2024

Sustainability report

ELECTROMONTAJ

We support the global transition toward a sustainable future powerd by electricity

Environment · Community · Innovation · Progress

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Introduction

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01

Foundation of elaborating the sustainability report

During the reporting year 2024, Electromontaj continues the process of strategically integrating ESG criteria into its business model, strengthening compliance with the European Sustainability Reporting Standards (ESRS) as defined by the Corporate Sustainability Reporting Directive (CSRD). This report covers the period from January 1 to December 31, 2024, and reflects the company's active commitment to sustainability, responsible governance, and sustainable economic progress. It is prepared on an individual basis and includes an extensive analysis of the impacts, risks, and opportunities associated with its own activities, as well as those in the extended value chain.

Throughout 2024, Electromontaj is expanding and refining its internal non-financial reporting mechanisms with the aim of increasing the transparency, accuracy, and relevance of the information provided to stakeholders. The implementation of ESRS standards is accompanied by a recalibration of organizational processes, which aims not only at compliance but also at creating a coherent framework for strategic decision-making based on sustainable performance.

Application of ESRS standards and double materiality approach

In 2024, the company deepens the double materiality assessment process, basing its reporting on a methodology fully aligned with the requirements of ESRS 1. The analysis covers both the impact of Electromontaj's activity on the environment, communities, and human rights, as well as external climatic, social, and legal influences that may affect the company's stability and performance. The process is conducted in a participatory and transdisciplinary framework, with the involvement of key functional structures and relevant actors in the organizational ecosystem.

Based on this exercise, the topics considered material are updated, with an increased focus on climate change, the use of natural resources, respect for fundamental workers' rights, and social impact in supply chains. The resulting materiality matrix guides both the content of the report and future directions for action.

The evaluation of climate risk and the extension of the carbon footprint calculation

In 2024, Electromontaj systematically expands its carbon footprint calculation to include both direct and indirect emissions (Scope 1 and 2) as well as new relevant components from Scope 3, particularly those related to procurement, transportation, waste, and investments. The objective of this approach is to build a robust database for measurable decarbonization trajectories, in accordance with international standards (GHG Protocol, SBTi, ISO 14064).

Modeling emissions and identifying high-impact areas enables the formulation of scenario-based operational strategies, including reducing energy consumption, streamlining logistics, and using low-emission technologies.

The development of human capital and community involvement

POn the social side, 2024 sees continued investment in the professional development of employees through dedicated training, retraining, and adaptation programs to meet the changing demands of the industry. At the same time, Electromontaj is stepping up its involvement in high-impact community projects in areas such as technical education and sustainable infrastructure, actively contributing to greater social cohesion in the regions where it operates.

Optimization of ESG systems and data digitization

A strategic objective for 2024 is to optimize the ESG data collection and management infrastructure through digitization, automation, and the integration of intelligent reporting systems. This effort supports improved data quality, decision traceability, and the organization's ability to respond in real time to regulatory requirements and investor expectations.

Acknowledgments

The management of Electromontaj would like to express its sincere appreciation to all those who have actively and consciously contributed to advancing our sustainability agenda in 2024. The progress reflected in this report would not have been possible without the consistent involvement of our employees, the expertise of our partners, and the openness of all stakeholders.

Each initiative put into practice, each value-generating idea, and each responsibility-oriented decision have together shaped a solid sustainable path.

Thank you for your trust and commitment to building, together with us, a development model that harmonizes economic performance with respect for the environment, people, and the future.

CEO Message

Dear partners, colleagues, and members of our communities,

Our mission at Electromontaj is to develop the energy infrastructure for the green transition, while supporting sustainable relationships between people, communities, and future generations.

The 2024 Sustainability Report reflects how we understand our work in an ever-changing world.

For a company with over seven decades of experience, sustainability is not a choice, but the foundation of resilience and long-term value.

The document includes actions aimed at protecting the environment, strengthening the trust of those around us, and supporting the development of clean energy infrastructure.

Whether it is reducing the environmental impact of construction sites, implementing energy-efficient technologies in factories, or supporting renewable sources, all these initiatives are based on caring for people, nature, and future generations.

Behind every step is a dedicated team: engineers, electricians, analysts, project managers, people who come to work every day with the desire to contribute to a better future.

Thank you for your trust and collaboration in this essential field. We remain committed to our mission of building safer and more efficient networks, convinced that this path can only be walked together.

Ionuț Tănăsoaica
CEO Electromontaj SA

About us

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02

About Electromontaj SA

Founded in 1949 and continuously redefined through innovation and adaptability, Electromontaj S.A. represents a technological and strategic benchmark in the energy infrastructure of Europe and beyond in 2024

Headquartered in Bucharest, the company has evolved into an integrated global player, present in over 10 international markets and capable of managing the entire life cycle of energy projects: from concept and engineering to execution, testing, and predictive maintenance.

Operational ecosystem and global expansion

Currently, Electromontaj operates as an interconnected industrial ecosystem, consisting of three specialized technical divisions, six national branches (including two production units), and four international branches. Its structure is complemented by strategic holdings in key companies in the electrical infrastructure and construction sectors: IPROEB S.A., Paper Invest SRL, Emfor S.A., Electrotehnica EM S.A., Pro Elm Electrice SRL, and Electromontaj Filiala București SA.

These relations give Electromontaj a unique competitive advantage, ensuring complete operational control, vertical integration, and accelerated delivery capacity for critical projects in the field of electricity.

People	We believe in people, we appreciate every contribution, we respect it, and we discover opportunities in different opinions.
Efficiency through innovation	We are constantly looking for modern technologies, ways to progress and streamline our work to deliver to the highest standards.
Excellence in execution	We have been perfecting our work since 1949! We are experienced professionals in our industry, and we have the ambition to exceed limits.
Care for life	We support the global transition to a sustainable, electricity-based future, stimulate economic growth, and improve people's quality of life.
Integrity	We keep our promises! Integrity is fundamental to us. We can only build with mutual respect and trust.

Interconnected industrial ecosystem

3 Divisions
Internal Works Division, External Works Division, Economic Division

2 Production units
Galvanized and Metal Poles Factory, Clamps and Fittings Factory

6 National branches
Bucharest, Pitesti, Craiova, Bacau, FSMZ, FCA

5 International branches
Finland, Netherlands, Republic of Moldova, Cyprus, Jordan

Strategic shareholdings in key companies in the electrical infrastructure and construction sectors

Iproeb SA	Electrotehnica EM SA
Paper Invest SA	Pro Elm Electrice Srl
Emfor SA	Electromontaj Filiala Bucuresti

Acronyms: Galvanized and Metal Poles Factory (**FSMZ**) | Clamps and Fittings Factory (**FCA**) | Pole Testing Station (**SIS**)

Our history

State-Owned Enterprise

1949 – Establishment
Formation of the Electromontaj State Enterprise

1953 – Reorganization
under the name Electromontaj Trust

1958 – Merge
Electromontaj Trust merged with Energoconstrucția Trust to form the Energy Construction and Assembly Trust (TMCE)

Privatization and Internationalization

1990 – Privatization
Transition from Electromontaj Trust (state-owned company) to Electromontaj Joint Stock Company; expansion into international markets

1993 – Factory Establishment
Opening of the Galvanized Steel Pole Factory

2014 – SIS Establishment
Creation of the Pole Testing Station (SIS)

Strategic Reorganization

2020 – Strategic Reorganization
Under the shareholding of EM Group SA

2022 – Company Integration
Integration of Hidroconstrucția SA and Electrotehnica SA

2023-2024 – Development and Expansion
Regional development and accelerated expansion in Northern and Western Europe, as well as in the Gulf and Mediterranean regions.

Year 2024

In 2024, Electromontaj operated a leading industrial complex in Southeast Europe, consisting of **three** specialized production and testing units that serve complex projects in the field of electrical infrastructure:

The Galvanized Metal Pole Factory (Bucharest) – is a renowned regional center to produce metal structures for medium and high voltage lines, appreciated for its customization and fast delivery capabilities.

The Pole Testing Station (Bucharest) – allows for the physical testing of metal structures up to 90 meters high and weighing up to 180 tons, using international standards for strength and stability verification.

The Câmpina Clamp and Fitting Factory – specializes in manufacturing essential components for connecting power lines and network subassemblies, directly contributing to the security and reliability of energy transmission systems.

Together, these industrial centers provide a comprehensive platform for regional interconnection projects, smart grid development, and renewable energy infrastructure implementation.

Their capabilities support both the rapid execution and innovative technical quality required in the European energy transition.

Vision and strategic directions for 2024

Electromontaj focuses its development on four major pillars:

- **Decarbonization and operational sustainability,** aligned with ESRS standards.
- **Applied digital technologies**
- **Geographical expansion** in Northern Europe, the Middle East, and the Danube region.
- **Development of the internal value chain** for resilience and systemic efficiency.

Major projects completed in 2024 (top 10 by turnover generated in 2024)

1. Increasing the transmission capacity of the 220 kV Stejaru-Gheorgheni-Fântânele power line
2. Connecting the 400 kV Isaccea-Varna Isaccea-Dobrudja power line, connecting St. Medgidia Sud
3. Increased operational safety of the Argeș-Vâlcea network area, construction of the 400 kV Arefu station and installation of a 400 MVA, 400/220 kV transformer
4. Modernization of the electricity distribution infrastructure in the Port of Constanta – Connection tariff works, installations related to the distribution operator E-Distribuție Dobrogea
5. Relocation of 110kV and 400kV power lines
6. "Connecting Road between the municipality of Oradea and the commune of Sânmartin"
7. Relocation of 220-400kV networks, Expressway, section 4
8. Modernization and rehabilitation of equipment in the underground Tismana hydroelectric power plant
9. 400 KV power line Porțile de Fier-Anina
10. R.C.LEA 400kV d.c. Tânțăreni-Kozlodui 1+2
10. Design, procurement, and installation of OPGW – 25 km on the 110 kV OHL Sacalaz – Satchinez, and design and installation of a tower on the 110 kV OHL axis equipped with LDI.

Our Locations

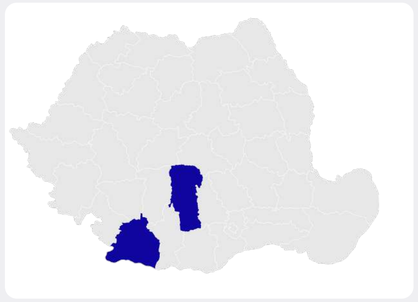
Electromontaj is no longer just an energy infrastructure constructor, but a company at the center of modern energy system transformation. Evolving beyond its traditional role as a contractor, the organization has taken on a much more complex mission: to become a trusted technological partner in the energy transition process underway in Romania and across the region.

Today, Electromontaj stands out as an integrator of advanced solutions that combine engineering expertise with innovation. This multidimensional approach allows the company to contribute directly to strengthening energy security, promoting regional sustainability, and accelerating the transformation of electricity transmission and distribution networks.

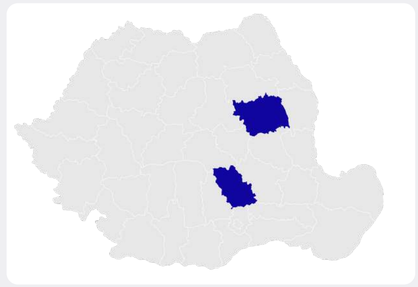
By integrating design, execution, project management, and smart monitoring and control solutions, the company goes far beyond traditional construction activity. Electromontaj thus becomes a catalyst for change, capable of facilitating the adaptation of energy systems to new realities — integrating renewable sources, optimizing energy flows, reducing losses, and increasing infrastructure resilience in the face of climate and geopolitical challenges.

National locations

Bucharest Branch
Headquarters
Bucharest Branch
Galvanized Steel Pole Factory (FSMZ)
Pole Testing Station (SIS)

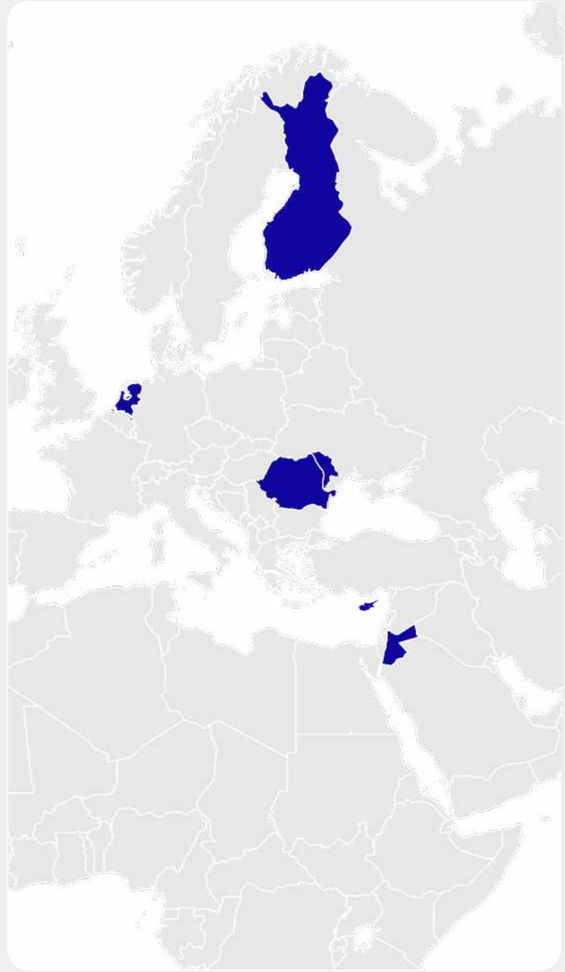


Craiova and Pitesti Branches
Craiova Branch
Pitesti Branch



Bacau and Campina Branches
Bacau Branch
Clamp and Fittings Factory (FCA) – Campina

International locations



International Branches
Finland
Netherlands
Republic of Moldova
Cyprus
Jordan

Our vision

Values
Are what inspire us, motivate us, and give substance to both our work and the path we are building together.

People
We believe in people, we appreciate every contribution, we respect it, and we discover opportunities in different opinions.

Efficiency through innovation
We are constantly looking for modern technologies, ways to progress and streamline our work to deliver to the highest standards.

Excellence in execution
We have been perfecting our work since 1949! We are experienced professionals in our industry, and we have the ambition to exceed limits.

Care for life
We support the global transition to a sustainable, electricity-based future, stimulate economic growth, and improve people's quality of life.

Integrity
We keep our promises! Integrity is fundamental to us. We can only build with mutual respect and trust.

Our Mission

We design, build, and maintain the critical infrastructure needed for the global transition to sustainable energy, providing electrical and electromechanical solutions to the highest standards of quality, safety, and responsibility.

Our mission means more than just execution; it represents a strategic contribution to a low-carbon economy, community development, and the modernization of energy systems in an ethical and future-oriented manner.

We want every project conducted by Electromontaj to have a concrete positive impact, both economically and socially, as well as environmentally, in a sustainable balance.

Economic Progress in 2024

In 2024, Electromontaj continued to demonstrate robust economic performance, supported by a sustainable development strategy and efficient operational execution. The increase in turnover and the maintenance of a healthy financial structure reflect both the company's maturity and its ability to respond to current economic and environmental challenges.

However, the economic impact generated extends beyond direct financial results. Through its infrastructure projects, Electromontaj contributes significantly to boosting the national and international value chain, stimulating demand for goods and services in related sectors: industrial production, logistics, transport, IT, and technical consulting. Furthermore, through sustained investments in digitization, electrification, and energy efficiency, the company is laying the foundation for a sustainable economy that is less dependent on fossil fuels.

On a social level, the company's economic development supports employment in urban and rural areas, promotes technical skills, and actively contributes to training a generation of professionals in the field of sustainable infrastructure. Furthermore, through its tax payments, support for local communities, and educational partnerships, Electromontaj acts as a catalyst for equitable progress.

This integrated approach to economic performance—combining financial stability with positive impact on the economy and societies in line with the company's vision of creating long-term value for all stakeholder groups.

Introduction of economic progress (2019–2024)

Over the past six years, Electromontaj has demonstrated solid financial performance, marked by sustained growth in turnover and a consistent ability to adapt to the demands of a changing market. This performance reflects the expansion of the strategic project portfolio, operational efficiency, and the company's ability to respond to systemic challenges, including those generated by the energy transition. The upward trend in turnover between 2019 and 2024 underscores the robustness of our business model and our commitment to sustainable development.

Financial performance and contribution to the national economy (GDP)

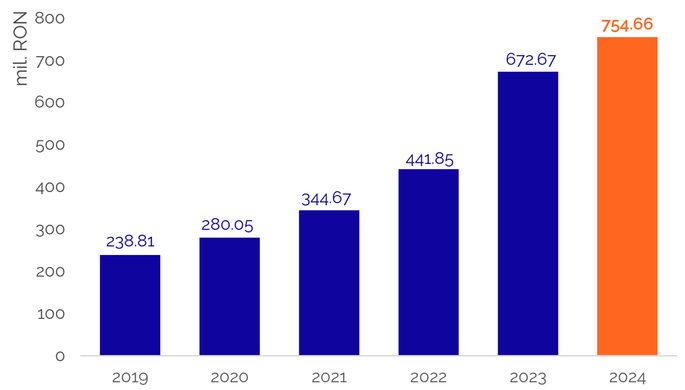
In 2024, Electromontaj continued to demonstrate financial stability and resilience, consolidating its leading position in the energy infrastructure sector.

The increase in turnover compared to the previous year reflects the company's ability to respond effectively to the increasingly complex demands of the energy transition and to deliver sustainable, scalable solutions tailored to current market needs.

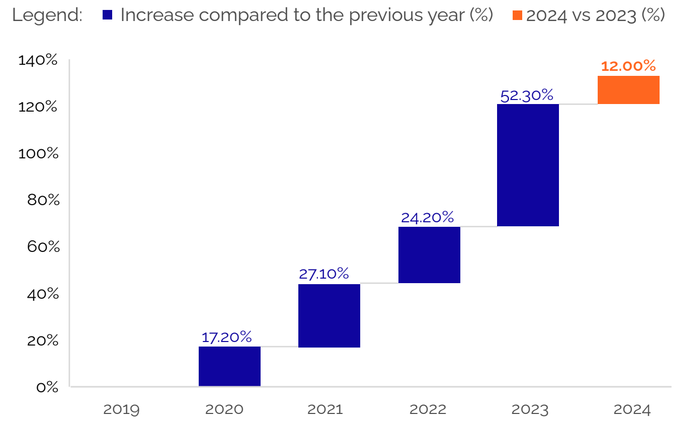
This positive development was supported by the diversification of the project portfolio, the expansion of operational capacity, and the development of internal processes, including in terms of digitization, risk management, and resource optimization. Compared to previous years, the company has maintained an upward trajectory and has managed to exceed strategic thresholds relevant to its long-term development.

The operational and financial results will be presented in detail in the dedicated sections, reflecting how economic performance has been integrated with sustainability objectives in a

Turnover evolution



Annual Turnover growth compared to the previous year



business model that focuses on both efficiency and responsibility towards stakeholders.

The evolution – an expression of resilience and strategic direction

Compared to the accelerated growth rate in 2023, the evolution in 2024 marks a stage of strategic development, in which the company focused its efforts on efficiency, quality, and preparation for future investments. This progress reflects a natural transition from expansion to stability, supported by a mature portfolio and governance that integrates economic performance with the risks and opportunities generated by the green transition.

Contribution to the labor market and human capital

In parallel with its financial performance, Electromontaj continued its commitment to human capital development and the development of an organizational culture based on competence, safety, and inclusion. The company recorded an increase in its workforce of approximately 10%, from 1,209 in 2023 to 1,330 in 2024, thus consolidating its contribution to employment in the energy construction sector – a strategic sector for energy security and the transition to a low-carbon economy. This contribution is reflected not only in the number of jobs, but also in training initiatives, the integration of modern technologies into current operations, and the promotion of a sustainable working environment where employees can grow and actively engage in projects with real impact.

Reporting framework and approach to economic performance

In the 2024 reporting year, the economic performance analysis was structured in accordance with the provisions of **Ministry of Finance Order No. 85/2024**, which transposes into national law the requirements of Directive (EU) 2022/2464 on corporate sustainability reporting (CSRD) into national law and introduces the obligation to report based on the **European Sustainability Reporting Standards (ESRS)**.

In this context, economic performance is presented not only through traditional financial indicators (such as turnover, operating profit, or tax contributions) but is analyzed as an integral part of the **company's value creation model**, in direct correlation with environmental, social, and governance (ESG) aspects.

Reporting is conducted in accordance with the **principle of double materiality,** enshrined in ESRS 1 and ESRS 2, according to which the company must identify and describe both:

- **Financial materiality** (how sustainability issues affect the company's business model, financial position, performance, and prospects – outside-in perspective), and
- **Impact materiality** (how the company's activities generate positive or negative effects on people, the environment, and society – inside-out perspective).

Thus, Electromontaj's approach integrates economic analysis with other dimensions of sustainability through clear and documented reporting of the economic value generated, distributed, and reinvested in activities with a positive direct or indirect impact. In this regard, the following are monitored and presented:

- Internal economic performance, with an emphasis on the results achieved in relation to strategic and budgetary objectives.
- External economic contribution, through the multiplier effect in the value chain, the stimulation of related economic activities (industry, services, logistics, digitization), and the effects on employment.
- The level of integration of economic performance into decision-making processes regarding sustainable investments, energy efficiency, electrification, and infrastructure modernization.

Reporting is conducted in accordance with the requirements of **ESRS 2**, as well as the relevant sections of the **ESRS thematic** standards, to reflect the consistency between the financial strategy and sustainability commitments.

Tax compliance and ethics in financial reporting

Electromontaj maintains a firm commitment to full compliance with the applicable tax framework, ensuring the calculation, declaration, and payment of all tax obligations in accordance with national and European legislation in force. The company strictly applies the tax vector established by the competent authorities, constantly adapting its accounting and tax policies to legislative changes to maintain a high degree of compliance and predictability.

In the context of reporting obligations under OMF 85/2024, tax discipline becomes an essential component of corporate governance and is treated as an integral part of ethical business conduct, in accordance with **ESRS G1-2** requirements on tax policy and responsible tax behavior. (EFRAG 2023a).

To participate in public procurement procedures, tenders, or other commercial activities involving tax status verification, the company ensures that all obligations are paid in full when due and that tax certificates consistently reflect the absence of debts to the state budget. This rigorous compliance is supported by a digital monitoring and internal audit system, in line with the principles of transparency and integrity in the OECD Guidelines for Responsible Business Conduct. (OECD 2023).

