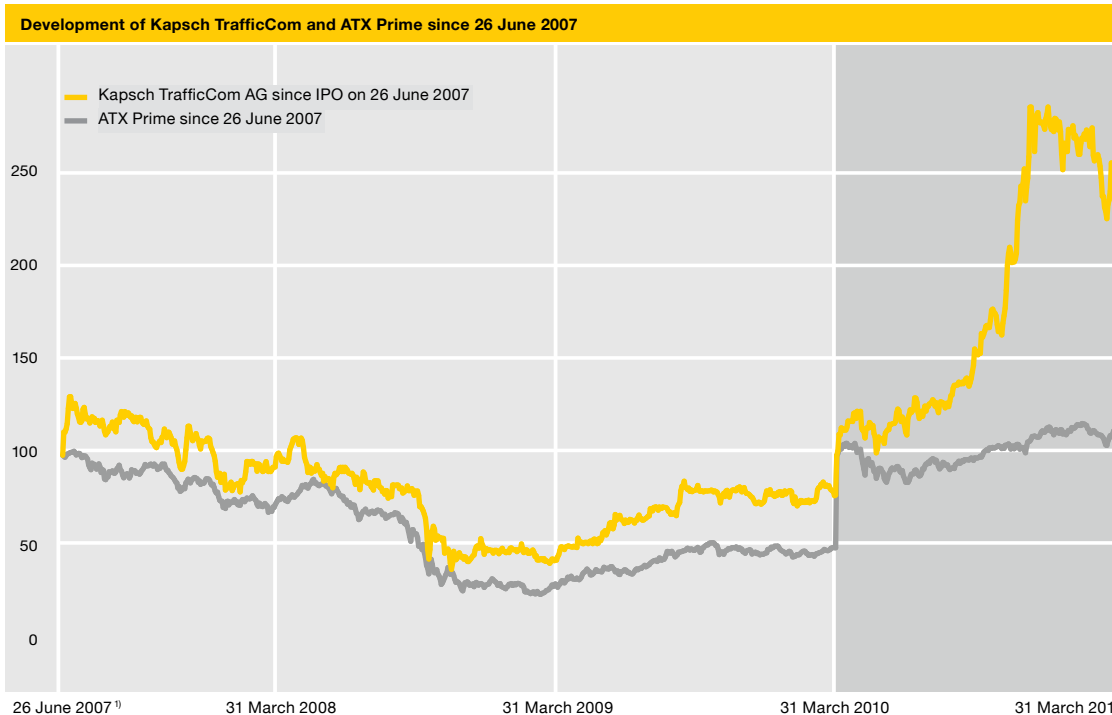
**Kapsch TrafficCom Shares.**

Kapsch TrafficCom AG was established in 2002 following a restructuring of the Kapsch Group and has been listed on the Vienna Stock Exchange since 26 June 2007. As of the reporting date on 31 March 2011, roughly 31.6% of the shares were still in free float, as in the previous year, while KAPSCH-Group Beteiligungs GmbH held around 68.4%. Additionally, no other shareholder held more than 5% of the voting rights of Kapsch TrafficCom AG.

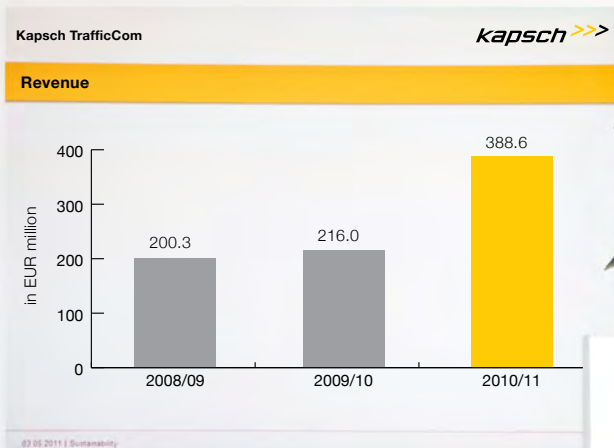
GRI 2.6



Compared to the end of the last reporting year, Kapsch TrafficCom shares posted an increase in price of 247.4% from EUR 25.30 to EUR 62.50 as of 31 March 2011. This means the shares easily outperformed the whole market, with the benchmark index, the ATX Prime, rising by 45.2% over the same period. With the same number of shares in circulation the average daily trading volume increased from EUR 0.29 million to EUR 1.24 million.



1) offer price on 26 June 2007 and opening value for ATX Prime on 26 June 2007, each indexed to 100



## Always performance-oriented.

We are the internationally recognized leader in terms of quality and technology on the market for intelligent transportation systems.

GRI EC1

- Business development 2010/11: revenue EUR 388.6 million (+80%), EBIT EUR 48.9 million (+99%)

- Listed on the Vienna Stock Exchange since 2007, share price development in 2010/11: +247.4%

GRI 2.6

- Shareholder structure: 31.6% free float, 68.4% KAPSCH-Group Beteiligungs GmbH

GRI 2.8

- 2,167 employees (+112%)

# Always one step ahead.

**The company philosophy of Kapsch TrafficCom** is concisely expressed in a single phrase: always one step ahead. Striving for global quality and innovation leadership in the rapidly growing market of intelligent transportation systems, Kapsch TrafficCom is always the decisive step ahead of the competition.