Compliance with legal deadlines for paying taxes and contributions is treated not only as a legal obligation, but also as an expression of corporate responsibility. According to international guidelines on tax conduct, companies that demonstrate initiative-taking tax conduct contribute to strengthening public confidence and creating a fair economic environment.

Through this responsible financial conduct, Electromontaj consolidates its reputation as a reliable partner and actively contributes to the smooth functioning of the national tax system, in accordance with the principles of sustainable governance and corporate tax transparency.

UE Taxonomy

SECTION CONTENT

03

EU Taxonomy Report

The EU Taxonomy Regulation (Regulation (EU) 2020/852) is a key pillar of the European Commission's sustainable finance agenda and supports the broader objectives of the European Green Deal. Designed to redirect capital flows towards environmentally sustainable economic activities, this regulation introduces a unified classification system that promotes transparency, comparability, and accountability in EU markets.

The taxonomy establishes technical criteria for determining the environmental sustainability of economic activities and supports the reallocation of financial flows towards sectors that contribute significantly to the EU's six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

In June 2021, the European Commission adopted the Delegated Act on Climate, accompanied by Annexes I and II, which sets out the Technical Screening Criteria (TSC) for determining substantial contribution to the first two environmental objectives – climate change mitigation and adaptation. This technical framework forms the basis for assessing eligible activities, enabling a consistent approach to ESG reporting and investment decision-making.

For an economic activity to be classified as environmentally sustainable under the EU Taxonomy, it must meet all the following conditions:

- Make a substantial contribution to at least one of the six environmental objectives
- It must not cause significant harm (DNSH) to the other five environmental objectives
- It must comply with the Minimum Social Safeguards (MSS), in line with relevant international standards (OECD, UNGP, ILO)

In accordance with Article 8 of the EU Taxonomy Regulation and the Delegated Act on reporting requirements (Regulation (EU) 2021/2178), Electromontaj's report for 2024 presents the proportion of economic activities classified as:

- Aligned with the Taxonomy (Environmentally sustainable)
- Eligible but not aligned
- Non-eligible

These are reported in accordance with the three main financial indicators: Turnover, Capital Expenditure (CapEx), and Operating Expenditure (OpEx).

Given its position in the infrastructure and energy sector, Electromontaj conducted a structured analysis of its operations to determine eligibility and alignment with the Climate Delegated Act.

In the 2024 reporting exercise, Electromontaj focused its analysis on the objective of mitigating climate change, given that its main activities, in particular the design, construction, and maintenance of energy infrastructure, contribute significantly to the decarbonization of energy systems. This targeted approach ensures clarity, avoids double reporting, and enhances the relevance and reliability of financial and non-financial indicators.

Progress and Governance

Since our first report on the EU Taxonomy in 2022, we have taken concrete steps to further integrate its requirements into our strategic decision-making process in the field of sustainability. Thus, we have applied the Taxonomy's alignment criteria to develop the related monitoring processes.

By publishing this analysis, Electromontaj provides a clear, detailed, and methodologically sound picture of the environmental performance of its economic activities. This approach reflects the company's commitment to transparency, accountability, and compliance with European sustainability requirements. At the same time, the analysis reaffirms Electromontaj's active contribution to the transition to a sustainable, low-carbon European economy, in line with the objectives of the European Green Deal and the EU Taxonomy.

We contribute directly to achieving the EU Taxonomy objectives by developing and modernizing energy infrastructure, facilitating Romania's electrification process. Through our projects, expanding electricity grids and connecting renewable sources to the grid, to building wind and solar farms and infrastructure for electric urban transport—we support the transition to a low-impact economy. Our investments contribute to increasing energy efficiency, reducing greenhouse gas

emissions, and ensuring equitable access to clean energy, all of which are key elements of an economy aligned with the criteria of European Taxonomy.

The process for determining aligned eligible activities

1 . Eligibility analysis

- Define eligibility at company level in accordance with the delegated act.
- Assess eligibility in accordance with the relevant delegated act to ensure completeness.
- The list of eligible activities is identified.
- Calculate key performance indicators on eligibility.

2. Aligment analysis

2.a Substantial contribution

- Establish company-wide policy and assumptions in accordance with the definitions in the relevant appendices, to the extent possible.
- Collect data to assess the impact of material activities.

2.b Do no significant harm (DNSH)

- Assessment of DNSH criteria with key internal stakeholders for all environmental objectives.
- Ongoing refinement, iteration, and review processes to ensure we do not significantly undermine objectives over time.

- **2.c Minimum Gurantees**
- Assessment of policies, procedures, and practices in relation to the principles of the EU Taxonomy.
- Examination of cases of non-compliance and complaints made against the company to ensure that minimum guarantees are not violated

3 . KPI Calculation

Based on the eligibility and alignment assessments performed, the final key performance indicators (KPIs) are calculated at a defined activity level.

Eligibility analysis

Initial materiality evaluation

We collaborated with stakeholders across the company to identify our activities generating external revenue, as well as any activities for which capital expenditures were made in anticipation of potential future revenue, such as iron and steel production. In the analysis of activity eligibility for reporting in accordance with the EU Taxonomy, performance indicators were structured into two main categories: Construction and Installation (C+I) activities (core activities) and other profit-generating areas (complementary activities). This division was essential to determine activities directly and indirectly related to projects, ensuring that each revenue source was correctly classified and that all relevant activities were appropriately assessed within the context of the Taxonomy.

Each profit-generating project was assigned to a specific project category based on its nature. Thus, activities were classified into the following types of projects:

1. Projects related to Construction and Installation (C+I) activities:

- Irrigation system connections
- Construction of overhead power lines (LEA)
- Public transport infrastructure
- Wind farms
- Photovoltaic parks
- Relocation of overhead power lines (LEA)
- Modernization / Rehabilitation of overhead power lines (LEA)
- Modernization of electrical substations
- Measurement and zoning stations (SMZ)
- Construction of underground power lines (LES)
- Breakdowns / Maintenance
- Pole testing (SIS – Pole Testing Station)
- Installation of bird deterrent devices
- Relocation of overhead power lines into underground lines (LEA to LES)
- Street lighting

2. Projects indirectly related to Construction and Installation (C+I) activities

Depending on the type of each project and the economic activity conducted, each revenue source was associated with eligible activities under the various criteria of the EU Taxonomy. This classification was conducted based on a clear identification of the processes and specific activities for each type of project, to determine their level of compliance and eligibility within the context of the sustainability and green transition requirements set by the EU.

Definition of economic activity

In accordance with the Delegated Act on reporting, we consider eligible activities to be those described in the Delegated Acts adopted under Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2), and Article 15(2) of Regulation (EU) 2020/852; however, we do not take into account the technical screening criteria or the "do no significant harm" (DNSH) aspects provided in these Delegated Acts at this point of the analysis.

An eligible economic activity is a distinct system, operational at the regional and network level, which meets the criteria set out in the EU Taxonomy Delegated Acts. Non-essential indirect costs are excluded.

Legend for Interpreting the Eligibility Column:

Eligible	Partially Eligible	Non-eligible

Legend for understanding the determination of activity type:

1. Irrigation system connections
2. Construction of overhead power lines (LEA)
3. Public transport infrastructure
4. Wind farms & Photovoltaic parks
5. Relocation of overhead power lines (LEA)
6. Modernization / Rehabilitation LEA
7. Modernization of electrical substations
8. Production of galvanized metal poles
9. Construction of underground power lines (LES)
10. Breakdowns / Maintenance
11. Pole testing (Pole Testing Station)
12. Installation of bird deterrent devices
13. Relocation of LEA to LES
14. Street lighting
15. Projects indirectly related to Construction and Assembly activities

Description of the Economic Activities of Electromontaj SA		Eligibility	Reason for non-eligibility/partial eligibility
CCM3.9 Iron and steel manufacturing 2 4 5 7 8 9 13	**Turnover:** The company generates eligible turnover through the manufacture of galvanized steel poles and components used in electricity transmission infrastructure, substations, and renewable energy projects. **OpEx**: Operating expenses (OpEx) associated with the Iron and Steel Manufacturing activity are considered eligible under the EU Taxonomy Regulation, as they relate to the production, use, or maintenance of components essential to low-carbon infrastructure, such as high-voltage power lines and energy transmission systems **CapEx**: Iron and steel manufacturing is eligible under the EU Taxonomy Regulation due to its relevance in enhancing transition activities to combat climate change. **Applicabel NACE: C24.20**	●	All three indicators are met, so the activity is fully eligible.
CCM4.9 Electricity transmission and distribution 1 2 3 4 5 6 7 8 10 13 14	**Turnover**: Each activity, from the construction of power lines to the rehabilitation of electrical systems, contributes to revenue by providing essential infrastructure and services that support the operation of the energy network. **OpEx:** Operating expenses (OpEx) related to electricity transmission and distribution are eligible under the EU Taxonomy, as they directly support the modernization, reinforcement, and expansion of power networks. **CapEx:** Capital expenditures were allocated to the following eligible subcategories: - Measuring, control, and regulation devices and installations - Technological equipment (machinery, tools, and work installations) - Means of transport **Applicable NACE: Although the NACE code corresponding to the activity performed is F42.22 (Construction of utility projects for electricity), the project falls under the eligible economic activity 4.9 – Transmission and distribution of electricity, as it involves the construction of infrastructure intended exclusively for electricity transmission and distribution networks, in accordance with the definitions set out in the EU Taxonomy Regulation.**	●	All three indicators are met, so the activity is fully eligible.
CCM4.1 Generating electricity using solar photovoltaic technology 7	**OpEx**: The installation of a photovoltaic system within the Galvanized Steel Pole Factory premises is eligible as an Operational Expenditure (OpEx) under the category Electricity generation using solar photovoltaic technology, due to its direct involvement in producing electricity from renewable sources. In this case, the installation of the photovoltaic system contributes to the company's sustainability efforts by reducing dependence on external electricity suppliers and lowering carbon emissions, in line with the EU Taxonomy objectives of promoting clean energy production and energy efficiency. **Applicable NACE: D35.11**	●	This activity does not generate revenue and does not involve eligible OpEx, as it does not represent a standalone economic activity within the company but rather supports the operations of other activities. Fuel expenses have been excluded.

Description of the Economic Activities of Electromontaj SA		Eligibility	Reason for non-eligibility/partial eligibility
CCM5.1 Construction, expansion, and operation of water collection, treatment, and supply systems 1 7	**Turnover**: The company generates eligible turnover through the construction, rehabilitation, and connection to irrigation systems ("irrigation system connection"). The activity of "connection to irrigation systems" falls under the EU Taxonomy category "Construction, extension, and operation of water collection, treatment, and supply systems", as it supports the operational infrastructure for sustainable water distribution. Therefore, the turnover resulting from these works is considered eligible given the nature of the activity. **OpEx**: Eligibility under OpEx refers to the costs incurred for the construction, rehabilitation, and connection of water infrastructure systems that ensure efficient water use, improve drought resilience, and support sustainable agricultural practices. **Applicable NACE: F42.21**		No specific investments were made for the execution of this activity. Most of the assets used were transferred from "other projects."
CCM6.5 Transport by motorcycles, cars, and light commercial vehicles 15	**CapEX**:The activity Transport by motorcycles, cars, and light commercial vehicles is eligible under the EU taxonomy to contribute to climate change mitigation. Capital expenditures were allocated to the following subcategories: - Means of transport (transport vehicles) All means of transport were used across multiple projects; therefore, a project-level breakdown is not available. **Applicable NACE: H49.32**		This activity does not generate revenue and does not involve eligible OpEx, as it does not represent a standalone economic activity within the company but rather supports the operations of other activities.
CCM6.15 IInfrastructure enabling low-carbon road transport and public transport 15	**CapEX**: The activity is eligible under the EU Taxonomy if it contributes to climate change mitigation, in particular through the use of vehicles with zero direct CO_2 emissions (exhaust pipe). Capital expenditure in this case is allocated to the subcategory "Transportation" (transport vehicles). **Applicable NACE: H49.41**		The investment-related expenses were incurred in 2023; therefore, there is no associated CapEx. Additionally, there are no revenues linked to this activity.

Description of the Economic Activities of Electromontaj SA		Eligibility	Reason for non-eligibility/partial eligibility
CCM6.14 Rail Transport Infrastructure 3	**Turnover**: The company generates eligible turnover through works related to urban public transport infrastructure, specifically tramway systems. **OpEx**: The listed activities are eligible as operational expenditures (OpEx) under the EU Taxonomy category Rail Transport Infrastructure, contributing specifically to the environmental objectives of climate change mitigation and pollution prevention by supporting efficient, low-carbon public transport infrastructure. **CapEx**: This activity is eligible under the EU Taxonomy category Rail Transport Infrastructure, which includes urban and suburban rail systems such as tramways. **Applicable NACE: F42.12**		All three indicators are met, so the activity is fully eligible.
CCM7.2 Renovation of existing buildings 15	**OpEx:** Renovation activities on existing buildings are eligible as operating expenses (OpEx), supporting the objective of climate change mitigation by improving energy performance. Renovations may include improving thermal insulation, building envelope, upgrading heating/cooling systems, and integrating renewable sources. These expenses qualify as OpEx if they are part of the operating budget for extending the life of buildings and reducing energy consumption. **CapEx:**Eligible capital expenditures (CapEx) were made as part of the renovation of existing buildings, contributing to the goal of mitigating climate change. These included building envelopes, improved thermal insulation, and modernization of heating/cooling systems, with the aim of reducing energy consumption and increasing energy efficiency. These investments ensured the long-term sustainability of the buildings. **Applicable NACE: F43.99**		There is no turnover associated with this activity, as the renovation of own buildings does not generate direct income from the economic activity assessed.
CCM7.6 Installation, maintenance and repair of renewable energy technologies 4	**Turnover**: The company generates eligible turnover through installation and connection work for renewable energy projects, within two distinct types of activities: - Wind Farms - Solar PV Farms **OpEx**: Eligibility is based on the fact that these projects involve the installation, connection, and technical preparation of renewable energy systems, such as solar photovoltaic and onshore wind energy, which fall within the energy generation activities aligned with the taxonomy. The works contribute to ensuring the functionality and integration of renewable technologies into the national energy system. **Applicable NACE: F42**		For this activity, no separate CapEx was recorded, as its nature primarily involves the provision of operational services (OpEx), such as installation, maintenance, or repair works performed on client infrastructure.

Description of the Economic Activities of Electromontaj SA		Eligibility	Reason for non-eligibility/partial eligibility
CCM7.7 Acquisition and ownership of buildings 15	**Turnover**:The company generates eligible turnover through the ownership and use of residential buildings (dormitories) for employee accommodation, under the project "36114/COMPLEX CAMINE VIGONIEI". This activity falls under the EU Taxonomy category "Acquisition and ownership of buildings", as it involves the ownership of revenue-generating buildings, regardless of their alignment with the technical screening criteria**.** **CapEx**: The activity Acquisition and ownership of buildings is eligible under the EU Taxonomy, contributing to the climate change mitigation objective. Due to the nature of capital expenditures used across multiple projects, the CapEx allocation was based on the accounting classification assigned to each asset. Therefore, there are multiple CapEx entries related to the acquisition and ownership of buildings. **Applicable NACE**: **M68.20**		For the year under review, the Acquisition and ownership of buildings activity did not generate any OpEx.
CCM7.2 Renovarea clădirilor existente 15	**Turnover:** Electromontaj generates eligible turnover through the implementation of biodiversity protection measures aligned with the EU Taxonomy activity "Conservation, including the restoration of habitats, ecosystems, and species." This consists of installing bird flight diverters and insulating sleeves on overhead transmission lines in essential avian migration corridors. **OpEx:**The activity is eligible under the EU Taxonomy as an operational expenditure (OpEx) within the category Conservation, including restoration, of habitats, ecosystems, and species. This activity supports the environmental objective of protecting and restoring biodiversity and ecosystems. Eligibility is based on the project's contribution to preventing bird mortality, reducing collision risks, and minimizing ecosystem disturbance through specific biodiversity measures implemented on energy infrastructure. **Applicable NACE: F43.21**		For the year under review, the activity of conservation and restoration of habitats, ecosystems, and species did not generate own capital investments (CapEx), as it was carried out within projects that utilize existing infrastructure and already available equipment (e.g., existing overhead power lines).

Alignment analysis

To assess alignment, eligible economic activities were analyzed against the technical screening criteria set out in Annexes I and II of the Climate Delegated Act, which included the following criteria:

- 2.a Assessment of substantial contribution (SCA) against the Technical Screening Criteria (TSC);
- 2.b Assessment of the "do no significant harm" (DNSH) principle;
- 2.c Assessment of compliance with minimum safeguards.

An activity must meet the criteria of each assessment to be considered aligned.

2.a Assessment of substantial contribution (SCA) against the Technical Screening Criteria (TSC)

Substantial contribution to climate change mitigation (CCM)

In accordance with the Climate Delegated Act, we conducted an SCA for each eligible economic activity against the TSC. We considered the criteria for each relevant activity listed in Annex 1 of the Climate Delegated Act:

3.9 Iron and steel production

Following the analysis, it was concluded that:

Products such as galvanized metal poles, clamps, and fittings, although derived from steel, cannot be considered eligible for a substantial contribution to climate change mitigation under the EU Taxonomy due to the lack of a complete Life Cycle Inventory (LCI).

While steel production using the electric arc furnace (EAF) is regulated through precise GHG emission values, there is no specific data for these products regarding their full-cycle carbon footprint. In the absence of a valid LCI, it is not possible to assess their environmental impact, and they do not meet the conditions to contribute to GHG emission reduction.

4.9 Electricity transmission and distribution

Following the analysis, it was concluded that:

Only a portion of Electromontaj projects met the substantial contribution criterion for electricity transmission and distribution, in accordance with EU Regulation. Eligible projects complied with at least one of the following criteria: integration into the European interconnected electricity system (including networks in Member States, Norway, Switzerland, and the United Kingdom), installation of transformers compliant with Tier 2 requirements (as of 1 July 2021) and AA0 no-load loss level for voltages ≤36 kV, or construction and operation of infrastructure primarily aimed at increasing the production or use of electricity from renewable sources.

7.2 Renovation of existing buildings

Following the analysis, it was concluded that:

The building renovation activities carried out by Electromontaj in 2024 do not meet the substantial contribution criterion, as they do not qualify as major renovations under national regulations and do not achieve a demonstrable reduction of at least 30% in primary energy demand, validated through an energy audit or an Energy Performance Certificate.

7.6 Installation, maintenance, and repair of renewable energy technologies

Following the analysis, it was concluded that:

The implemented projects comply with the fossil fuel exclusion requirement, being exclusively aimed at the production of energy from renewable sources. They focus on connecting four wind farms and three photovoltaic plants (CEF Horia – 40 MW, CEF Roata 2, CEF Hyperion Soare) to the grid, without involving infrastructure, technologies, or activities related to the extraction, transport, storage, or use of fossil fuels. The work is strictly focused on developing sustainable energy infrastructure dedicated to integrating renewable energy into the electrical grids.

7.7 Acquisition and ownership of buildings:

Following the analysis, it was concluded that:

The activity of acquiring and owning buildings does not meet the substantial contribution criterion, as the acquired buildings do not hold a class A Energy Performance Certificate (EPC) and are not ranked within the top 15% of the national or regional building stock based on operational primary energy demand.

CCM1.1 Conservation, including the restoration of habitats, ecosystems, and species

Following the analysis, it was concluded that:

- The activity conducted by Electromontaj within the project located in Tulcea and Constanța counties, in the Danube Delta Biosphere Reserve area, meets the substantial contribution criterion for "Conservation, including the restoration of habitats, ecosystems, and species," according to the EU Taxonomy framework. The proposed interventions aim directly to reduce the negative impact of electrical infrastructure on local birdlife, particularly on priority and threatened species, through a series of integrated technical and ecological measures.
- Technical activities include identifying medium-voltage poles with an elevated risk of bird electrocution and equipping them with insulation systems, as well as determining sections of overhead lines that pose collision risks relative to the affected species.
- The project site overlaps areas where eight types of overhead power lines hazardous to birdlife have been identified, totaling approximately 2,074 km. Bird mortality due to collisions or electrocutions is a documented phenomenon, affecting over 380 species, including some critically endangered ones. The project addresses this challenge through non-invasive measures, without additional land occupation, in accordance with Law no. 82/1993 on the protection of the Biosphere Reserve.
- Works are conducted under the specific climatic conditions of meteorological zone C, according to Order 239/2019, while complying with the environmental management system and quality and safety standards. Thus, the project makes a substantial contribution to biodiversity protection and the integration of conservation into energy infrastructure.

2.b Evaluation of "Do No Significant Harm" (DNSH)

As part of the alignment process with the European Union Taxonomy Regulation, Electromontaj conducted a detailed analysis of relevant economic activities to determine their substantial contribution to the established environmental objectives. Only those activities that meet the criteria for substantial contribution to environmental objectives, particularly climate change mitigation and the protection and restoration of biodiversity and ecosystems—were considered for assessment of compliance with the Do No Significant Harm (DNSH) principle and for the implementation of the corresponding protective measures.

Following this analysis, the economic activities identified and selected for DNSH assessment are:

- Conservation, including the restoration of habitats, ecosystems, and species
- Installation, maintenance, and repair of renewable energy technologies
- Railway transport infrastructure
- Infrastructure enabling road transport and low-carbon public transport
- Construction, expansion, and operation of water capture, treatment, and distribution systems
- Electricity transmission and distribution
- Production of electricity through solar photovoltaic technology

These activities were selected based on their substantial contribution to environmental objectives, and for each activity, the risks, and impacts on the other DNSH objectives were assessed, such as:

Climate change mitigation

- Climate change adaptation
- Protection and sustainable use of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

In the DNSH assessment process, Electromontaj applied a rigorous methodology, in accordance with technical guidelines and European regulations, to ensure that each activity complies with the requirements and does not cause significant harm to other environmental objectives.

Electromontaj is a company certified according to the highest international standards:

- **ISO 14001** – Environmental Management
- **ISO 9001** – Quality Management

Aceste certificări reflectă angajamentul nostru ferm pentru:

- Preventing negative environmental impacts,
- Maintaining the highest standards of quality in execution,
- Applying the utmost level of precaution in all activities conducted, regardless of the scope of application.

We present a summary of our assessment regarding the specific DNSH criteria in relation to our eligible activities::

Climate change mitigation

All proposed activities that meet the TSC criteria for climate change mitigation also comply with the DNSH assessment criteria. Activities that make a substantial contribution to the objective of Protection and Restoration of Biodiversity and Ecosystems have been analyzed for DNSH in relation to climate change mitigation.

Economic Activity	Compliance	Description
BIO 1.1 Protection and restoration of biodiversity and ecosystems	●	The project does not involve the degradation of land or marine environments with high carbon stocks, as the works are localized and carried out only on existing electrical infrastructure, without impact on the soil or habitats.

Climate change adaptation

To comply with DNSH requirements regarding climate change adaptation, Electromontaj conducted a detailed climate vulnerability analysis of its assets in Romania and abroad.

The study was based on a climate risk matrix integrating over 80 types of climate hazards (H1–H81), analyzed across three-time horizons – 2040, 2070, and 2100 – under two IPCC scenarios (RCP 4.5 and RCP 8.5). The results were presented as a heat map using a risk scale from 1 to 5. Major hazards identified include heatwaves, extreme precipitation, changes in average temperatures, and intensified winds, which can affect both energy infrastructure and buildings.

The analysis revealed that certain locations – such as the Central Headquarter, FSMZ, FCA, as well as branches in Finland, Cyprus, and Jordan – have increased exposure to material climate risks, with average scores above the threshold of 3.5. Based on these results, Electromontaj identified technical and operational measures for adapting

infrastructure, including sustainable building design, reinforcement of exposed structures, optimization of HVAC systems, protection of power lines, and improved access for maintenance.

Electromontaj is ISO 14001 certified for environmental management, ensuring the existence of a systematic framework for preventing and reducing climate impacts. The company also complies with the ISO 9001 standard, providing rigorous quality and safety control at all stages of execution. Together, these certifications support the implementation of a coherent climate adaptation plan, in line with the DNSH requirements of the European Regulation on sustainable economic activities.

Economic Activity	Compliance	Compliance
Conservation, including the restoration of habitats, ecosystems, and species		The climate risk analysis, conducted by region and through the assessment of an extensive set of risks (e.g., heatwaves, extreme precipitation, droughts, strong winds) for various RCP climate scenarios, covers how climate change may impact activities such as: conservation of habitats and ecosystems, installation and maintenance of renewable energy technologies, rail and low-emission road infrastructure, water capture and distribution systems, electricity transmission and distribution, as well as solar photovoltaic energy generation. It does so by identifying the specific vulnerabilities of each activity and adapting resilience measures accordingly.
Installation, maintenance, and repair of renewable energy technologies		
Rail transport infrastructure		
Infrastructure enabling road transport and low-carbon public transport		
Construction, expansion, and operation of water capture, treatment, and distribution systems		
Electricity transmission and distribution		
Electricity generation using solar photovoltaic technology		

Sustainable Use and Protection of Water and Marine Resources.

Electromontaj meets the taxonomy objective for the sustainable use and protection of water and marine resources by implementing a rigorous environmental management system, certified under the international ISO 14001 standard. Additionally, all production facilities hold valid environmental permits, demonstrating compliance with national and European legislation. These measures ensure responsible management of water resources, pollution prevention, and the protection of aquatic ecosystems in the vicinity of operational activities.

Economic activity	Compliance	Description
Conservation, including the restoration of habitats, ecosystems, and species		Environmental management systems, including water management systems
Rail transport infrastructure		There is no water management plan.
Infrastructure enabling road transport and low-carbon public transport		Draft to extend routes, routes and stations for Public Travel Vaslui – technical project, environmental plan.
Construction, expansion, and operation of water capture, treatment, and distribution systems		Environmental management plan for the Pietroiu - Ștefan cel Mare Project and the CRIVINA Vanju Mare Project.
Electricity transmission and distribution		Only certain projects have an environmental management plan that also includes a water management plan.

Transition to a Circular Economy

Electromontaj contributes to the taxonomy objective of transitioning to a circular economy by applying resource efficiency and waste reduction principles across all stages of its value chain. The company is ISO 14001 certified, ensuring a systematic approach to pollution prevention, material reuse, waste recovery, and process optimization. Within its production facilities, which hold valid environmental permits, clear measures are implemented for separate collection, recycling, and reintroduction of materials generated during the manufacturing of components for energy infrastructure.

Economic activity	Compliance	Description
Rail transport infrastructure		There is no dedicated section in the technical project of the project associated with this activity.
Infrastructure enabling road transport and low-carbon public transport		According to the technical project, no substantial waste is generated, and there is no recoverable waste.
Electricity transmission and distribution		Only certain projects have an environmental management plan that also includes a water management plan.
Electricity generation using solar photovoltaic technology		The activity follows the Integrated Management System (IMS 2024 – REVISED.pdf).

Pollution Control and Prevention

Electromontaj meets the Taxonomy objective on pollution prevention and control by implementing an ISO 14001-certified environmental management system and holding integrated environmental permits for both factories – the Metal Pole Production Factory and the Clamp and Fittings Production Factory in Câmpina.

In industrial processes, emissions to air, water, and soil are monitored in accordance with legislation: atmospheric emissions (HCl, NOx, SOx, dust, chromium compounds, and ammonia) are periodically analyzed, and wastewater quality is assessed monthly or quarterly for indicators such as pH and heavy metals. Soil pollutants are monitored annually. Hazardous substances are used under controlled, safe conditions.

No environmental complaints were recorded between 2020 and 2023, and the company continuously invests in modernizing disposal systems and low-emission equipment. Thus, Electromontaj minimizes its environmental impact and fully complies with pollution prevention requirements.

Economic activity	Compliance	Description
Conservation, including the restoration of habitats, ecosystems, and species		The projects are carried out without environmental impact, ensuring compliance with legal requirements for biodiversity protection and pollution prevention.
Rail transport infrastructure		There is no pollution management plan.
Infrastructure enabling road transport and low-carbon public transport		Project for the expansion of routes, lines, and stations for Vaslui Public Passenger Transport – technical project, environmental plan
Electricity transmission and distribution		Only certain projects have an environmental management plan that also includes a water management plan.

Protection and Restoration of Biodiversity and Ecosystems

Electromontaj complies with the taxonomy objective on the protection and restoration of biodiversity and ecosystems by implementing an ISO 14001 environmental management system, which includes the assessment and minimization of impacts on sensitive natural areas.

During the planning and execution phases of the works, the location of sites in relation to protected natural areas is considered, and all activities are conducted in accordance with applicable environmental legislation. For projects located near Natura 2000 sites or other specially protected areas, Electromontaj complies with the conditions set out in environmental agreements and permits, avoiding any interventions that could affect protected habitats or species.

Economic Activity	Compliance	Description
Construction, expansion, and operation of water capture, treatment, and distribution systems		Environmental management plan for the Pietroiu - Ștefan cel Mare Project and the CRIVINA Vanju Mare Project.
Electricity generation using solar photovoltaic technology		Environmental management plan for the Pietroiu – Ștefan cel Mare Project and the CRIVINA Vanju Mare Project.

Summary

Activities that met all the criteria for substantial contribution and DNSH:

- Conservation, including restoration of habitats, ecosystems, and species
- Infrastructure enabling low-carbon road and public transport
- Installation, maintenance, and repair of renewable energy technologies
- Electricity transmission and distribution
- Construction, expansion, and operation of water collection, treatment, and distribution systems
- Electricity generation through photovoltaic technology (for OpEx only)

Activities with associated turnover:

- Conservation, including restoration of habitats, ecosystems, and species
- Infrastructure enabling low-carbon road and public transport
- Installation, maintenance, and repair of renewable energy technologies
- Electricity transmission and distribution
- Construction, expansion, and operation of water collection, treatment, and distribution systems

Activities with associated operating expenses (OpEx):

- Conservation, including restoration of habitats, ecosystems, and species
- Infrastructure enabling low-carbon road and public transport
- Installation, maintenance, and repair of renewable energy technologies
- Electricity transmission and distribution
- Construction, expansion, and operation of water collection, treatment, and distribution systems
- Electricity generation through photovoltaic technology

Activities with associated capital expenditures (CapEx):

- Electricity transmission and distribution

2.c Minimum social safeguards

The EU Taxonomy establishes a set of minimum safeguards that companies must use to assess economic activities, thereby ensuring that they comply with relevant international standards and guidelines:

1 . **The OECD Guidelines for Multinational Enterprises.**

2 . **The UN Guiding Principles on Business and Human Rights.**

3 . **The principles and rights set out in the eight fundamental conventions identified in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work; and**

4 . **The Universal Declaration of Human Rights (International Covenants on Human Rights).**

Electromontaj ensures compliance with the highest standards of social and ethical responsibility by implementing a robust set of policies and tools that meet international and European requirements regarding human rights and fair working conditions. In this regard, the company complies with the principles set out in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the Universal Declaration of Human Rights, which define a global framework for the protection of fundamental rights.

Electromontaj Code of Ethics and Conduct

Electromontaj's Code of Ethics and Conduct regulate the behavior of employees and the company in internal and external relations, emphasizing respect for the fundamental rights of employees and ensuring that the company's activities comply with OECD and UN requirements. This code includes rules on labor protection and the prohibition of discrimination, harassment, and exploitation of employees. In addition, it lays the foundation for a relationship of mutual respect between employees and employers, stipulating the obligations and responsibilities of each party in their daily activities. It guarantees respect for fundamental labor rights, including the right to safety and health at work, the right to fair working conditions, and non-discriminatory treatment, in accordance with the International Labor Organization (ILO) Declaration.

Supplier Conduct Questionnaire

Electromontaj has implemented a Supplier Conduct Questionnaire that regulates relationships with business partners, ensuring that they adhere to the same ethical and social standards in their activities. This conduct questionnaire includes clear requirements regarding respect for human rights, decent working conditions, and environmental protection. It is also a tool through which Electromontaj guarantees its compliance with the ILO Principles on forced labor, discrimination in the workplace, and the right to form trade unions. Suppliers are required to demonstrate that they comply with these standards and implement appropriate measures to prevent abuse.

Internal Regulations

Internal ReThe Internal Regulations detail the rights and responsibilities of employees and employers, establishing working conditions and procedures within Electromontaj. They include measures to protect employees' rights to a safe and healthy working environment, in accordance with ILO Conventions, and to prevent any form of abuse or unfair treatment. The regulations also include provisions on protection against discrimination and ensuring a working environment based on respect and equal opportunities. gulations.

Collective Labor Agreement

Electromontaj's Collective Labor Agreement complements the Code of Ethics and Internal Regulations by establishing clear rights and responsibilities for employees. It includes essential aspects such as fair pay, employee benefits, the right to continuing professional development, and adequate working conditions. In accordance with ILO principles and national legislation, the agreement regulates the fundamental rights of employees, including the right to collective bargaining, protection against abuse, and the right to decent work. It reflects Electromontaj's commitment to creating a fair and respectful working environment, in line with the OECD Guidelines and UN Principles.

Our governance practices are well established in terms of:

As part of our governance practices, Electromontaj maintains constant communication with employee representatives, organizing regular meetings to address key aspects of the company's activities. These interactions contribute to the transparency of processes and the strengthening of labor relations. The company also has rigorous control and verification systems in place to identify and minimize risks, thus ensuring compliance with relevant standards and regulations. A central principle in our governance is the promotion of fair competition, complying with all applicable laws and regulations, to support sustainable and equitable development.

Methodological Summary of the European Taxonomy Analysis Results

This section provides a synthesis of the results obtained during the evaluation of the company's economic activities in relation to the criteria set out in Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, along with its subsequent delegated acts. The information presented here reflects only the proportion of activities identified as aligned with the EU Taxonomy, following the application of the technical screening criteria, the assessment of substantial contribution to environmental objectives, and the verification of compliance with the "Do No Significant Harm" (DNSH) principle and minimum social safeguards.

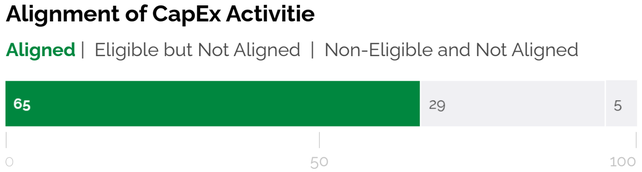
It is important to note that this page does not provide a complete overview of all eligible activities analyzed as part of the reporting exercise. The results shown are illustrative and focus on aligned activities, aiming to highlight the areas where the company is already contributing to the green transition, in line with European sustainability policy requirements.

For a complete, structured, and detailed presentation of all evaluated economic activities — including those that are eligible but not aligned, as well as the corresponding proportions of turnover, capital expenditures (CapEx), and operational expenditures (OpEx) — please refer to the compliance tables included in the **Annex** of this report.

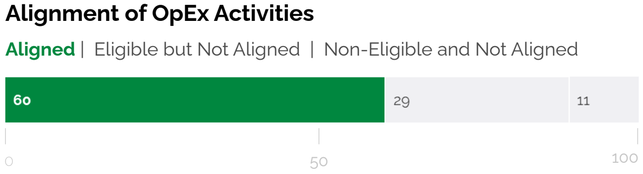
These tables have been prepared in accordance with the provisions of the Delegated Act on disclosure reporting requirements (Delegated Regulation (EU) 2021/2178) and ensure alignment with the standardized format required for entities subject to non-financial reporting obligations (or, starting from 2024, under the CSRD – Corporate Sustainability Reporting Directive).

Turnover
Aligned nominal value:
479 mil. RON

CapEx
Aligned nominal value:
12 mil. RON



OpEx
Aligned nominal value:
495 mil. RON



General Disclosure

SECTION CONTENT

04

ESRS 2 - BP-1 - General basis for preparing sustainability statements

The sustainability statement for the 2024 financial year was prepared based on the same principles used in the financial statements of Electromontaj SA.

The report reflects exclusively the company's activities and includes all its internal and external structures, namely:

- Headquarters, Bucharest
- Internal branches (Pitesti, Bacau, Craiova, Bucharest) and external branches (Finland, Moldova, Cyprus, Jordan)
- Production units: Bucharest Galvanized Metal Pole Factory ("FSMZ") and Câmpina Clamp and Fitting Factory ("FCA")

We would like to point out that the branches and production units do not have separate legal personalities, as they are an integral part of Electromontaj SA.

The statement covers, to the extent that data could be reliably collected or estimated, the significant impacts, risks, and opportunities associated with both the **upstream** value chain (suppliers, construction materials, energy, subcontracted services) and the **downstream** value chain (project implementation, infrastructure delivery, and impacts related to long-term operation).

The company has exercised its option to omit, on a justified basis, certain information relating to future developments or matters under negotiation, in accordance with Article 19a(3)(c) of Directive 2013/34/EU. This information has not been included in this statement for reasons of commercial confidentiality and the protection of the company's legitimate interests and will be disclosed at an appropriate time when disclosure will no longer affect the conduct of negotiations or business strategy. In all cases where this exception has been applied, a clear and specific reference has been included, in accordance with the principle of transparency governing the reporting process.

As the 2024 financial year represents the transition period for compliance with the requirements of Directive (EU) 2022/2464 (CSRD), this report is not subject to a formal external assurance process. However, the information, data, and methodologies used have been structured with a view to future audits, in accordance with ESRS 2 – point 33, and reflect Electromontaj's commitment to ensuring full traceability, methodological accuracy, and rigorous documentation.

BP-2 - Disclosure regarding specific circumstances

Defining medium and long-term time horizons

In accordance with ESRS 2 BP-2 requirements, Electromontaj defines the medium-term horizon as the period of 3 to 5 years, and the long-term horizon as the period exceeding 5 years.

Applying different definitions for time horizons

In certain operational and strategic contexts, Electromontaj has opted to use differentiated definitions of time horizons – medium or long – depending on the specific risks and opportunities analyzed. This contextualized approach reflects the distinct realities of the company's areas of activity and is justified by the principle of relevance and materiality of the reported information, as provided for by the requirements of ESRS 2 BP-2.

For example, in the case of risks arising from climate change or systemic impacts on energy infrastructure, the relevant time horizon has been extended to a longer period (10–30 years), given the cumulative and long-term nature of these phenomena, as well as international scientific references, such as those included in the IPCC (Intergovernmental Panel on Climate Change) reports.

These distinctions in defining time horizons are methodologically supported by a dual analysis of materiality, both from the perspective of environmental, social, and governance impact and from the perspective of financial risks and opportunities for the company, in accordance with the principles of the EFRAG Guidance on assessing materiality and the requirements of Directive (EU) 2022/2464 on corporate sustainability reporting (CSRD).

To ensure consistency and traceability of methodological decisions, each application of an alternative time horizon definition is systematically documented in the internal working file, with justifications based on quantitative evidence, prospective scenarios, and data from relevant third-party sources (e.g., RCP climate scenarios, etc.). This approach allows alignment with good practice standards and provides transparency in the reporting process, in line with the substance and form requirements of ESRS 2.

Indicators that include value chain data estimated from indirect sources

For certain sustainability indicators, Electromontaj has used estimates based on indirect sources, particularly regarding greenhouse gas emissions from the value chain (Scope 3). These estimates are based on standardized emission factors, such as those provided by the GHG Protocol, and aggregated data from sources such as EXIOBASE and DEFRA. The use of these sources is in line with the best international practice and ESRS requirements.

The basis for preparing these indicators

The estimates for the sustainability indicators reported by Electromontaj were developed based on internationally recognized methodologies, such as the GHG Protocol (Corporate Value Chain – Scope 3 Standard) and the ISO 14064-1:2018 standard, which provide a robust framework for quantifying and reporting greenhouse gas emissions and other environmental impacts. These methodological frameworks are considered global best practices and facilitate a consistent, comparable, and verifiable assessment of the organization's environmental performance, in accordance with the transparency and reliability requirements imposed by ESRS 2 BP-2.

In situations where primary data was not available for the activity-based method, Electromontaj resorted to the alternative expenditure-based method, using a specific monetary coefficient. This approach involves multiplying the monetary value of the goods or services purchased by an emission factor per monetary unit (e.g., kg CO_2e/EUR), selected from internationally recognized sources such as the EXIOBASE database.

The cost-based method was applied with methodological caution, by selecting the most relevant functionally comparable economic categories according to the EXIOBASE classification, to ensure the accuracy of the estimate in the absence of activity-specific data. In all cases, the choice of calculation method was documented and justified, considering the associated level of uncertainty, as required by ESRS 2 BP-2 lit. 11b and 12.

This approach allows for consistent and responsible reporting of environmental impacts, even under conditions of limited data availability, while ensuring alignment with the principles of materiality, transparency, and verifiability set out in Regulation (EU) 2020/852 (Taxonomy Regulation) and Directive (EU) 2022/2464 on sustainability reporting.

The level of data accuracy

The level of accuracy of estimates based on indirect sources was assessed by Electromontaj as moderate, given the inherent uncertainties associated with the use of secondary data, the complete or partial lack of primary information in the value chain, and the need to apply methodological assumptions or approximations. This classification is based both on a quantitative analysis of the degree of confidence attributed to the data sources used (e.g., aggregate monetary emission coefficients at national or European level) and on their generic nature in relation to the specific activities conducted by Electromontaj.

In accordance with ESRS 2 BP-2 (paragraph 12), which explicitly requires disclosure of the level of accuracy associated with data estimated based on indirect sources, the company transparently acknowledges the limitations related to the robustness of the data and their applicability in a specific operational context. These limitations are detailed in the explanatory notes to the relevant indicators so that users of the report can assess the reliability of the information presented and base their decisions on a realistic understanding of the margin of uncertainty associated with it.

Thus, in line with the principles of precaution and prudence stipulated by international standards (such as ISO 14064-1:2018, section 6.4 on uncertainties), Electromontaj rigorously communicates the level of accuracy and, at the same time, develops strategic actions aimed at reducing, in the medium term, dependence on indirect estimates, strengthening the internal capacity to collect primary data from suppliers and contractual partners.

Planned actions to improve future accuracy

To improve the accuracy of future estimates, Electromontaj intends to implement the following actions:

- **Digitization of the value chain:** Implementation of digital solutions for real-time monitoring and reporting of sustainability indicators.
- **Training and awareness:** Organizing training sessions for value chain partners on the importance and methods of reporting sustainability data.

These actions are aligned with recommendations in the literature, which emphasize the importance of collaboration across the value chain to improve the quality of sustainability data.

Quantitative indicators and amounts associated with a high degree of uncertainty

Electromontaj has established a rigorous process for identifying and labeling quantitative indicators and monetary values that present a high degree of methodological or informational uncertainty, in accordance with the transparency and accountability requirements set out in ESRS 2 BP-2 (paragraph 13). This process involves analyzing data sources, calculation methods, and assumptions applied, to assess the associated level of confidence and determine, where appropriate, the applicability of the "high uncertainty" rating.

Specifically, such cases include Scope 3 GHG emissions estimates, assessments of indirect social impacts in areas with limited access to contextual data (e.g., in cross-border value chains), or monetary assessments of ESG risks without a solid historical basis. For these situations, the indicators are flagged in the sustainability report with explanatory notes and methodological caveats to enable users of the report (investors, credit institutions, auditors, or regulators) to critically assess the relevance and robustness of the data presented.

This practice is aligned with the international recommendations formulated by the TCFD regarding the communication of uncertainties and risks associated with ESG metrics, as well as with the technical standards on sustainability information assurance (GRI 1 – Foundation), which promote full transparency on data limitations and calculation assumptions.

Sources of uncertainty in the measurement process

As part of the sustainability reporting process for the 2024 financial year, Electromontaj has rigorously identified, analyzed, and documented the main sources of uncertainty that may influence the accuracy, comparability, and reliability of the reported quantitative indicators. These sources are particularly relevant for indicators based on secondary data sources, estimation methodologies, or assumptions modeled in the absence of primary data in the value chain.

(1) Variability in the quality and availability of data provided by partners in the value chain is a major source of uncertainty. In the context of cross-border projects and the subcontracting of certain execution activities (e.g., pole installation, international logistics), the accuracy of the data received from suppliers and subcontractors varies significantly depending on the maturity of their reporting systems and the availability of granular information at source. For example, when calculating the Scope 3.1 carbon footprint, many suppliers did not provide their own data or detailed energy consumption figures, which meant that estimates had to be used.