**Kapsch TrafficCom is always future-oriented.** Visionary ideas combined with entrepreneurial expertise are a high priority at Kapsch TrafficCom. Based on the technology applied in systems around the world, we are helping to define the future for drivers, road operators and commercial service providers with innovative traffic applications. At the same time, we are committed to consistent value creation and we accept holistic responsibility for our endeavors.

**Kapsch TrafficCom is always innovative.** Taking advantage of the newest technologies in practical applications is an integral part of our company strategy and a key element of our success. The networked international research and development centers of Kapsch TrafficCom are therefore constantly searching for new, forward looking applications. This has given rise to pioneering projects such as Section Control, Weigh in Motion System, Incident Detection System, Traffic Flow Analysis or Hazardous Goods Transport Tracking, which offer added value to our customers and enable new commercial applications. A system-independent perspective, an international pool of experts and a sound business attitude allow us to develop products and solutions used around the world.

**Kapsch TrafficCom is always performance-oriented.** Our systems offer customers high return on investment, outstanding transaction performance and system security thanks to state-of-the-art technologies, more than 2,100 dedicated employees and our many years of experience. Around the world, almost 44 million delivered onboard units and more than 18,000 equipped lanes provide for safe and reliable operation. The processes of the Kapsch TrafficCom quality management system are based on ISO 9001 and ISO 20000 for IT service management.

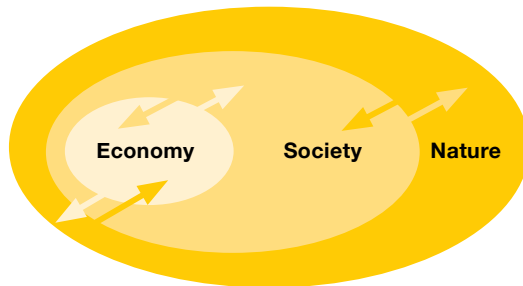
**Kapsch TrafficCom is always aware of its responsibility.** With superior intelligent transportation systems, Kapsch TrafficCom makes a meaningful contribution to shaping a sustainable future. Our solutions provide a wide range of benefits: they contribute to the financing of infrastructure projects, improve traffic safety and help to prevent traffic jams, which also reduces CO<sub>2</sub> emissions. You can learn how sustainability and responsibility are addressed by the company in the Kapsch TrafficCom Sustainability Report.

**Kapsch TrafficCom is always close to its customers.** Solutions from Kapsch TrafficCom accompany people around the world. The international success of the company is exemplified by 260 reference projects in 41 countries on all 5 continents. We offer products, systems and services for superior intelligent transportation systems as a one-stop shop and cover the entire value creation chain of our customers with our end-to-end solution portfolio.

# Sustainable Management.

The roots of sustainability stretch way back into the 17th century; at that time, responsible forestry management was the order of the day on account of the increased number of clearings. Forestry managers were only to remove as much timber as could grow again over the same period, in order to maintain the natural balance.

## Model for sustainable development



Since then this concept has been expanded not only by further ecological but also economic and social aspects. This holistic approach is designed to ensure the long-term stability and balanced development of organizations and systems, taking into account the concerns of all stakeholders.

A generally accepted definition of sustainability and corporate social responsibility is found in the EU's Green Paper published in 2001 entitled "Promoting a European framework for Corporate Social Responsibility":

*"Corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing "more" into human capital, the environment and the relations with stakeholders."*

In recent years, society has started to focus increasingly on aspects of sustainable management. More and more companies are taking sustainability principles into account when setting their strategies and developing their business models, recognizing that the systematic management of associated challenges offers an opportunity to shape core business in a sustainable manner.

Sustainability has long since been a factor of economic success and also helps to secure a successful position on the capital markets. In Austria, companies listed on the stock exchange that also play leading roles in social and ecological domains are tracked in the VÖNIX (VBV Austrian Sustainability Index). Kapsch TrafficCom AG has been included in this index since 22 June 2009.



We are convinced that our responsible environmental and social activities exert a positive impact on the economic development of Kapsch TrafficCom. We deploy resources of all kinds in a sparing and thus cost-efficient manner. We take note of the well-being and the satisfaction of our members of staff, and create the requirements for constructive and successful cooperation.

## Practicing sustainability.

This is understood as safeguarding the long-term stability of our business taking all economic, ecological and social aspects into account.

- Sustainable management also calls for the systematic management of non-financial values of a social or environmental nature.
- Kapsch TrafficCom AG was included in the Austrian VÖNIX Sustainability Index in 2009. More details on this can be found at [www.voenix.at](http://www.voenix.at).
- In the next few years Kapsch TrafficCom will be rolling out additional measures to facilitate a more systematic management of relevant sustainability factors.



# United Nations **Global Compact.**



Successful businesses not only become driving forces for innovations and progress, they also make a contribution towards social security and the welfare of society. The potential inherent here of sustained market development and the vision of responsible corporate management was recognized back in 2000 by the former Secretary-General of the United Nations, Kofi Annan. To realize this vision he founded the United Nations Global Compact (UNGC), a global pact comprising businesses and civil society. As the largest global initiative to promote sustainable development and the social and ecological aspects of globalization, Global Compact currently has more than 6,000 members.

These members are committed to playing active roles in implementing the following ten Global Compact principles.

## **Human Rights**

- Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 | make sure that they are not complicit in human rights abuses.