(2) Assumptions and estimates applied in the absence of primary data constitute another major source of uncertainty. Where primary data were unavailable or incomplete, indirect estimation methods were applied – the method based on monetary factor costs (kg CO_2e/EUR), selected from databases such as EXIOBASE. Although these methods are consistent with the GHG Protocol, they introduce significant inherent variation compared to activity-based methods, particularly for categories of purchases with variable GHG intensity (e.g., galvanized steel, electrical equipment, international road transport).

Electromontaj has addressed these sources of uncertainty through a combination of **technical, procedural, and methodological measures**.

Standardized frameworks have been applied, and the limitations identified have been communicated transparently in the sustainability report, in accordance with ESRS 2 BP-2, paragraphs 11–13.

Therefore, aware of these limitations, Electromontaj is strengthening its internal ESG data collection systems and structuring its future actions towards reducing its reliance on indirect estimates, thus aligning itself with the data quality principles of Regulation (EU) 2020/852 and the EFRAG Guidance on the implementation of ESRS.

Assumptions, approximations, and applied logic

In the process of collecting, estimating, and reporting sustainability indicators for the 2024 financial year, it was necessary in certain situations to resort to assumptions, approximations, and technical-methodological value judgments in response to limitations on the availability or granularity of primary data. These approaches were rigorously applied and properly documented in accordance with the explicit requirements of ESRS 2 BP-2, points 14 and 15, which require disclosure of the reasoning used in the measurement process when accurate data is not available.

(1) Use of standardized emission factors:

In the absence of emission factors provided by supply chain partners, Electromontaj used internationally recognized emission factors, in particular **DEFRA UK**, **Ecoinvent v3.9.1, EXIOBASE.** The choice of these factors was achieved through a functional correspondence between the procurement categories and the types of materials or activities, using harmonized classifications such as **EXIOBASE v3.8.2.**

(2) The assumption of an average geographical distribution of suppliers:

For procurement categories where no detailed data on the exact location of suppliers was available, the assumption that the location is the geographical average point in that country was taken over.

All these assumptions, approximations and professional judgments have been documented in a t**echnical carbon reporting dossie**r accompanying this sustainability report and have been communicated transparently in the relevant sections of the main report. Their application reflects the principles of prudence, verifiability and traceability set out in the **CSRD Directives (EU) 2022/2464**, as well as **ISO standards 14064-1:2018** (section 5.3 – Assumption and Limitations) and **EFRAG Implementation Guide**.

Changes in the presentation of information

For the financial year 2024, Electromontaj has made a number of significant changes in the way the sustainability report is structured, drafted and presented in response to the new requirements imposed by **Directive (EU) 2022/2464 on sustainability reporting (CSRD)** and European sustainability reporting standards (ESRS) in particular as regards the requirements laid down by **ESRS 2 – General Disclosures**.

(1) Structuring information according to ESRS requirements

The report was fully reorganized based on the thematic and functional architecture established by the **ESRS Set 1**, as regards the structuring around ESG – environment (E1–E5), social (S1–S4) and governance (G1) pillars. This new architecture allows for better readability, comparability, and traceability of information, being directly correlated with the requirements of institutional investors and authorized users of the report (e.g., financial institutions, regulators, auditors). Specifically, the declaration is structured according to sections ESRS 2 (BP, IRO, SBM) and complements these sections with thematic disclosures E/S/G where material character has been established.

(2) Introduction of additional performance indicators

In order to better reflect organizational performance and meet the requirements of double materiality, Electromontaj has introduced a series of new **quantitative and qualitative indicators** covering issues such as direct emissions, increase in the percentage of selective collection as well as new social indicators on own workforce relations and.

All these substantive and formal amendments were communicated in a transparent manner in the report, either in the introductory chapter on the basis for preparing the declaration or in the methodological notes for each set of indicators. Electromontaj believes that these adjustments are not only a requirement for compliance, but also a **strategic step towards full professionalization of non-financial reporting**, thereby strengthening stakeholder confidence and contributing to the objective of alignment with ESG international governance standards.

Failure to adjust comparative information for earlier periods

In the reporting process for the financial year 2024, Electromontaj systematically assessed the possibility of recalculating and benchmarking key sustainability indicators against previous periods, where this would have supported the evolutionary performance review. However, in some cases the adjustment of comparative information for the financial year 2023 (or earlier) was not feasible from a practical and technical point of view, for the following reasons:

- **The lack of historical data in format compatible** with the new methodological requirements imposed by the ESRS framework and related standards (GHG Protocol, ISO 14064, European Taxonomy). For example, certain data related to Scope 3 emissions (purchases, waste, subcontracted logistics) have not been collected at a sufficient level of detail in previous years to allow for rigorous recalculation according to the new indicator structure.

- 2024 **Significant methodological changes** affecting direct comparability with data from the previous period. For example, moving from an aggregated estimation methodology based on accounting categories to a disaggregated approach based on EXIOBASE classifications and differentiated monetary emission factors makes it impossible to retroactively harmonize the results. Similarly, the update of the methodology for climate risk assessment on RCP scenarios 4.5/8.5 and the application of the new eligibility criteria for European Taxonomy implies a level of detail and granularity that was not available in the previous period.

In accordance with the requirements of **ESRS 2 BP-2 para. 17**, these cases of impossibility to adjust comparative periods have been duly documented and communicated transparently in the report, in the sections related to the affected indicators This approach ensures compliance with the principles of transparency, responsibility and partial comparability, to the extent that this is possible from an operational and methodological point of view.

Electromontaj is committed to further developing the capacity to collect and archive ESG data so that, starting in 2025, a **methodological continuity** will be ensured that a complete set of comparable historical series will be built for relevant sustainability indicators. This objective is aligned with the EFRAG recommendations and the principle of consistency stipulated in the ISSB Guide and international standards.

Other regulations and reporting standards used

In addition to the ESRS framework, Electromontaj also integrates other internationally recognized sustainability standards, such as the **GRI (Global Reporting Initiative) Standards**, where they provide useful additions to areas such as climate risk analysis, value chain transparency, and social impacts.

References to paragraphs from Standards used

To facilitate the verifiability and audit of the sustainability statement, the Electromontaj report shall include explicit references to the relevant paragraphs of the applied ESRS standards (e.g.: ESRS E1-5, S1-4, G1), as well as to methodological points in EFRAG implementation guides, where they have been used to interpret the requirements.

Other Standards used (ISO)

In its operational and reporting activities, Electromontaj uses European standards recognized by CEN/CENELEC and ISO standard-setting bodies, in particular **ISO 14001 (environmental management system)**, and **ISO 9001 (quality management)**. These standards have been applied both in the internal process of data collection and processing and in the internal verification of methodological flows, thus ensuring reporting aligned with international best practices on sustainability.

Disclosures of the extent to which data and processes used in sustainability reporting have been verified by an external insurance provider and have proven to comply with ESRS standards

For the financial year 2024, although the sustainability report **was not subject to a formal independent external assurance process**, Electromontaj has applied rigorous methodological measures to ensure the complete **preparation of data and processes for a future audit**. Key data sets and related processes have been structured in line with the requirements of relevant international standards so that they can be used in a potential **sustainability audit for 2025**, which will also include retroactive verification of 2024 data.

The focus in 2024 was on developing the traceability of greenhouse gas emission calculations (Scope 1, 2 and 3), methodological documentation of the eligibility of activities under **Regulation (EU) 2020/852 on EU Taxonomy**, and on structuring climate risk and social impacts assessments.

List of reporting requirements (DRs) or data points (DPs) included by reference

In a spirit of efficiency and to avoid redundancy, a number of **reporting requirements (DRs)** and **data points (DPs)** have been incorporated in the report by reference to other public sections or supporting documents (e.g.: EU Taxonomy Annexes, Climate Risk Report 2024).

List of sustainability topics assessed as material

As part of the double materiality process provided by ESRS 1, Electromontaj included in the reporting all topics related to the themes identified as materials in 2024. This list covers the following thematic areas of ESRS standards:

- E1 – GHG Emissions and Climate Risks
- E2 – Pollutants and industrial emissions
- E5 – Biodiversity and ecosystem impacts
- S1 – Working conditions, health, and safety, working relationships
- G1 – Governance, business integrity, tax transparency, and ethical conduct

List of sustainability sub-subjects assessed as materials

In accordance with the provisions of ESRS 1, the report shall contain the complete list of sub-subjects considered material for the financial year 2024.

Amongst them there are:

- Climate change adaptation
- Climate change mitigation
- Energy
- Air pollution
- Water pollution
- Soil pollution
- Pollution of living organisms and food resources
- Substances of Concern
- Microplastic
- Inflow of resources
- Outflow of resources
- Waste
- Working conditions
- Equal treatment and opportunities
- Other work-related rights
- Whistleblower protection
- Lobby activities and political involvement
- Supplier relationship management
- Anti-bribery and Corruption

Explaining how the business model and strategy consider the impacts associated with material sustainability themes (transition phase)

In 2024, the strategy was revised to reflect the explicit integration of material **ESG impacts**. Among the implemented changes are:

- the introduction of indicators related to energy efficiency
- adopting carbon footprint decrease indicators
- development of the ESG internal governance structure

Description of the time-limit targets related to the material subjects and the progress made

For each material subject, clear targets have been set, monitored annually. A total of 16 General Objectives (OGs) were determined. Each General Objective contains one or more Specific Objectives (OS). Each Specific Objective is assigned a Performance Indicator (KPI), a target as well as a Time Horizon.

(SDG) Sustainable Development Goal	ESG Area & Material Topic	General Objective	Specific Objective	KPI	Target	Horizon
	**Environment – Climate Change**	**1) Energy efficiency and consumption reduction in all locations operated by the company by 2030.**	**Reducing energy consumption per income**	Energy consumption per unit of income (kWh/million RON)	Maintenance or relative efficiency	FY2025+
			Reduction in internal consumption per employee	Energy consumption per employee (kWh/employee)	Maintenance or relative efficiency	FY2025+
			Equipping all buildings with LED light bulbs	Percentage of buildings equipped with LED lighting	100% company buildings	2024-2030
			Installation of presence sensors for lighting	Percentage of buildings with active sensors	100% administrative buildings	2024-2030
	**Environment – Climate Change& Pollution Prevention**	**2) Efficient carbon footprint reduction**	**Scope 1-2 emission reduction**	Reduction of the relative indicator GES Scope 1-2 (CO2e/mil. RON)	Maintain or decrease in line with SBTi forecast	FY2025
			Scope 1 emission reduction	Reduction of the relative indicator GES Scope 1 (CO2e/mil. RON)	Maintain or decrease in line with SBTi forecast	FY 2025
			Reduction of Scope 2 GHG emissions	Reduction of the relative GHG Scope 2 indicator (CO2e/million RON)	Maintain or decrease in line with SBTi forecast	FY2025
			Minimizing Emissions Specific to the Energy Industry	Reduction of NOx	Reduction	2026-2028

(SDG) Sustainable Development Goal	ESG Area & Material Topic	General Objective	Specific Objective	KPI	Target	Horizon
	**Environment - Climate Change & Pollution Prevention**	**3) Increasing the share of energy from renewable sources**	**Increase in the percentage of energy from renewable sources (RES)**	(percentage of total energy consumption that comes from renewable sources)	Increase in percentage by any value (from 0.05% in 2024 - FSMZ)	2025-2030
			Increasing investment in renewable energy	(% of total company investments directed towards RES generation)	Panel investments	2025-2030
	**Environment - Resource Management and Circular Economy**	**4) Efficient waste management and responsible use of resources**	**Selective collection areas (offices)**	Setting up areas for selective waste collection in all the company's office buildings	100% of office space	2025-2027
			Selective collection sites (factories)	Setting up collection areas in all company factory buildings	100% of factories	2024-2026
			Selective collection areas (construction sites)	Selective collection at construction sites associated with the company's projects	100% of construction sites	2025-2027
			Selective collection training	Organizing awareness sessions for employees	100% employees	2025
			Volunteering activites	Involvement of employees in environmental protection activities (planting, cleaning)	N/A	2025-2026

(SDG) Sustainable Development Goal	ESG Area & Material Topic	General Objective	Specific Objective	KPI	Target	Horizon
	**Environment - Climate change**	**5) Constant evaluation and development of relationships with suppliers who are overly concerned with reducing negative impacts on the environment**	**Internal sustainable procurement policy**	Developing an internal sustainable procurement policy	N/A	2025-2026
			Procurement evaluation procedure	Developing a procedure for evaluating purchases in accordance with sustainable policy	N/A	2024-2026
			Supplier evaluation procedure	Developing a supplier evaluation procedure in line with sustainable policy	N/A	2025-2026
			Regular training of all employees	Regular training for all employees	100%	2025-2030
	**Social - Own workforce**	**6) Improving Working Conditions and Minimizing Impacts**	**Reducing accidents at work**	Fatal and non-fatal accidents	Decrease	2024-2026
			Increased medical coverage for employees	Percentage of medical coverage among employees	Increase	2025-2026
	**Social - Own workforce**	**7) Ensuring a high level of well-being and optimal working conditions for all employees by 2030**	**Analysis of benefits and salary package**	Analysis of benefits and salary package based on current needs and economic context	Annually	2025-2030
			Organizing workshops for employee satisfaction and well-being	Organization of workshops	Annually	2025-2030

(SDG) Sustainable Development Goal	ESG Area & Material Topic	General Objective	Specific Objective	KPI	Target	Horizon
	**Social - Own workforce**	**8) Provision of skills, training, and professional development opportunities for employees until 2030**	**Providing more training and qualification opportunities for employees**	Providing training and qualification opportunities (allocating a dedicated budget for courses)	N/A	2027-2030
			Providing educational materials for employees	Providing useful materials (guides, access to online learning platforms)	N/A	2027-2030
			Increasing skills in the field of sustainability	Number of employees trained in the "sustainable development" program	Min. 100	2025-2026
			Increase in the total number of training hours in the field of sustainability	Total number of hours of sustainability training	Min. 100	2025-2030
	**Social - Own workforce**	**9) Significant contribution to the development of the national workforce training and qualification system by 2030**	**Developing partnerships with schools in the field or relevant to the company**	Developing partnerships with schools in the field or relevant to the company	N/A	2025-2030
	**Social - Own workforce**	**10) Strengthening strategies for attracting and retaining talent**	**Promoting youth employment and developing their skills**	Young graduates recruited following internships	Maintaining the previous level or increasing it	2025-2030
			Promoting youth employment and developing their skills	Percentage of experienced technicians and engineers out of total new hires	Maintaining the previous level or increasing it	2025-2030

(SDG) Sustainable Development Goal	ESG Area & Material Topic	General Objective	Specific Objective	KPI	Target	Horizon
	**Social - Own workforce**	**11) Increased customer satisfaction**	**Increase in the percentage of satisfied customers**	Percentage of satisfied customers out of total customers	N/A	2025-2030
	**Social - Own workforce**	**12) Increasing involvement in society**	**Sustainability strategy for sponsorships: integrating social and environmental responsibility into sponsorship partnerships**	Sustainability strategy for sponsorships: integrating social and environmental responsibility and developing a contractual framework for sponsorship	N/A	2025-2030
			Implementation of an internal platform for disseminating volunteer opportunities available to employees	Implementation of an internal platform for disseminating volunteer opportunities available to employees	N/A	2025-2023
	**Governance - Business Conduct**	**13) Promoting anti-corruption and ethical behavior**	**Regular training of all employees in anti-corruption and business ethics through specific (internal) courses**	Regular training of all employees in anti-corruption and business ethics through specific (internal) courses	100%	2025-2030
			Strengthening ethical accountability and transparency in reporting processes to enhance trust in the organization's compliance framework	Strengthening ethical accountability and transparency in reporting processes to enhance trust in the organization's compliance framework	100%	Annually
			Continuous updating of the Code of Ethics and Professional Conduct	Continuous updating of the Code of Ethics and Professional Conduct	100%	Annually

(SDG) Sustainable Development Goal	ESG Area & Material Topic	General Objective	Specific Objective	KPI	Target	Horizon
	**Governance - Business Conduct**	**14) Improving The personal data protection system in accordance with current regulations**	**Regular training of all employees on information security and GDPR (through internal or external training)**	Regular training of employees in information security and GDPR	100%	2025-2030
	**Governance - Business Conduct**	**15) Efficient management of company-wide transition risks by 2030**	**Promoting stakeholder involvement and collective decision-making to ensure transparency and inclusiveness**	Developing an internal procedure for assessing all risks (existing/potential) to the company	N/A	2025-2030
	**Governance - Business Conduct**	**16) Increasing the digitization of internal and external processes in all company departments by 2030**	**Development of an online training platform for employees**	Development of an online training platform for employees	N/A	2026-2030
			Implementation of a factory process automation program	Implementation of a factory process automation program	N/A	2026-2030
			Translation of all flows into digital format using dedicated software (including electronic archiving)	Transposing all flows into digital format using dedicated software (including electronic archiving)	N/A	2026-2030

Description of policies related to material topics (transition phase)

To manage ESG issues identified as material, Electromontaj has implemented the following policies:

- Electromontaj Supplier Questionnaire Process
- Electromontaj Code of Ethics and Conduct
- Anti-Bribery Policy
- Collective Labor Agreement
- Several policies and procedures are to be implemented to cover the entire range of material issues.

Description of actions taken to identify, monitor, prevent, mitigate, and remedy actual or potential negative impacts associated with material topics

During the 2024 financial year, as part of the gradual implementation of ESRS standards, Electromontaj initiated a set of **strategic and operational actions** aimed at reducing the negative impacts associated with material ESG issues, particularly in the areas of the environment (E1, E2, E5), own workforce (S1), and governance (G1). These actions directly address both the systemic risks identified in the materiality analysis and the opportunities for operational efficiency and modernization.

The measures implemented include:

- **Digitization of operational and administrative flows** by integrating ERP solutions and intelligent systems for tracking materials, energy, and performance on construction sites and in factories, thus facilitating the traceability of ESG data and reducing the risks associated with fragmented information collection.
- **Electrification and phased automation of industrial production flows,** particularly in the galvanizing plant and pre-assembly units, by switching to high-efficiency electrical equipment, partial automation of lines, and reducing dependence on fossil fuels in energy processes.

Disclosure of indicators related to ESG topics considered material

For all topics considered material in 2024, **relevant quantitative indicators** were identified and reported, accompanied by a description of the methodology, sources, and degree of accuracy.

Topics E1, E2, E5, S1, and G1 were assessed as material.

Following the application of the double materiality assessment methodology, in accordance with EFRAG guidelines and the requirements of Directive (EU) 2022/2464 (CSRD), Electromontaj determined that all five topics within the ESRS **environmental standards (E1 – Climate Change, E2 – Pollution, E5 – Biodiversity and Ecosystems)**, as well as standards **S1 – Own Workforce** and **G1 – Business Conduct**, are material to the company's operations.

This conclusion is based on an analysis of actual and potential impacts on the environment, employees, and governance systems, as well as associated financial risks and opportunities. The assessment was conducted through a participatory and iterative process, which included internal data, expert consultations, sector analysis, and the application of severity, probability, and geographic coverage criteria, in accordance with the methodology set out in the EFRAG guidance for ESRS 1 and 2.

The full results of the assessment are presented in the section "ESG Materiality Analysis 2024," along with the rationale for the decision to fully report on these topics, including the implementation of the compliance phase for the corresponding indicators.

GOV- 1 The role of administrative, management, and supervisory bodies

Number of executive members

As of the reporting date, the Board of Directors comprises **3 executive members** with direct oversight of the company's commercial, financial, and technical operations. They are actively involved in strategic decision-making and coordinating the implementation of ESG policies at the operational level.

Number of non-executive members

The Board of Directors also includes **1 guest member** in an advisory role. They contribute to the validation of sustainability objectives and policies in accordance with the council's mandate.

Representation of employees and other workers

Currently, employees are formally represented in the Administration Council by the Chief Executive Officer.

Members' experience in relation to sectors, products, and geographic regions

The members of the Board of Directors have relevant professional experience in areas such as energy infrastructure, industrial construction, renewable energy, public relations, and corporate governance. Their expertise is geographically distributed, covering both the Romanian and EU markets, as well as non-EU regions (e.g., the Middle East, North Africa), reflecting the company's international exposure.

Gender diversity and other dimensions of diversity

Within the Board of Directors, **50% of members are women**, reflecting a commitment to gender balance.

Identity of members with oversight responsibilities for ESG impacts

Overall responsibility for monitoring ESG risks, impacts, and opportunities lies with the **Sustainability Department**, a structure integrated into the Economic Department, consisting of two non-executive members and one executive member.

Reflection of ESG responsibilities in the Administration Council mandate and other policies

The roles and responsibilities related to ESG governance are formalized in Electromontaj's **Code of Ethics and Conduct**, in the individual mandates of the Administration Council memebers, and in the **CSR Policy**. These documents clearly define the tasks related to setting ESG objectives, approving transition plans, and monitoring results.

The role of the Board of Directors in governance and risk control

Board of Directors is responsible for the operational implementation of policies approved at board level and for coordinating the technical teams that monitor ESG performance indicators. The existence of a **Sustainability Department** allows for the effective integration of control over impacts, risks, and opportunities.

Supervision of activities by management

The Sustainability Department **exercises control over operational decisions related to sustainability analyses**. Its supervision is conducted based on an internal verification plan and standardized reports submitted to management.

Reporting Structures

The reporting structures are clearly defined: the Executive Director reports to the Chief Executive Officer while the operational positions report to the Executive Director.

Integration of dedicated controls into internal functions

Controls relating to material ESG issues are integrated into the company's **internal control** system, particularly in the areas of procurement, human resources, risk management, and investment. This system is ISO 9001 and ISO 14001 certified and includes pre-contractual assessment and ongoing monitoring procedures.

Overseeing target setting and progress monitoring

The Department of Sustainability and the Board of Directors collaborate in setting annual and multiannual ESG targets in correlation with material topics.

Verification of competencies relevant to sustainability oversight

The administrative and management bodies periodically assess whether they have the **necessary skills and expertise** to oversee sustainability issues, and if not, they initiate dedicated training sessions or external consulting. In 2024, training sessions focusing on the EU Taxonomy were conducted.

Sustainability expertise owned or accessible

The Administration Council has expertise in ESG areas through members with experience in regulation, the environment, and social responsibility. In addition, the company has access to international expertise through training sessions on various topics.