## **Labor**

- Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 | the elimination of all forms of forced and compulsory labor;
- Principle 5 | the effective abolition of child labor, and
- Principle 6 | the elimination of discrimination in respect of employment and occupation.

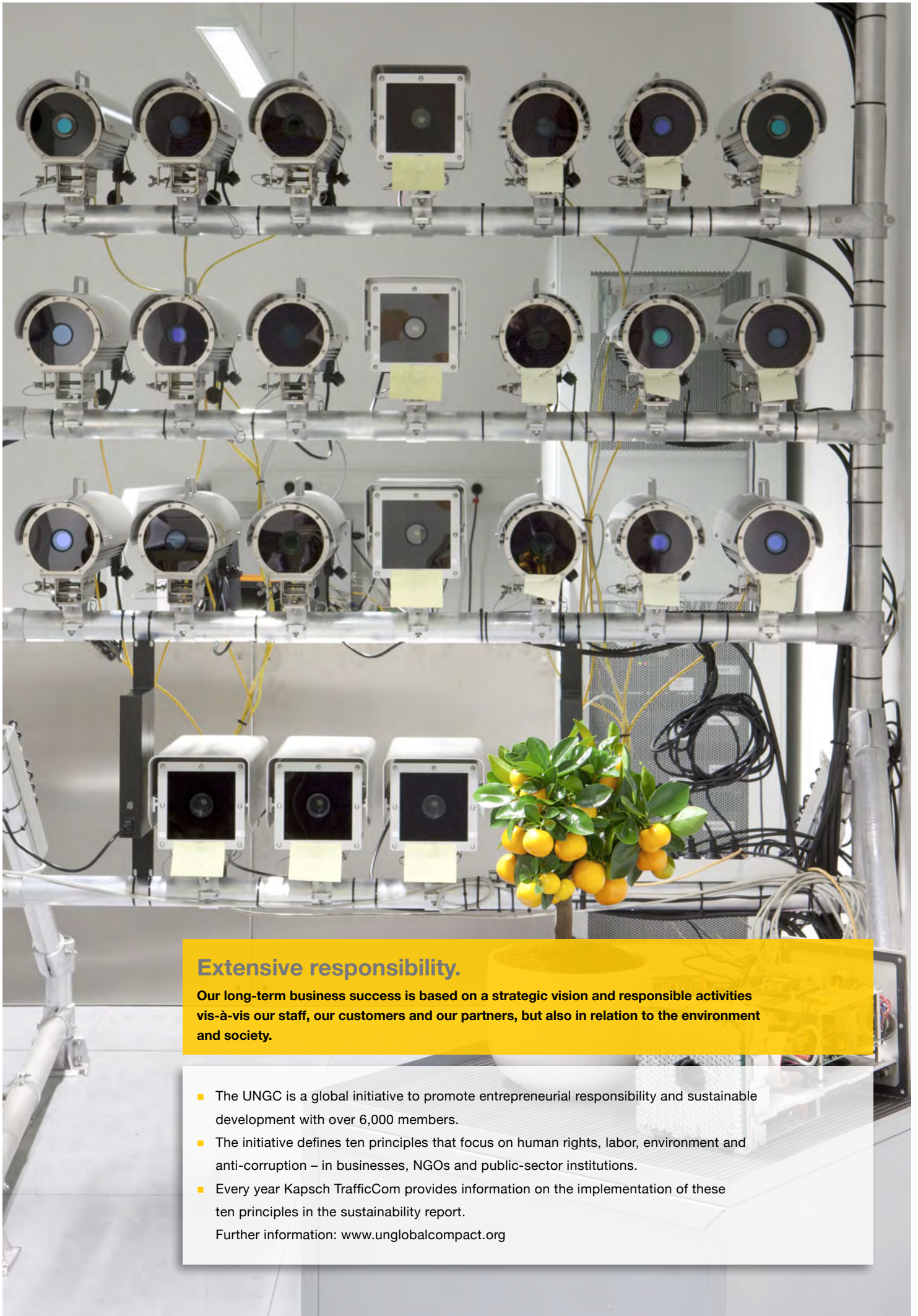
## **Environment**

- Principle 7 | Businesses should support a precautionary approach to environmental challenges;
- Principle 8 | undertake initiatives to promote greater environmental responsibility; and
- Principle 9 | encourage the development and diffusion of environmentally friendly technologies.

## **Anti-Corruption**

- Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery.

The Global Compact is based on a voluntary system and offers organizations an opportunity to play leading roles in their own domains in shaping a sustainable society. Participating companies are obliged to publish a "Communication on Progress (COP)" every year, which is a progress report on measures that have already been implemented. Kapsch TrafficCom meets this requirement by publishing this sustainability report.



## Extensive responsibility.

Our long-term business success is based on a strategic vision and responsible activities vis-à-vis our staff, our customers and our partners, but also in relation to the environment and society.

- The UNGC is a global initiative to promote entrepreneurial responsibility and sustainable development with over 6,000 members.
- The initiative defines ten principles that focus on human rights, labor, environment and anti-corruption – in businesses, NGOs and public-sector institutions.
- Every year Kapsch TrafficCom provides information on the implementation of these ten principles in the sustainability report.

Further information: [www.unglobalcompact.org](http://www.unglobalcompact.org)

# Global Reporting Initiative.

More details available at:  
[www.globalreporting.org](http://www.globalreporting.org)



## Transparency and comparability.

As a listed company, Kapsch TrafficCom AG has to fulfill extensive legal requirements with regard to its financial reporting. However, there are not yet any clear and compulsory statutory requirements for sustainability reporting. Nonetheless, the guidelines of the Global Reporting Initiative (GRI) provide comprehensive assistance that is largely recognized on an international scale. 90% of all companies that publish sustainability reports in German-speaking countries do so based on this voluntary framework, thereby boosting the comparability and transparency of the reported information. Detailed information can be found at [www.globalreporting.org](http://www.globalreporting.org).

The GRI guidelines define a whole range of indicators, figures and set content that must be contained in a sustainability report. Similarly to financial reporting, these reports must also observe the basic principles of authenticity, materiality, consistency and comparability.

## Orientation of reporting.

GRI 3.3 Kapsch TrafficCom has decided to base its sustainability report – which is to appear annually – on the GRI guidelines. For this first report we are striving to achieve Application Level C.

The figures in this sustainability report relate to the financial years  
GRI 3.1 2009/10 and 2010/11 (from 1 April to 31 March of the given years).  
GRI 3.6 It covers all of the fully-consolidated subsidiary companies of  
Kapsch TrafficCom AG (see scope of consolidated companies  
GRI 3.7 in 2010/11 annual report, page 51). Any deviations from the  
boundaries of the report are explicitly referred to at the given points.

For the coming years we plan to extend the existing reporting  
processes and boundaries and involve the subsidiary companies  
GRI 3.8 to a greater extent. Outsourced activities and participations over  
which Kapsch TrafficCom AG has no significant operating control  
are not included in this report.

To reduce the size of the report, several references are made on  
pages 22 and 23 of the GRI Content Index to the annual report  
on the 2010/11 financial year. This applies in particular to financial  
indicators as well as to information on the management and  
organizational structure of Kapsch TrafficCom AG.



You can order the latest annual report of  
Kapsch TrafficCom at [www.kapschtraffic.com](http://www.kapschtraffic.com).

**Our stakeholders.**

The various companies of the Kapsch TrafficCom Group differ in terms of their value-added chains and therefore with regard to their impact on the environment and society as well as their stakeholders. Identifying these stakeholders and relevant topics is carried out as part of a systematic approach. To this end, interviews are conducted with internal experts, external advisers are consulted and the feedback from stakeholders is taken into consideration. Additionally, general topics and trends of our industries are addressed.

GRI 3.5  
GRI 4.15

The following stakeholders take a particular interest in our activities:

GRI 4.14

- Customers
- Employees
- Shareholders
- Countries and their governments
- Business partners
- Financial markets
- Media
- Sciences
- Non-Governmental Organizations (NGOs)
- The public

Topics according to GRI Structure	
1 Strategy and Analysis	EC Economic Indicators
2 Organizational Profile	EN Environmental Indicators
3 Report Parameters	LA Labor Practices and Decent Work Indicators
4 Governance, Commitments and Engagement	SO Society

GRI 3.5

- Covered mainly in this sustainability report
- Covered mainly in the 2010/11 annual report

You can find the GRI Content Index including references and notes on pages 22 and 23 of this report.

The GRI Guidelines are designed to ensure the presentation of sustainability aspects is as comprehensive as possible. Some of these areas are less relevant for Kapsch TrafficCom than others. For example, we are active in lines of business where the risk of human rights' violations is low. All members of staff have to adhere to the Kapsch Code of Conduct with clear guidelines and rules on implementing ethical standards in our Group. It is also part of who we are and our sense of responsibility that we only offer products which inflict no harm on other people or the environment.

UNGC Principle 1  
UNGC Principle 2  
UNGC Principle 5  
UNGC Principle 4  
UNGC Principle 10

The information required by GRI on economic performance indicators and corporate management are largely found in the 2010/11 annual report. All other aspects are covered in this sustainability report, whereby we focus on "green products", "employees" as well as "dialogue with stakeholders".

# Reliable Partner.

## **Always where you need us, always aware of our responsibilities.**

This claim we make for ourselves is strongly anchored in the mission statement of Kapsch TrafficCom and makes it very clear that we take our responsibility vis-à-vis all of our stakeholders and society as a whole very seriously. Great importance is thus attributed to active and regular exchanges with our customers, business partners and staff, much in the same way as dialogue with shareholders and participants on the financial markets.

As a traditional Austrian business, Kapsch TrafficCom is aware of its roots and makes a valuable contribution to helping the country and society develop. To make sure we are close to our customers and to safeguard our growth we constantly expand our global operations, thus promoting the creation of local added value in the respective markets.

## **Active dialogue with stakeholders.**

The GRI Guidelines view regular dialogue with the various stakeholders of a company to be crucial, which must be taken into consideration when topics are identified and the focus of the sustainability reporting is defined. This means that deciding which information is material and relevant for decision-making purposes should not only ensue from the perspective of the company but also of the stakeholders.

## **Our initiatives.**

- GRI 4.4 ■ We employ a variety of communication channels to interact with our stakeholders, all of which always revolve 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, while 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.
- UNGC Principle 3
- GRI EC6 ■ We prefer to employ local staff who are familiar with the given market, thereby supporting the creation of local added value. The same applies to the selection of suppliers and contractors, which reduces transportation routes and travelling times to a minimum.
- GRI EC7
- UNGC Principle 6 ■ By sponsoring chosen educational initiatives, art projects and social institutions we contribute to ensuring a positive and harmonious development of our society.