Matching ESG competencies with material impacts and risks

The sustainability competencies existing at the level of Electromontaj's governance structure are directly aligned with the ESG themes identified as material following the materiality assessment. This strategic correlation ensures the exercise of well-founded oversight, proportionate to the level of risk and the complexity of the impacts and opportunities associated with each area. In particular, the expertise of the Administration Council and executive management covers the critical dimensions of energy transition, ethical governance, and social performance in the value chain. The approach reflects a concrete application of the principles of responsible governance set out in **ESRS GOV-1**, being fully consistent with the guidelines set out in the **OECD Corporate Governance Code** and the strategic alignment requirements defined by EFRAG in the European sustainability reporting standards.

GOV-2 Information provided to the company's administrative bodies and sustainability issues addressed by them

Informing the governance bodies about material impacts, due diligence, and policy effectiveness

During the 2024 financial year, Electromontaj established an informal mechanism for periodically **informing the administrative, management, and supervisory bodies** about the impacts, risks, and opportunities considered material, as well as the results achieved in implementing the corresponding policies, actions, and targets. The information is provided by the **Chief Financial Officer** with the support of the sustainability team and is sent **annually to the management team** in the context of the strategic budget review.

The content of the reports includes an assessment of progress in implementing due diligence measures, the effectiveness of ESG policies adopted, the status of achieving approved ESG targets, and any relevant aspects regarding compliance with national and European sustainability legislation (e.g., EU Taxonomy, SEB Covenant Netherlands).

Integrating ESG impacts, risks, and opportunities into strategy, major decisions, and risk management

Electromontaj's governing bodies systematically integrate sustainability considerations into strategic decision-making and risk governance. Investment, modernization, and international expansion projects are analyzed from the perspective of environmental, social, and governance risks.

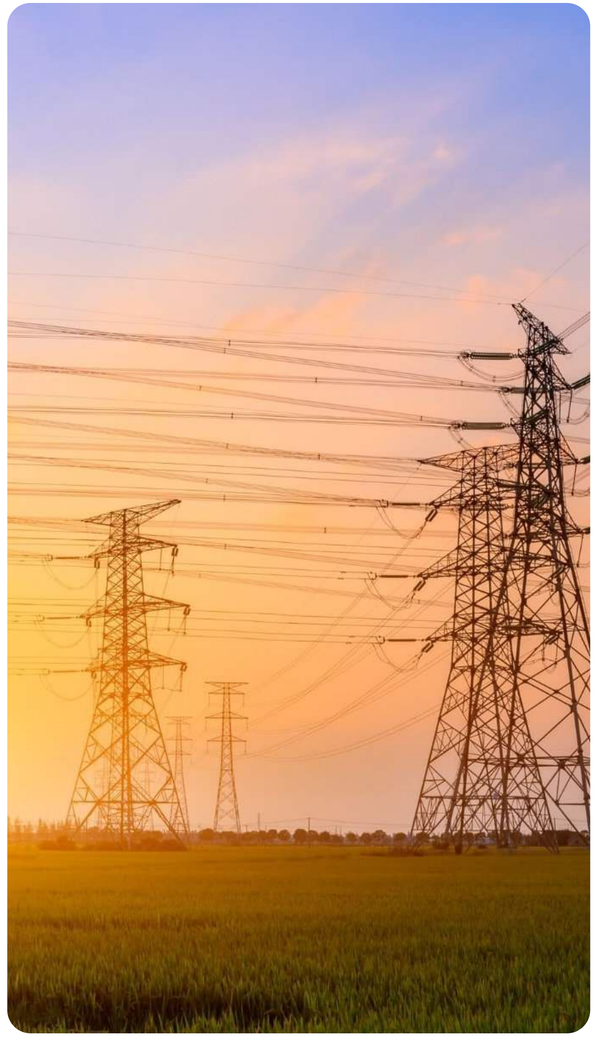
List of ESG impacts, risks, and opportunities addressed by management bodies

As part of the ESG governance process, the Sustainability Department addressed several material impacts identified in the materiality assessment, including indirect emissions from the supply chain (Scope 3.1), intensive consumption of primary resources (galvanized steel, concrete, electricity).

The main **risks** analyzed were volatility of green transition legislation (e.g., carbon-related costs), physical climate risks (heat waves, extreme precipitation), reputational risks associated with non-alignment with international ESG standards, and vulnerabilities in the logistics chain. At the same time, **strategic opportunities** were also analyzed, such as access to green financing, increased competitiveness through automation and electrification of industrial lines, development of projects eligible under the EU Taxonomy, and development of market position in sustainable infrastructure.

ESG performance monitoring mechanisms under the supervision of management bodies

To ensure continuous, consistent, and scalable monitoring of ESG performance, Electromontaj's Administration Council has approved the launch of a **strategic program to digitize operational flows,** aimed at improving the traceability of consumption, materials, emissions, and needs identified in decision-making and execution processes. This initiative aims to develop the ESG database through automated collection and integration of sources from construction sites, factories, logistics, and procurement into a unified digital architecture.



GOV-3 Remuneration policies and incentives related to sustainability

Currently, Electromontaj **does not yet have a formalized system of incentives or remuneration policies directly linked to sustainability objectives**, either at Board of Directors level or supervisory body (Administration Council) level. However, the company recognizes the importance of aligning ESG performance with reward systems and, in 2024, initiated a phased process to develop a **sustainability-related incentive framework**, which is to be implemented.

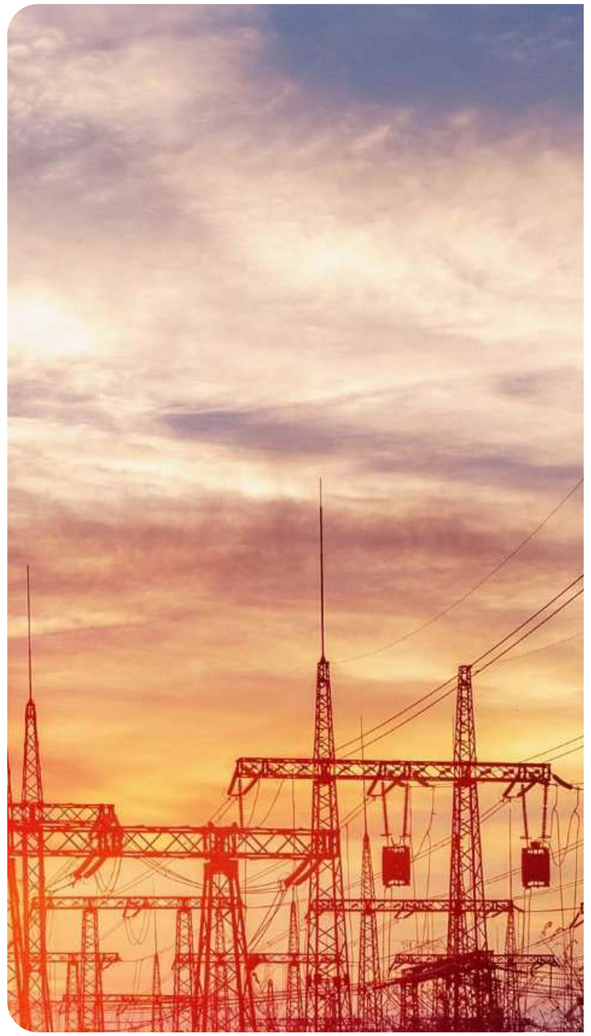
In accordance with ESRS 2 GOV-3 point 46(a), the company declares that in the 2024 financial year it has not yet implemented a mechanism to link management remuneration to ESG performance. However, starting in 2025, mechanisms will be developed to link the variable component to sustainability indicators, in accordance with ESRS requirements.

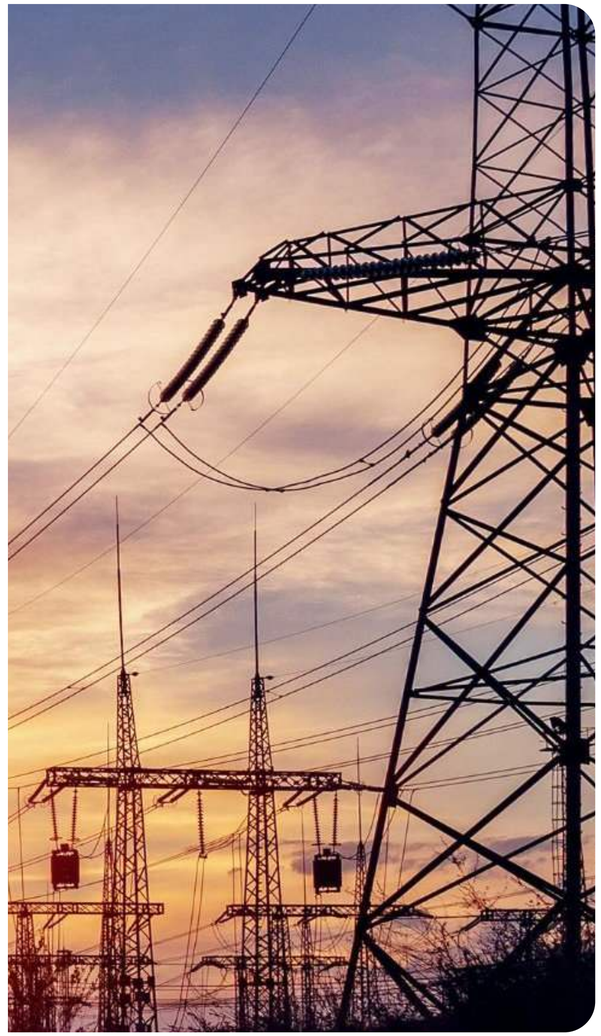
As regards the **characteristics of future incentive schemes**, these will include an annual component, allocated based on the achievement of performance indicators, some of which will be dedicated to sustainability. These indicators will be established in correlation with the materiality analysis, transition plan, and the company's ESG strategic objectives.

The following ESG targets and impacts are being considered at the design stage: implementing digitalization for ESG data traceability and maintaining the highest standards of workforce safety and health.

These possible future ESG performance indicators will be **integrated into the remuneration policy** by including them in the annual management assessment grid as **explicit benchmarks**, validated by the Sustainability Department together with internal audit and human resources.

This process is part of a broader plan to **develop ESG governance** in preparation for external audit and integration of emerging requirements from the CS3D Directive and international standards (EFRAG, GRI 2024).





GOV-4 Sustainability due diligence process

Electromontaj has developed and implemented a **structured due diligence process** to identify, assess, prevent, monitor and remedy actual or potential impacts on environmental, social and governance (ESG) factors. This process is an integral part of the company's ESG governance system and is aligned with European and international standards, including **ESRS GOV-4, OECD Diligence Guide**.

Integration in ESG governance

The due diligence process is coordinated by the **Executive Director**, with direct responsibility assigned to the Sustainability Specialist and periodic validation by the Business Controller. The latter shall report to the executive member of the department. This integration ensures a clear line of responsibility and constant reporting at the highest level of decision.

Identifying and prioritizing risks and impacts

Based on the **ESG materiality analysis completed in 2024**, Electromontaj identified several relevant risks, opportunities, and impacts, such as: direct, indirect emissions (Scope 3.1 and 3.5), climate risks, pollution, business conduct, own workforce. These themes are set as priorities according to severity, probability and influence on economic value and reputation.

Detailed evaluation and mapping

In the **double materiality** assessment process, Electromontaj uses a methodology that integrates **a standardized identification matrix and prioritization of ESG impacts for stakeholders**, a detailed impact identification questionnaire and a questionnaire to identify financial risks and opportunities that integrate criteria related to severity, duration, irremediable character and probability of occurrence. This approach provides a structured, comparable, and repeatable analysis, which is the foundation for determining material ESG themes and strategic planning.

As regards climate **risk analysis** and carbon footprint **assessment (GHG Scope 1, 2 and 3)**, these were conducted at a disaggregated level, both based on the **type of activity carried out** (production, assembly, coordination) and the **geographical location of the operations**. The analyzed locations include operational points in Romania (Bucharest – head office, FSMZ – galvanizing factory, Pitesti, Bacau and Craiova – regional branches, FCA-factory clamps, and fittings), as well as international locations such as **Jordan, Cyprus and Finland**, where the company is running major projects. For climate risk assessment, IPCC RCP scenarios 4.5 and RCP 8.5 applied to time horizons 2040, 2070 were used and the analysis was correlated with the characteristics of each location and with the exposures specific to the energy and infrastructure sector.

In parallel, **the compliance assessment with Regulation (EU) 2020/852 on European Taxonomy** has been differentiated, based on the d**istinction between core and complementary activities**. For the main activities of the company, especially those of **construction-intallation works for energy infrastructure, a breakdown was carried out on individual projects**, analyzing their eligibility and alignment to the technical screening criteria, the DNSH (Do No Significant Harm) requirements and the minimum social requirements. This granular approach has allowed for detailed and justified reporting in line with the requirements of ESRS E1, as well as good practices in the field of sustainability reporting for the energy construction sector.

Prevention and mitigation measures

Electromontaj has implemented proactive measures such as the launch of a d**igitization program to monitor the traceability of ESG** in all company flows.

Monitoring and control

Performance is monitored through an **Excel file** updated annually and through internal thematic audits.

Whistleblower channels and remediation mechanisms

The company operates a **reporting mechanism** managed through an internal digital channel (Your Voice). The reported cases are investigated with the involvement of the Board of Directors in cases of high severity.

GOV-5 Risk management systems and internal controls on sustainability reporting

Description of the scope, main characteristics and components of risk management processes and internal control in relation to sustainability reporting

Electromontaj operates an **Integrated Management System (SMI)** certified according to ISO 9001:2015 (quality), ISO 14001:2015 (enviornment) and ISO 45001:2018 (occupational health and safety). This framework will also be gradually extended to cover **ESG reporting and sustainability** requirements by integrating **internal control, risk assessment, and data traceability** mechanisms into operational, support and governance processes.

SMI ensures systematic management of risks related to legal compliance, data accuracy, operational continuity, including procurement processes, execution, production, logistics, document management, and strategic supervision. It is documented through validated procedures and work instructions at the management level and updated annually following the management analysis.

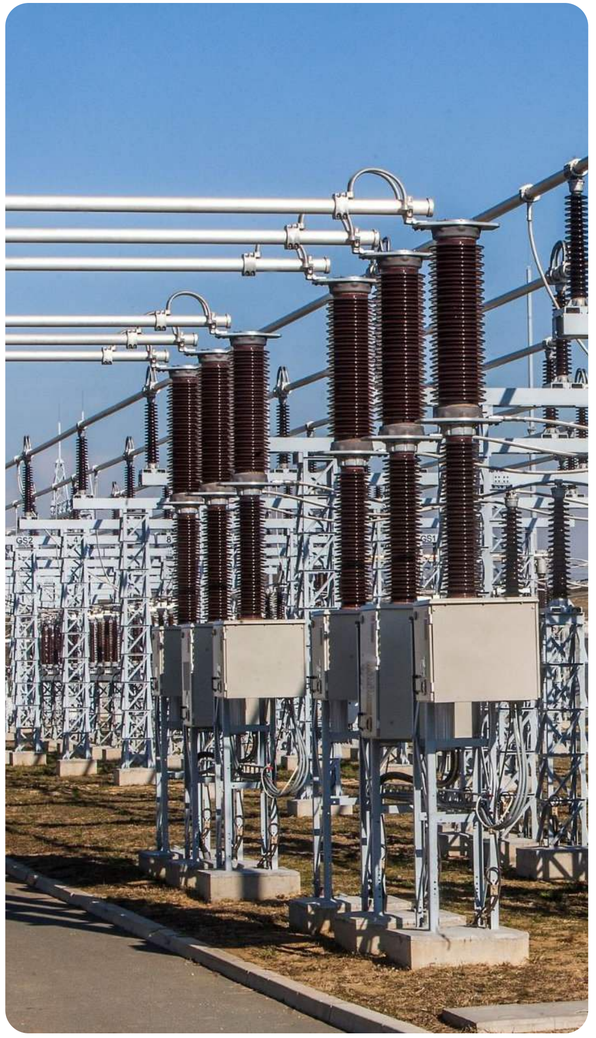
Description of identified main risks and mitigation strategies

Among the major ESG risks identified in the integrated evaluation process carried out by Electromontaj are the following:

- Incertitude and lack of granularity of primary data for carbon footprint indicators, in cases where suppliers do not provide complete or traceable information. This risk affects the accuracy of the carbon footprint calculations and the ability to identify hot spots in the value chain.
- Limited integration capacity of ESG requirements at operational level, caused by the lack of a unified digital infrastructure for real-time sustainability data collection and validation, in construction sites and production sites, where flows are predominantly manual and fragmented.
- Complete alignment of current technical or contractual processes with the requirements of ESRS (ex. E1, E4, S2), DNSH (Do No Significant Harm) and the technical criteria for EU Taxonomy, for complementary activities or early-stage projects, which may result in risks of ineligibility or non-compliance in reporting;

As mitigation strategies, the company has implemented measures such as:

- **progressively streamlining ESG collection and reporting flows.**
- reviewing and regularly updating the work instructions and internal procedures.
- continuous staff training in the field of sustainability regulations.



Description of how the findings in the risk assessments and internal controls have been integrated into the relevant functions and processes

The integration of the findings from ESG risk assessments and internal verifications into the company's functional processes is developing in a stepwise and pragmatic manner. Currently, Electromontaj aims to progressively align operational responsibilities with sustainability requirements, through punctual adaptations in system documentation and interdepartmental work mode.

Measures already initiated or planned include:

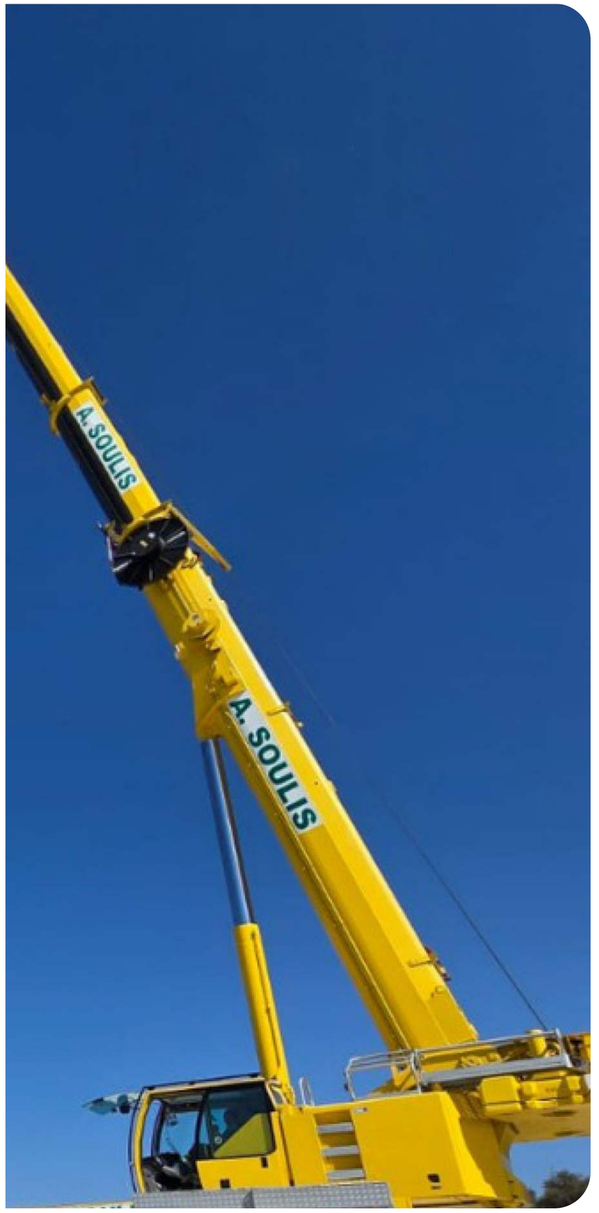
- **the identification of key persons in each department** who can take a supporting role in monitoring ESG data and traceability of core indicators, without formally modifying job descriptions at this time.
- **the inclusion of simple ESG questions in the current supplier rating grids, such as:** „The supplier holds ISO 14001 certificate?", „Are there policies on safe working conditions?"".
- **An informal analysis of ESG risks in the planning phases of new projects,** in cases where eligibility is sought under Taxonomy or where it is planned to be carried out in areas with increased climate or social exposure.

Description of regular reporting to administrative, management and supervisory bodies

The results of the risk assessments and relevant findings on internal controls shall be **reported annually to the Steering Board.**

This reporting framework supports the principles of transparency, decision-making traceability and continuous improvement and helps prepare the company for a **complete ESG external audit process** starting with the financial year 2025, according to ESRS standards.

The internal control systems developed in 2024 are designed to support the process of external assurance of the sustainability report starting with the financial year 2025. All methodological flows, data sources, assumptions, and decisions regarding the inclusion/exclusion of information shall be documented in an internal technical methodology in accordance with ESRS 2 requirements.



SBM-1 Business model, strategy, and significant sustainability themes

Description of significant groups of products and/or services offered

Electromontaj provides a diversified portfolio of technical and industrial services dedicated to energy infrastructure, with direct impact on the energy transition process and the modernization of (inter-)national networks. The main categories include design and execution of overhead and underground power lines for low, medium and high voltage; construction and modernization of substations; network integration of renewable production capacities (wind, solar); execution of civil construction works; as well as the manufacture of galvanized metal structures and electrical accessories in own production units. This mix of activities allows Electromontaj to operate vertically, with high control over the quality, sustainability, and traceability of the delivered projects.

Description of Significant Markets and/or Customer Categories

The company operates both on the national market and in external markets, mainly addressing system operators (SSO/SSOs), renewable park developers, public authorities, private investors and industrial customers. Outside Romania, Electromontaj is active in Moldova, Cyprus, Jordan, Finland and the Netherlands, thus covering a wide spectrum of climatic, social and legislative conditions. The clientele is B2B and the collaborations are regulated by multi-annual framework contracts.

Total number of employees (headcount)

The total number of employees - headcount is 1,347.

Description of prohibited products and services in certain markets

Electromontaj does not offer products or services prohibited or restricted by the laws of the markets in which it operates. The company's activities are compliant with applicable national and European regulations, and the business model is geared towards sustainable infrastructure without involvement in sensitive industries such as weapons, tobacco, fossil fuel extraction, or hazardous chemicals.

Total revenue

Total revenue in 2024 was 804,018,412 RON.

Significative turnover by ESRS sectors

The core activities generated a net turnover of RON 754,660,672, which could be associated mostly with ESRS E1si S1 standards. On the other hand, the difference between total revenue and net turnover is the sum of revenue related to the cost of production in progress, income from the production of intangible and tangible assets and other operating income. All the latter can be indirectly linked to the ESRS E1 standard.