## **Diverse commitments.**

- GRI EC8 As a key part of the Kapsch Group, Kapsch TrafficCom supports many initiatives. Below is just a sample of ways in which we engage with society:
  - “MiA” Association – Award for the Integration of Female Migrants in Austria: awards are given to remarkable women with roots outside of Austria for their success both in and outside the country.
  - “Changing Views”: Three female and three male artists are invited to spend four months each in a country of their choosing. The works created during these trips were included in the 2010 and 2011 art calendars of the Kapsch Group.
  - Vienna Konzerthaus: Since 1992 Kapsch has functioned as a main sponsor and now also general partner of the Vienna Konzerthaus. Since 1989 Kapsch has sponsored the “Wien Modern” Festival, one of the world’s most renowned festivals of contemporary music.

## Our commitment for society.

Kapsch TrafficCom supports the following institutions and projects among others:

- Caritas
- Koberndorf Synagogue
- Doctors Without Borders
- LEB project (work integration)
- Science 2 People
- CliniClowns
- St. Anna Children's Hospital
- Wings for handicapped
- ICEP (development projects)
- Changing Views
- MiA Association
- Vienna Konzerthaus

GRI EC8



# Green Products with Added Value.

## Customer benefits and environmental protection thanks to innovation.

UNGC Principle 7

GRI EN26

UNGC Principle 9

UNGC Principle 8

We develop solutions and products that give our customers and partners a competitive advantage and generate added value. To protect this head-start and our own competitiveness, in the 2010/11 financial year alone we invested around EUR 37.3 million or 10% of revenues in developing innovative and environmentally friendly products. The intelligent transportation systems developed by Kapsch TrafficCom reduce waiting and stopping times of vehicles at toll stations, or improve traffic flow. Consequently they make an active contribution to environmental and climate protection. But in our own field of operations we adopt a responsible approach to resources and minimize the impacts on our environment along the entire value-added chain. Creative solutions and innovative concepts allow us to make consistent reductions in energy and commodity use as well as in harmful emissions during our production activities.

## Global initiatives.

Amongst other things the principles of the United Nations Global Compact call for a responsible approach in relation to the environment. Businesses that commit to these principles – including Kapsch TrafficCom since January 2010 – follow a precautionary approach to environmental challenges, promote environmentally aware activities and drive the development as well as distribution of green technologies. The guidelines of the Global Reporting Initiative specify related requirements in terms of sustainability reporting, and set forth how companies should describe how they influence the environment and which indicators must be published. By publishing this sustainability report we meet these requirements.

## Our contribution.

GRI EN7

GRI EN26

UNGC Principle 9

- The introduction of toll collection systems supports the general endeavor to reduce the damaging environmental impacts caused by motorized traffic. Intelligent transportation systems change or reduce the use of vehicles and therefore diminish the environmental impacts.

- Dynamic environmental zones – fully automatic systems from Kapsch TrafficCom – help to control urban traffic in response to traffic volumes or the concentration of fine dust.

- They inform road users directly about the effects of their driving on the environment and facilitate time-critical traffic management.

UNGC Principle 8

UNGC Principle 7

- The integrated management system from Kapsch TrafficCom for Health-Safety-Security-Environment-Quality (HSSEQ) is based on the following pillars and certifications: Quality (ISO 9001), Environment (ISO 14001), Occupational Health and Safety (OHSAS 18001) and Information Security (ISO 27001).

GRI EN5

GRI EN18

GRI 2.10

GRI EN8

GRI EN21

GRI EN22

- Subsidiary company Kapsch Components provides a remarkable example of increased energy efficiency: by optimizing ventilation, air-conditioning and lighting facilities, annual energy consumption was lowered by 856 MWh of electricity or 40% – which corresponds to a saving of 175 tons of CO<sub>2</sub> per year. This successful initiative was recognized by the Ministry of the Environment as part of the “klima:aktiv” program.

- No water is used during the production processes at Kapsch Components, which is why the only wastewater produced is similar to that by households from sanitary use.

- In the 2010/11 financial year a total of 80.4 tons of non-hazardous waste and 5.2 tons of hazardous waste were produced, and then disposed of in accordance with statutory requirements in an environmentally friendly manner.



## Always innovative.

The products and solutions of Kapsch TrafficCom create competitive advantages and added value for customers and mitigate the adverse environmental impacts of traffic. Kapsch TrafficCom is also consistent in playing an active role implementing initiatives for environmental protection and conserving resources.

- EUR 37.3 million or 10% of revenues were invested in research and development in the 2010/11 financial year.
- 856 MWh (corresponding to 175 tons of CO<sub>2</sub>) of the annual power consumption is saved by means of optimized ventilation, air-conditioning and lighting in production.
- 80.4 tons (2009/10: 53.2 tons) of non-hazardous waste and 5.2 tons (2009/10: 4.8 tons) of hazardous waste were disposed of at Kapsch Components in an environmentally friendly manner.

EN5

EN7

EN18

EN22

# High-Performance Team.

## **Working together for success.**

The consistent and successful implementation of our long-term growth strategy is based on the commitment and enthusiasm of our staff. In a challenging and dynamic environment, we require the dedication and the skills of each employee in order to continue our success. The participation of our members of staff in the profits of Kapsch TrafficCom helps to ensure a focus on performance, but also encourages our employees to think and act in an entrepreneurial manner.

## **Clear information.**

The principles of the UN Global Compact center around people. In addition to observing international human rights, fair and safe working conditions must be documented along with eliminating discrimination and corruption. In accordance with GRI Guidelines, this section of the report contains indicators and information on the areas of personnel development, training and further education, fluctuation as well as the promotion of diversity and equal opportunities.

## **Responsibility, motivation, diversity.**

- GRI LA12
  - GRI LA10
  - UNGC Principle 10
  - GRI SO3
  - GRI LA13
  - UNGC Principle 6
  - GRI EC8
- We believe the qualifications and motivation of our members of staff are crucial factors of success and therefore we develop their potential by means of individualized training plans and a comprehensive range of further education options at Kapsch University. The focus here is on transferring and strengthening professional and social skills (including anti-corruption activities).
  - Kapsch TrafficCom ensures an attractive environment and employs measures to create a positive working atmosphere that is characterized by emphasizing fairness and respect.
  - Occupational safety is a top priority of Kapsch TrafficCom since some of our staff work on motorways and gantries and are consequently exposed to particular risks. To minimize the potential risks in this respect, these dangers and the related safety measures are assessed before the required measures to make ongoing improvements are defined and implemented.
  - We view the diversity of our team as an opportunity for mutual learning and a valuable factor of success. This is why we use effective initiatives to encourage a balance between the sexes as well as cultural and social diversity within the company. In this context, a central role is ascribed to promoting women by means of the "FIT" or "FemTech" programs, special trainee programs and the body for equal opportunities.
  - Since autumn 2009 and together with the LEB project (work integration) and the "sprungbrett" association we have promoted the training of young people whose opportunities on the regular labor market are limited. As part of a pilot project, four girls and three boys received apprenticeships. Experts at the partners referred to above support them in entering the labor market.

## Full commitment.

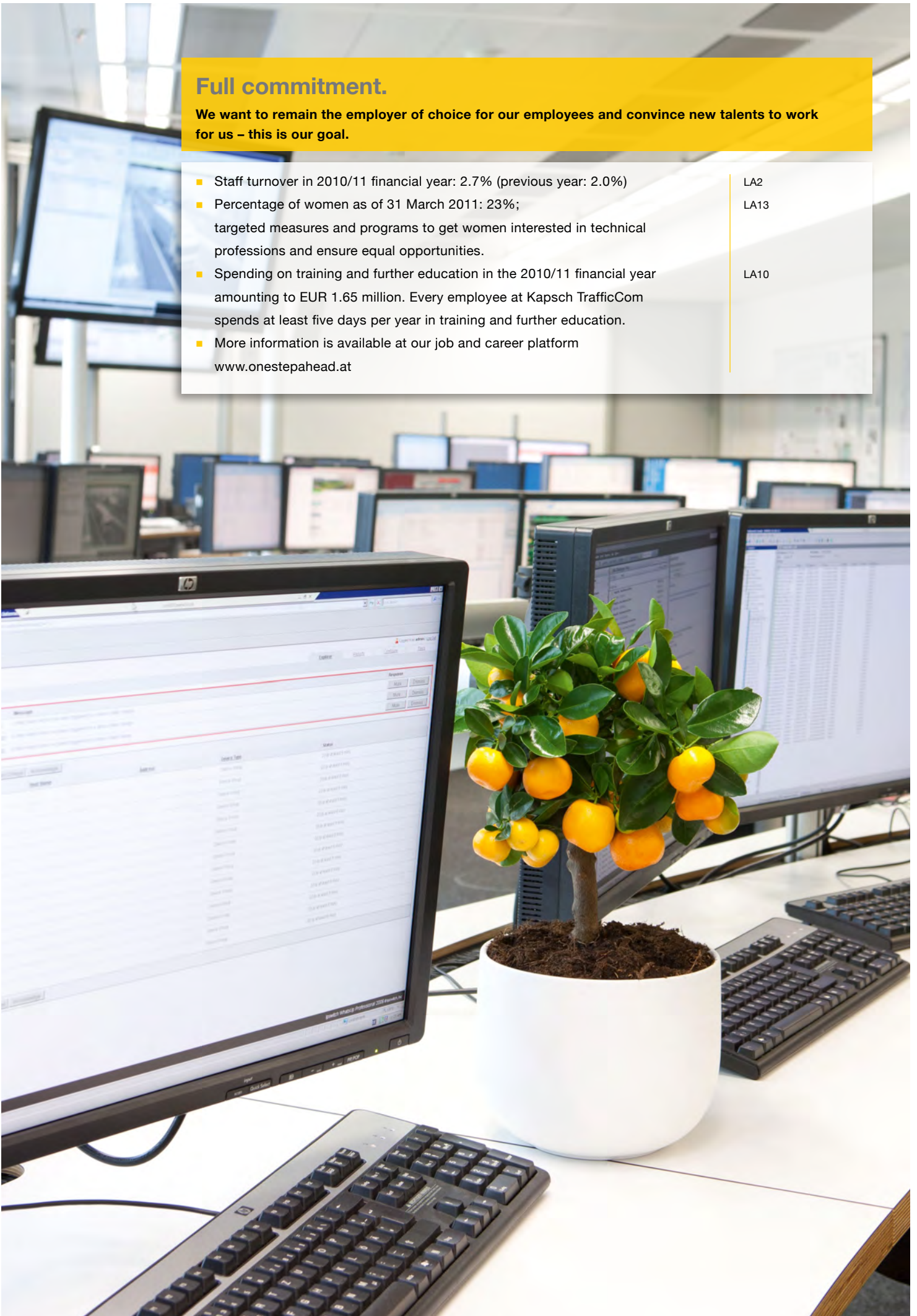
We want to remain the employer of choice for our employees and convince new talents to work for us – this is our goal.