List of other relevant ESRS sectors where the company has activities or material impacts

In addition to the energy and engineering sector, Electromontaj is indirectly exposed to related activities such as transport and logistics (for site mobilization and equipment delivery), waste management (in particular metals and site packaging), and technical advice. These sectors can generate significant risks and opportunities in the value chain and will be properly monitored in the next reporting cycles

Company activity in the fossil fuel sector (coal, oil, gas)

Electromontaj **does not conduct activities** in the field of extraction, processing or marketing of fossil fuels. The company does not provide services in projects related to coal, oil or gas plants, and does not have infrastructure dedicated to these sectors.

Revenue from fossil fuels (coal, oil, gas)

All values are null. The company does not generate revenue from these sources.

Revenue from gas-related Taxonomy activities

All values are null. The company does not generate revenue from these sources.

Activities of production of chemicals, weapons or tobacco

All values are null. The company does not generate revenue from these sources.

Sustainability goals for products, services, customers, and markets

Electromontaj's strategic sustainability goals include reducing Scope 1 and 2 emissions, increasing selective collection in factories, and increasing energy efficiency.

Assessing services against sustainability goals

Installation and execution services shall be assessed on an annual basis on the basis of their contribution to reducing the carbon footprint and adapting to climate risks.

Strategy elements related to sustainability issues

The company's sustainability strategy provides for the expansion of lower emission production capacity, increased digitization of ESG flows. These directions are integrated into the operational and budgetary plan, with dedicated allocations and clear implementation deadlines.

Description of the business model and value chain

The Electromontaj business model is vertically integrated, including all stages, from material acquisition, design and execution to delivery and maintenance. The value chain covers upstream (steel, zinc, energy, cement, logistics) and downstream (final customer, contracting authorities, communities) operations. This positioning allows the company to effectively manage ESG risks and influence sustainability performance throughout the project lifecycle.

In this context, Electromontaj Headquarters, located in Bucharest, Romania, is the coordination center of the entire value chain and a decision point on the sustainability strategy of the company. This site coordinates activities and ensures the implementation of environmental, social and governance policies, according to the requirements of ESRS S1 (impact on employee rights) and ESRS G1 (corporate governance and risk management).

Within the value chain, Electromontaj plants in Campina and Bucharest, which produce essential components for electrical infrastructure, play a significant role in implementing measures to reduce carbon emissions and resource consumption. Production in these units involves significant energy use, and the company monitors energy consumption and CO2 emissions associated with industrial processes, according to the requirements of ESRS E1 (environmental impact and climate change). The transport of raw materials and finished products between production and installation locations is a key step in the Electromontaj value chain. In accordance with ESRS standards E1 and E2 (direct emissions of CO2 and pollutants), the company has implemented measures to optimize routes and transport.

Within the Electromontaj operations in various national and international locations (Bucharest, Bacau, Craiova, Finland, Cyprus), the company ensures that the construction process complies with local environmental and social regulations and standards. In terms of waste management, Electromontaj has adopted strategies to reduce waste generated during manufacturing and construction processes. Waste, from the galvanizing process and other industrial processes, is managed according to the applicable environmental regulations and is subject to recycling and reuse processes.

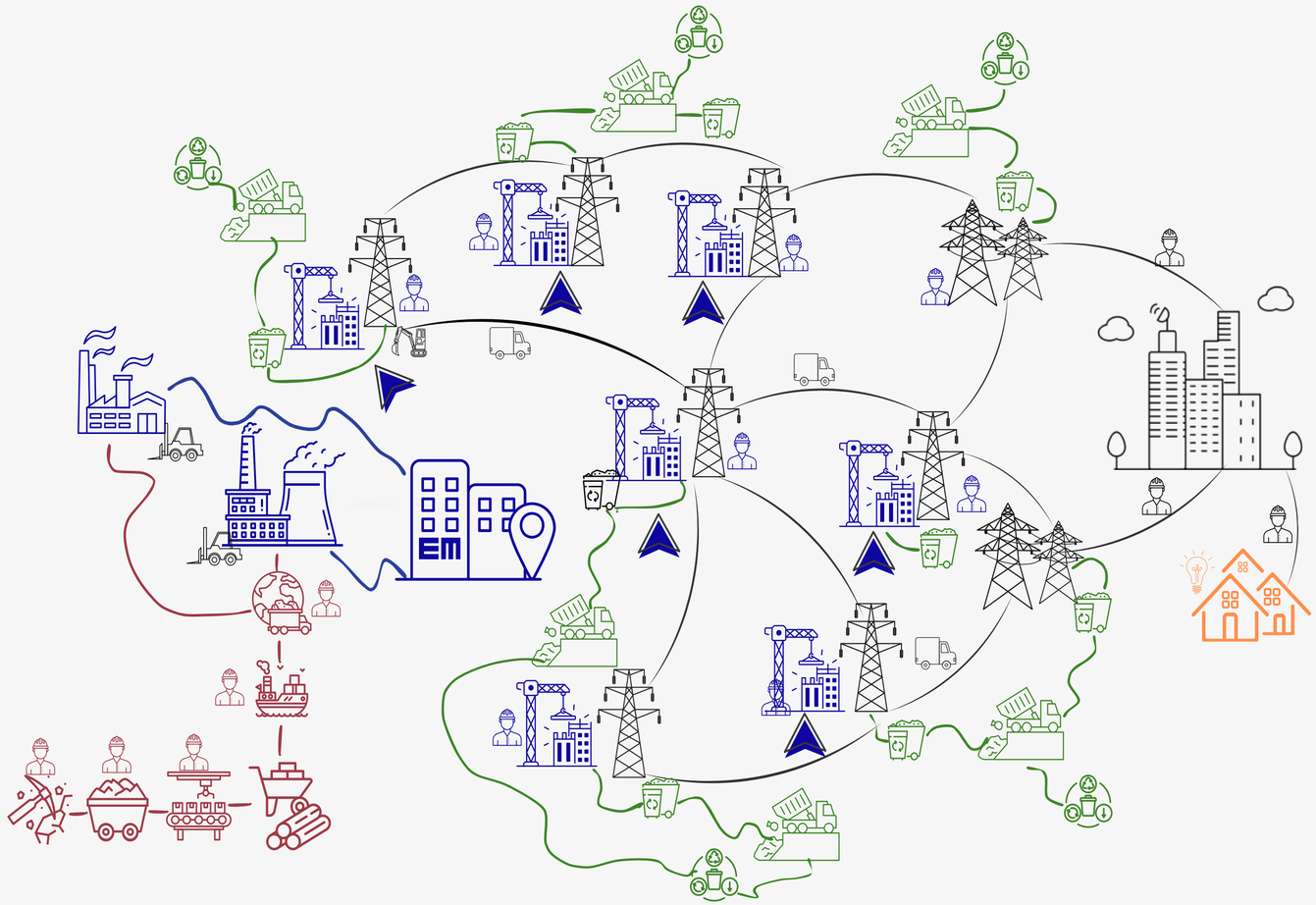
In conclusion, the activity of Electromontaj SA focuses on the development and implementation of projects that support the continuous and safe power supply, critical infrastructure and interconnected networks. In this context, the company takes an active role in facilitating the energy transition, by strategically targeting the integration of renewable energy sources and the significant reduction of greenhouse gas emissions, in particular the carbon footprint associated with operational and logistic activities.

Given the technical specificity and complexity of the energy sector in which it operates, Electromontaj has adopted an integrated approach to sustainability, systematically reflected in the technical requirements and performance criteria included in the contractual documentation and specifications of each project. This approach translates into the implementation of strict standards regarding compliance with environmental legislation, energy efficiency of technological processes, conservation of natural resources and mitigation of social and ecological impact in the communities in which it operates. The value chain of Electromontaj SA thus becomes a strategic tool through which the company strengthens its commitment to sustainable development goals, assuming in a transparent and quantifiable manner the responsibilities related to climate change, resource efficiency and social equity. In accordance with the requirements of the CSRD Directive and the European Sustainability Reporting Standards (ESRS), Electromontaj integrates principles of responsible governance and mechanisms for monitoring ESG performance at all stages of its projects. The final objective is to support a just transition towards a circular, low-carbon economy in line with the European Green Deal and the strategic directions for adaptation to climate change.

Electromontaj SA value chain

Details:

- Headquarters Electromontaj
- Galvenized Pole Factory
- Clamps and Fittings Factory
- Branches (Bucharest, Pitesti, Bacau, Craiova, Finland, Cyprus, Republic of Moldova)
- Materials procurement
- Final Consumers of electricity
- Power Supply to the city
- Transport in operations
- Waste resulted in operations
- Projects resulting from Downstream operations and value chain
- Upstream value chain starting from raw material extraction



Description of resource insurance inputs and methods

The main inputs are ferrous materials, concrete, electrical equipment, and energy. Their insurance is done through direct contracts, evaluated on technical, economic criteria and progressively ESG. Procurement procedures are standardized and integrated with SMI.

Description of services and results for customers, investors, and other stakeholders

Services consist of the construction of functional and sustainable energy infrastructure. Customer benefits include operational efficiency and operational safety. Communities benefit from connectivity, jobs and technology transfer, and authorities get tools to adapt to climate change.

Positioning of the company in the value chain (upstream and downstream)

Electromontaj is positioned as a key integrator and operator in the energy infrastructure supply chain. Upstream, work with strategic industrial suppliers; downstream, serve critical energy networks, public and private customers, and benefit from synergies from participation in major regional energy transition projects.

SBM-2 Interests and views of stakeholders

Description of the stakeholder involvement process

Electromontaj initiated a systematic stakeholder engagement process designed to structurally collect opinions, expectations, and concerns about the company's ESG impacts and performance. This process is conducted annually and is complemented by one-off initiatives, depending on projects with high material risk or the themes analyzed in the ESRS reporting. The main data collection platform is an online questionnaire & addresses all relevant categories of stakeholders. It is supported by bilateral meetings, focus groups and ad hoc consultations.

Description of key stakeholders

The key stakeholders for Electromontaj are customers (both public and private), suppliers and subcontractors, employees and trade unions, local and central public authorities, investors, banking institutions, civil society organizations. The relevance of these stakeholders is established through impact and influence analysis in the context of business strategy and activities.

Description of the categories of stakeholders for which the involvement takes place

The engagement process covers four main categories of stakeholders:

- Internal stakeholders: employees, management, trade union structures.
- Business stakeholders: customers, suppliers, partners, financing institutions
- Community-type interested parties: local and central public authorities.
- Stakeholders of societal and institutional type: NGOs.

Description of how to organize the involvement process

The stakeholder engagement process is coordinated by the company's sustainability structure, with support from the Financial, Legal, HR, Production and Commercial departments. The general questionnaire is digitally distributed, and in the case of complex topics or strategic impact (e.g., ESG financial risks), dedicated working groups are set up – as is the case of the advisory group with representatives of the financial department. The collected data is analyzed centrally, and the results are interpreted quantitatively and qualitatively.

The purpose of stakeholder involvement

The main purpose of the involvement is to obtain an external and realistic perspective on the material impacts generated by the Electromontaj activity. In addition, the involvement of stakeholders supports substantiation of dual materiality analysis, outlining ESG objectives, prevention of social conflicts in projects and strengthening the social legitimacy of the company in relation to communities and investors.

How the results of engagement are considered

The results of the consultations shall be used directly in materiality analysis, in updating the action plans and in prioritizing ESG initiatives. The conclusions are also used to update operational documentation and internal reporting to management.

Understanding the interests and views of key stakeholders

Based on the double materiality analysis, we identified areas of high relevance both from the perspective of the company's impact and from the perspective of risks and opportunities for stakeholders. Areas such as Governance, Pollution, Climate change, Circular Economy, and Own Workforce have been marked as material, indicating a significant convergence between company priorities and stakeholder expectations.

Main stakeholders include:

- **Employees** - concerned about working conditions, job stability, and development opportunities;
- **Investors and internal management** - are interested in long-term governance and sustainability risks
- **Authorities and regulators** - interested in complying with legal requirements and adopting responsible practices, especially in areas such as „Circular Economy" and „Governance."

Changes to the strategy and/or business model

Based on stakeholder involvement and the ESG analyses conducted, the company-initiated updates of some components of the operational strategy, such as increasing the digitization of ESG processes.

How the strategy and/or business model have been or will be modified to meet the views of stakeholders

The proposed changes aim to improve the company's ability to meet the requirements of transparency, accountability, and sustainable performance. Plans include broadening stakeholder engagement on sensitive projects.

Planned additional steps and estimated deadlines

By the end of 2025, Electromontaj plans to: develop ESG training modules for employees; prepare NOx reporting mechanisms within international projects following the consultation of clients on an ad hoc basis.

The possible effects of these steps on the relationship with stakeholders

The planned measures are likely to strengthen trust relations with stakeholders and strengthen the company's reputation as a responsible player in energy infrastructure. Decision-making transparency, clarity of communication and the level of response to social and environmental concerns are expected to increase significantly.

How management is informed about the views of stakeholders

The Sustainability Department periodically summarizes the results of the consultations and communicates them to the management through annual reports, materiality analyses, and dedicated meetings within the Sustainability Department. These summaries are used for decision-making related to prioritization of actions, adaptation of internal policies and compliance with ESRS standards.

SBM-3 Material impacts, risks, opportunities and interaction with business strategy and model

Description of material impacts resulting from the double materiality analysis

The double materiality analysis conducted by Electromontaj allowed the identification of a set of material sustainability-relevant impacts grouped into the three ESG categories. These include generation of GHG emissions from construction and logistics processes, social impacts from working conditions and occupational safety.

Within the process of identifying material impacts, the methodological principles set out in ESRS 1, including the assessment of the link between ESG risks and the business model, on short, medium and long horizons, were applied. The information will be progressively updated as data becomes available in ESG digital systems implemented from 2024.

Description of material risks and opportunities resulting from the double materiality analysis

The material risks identified include volatility of European regulations and ESRS, reputational risks due to lack of social transparency in external projects and physical climate risks. On the other hand, the opportunities identified include increased demand for sustainable electricity infrastructure, technological innovations in electrification and automation, and more favorable access to green finance.

Current and anticipated impacts, risks and material opportunities on business model, value chain, and strategic decisions

The effects of material ESG impacts are manifested by the need for digitization of the value chain for traceability, the adjustment of the procurement model to reduce dependence on suppliers with high carbon footprint, and the strategic orientation towards low footprint installation services. The company strategy has been adjusted to include ESG relevant KPIs.

Description of how positive and negative impacts affect people and/or the environment

Negative impacts affect local populations through noise, dust, deforestation, or habitat disruption. The positive ones include: expanding access to electricity infrastructure, creating local jobs, and contributing to the energy transition. The company monitors these effects through quantitative indicators and regular consultations.

Connection between material impacts and business model

The identified impacts are closely related to the business model, as Electromontaj operates in sectors that involve high-impact activities from the construction phase. For example, emission generation and resource use are inherent in the process of assembling electrical infrastructure.

Estimated time horizons for material impacts

ESG impacts were assessed and ranked according to the estimated time horizon:

- **Short (1-2 years):** operational emissions, risks of non-compliance.
- **Medium (3-5 years):** reputation impacts, emerging sustainable technologies.
- **Long (>5 years):** physical climate risks, major legislative changes.

Description of the nature of the business activities or relationships by which the company participates in material impacts

Impacts are generated through own activities (production, assembly), but also through business relationships with suppliers (Scope 3), subcontractors, or logistics partners. Supply chain assessment is essential to quantify indirect impacts.

Current financial effects of material risks and opportunities

ÎIn assessing the current financial effects of risks and opportunities, several pre-defined options have been analyzed reflecting possible ways in which these risks or opportunities can financially affect the company. For each identified risk or opportunity, an appropriate impact was allocated, based on internal analysis. Among the options available were: business interruption driven by changes in costs, demand, labor market friction, disputes, productivity declines or material damage; volatility in raw material prices (acute and chronic); determination of the price of externalities (chronic); blocked assets (acute and chronic); and adjustment or relocation of activities (chronic), for reasons such as change in costs, demand, and labor market friction, litigation, productivity drops or recurrent material damage. Also included was the

option of „Destruction of capital" in case of extreme risks. As regards opportunities, they have assumed a positive financial effect on the company, by increasing turnover due to adaptation to market changes, alignment with sustainability regulations or increased demand from customers.

Early financial effects in the short, medium and long term

As regards the breakdown of financial effects of material risks and opportunities in the short, medium, and long term, Electromontaj uses the following temporal classification:

- **Short-term (1–2 years):** include risks or opportunities that can generate immediate financial effects or in the next two financial years. These may include, for example, business interruption caused by material damage, ongoing litigation, or rapid changes to the claim.
- **Medium-term (3–5 years):** refers to effects that may become significant in a medium strategic planning horizon, such as relocation of activities, labor force adjustments or systematic changes in costs and productivity.
- **Long-term (>5 years):** includes anticipated effects from systemic or structural risks such as climate change, determination of the price of externalities, prolonged volatility of raw material prices or possible capital destruction. These are considered in long-term resilience and adaptation scenarios.

The ability of the business model to respond to material impacts

Electromontaj has integrated ESG management into its corporate strategy so that risks are identified early and opportunities can be capitalized.

Changes in material impacts compared to the previous reporting period

2024 is the first full year of application of the double materiality methodology, so there are no significant comparable changes, but an annual update process is foreseen.

Specifications on impacts covered by ESRS and entity-specific ones

Most of the impacts identified are covered by ESRS E1, E2, E5, S1 and G1 thematic standards. Some contextual risks are entity-specific and will be reported in additional sections specific to the Electromontaj context.

IRO-1 Description of the process of identification and analysis of material impacts, risks, and opportunities

Description of methodologies and assumptions applied in the identification process of impacts, risks, and opportunities

Electromontaj uses a mixed methodology, based on external scientific sources (such as ENCORE and WWF Risk Filters), completed with internal expertise and the specifics of the sector in which it operates. The identification process involves classifying activities according to ISIC codes, applying a multi-criteria scoring system (severity, probability, irremediable character) and determining the extent of the impact. These scores are calculated automatically in a dedicated Excel file using validated formulas to ensure consistency and traceability. Key assumptions include separating impacts into current vs. potential and positive vs. negative, as well as differentiating between the level of control exercised by the company over the impact (directly or indirectly).

Description of the identification process, evaluation, prioritization and monitoring of potential and actual impacts on people and the environment, informed through the due diligence process

The process is anchored in due diligence principles and includes standardized tools such as the Stakeholder Materiality Questionnaire and internal desk review. These are complemented by consultation sessions and workshops. Impacts are analyzed in terms of scale, scope and irremediability (for negative ones), and positive ones are analyzed according to the potential for generating sustainable benefits (scale and scope). Priority setting is done through a matrix that includes both quantitative data and qualitative inputs from the sustainability team.

Description of how the process focuses on activities, business relationships, geographies, or other factors that may generate an increased risk of negative impacts

The materiality analysis considers the main activities of Electromontaj, such as energy constructions, the installation of power lines and the manufacture of metal components, correlating them with the relevant geographical locations, such as Bucharest or Câmpina. Special attention is paid to areas of high ecological risk, for example those affected by water stress or biodiversity loss. In addition, business relationships with suppliers and subcontractors are assessed, particularly where there is exposure to non-sustainable practices or lack of transparency in the supply chain.

Description of how the process considers the impacts in which the company is involved through its own operations or through business relationships

The evaluation process includes both direct impacts, generated through internal operations (e.g.: emissions from installation activities), and indirect, upstream, and downstream impacts (e.g.: extraction of raw materials, transport of components, use by the customer). These are mapped by a value chain analysis.

Description of how the process includes consultation with affected stakeholders and external experts to understand how they may be affected

Stakeholder consultation is conducted through a structured online questionnaire aimed at assessing the perception of ESG impacts. Participation includes employees, clients, partners, local authorities, and relevant NGOs. The weights of the answers are integrated into the materiality score (30%). For the accuracy of the interpretation of the data, the company collaborated with internal experts, who provided validations on the results obtained from sources such as ENCORE or WWF WRF.

Description of how the prioritization process negative impacts by severity and probability, and positive impacts by scale, scale, and probability, and determines what aspects of sustainability are material

Negative impacts are classified according to three fundamental criteria: scale (intensity of effect), scope (number of people or ecosystems affected), and irremediable character (possibility to repair damage). For positive impacts, the analysis se based on scale and scope. Based on the cumulative scores, the material subjects to be reported are determined according to the threshold set internally. For both negative and positive potential impacts probability was accounted too.

Description of the process used to identify, assess, prioritize, and monitor risks and opportunities with potential financial effect

The company applies a „heatmap" methodology, where risks are classified according to the probability of occurrence and the magnitude of the financial impact. The evaluation is done in the short, medium and long term, and the results are validated in interdepartmental sessions. Opportunities (e.g.: funded projects or increased demand for green infrastructure) are integrated into the same analysis grids.

Description of how the links between impacts, dependencies and the resulting risks or opportunities were analyzed

Dependencies on natural capital (e.g.: water, soil, mineral resources) and related impacts (e.g.: pollution, biodiversity loss) are assessed. These are then correlated with emerging risks or opportunities, such as relocation of operations, litigation, or implementation of sustainable technical solutions.

Description of how the likelihood, magnitude, and nature of the effects of the identified risks and opportunities were assessed

For each risk/opportunity an analysis sheet is completed containing a scale from 1 to 5 for probability and magnitude. The nature of the effect is classified according to acute or chronic character, source (internal/external), and channel of manifestation (direct/indirect). The results are automatically integrated into the final score.

Description of how sustainability risks are set as priorities in relation to other types of risks

ESG risks are viewed comparatively and with an integrated approach with the general list of organizational risks. A comparison system with financial, operational or compliance risks is used.

Description of the decision-making process and internal control procedures

Decisions on the treatment of ESG risks and opportunities are made by the sustainability team and are controlled by the Board of Directors. Internal control procedures include documentation of each decision, traceability of data and verification of results through periodic internal audits.

Description of the degree to which and how the process of identifying, assessing, and managing impacts and risks is integrated into the overall risk management process

Although the DMA process is closely correlated with the general risk management system within Electromontaj, the two are treated distinctly but comparatively. Integration is achieved by using parallel but compatible assessment methodologies that allow ESG risks being correlated with operational, financial, and strategic ones.