- Staff turnover in 2010/11 financial year: 2.7% (previous year: 2.0%)
- Percentage of women as of 31 March 2011: 23%;  
targeted measures and programs to get women interested in technical professions and ensure equal opportunities.
- Spending on training and further education in the 2010/11 financial year amounting to EUR 1.65 million. Every employee at Kapsch TrafficCom spends at least five days per year in training and further education.
- More information is available at our job and career platform [www.onestepahead.at](http://www.onestepahead.at)

LA2

LA13

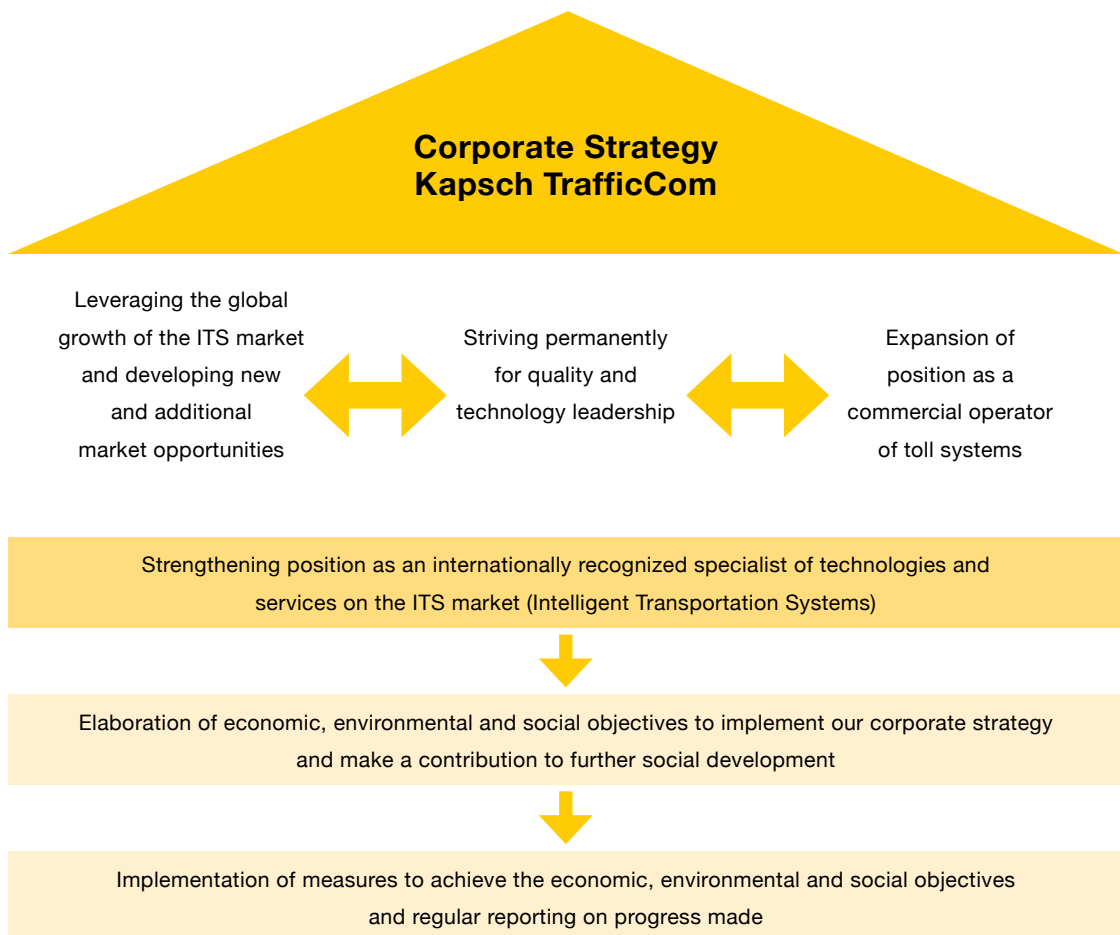
LA10



# Outlook.

In this 2010/11 sustainability report Kapsch TrafficCom has provided, for the first time, detailed information in a structured manner on aspects of sustainability that are relevant for the company. Now that we have taken this first step we are continuing to embed these topics systematically and from an organizational perspective to capture and manage non-financial indicators more efficiently in the future too, and be able to document and publish them in the course of our sustainability reporting.

This is done with the declared objective of being as prepared as possible for the tasks of tomorrow, and always being one step ahead in the future as well. Alongside expanding the boundaries of the report in terms of social and environmental indicators we are also laying down the foundations to include the subsidiary companies of Kapsch TrafficCom in future sustainability reports.







## Always one step ahead.

We set up systematic approaches to manage sustainability in order to be always one step ahead.