Description of the degree to which and how the process of identifying, assessing, and managing opportunities is integrated into the overall management process

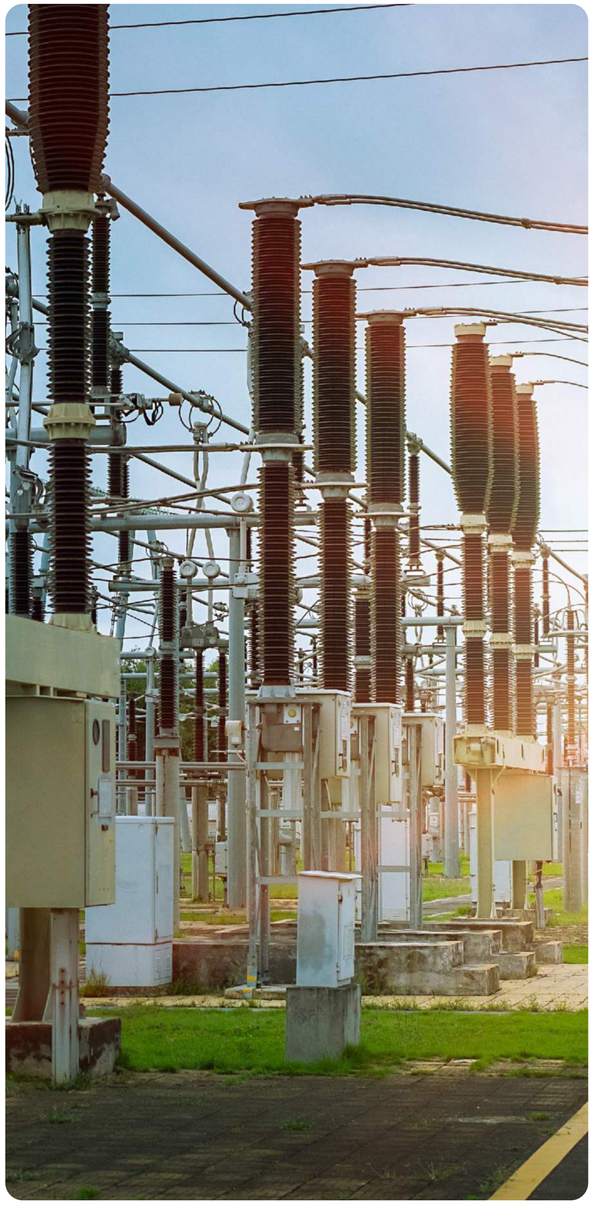
Opportunities are treated symmetrically to risks – through identification, probability and magnitude assessment and integration into strategic planning. Innovative projects or identified growth areas are included in the investment programme and sustainable development strategy.

Description of the parameters used in the process of identifying, evaluating, and managing impacts, risks, and material opportunities

The parameters used are severity, extent, irremediability (for impacts), probability and magnitude (for risks/opportunities), time horizon (short, medium, long), positioning in the value chain, type of impact (direct/indirect), All these parameters are automated in the Excel analysis file.

Description of how the process of identifying, assessing, and managing impacts, risks and opportunities has changed from the previous reporting period

In the current period, the process has been significantly improved by integrating data from ENCORE, WWF Biodiversity Risk Filters, using the Material Flows database to validate indirect impacts, and digitizing scores through automated formulas. A new mechanism for standardized external consultation was also introduced, which did not exist in the previous period.



IRO-2 Disclosure of ESRS requirements covered by Electromontaj sustainability report

Publication of the list of data points deriving from other EU legislation and information on their location in the sustainability statement

The full list of data points derived from other EU regulations (such as the "EU Taxonomy Regulation") was mapped and included as a chapter in the sustainability report.

Publication of the list of ESRS reporting requirements complied with in the preparation of the sustainability statement following the materiality assessment

The Sustainability Statement includes a complete list of applicable ESRS requirements. According to the results of the double materiality assessment, the following thematic standards were considered material: ESRS E1 (Climate Change), ESRS E2 (Pollution), ESRS E5 (Circular Economy), ESRS S1 (Own Workforce) and ESRS G1 (Business Conduct). These are developed in detail in the central sections of the report. The other standards were considered non-material, this being explained punctually below.

Explanation on positive materiality assessment for ESRS E1 – Climate change

The subject of climate change has been classified as material because the company's activities involve the use of equipment and processes with an energy impact, and indirect emissions (Scope 2 and 3) are significant in the value chain. Also, the physical risks associated with climate change, including heat waves or extreme weather events that may affect the continuity of operations. Customers and investors have indicated the importance of this topic in consultations.

Explanation on positive materiality assessment for ESRS E2 – Pollution

The pollution standard was considered material in the context of installation and construction activities, which involve the use of chemicals (e.g., industrial paints, lubricants) and waste generation. Although no major incidents have been recorded, the possibility of uncontrolled emissions or soil contamination requires close monitoring. According to local regulations, the company is subject to environmental reporting obligations, which reinforces the material character of this subject.

Explanation on negative materiality assessment for ESRS E3 – Water and marine resources

The company does not operate in sensitive marine or aquatic areas and does not use water as a critical resource in its activities. There are no identified risks of discharges or excessive water consumption, and stakeholders have not indicated this topic as a priority.

Explanation on negative materiality assessment for ESRS E4 – Biodiversity and ecosystems

Previous environmental assessments have not identified direct or indirect material impacts on ecosystems. For this reason, the theme has not reached the established materiality threshold.

Explanation on positive materiality assessment for ESRS E5 – Circular economy

Circular economy has been identified as material due to the high potential to optimize the use of resources in projects and the increasing pressure from institutional clients for sustainable practices. Recycling of metal materials, reduction of waste and incorporation of circularity principles are essential aspects for increasing competitiveness and reducing costs.

Explanation on negative materiality assessment for ESRS S2 – Value chain workers

The company's suppliers are international, operating in regulated fields. No systematic risks of forced labor, child labor or human rights violations were identified. Supplier selection policies include social and ethical criteria.

Explanation on negative materiality assessment for ESRS S3 – Affected communities

Electromontaj activities take place in urbanized or industrial areas and do not involve displacement, degradation of the quality of life or major impacts on local communities. The questionnaires distributed did not indicate major concerns on the part of the public.

Explanation on negative materiality assessment for ESRS S4 – Consumers and end users

The company does not offer products or services directly to individual consumers. Customers are legal entities (energy operators, authorities), and the relationship with end users is indirect, with little control over their experience.

Explanation on positive materiality assessment for ESRS S1 – Own workforce

Own workforce represents a strategic pillar for Electromontaj. In a sector with a shortage of qualified technical personnel, the retention, health, and training of employees are essential priorities. The company monitors key indicators such as the frequency of work accidents, the rate of absenteeism and the degree of involvement in organizational well-being and occupational safety programs, which gives this subject a material character.

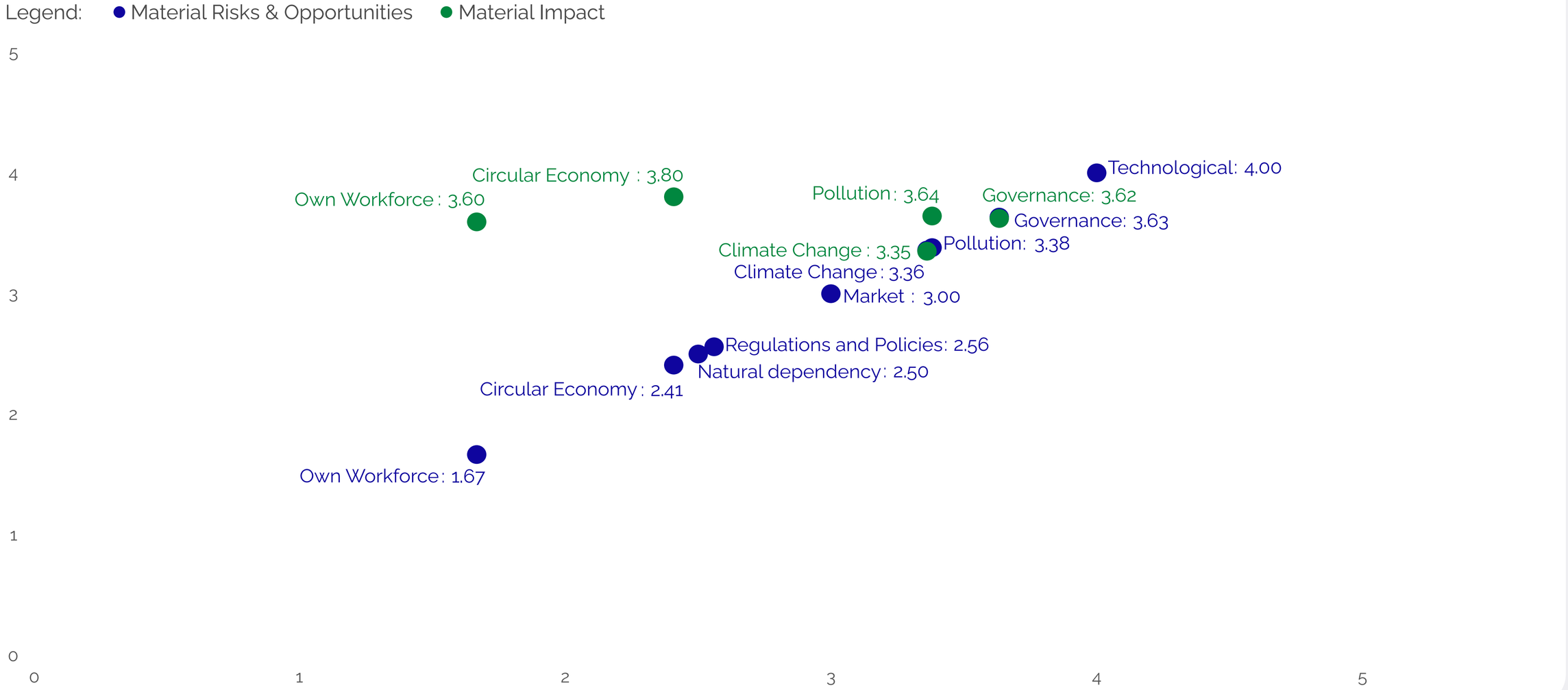
Explanation on positive materiality assessment for ESRS G1 – Business conduct

Ethics and corporate governance are essential areas for the reputation and healthy functioning of the company. Electromontaj has clear integrity, anti-corruption, and whistleblower protection policies in place. Internal evaluations and independent audits confirm the importance of this topic for investors, partners, and authorities. Exceptionally, the subject of Animal Welfare was determined to be non-material, considering both the very low score from both the interested parties and the focus groups.

Explanation of how the material information to be disclosed has been determined in relation to material impacts, risks, and opportunities

The information considered material was determined through a structural process: quantitative scoring (significanceprobability), stakeholder consultations, financial risk analysis, and linkage with company strategy. Only those themes that meet impact relevance and/or economic significance in the medium-long term have been selected.

Double Materiality Matrix (Material Impacts, Risks, and Opportunities)



Climate Change

SECTION CONTENT

05

E1 related to ESRS 2 GOV-3 – Integration of performance related to sustainability in financial stimulation systems

1. Inclusion of climate considerations in the remuneration policy of members of governing bodies

Currently, climate change issues are not formally included in the remuneration policy of the members of the supervising cmittees, the management team, and the Council of Administration. However, Electromontaj is analyzing the possibility of introducing performance criteria related to sustainability, such as reducing greenhouse gas emissions or increasing the share of eligible projects according to the EU Taxonomy, in the structure of future bonuses. This option will be assessed in the framework of the update of the remuneration policy in the next financial year.

2. Percentage of remuneration related to climate considerations

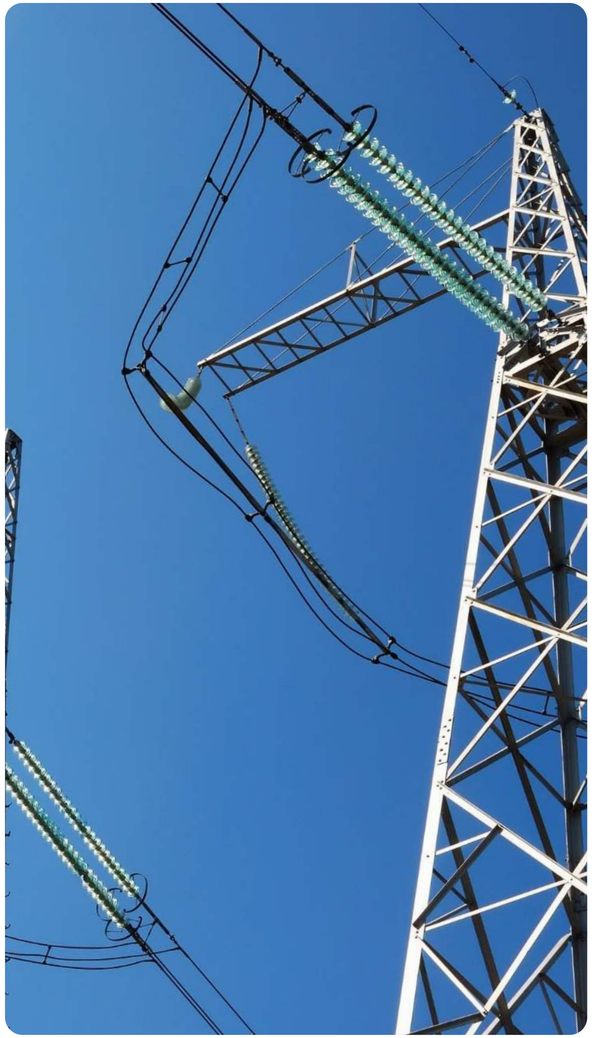
In the 2024 financial year, Electromontaj did not allocate an explicit percentage of the variable remuneration of the members of the management for climate objectives or related to the transition to neutrality.

3. Explanation of climate considerations included in remuneration

Should these elements be adopted, climate objectives will be part of the company's ESG strategy and the assessment of individual performance will consider:

- Implementation of the emission reduction plan, in accordance with the established annual targets.
- Progress in aligning Electromontaj projects with EU Taxonomy requirements.
- The degree of transparency and accuracy of climate data presented in sustainability reports.

In this regard, the remuneration policy will include clear performance indicators and mechanisms for external verification of the progress achieved.



E1-1 Transition plan for climate change mitigation

Transition plan for climate change mitigation

Electromontaj is working on the development of a transition plan to reduce greenhouse gas emissions, in line with the requirements of the Paris Agreement.

This plan will integrate short, medium, and long-term measures and set priority actions to decarbonize operations and the supply chain.

Compatibility of targets with limiting global warming to 1.5°C

Emission reduction targets will be formulated to be compatible with the 1.5°C trajectory, according to the Science-Based Targets (SBTi) methodology. Currently, Electromontaj has analyzed Scope 1 and 2 emissions to establish scientifically validated trajectories.

Decarbonization levers and key actions

Among the decarbonization levers identified are the electrification of sites, energy efficiency of factories, the use of low-impact materials and renewable energy partnerships. Key actions will be set as priorities according to impact and technical feasibility.

Operational expenditure and related capital investment

For the implementation of the transition plan, the allocation of resources in the form of operational expenses (OpEx) and capital investments (CapEx), dedicated to energy efficient equipment, electrification of construction sites and digitization of processes, is foreseen.

GHG emissions blocked (locked-in)

Electromontaj recognizes the risk generated by existing high-emission assets, such as diesel generators used on construction sites. In the absence of an accelerated transition, this equipment can lead to locked-in emissions that affect the achievement of climate goals.

Objectives regarding the alignment of CapEx / OpEx with Taxonomy

Electromontaj aims to align CapEx and OpEx with the DNSH and substantial contribution criteria defined in Delegated Regulation 2021/2139. This is reflected in the planning of investments in eligible equipment and processes.

Significant investment in coal / oil / gas related activities

Electromontaj has no significant investments in coal, oil, or gas related activities. The company's portfolio focuses on electrical, renewable and energy efficiency infrastructure.

Integrating the transition plan into business strategy

The transition plan will be designed to support the company's strategic objectives of sustainability, operational resilience, and competitiveness.

Management approval of the plan

The transition plan will be submitted to the Board of Directors for approval in 2026, following the publication of the first Sustainability Report under the CSRD.

Progress in implementation

In 2024, Electromontaj started preliminary actions such as the audit of the equipment within the factories, and the identification of eligible projects according to the EU Taxonomy. Progress will be monitored annually.

Date of adoption of the plan

The formal adoption of the transition plan is planned for 2026, in the context of the launch of ESRS audited reporting.

E1 related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and interaction with strategy and business model

Types of climate risks identified

Electromontaj identified both chronic physical risks (e.g., increase in average annual temperatures) in a medium-long time horizon, as well as acute risks (e.g., heat waves, storms, intense precipitation) with significant impact on direct operations and the supply chain. The analysis was based on RCP 4.5 and RCP 8.5 scenarios for the years 2040, 2070 and 2100, using integrated data from the IPCC and climate sources specific to the locations assessed (Romania; Moldova; Cyprus; Jordan; Finland).

Description of the scope of resilience analysis

The resilience analysis included all production units (factories in Bucharest and Campina), administrative centers and international construction sites active during the reference period. Both physical assets and logistics flows, installed energy infrastructure and supply chain continuity were assessed. The unit of analysis was the "location-operation".

Methodology used for climate resilience analysis

The assessment was based on its own methodology adapted to the TCFD guideline, including the following steps: identification of climate hazards, assessment of exposure and vulnerability, risk mitigation by the impact-probability matrix method, and development of adaptation scenarios.

Time horizons applied in the analysis

Three different time horizons were used compared to those defined by the ESRS: short (until 2030), medium (2030-2040) and long (2040-2100). Each climate scenario (RCP 4.5 and 8.5) was applied to all locations, to capture the spatial variability of risks.

The ability to adapt and adjust the strategy and business model

Electromontaj started a program to digitize internal flows, electrify industrial processes, and increase energy autonomy (including solar panels in the FSMZ factory), as measures to reduce vulnerability and increase the adaptability of operations to climate change. The measures have been integrated into the Sustainability Strategy and will be reviewed annually according to new climate data and performance monitoring results.

Climate Resilience analysis results

Climate risk analysis results – aggregate scores per location

The climate risk analysis applied to the company's assets generated aggregate scores for each location, based on nine relevant factors: change in average temperature, extreme precipitation, heat waves, changes in wind speed, surface runoff, and the impact of heat stress on labor productivity.

Composite scores were calculated based on a temporal double – weighting (with a focus on the short and medium term) and scenario-based (favoring moderate scenarios RCP4.5) – to reflect both operational emergencies and long-term climate trends.

Most vulnerable locations identified following consolidation of scores are:

- **FSMZ – Galvanized Metal Post Factory**: 3.24
- **FCA – Clamp and Fittings Factory**: 3.14
- **Bucharest Headquarters**: 3.14
- **Jordan Branch**: 3.12
- **Cyprus Branch**: 3.08
- **Finland Branch**: 3.09
- **Netherlands Branch**: 3.09

These locations show high exposure, particularly to **heat waves, increases in average temperature** and **thermal stress associated with human activity**, being amplified in certain cases (e.g. Cyprus, Jordan) of pre-existing climatic conditions (aridity, high reference temperatures).

In Romania, the units **FSMZ**, **FCA** and **headquarters in Bucharest** records comparable scores caused by combined exposure to **atmospheric instability**, **extreme precipitation, changes in the hydrological regime** and **thermal impact on equipment and employees**.

Locations with average scores (between 2.95 and 3.00) include:

- **Bacau Branch** – 2.98
- **Craiova Branch** – 2.97
- **Pitesti Branch** – 2.97

They present moderate but recurrent climatic risks, particularly associated with heat waves and changes in rainfall and river flow.

Lowest scores registered in:

- **FSMZ/SIS (Testing Pole Station)** – 2.70
- **Moldova Branch** – 2.95

These locations appear to be currently less exposed to major climate risks but maintain a potential vulnerability that needs to be monitored over time.

E1 related to ESRS 2 IRO-1 - Description of processes for identifying and assessing significant climate-related impacts, risks, and opportunities

Process description on impacts on climate change

Electromontaj has developed an integrated process for evaluating the impacts on climate change through carbon footprint analysis, double materiality, and climate risk analysis. This process includes the analysis of own impacts on the climate (carbon footprint-Scope 1, 2 and 3) and how climate change can affect the activity of society (physical-acute and chronic and transitional risks), according to ESRS E1-1 and ESRS 2 IRO-1.

Process description on climate-related physical risks (Climate Risk Analysis)

The following branches were considered in this climate risk analysis **with activity** of Electromontaj SA:

- Headquarters - the analysis considered the activity of electrical assembly constructions
- Galvanized Metal Pole Factory (“FSMZ”) - the analysis took into account the activity of metal pole production and energy production through photovoltaic panels
- The Clamps and Fittings Factory (FCA) analysis took into account the production activity
- The Bacau branch analysis considered the activity of electrical assembly constructions
- The Bucharest branch analysis considered the activity of electrical assembly constructions
- The Craiova branch analysis considered the activity of electrical assembly constructions
- The Pitesti branch analysis considered the activity of electrical assembly constructions
- The Finland branch analysis considered the activity of electrical assembly constructions
- The Cyprus branch analysis considered the activity of electrical assembly constructions
- The Moldova branch analysis considered the activity of electrical installation constructions
- The Netherlands branch analysis considered the activity of electrical assembly constructions
- The Jordan branch analysis considered the activity of electrical assembly constructions

Since the company Electromontaj SA mainly carries out an electrical construction-installation activity, it was considered that the headquarters located in Romania, Bucharest could be the object of the climate risk analysis on the infrastructure it owns.

On the other hand, considering the operational control exercised by Electromontaj SA over its branches as well as its financial control, they were chosen to be the subject of climate risk analysis.

Since branches outside Romania carry out construction-installation activities in several areas of the countries where they are located, it was chosen to pursue a climate risk analysis at a lower granularity, i.e. at the country level. In the case of Romania, considering that both the headquarters, the factories and various branches are located, it was chosen to carry out an analysis at a higher granularity, respectively at the level of the geographical area of Romania, in accordance with the division offered by the European Climate Data Explorer.

Alignment of Climate Risk Analysis with the Integrated Management System

According to the Manual of the Integrated Management System of Electromontaj SA, approved in November 2024; in determining risks and opportunities, the organization uses SWOT and PESTEL techniques. Also, to treat determined risks and opportunities, the organization plans actions (implement actions), examines and evaluates the effectiveness of the actions taken.