- Nomination of a person in charge of sustainability affairs
- Increased focus on sustainability in corporate strategy
- More detailed reporting on social and environmental indicators
- Extension of non-financial reporting to subsidiary companies of Kapsch TrafficCom
- Orientation towards Global Reporting Initiative Guidelines, objective: Application Level B+

# GRI Content Index.

No.	Indicator	Status	Reference/Note
<b>1 Strategy and Analysis</b>			
1.1	Statement from the most senior decision-maker of the organization	•	SR p. 3; AR p. 1-3, 22
<b>2 Organizational Profile</b>			
2.1	Name of the organization	•	SR p. 1
2.2	Brands, products, services	•	SR p. 4; AR p. 17-18
2.3	Operational structure of the organization	•	AR p. 25, 27-28
2.4	Location of organization's headquarters	•	SR p. 4
2.5	Countries where the organization operates	•	SR p. 4; AR p. II, 91-92
2.6	Nature of ownership and legal form	•	SR p. 5-6; AR p. 13, 15
2.7	Markets served	•	SR p. 4; AR p. 15-19
2.8	Scale of reporting organization	•	SR p. 4, 6; AR p. III
2.9	Significant changes regarding size, structure or ownership	•	SR p. 4; AR p. IV, 14, 15
2.10	Awards received in the reporting period	•	SR p. 16; AR p. 14
<b>3 Report parameters</b>			
3.1	Reporting period	•	SR p. 12
3.2	Date of most recent previous report	n.a.	first Sustainability Report of Kapsch TrafficCom AG
3.3	Reporting cycle	•	SR p. 12
3.4	Contact point	•	SR p. 23
3.5	Process for defining report content	•	SR p. 13
3.6	Boundary of the report	•	SR p. 12; AR p. 51-52
3.7	Limitations on the scope or boundary of the report	•	SR p. 12
3.8	Joint ventures, subsidiaries, outsourced operations	•	SR p. 12
3.10	Re-statements of information provided in earlier reports	n.a.	first Sustainability Report of Kapsch TrafficCom AG
3.11	Significant changes from previous reporting periods	n.a.	first Sustainability Report of Kapsch TrafficCom AG
3.12	GRI Content Index	•	SR p. 22-23
<b>4 Governance, Commitments and Engagement</b>			
4.1	Governance structure	•	SR p. 3; AR p. 4-9
4.2	Independence of Chair of highest governance body	•	Supervisory Board Chairman is not a managing director of Kapsch TrafficCom AG
4.3	Structure of governance bodies in organizations without Supervisory Board	n.a.	There is a Supervisory Board
4.4	Mechanisms to provide recommendations to Management Board	•	SR p. 14; AR p. 12-13
4.14	List of stakeholder groups engaged by the organization	•	SR p. 13
4.15	Basis for selection of stakeholders	•	SR p. 13

Legend:  
 Core indicators  
 Additional indicators

• fully reported  
 • partially reported

n.a. not applicable  
 SR Sustainability Report 2010/11

AR Annual Report 2010/11

<b>EC Economic Indicators</b>		
EC1	Direct economic value generated and distributed	• SR p. 4,6; AR p. III, 61, 66-67, 77
EC6	Policy and practices vis-à-vis locally-based suppliers	• SR p. 14
EC7	Procedures for local hiring	• SR p. 14
EC8	Services provided primarily for public benefit	• SR p. 14-15, 18
<b>EN Environmental Indicators</b>		
EN5	Energy saved due to conservation and efficiency improvements	• SR p. 16-17; AR p. 23
EN7	Initiatives to reduce indirect energy consumption	• SR p. 16-17; AR p. 23, 34
EN8	Total water withdrawal by source	• SR p. 16
EN18	Initiatives to reduce greenhouse gas emissions	• SR p. 16-17; AR p. 23, 34
EN21	Total water discharge	• SR p. 16
EN22	Total weight of waste by type	• SR p. 16-17
EN26	Initiatives to mitigate environmental impacts of products	• SR p. 16-17
<b>LA Labor Practices and Decent Work Indicators</b>		
LA1	Total workforce by employment type and region	• SR p. 4; AR p. 21
LA2	Employee turnover	• SR p. 19; AR p. 23
LA10	Training per employee	• SR p. 18-19; AR p. 23, 21, 67
LA12	Percentage of employees receiving regular performance and career development reviews	• SR p. 18
LA13	Diversity of employees and governance bodies	• SR p. 18-19
<b>HR Human Rights</b>		
HR4	Total number of incidents of discrimination and actions taken	• There were no incidents of discrimination in the reporting period
HR6	Operations identified as having significant risk for incidents of child labor	• Investigations show no risk of child labor
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor	• Investigations show no risk of forced or compulsory labor
<b>SO Society</b>		
SO2	Investigations in relation to corruption risks	• All business areas were examined for organizational risks in connection with corruption
SO3	Employees trained in anti-corruption policies and procedures	• SR p. 18
SO4	Actions taken in response to incidents of corruption	• There were no incidents of corruption in the reporting period
SO7	Total number of legal actions for anti-trust and monopoly practices	• There were no legal actions in the reporting year for anticompetitive behavior, anti-trust and monopoly practices

#### Acronyms

GRI	Global Reporting Initiative	ITS	Intelligent Transportation Systems
HSSEQ	Health-Safety-Security-Environment-Quality	NGOs	Non-Governmental Organizations
ICEP	Institute for Cooperation in Development Projects	OBUs	On-Board Units
		UNGC	United Nations Global Compact

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