The entire current analysis is done by complying with the provisions of the Manual.

Methodological approach

For each of the previously mentioned entities, the climate analysis considered several factors with potential impairment (receptors) in cases of climate hazard. Therefore, below can be found a breakdown per entity with possible affected receptors.

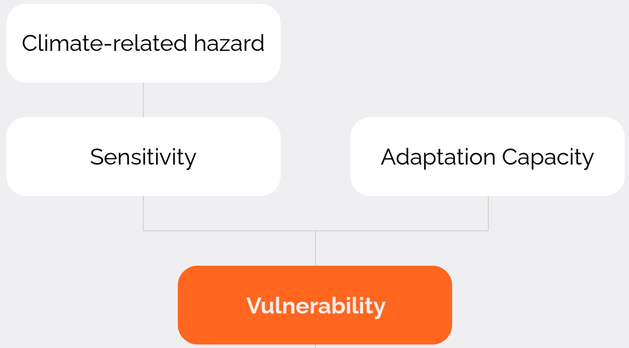
Entity	Persons
Bucharest Headquarters	494
FSMZ	150
FCA	76
Bacau Branch	153
Craiova Branch	162
Pitesti Branch	194
Finland Branch	44
Netherlands Branch	33
Moldova Branch	0
Jordan Branch	1
Cyprus Branch	11

Buildings, Technological equipment (machinery, machinery, work installations), Means of transport, Land

The following general steps are considered for risk determination

Action 1:
Preparing the bases for the the analysis

Action 2:
Vulnerability Analysis



Action 3:
Future scenarios

Action 4:
Impact Analysis

Magnitude and frequency

Action 5:
Risk Analysis

Probability

Identification of short-, medium- and long-term climate hazards

As part of the strategic climate risk assessment exercise, Electromontaj carried out in 2024 an exhaustive, much source and territorially differentiated analysis, aimed at identifying the typologies of climate hazards that can affect the company's operations globally. High-resolution climate models, georeferenced climate maps and national data from official meteorological institutes were used. Nine hazard categories were selected based on historical frequency, projected severity, and inter-model coherence: heat waves (H1), hydrological and agricultural drought (H2–H3), river and rain floods (H4–H5), severe storms (H6), wildfires (H7), sudden frosts (H8), sea level rise (H9), seasonal thermic Instability (H10).

The evaluation was carried out differently over three-time horizons, according to the IPCC AR6 methodology: short term (2024–2030), medium (2030–2040) and long (2040–2100). The analysis highlighted a **concentration of high climate risks in Cyprus, Jordan, and southern Romania**, where aggregate scores exceed the value of **3.1**. In these locations, **significant increases in average annual temperatures** (up to +3.3°C in some scenarios), accompanied by a **increased frequency of heat waves** and a sharp impact on **labor productivity due to heat stress**. In the case of Cyprus and Jordan, these risks are amplified by **already arid climatic conditions** and of **forecast fall in rainfall** in the warm season.

In locations in Romania such as **FSMZ**, **FCA** and **Bucharest Headquarters**, risk scores lie between **3.14** and **3.24**, reflecting a **simultaneous exposure to increased temperatures, extreme precipitation, atmospheric instability and changes in the hydrological regime**, including surface runoff. These phenomena can affect infrastructure integrity, equipment efficiency and working conditions for employees.

Filtering the assets exposed to climate hazards

The valuation of the company's assets was carried out through a systematic process of geospatial overlap (GIS) of each operational point: factories, headquarters, international construction sites, warehouses and temporary infrastructure – with climate risk maps. These maps were constructed using synthetic indicators such as the Drought Severity Index (SPEI), the Heat Wave Index (HWI), the historical and projected probability of floods 1:50 and 1:100, and composite climate risk scores issued by the Joint Research Centre of the European Commission.

Each asset was associated with a total risk score calculated by a composite function:

Climate_risk = Intensity (Hazard) × Degree exposure × Degree sensitivity

Relevant examples:

- The FSMZ plant recorded a medium-high risk score for drought and heat waves, but a low one for floods.
- The high-voltage construction site in Amman has been classified as a very high climate risk for heat waves, as the operations involve outdoor work and the thermal protection infrastructure is limited.

Defining time horizons

The time horizons used are:

- For short (to 2030), medium (2030-2040) and long (over 2040) CRAs, aligned with IPCC requirements.
- For DMA-standard terms as previously defined under ESRS 2

Asset exposure and sensitivity assessment

Exposure was defined as the probability that an asset would be affected by a climate hazard in a determined geographical area, while sensitivity referred to the ability of the asset to bear the impact of that hazard without significant interruptions in functionality. The evaluation combined:

- **Physical data** (elevation, proximity to watercourses, historical rainfall levels).
- **Constructions-related data** (materials, technical standards, wind protection).
- **Operational data** (nature of internal processes, energy flows, availability of energy backups).

Infrastructure with recent (post-2015) standards has been found to show reduced sensitivity due to increased resilience in the face of climatic variations, while older or temporary structures are more vulnerable.

Use of high emission scenarios in the assessment

Scenario analysis allowed simulating the medium - and long-term effects of climate change on each location. Climate vulnerability scores were applied on incremental temperature rise scenarios modelling:

- increasing the annual duration of heat waves.
- the likelihood of interruption of outdoor operations.

The scenarios were integrated into a system for prioritizing adaptation investments, which links climate risks to the company's financial strategy and physical asset management.

Use of scenario analysis in physical risk assessment

The results of the scenario analysis were used to prioritize climate risks and define the degree of vulnerability per location and activity. A combined score (hazard x exposure x sensitivity) was constructed, used to classify locations.

Process description on transition risks

The transition risks were analyzed in the materiality assessment, identifying risks related to the increase in compliance costs, regulatory requirements, climate risks, and other transition risks.

Identification of transition events over time horizons

The transition events were identified in the short, medium and long-term considering the specifics of Electromontaj activities, more precisely construction-installation.

Screening of assets exposed to transition risks

Projects and equipment that involve intensive consumption of fossil fuels or generate Scope 1 and 2 emissions are considered exposed to transition risks.

EAssessment of sensitivity to transition risks

Sensitivity is analyzed based on dependence on emissive technologies, the possibility of electrification and reputational exposure.

Use of scenario analysis for transition risks

The transition risks were analyzed based on the effects in the short, medium, or long term and if they were determined to be material, they were considered as the essential component in updating the Sustainability Strategy.

Identification of assets incompatible with the climate transition

Equipment and processes have been identified that require significant investment to become compatible, such as diesel fuel systems and certain non-recyclable materials.

Use of scenario analysis to identify transition risks/opportunities

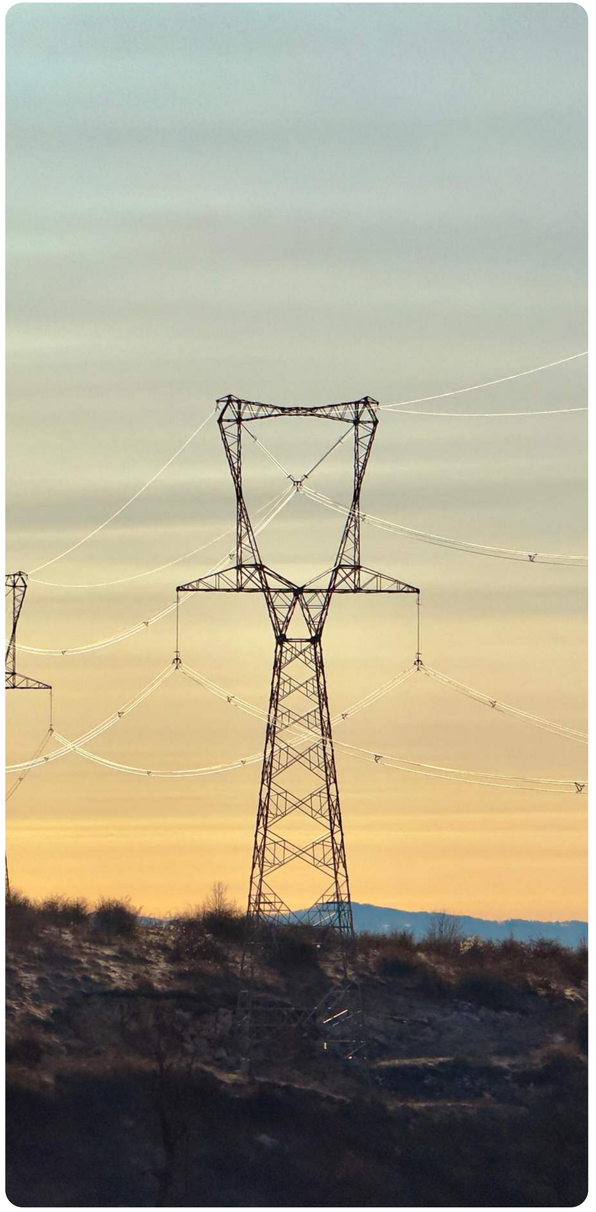
This analysis allowed estimating the degree of effort required to align with the green transition: electrification of logistics endowment, modernization of factories. These actions are linked to Scope 1-3 reduction targets.

Compatibility of climate scenarios with financial assumptions

Aggregate climate risk scores were constructed through a double-weighted methodology, which integrates both the time horizon of risks and the severity of climate scenarios. Risks on **short term (2040)** were weighted by **50%**, those on **medium term (2070)** with **35%**, and those on **long term (2100)** with **15%**, reflecting the practical importance and degree of certainty associated with each interval. In addition, for each time horizon, a **weighing between scenarios**, granting **70% of the RCP scenario 4.5** and **30% of the RCP scenario 8.5**, to balance the estimated probability and the maximum potential risk.

This approach of development allows not only comparability between locations and assets, but also **direct correlation with financial assumptions**, especially for short-term climate risks. By heavily weighting this time horizon, the resulting scores are compatible with the financial stress horizon used in the double materiality analysis.

Thus, **by associating aggregate climate scores with accounting values or estimated loss models**, it can be achieved an **indicative financial calculation regarding the potential impact of climate risks**. This creates the conditions for a more rigorous quantification of exposure and supports the integration of climate risk into financial planning and investment decisions.



E1-2 Policies related to adaptation and mitigation of climate change

Currently, Electromontaj has **no formal policy adopted** dedicated exclusively to climate change mitigation and adaptation. This fact is determined by the operational nature of the company, which until now has focused on regulatory requirements and compliance with environmental standards within the integrated management system (IMS).

Description of policy content (under development)

The planned policy will include clear targets for reducing GHG emissions, measures to physically adapt infrastructure to climate risks and the integration of climate considerations into investment and project decision-making.

Description of scope and exclusions

The policy will cover all operational activities, including factories, construction sites, logistics and international projects. Exclusions, if any, will be justified in operational and financial criteria.

The level of responsibility for policy implementation

Responsibility for implementing the policy will be assigned to the Sustainability Department, under the direct supervision of the Chief Fianncial Officer an of the Chief Executive Oficer.

External standards and initiatives respected

The new policy will be aligned with ISO 14001, GHG Protocol, European Green Deal standards, as well as initiatives such as Science-Based Targets initiatives (SBTi).

Consideration of stakeholder interests

In the policy-making process, representatives of employees, supply chain partners and local authorities will be consulted, based on the existing stakeholder engagement process.

Policy accessibility to affected Parties

Once adopted, the policy will be publicly available on the company's website and communicated to all employees via intranet.

Sustainability themes addressed

The policy will cover the following themes:

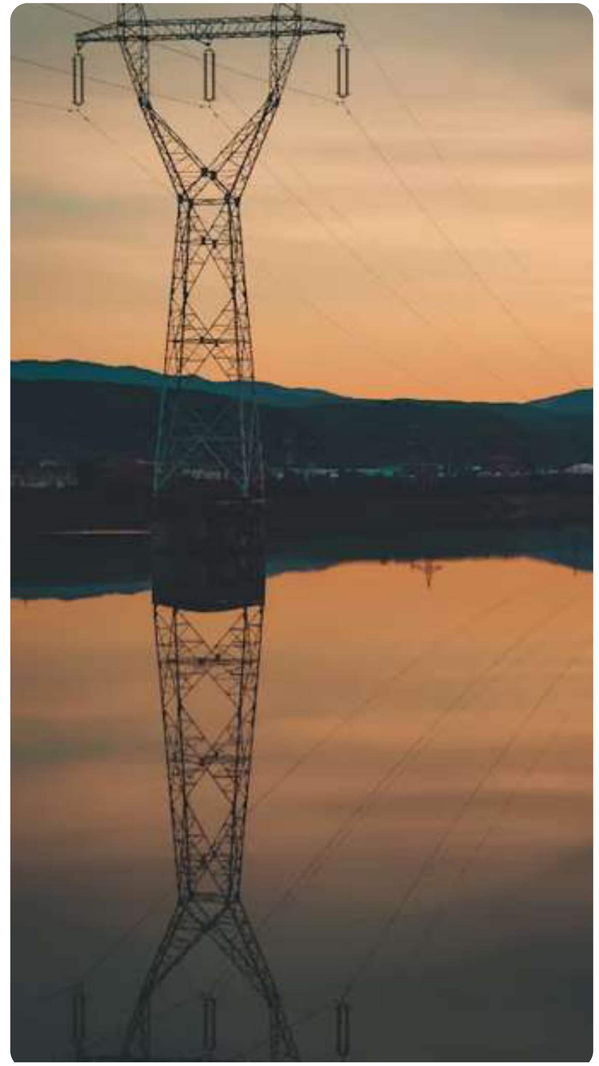
- Decarbonization of operations
- Increasing energy efficiency
- Reducing the logistics footprint
- Adaptation of infrastructure to climate risks
- Scope 1, 2 and 3 emission reporting

Lack of policy – justification

To date, climate change actions have not been integrated into SMI documents and procedures. The lack of a unified policy is the result of the lack of a centralized internal framework for climate strategies, especially before the entry into force of ESRS requirements.

Time horizon for policy adoption

Electromontaj estimates the official adoption of climate policy in the period 2025-2026.



E1-3 Actions and resources in relation to policies related to climate change

Disclosure of key actions

In 2024, Electromontaj implemented two actions with potential to reduce GHG emissions:

- Replacement of traditional lighting fixtures with LED bulbs in administrative and production facilities.
- Production of renewable energy by means of the photovoltaic installation installed at the FSMZ (Galvanized Metal Poles Factory).

Description of the purpose of the key actions

The actions applied to our own facilities in Romania, especially in the administrative headquarters and FSMZ. These are aimed exclusively at sources of domestic consumption, without impact on third parties in the value chain.

The time horizon in which the key actions were carried out and in which they will be complete

The actions described were completed in 2024. Similar measures (e.g., extension of photovoltaics to FCA and FSMZ 2) are planned for the period 2026–2030.

Description of key actions taken and their results

The installation of LED bulbs has contributed to an estimated reduction in electricity consumption, but the exact number of emissions avoided has not yet been determined. Instead, the photovoltaic installation at FSMZ generated **202,210 kWh,** avoiding equivalent emissions of **606.63 kgCO_2e**, calculated using emission factors based on the location of – Romania from 2023 for the national energy mix.

Presentation of quantitative and qualitative information on progress

The actions were fully implemented in 2024. Future projects (photovoltaic expansion,) are in the design phase.

Disclosure of current and future resources allocated to the action plan (CapEx and OpEx)

The information was not disclosed because, at this time, there is no calculation available for this indicator. We are in the process of collecting relevant data and developing an appropriate methodology, with this component to be included in a future version of the report once the data allows for an accurate and relevant estimate.

Explanation of the relationship with the financial statements

This information is not relevant considering the previous point.

Type of decarbonization lever

- **Energy efficiency** – by LED lighting
- **Renewable energy on-site** – by photovoltaic installation

Both are in line with the Commission's guidelines on the decarbonization of operational energy infrastructure.

Type of adaptation solution

Indirectly, actions contribute to adaptation by reducing dependence on the external energy source and increasing energy resilience to heat waves (lighting with low thermal emissions, low consumption in summer).

Reductions in greenhouse gas emissions achieved

- Avoided emissions by PV installation: by **606.63 kgCO_2e**
- Avoided emissions by LED: not determined at the time of reporting

Expected reductions in greenhouse gas emissions

Forecasts can only be based on historical data, therefore we do not take into account the additional measures to be implemented, so the emission avoidance predicted according to PV is as an estimated total 2026–2030: **2.4tCO_2e**

Clarifying how the implementation of the action is subject to the availability of the necessary resources.

Expanding the capacity of efficiency and renewables projects depends on:

- Available budget (CapEx)
- Shareholder approval and investment strategy

- Availability of technologies and internal implementation capacity

CapEx/OpEx related to financial statements and KPIs

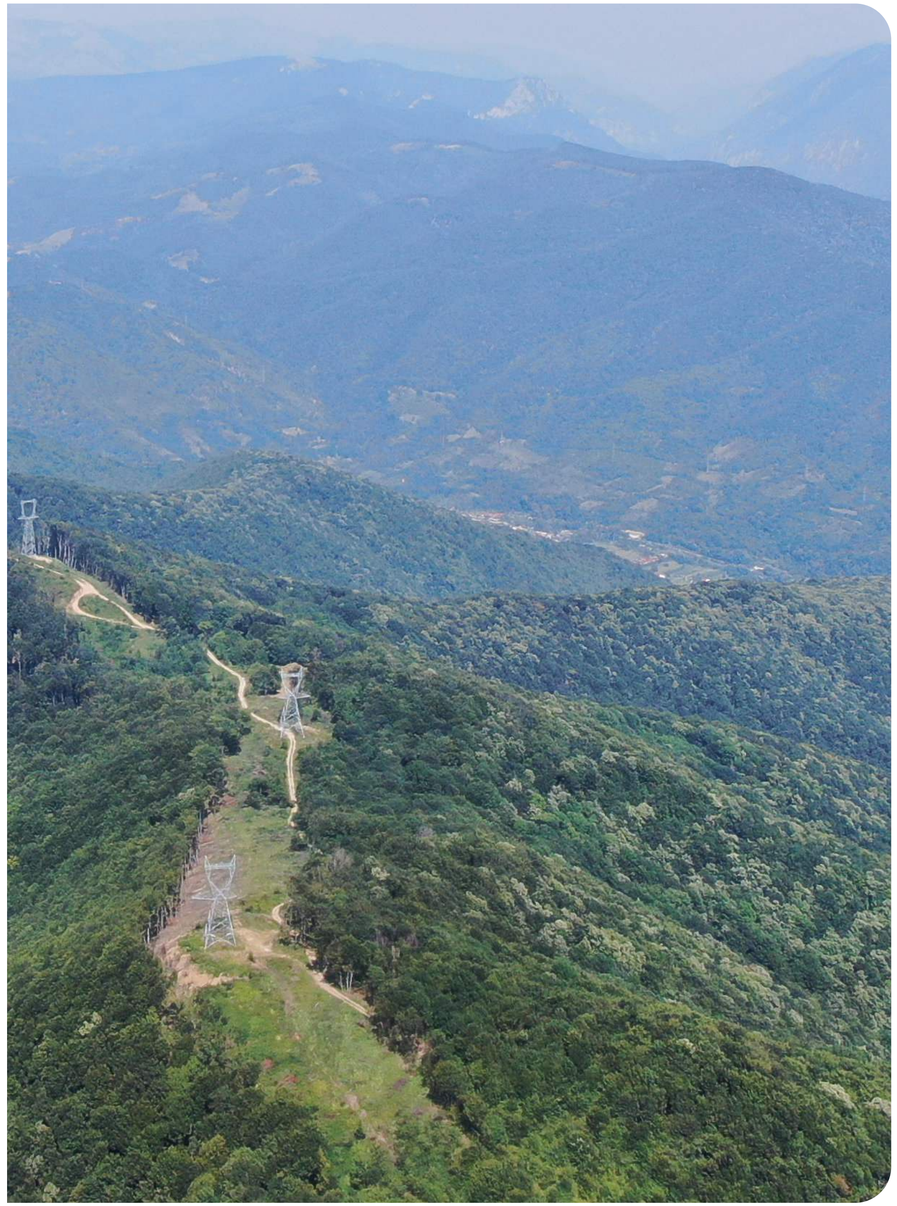
- Expenditure is aligned with the annual investment budgets approved by the Administration Council

Disclosure of information if no action is taken

Not the case – the actions described are in active implementation.

Disclosure of reasons why no actions were taken

Not applicable.



E1-4 Objectives related to climate change adaptation and mitigation

Relationship to policy objectives

Currently, Electromontaj does not have a formal policy on climate change mitigation and adaptation. However, the operational objectives pursued through actions such as the installation of photovoltaic panels at the FSMZ and the transition to energy efficient lighting (LED) reflect an implicit orientation towards decreasing the carbon footprint. These initiatives, while not included in a formal strategic framework, indirectly support climate goals and constitute the basis for setting future measurable targets.

Electromontaj has set a relative reported greenhouse gas (GHG) emission reduction target and not absolute using **emission intensity** – expressed as **ton CO_2 equivalent per million RON turnover**. This methodological choice is justified by the specificities of the construction and energy infrastructure sector, where GHG emissions are **directly proportional to the volume of economic activity** (e.g., number of projects, network kilometers installed, structures installed).

Thus, setting absolute targets could create a distorted picture of climate progress, as a legitimate increase in – activity driven by market requirements or the – expansion strategy would automatically generate increases in emissions, even if operational efficiency and decarbonization levers were effectively implemented. Instead, the targets relative allow a **more faithful assessment of decarbonization efforts**, indicating **GHG efficiency per unit of income generated**.

This approach is aligned with international industry good practice and the GHG Protocol guidelines, section on intensity indicators. The indicator will be monitored annually, with the reference value established for the year 2024, and will be recalibrated as the area of emission reduction.

Nature of target

The GHG intensity reduction target is of a nature **quantitative**, relative, and reflects the efficiency of operations relative to the economic result. This will be correlated with the progressive implementation of decarbonization levers, such as the use of renewable energy, electrification of equipment and improvement of logistics.

Description of the target application area

The target applies to the entire portfolio of direct operational activities (Scope 1 and Scope 2), with the start of expansion planning for certain categories of Scope 3.

Reference value and base year

The reference year is **2024**, being the first year in which a complete and verifiable inventory of GHG emissions was made. The reference value will be expressed as tCO_2e/million RON and the result will be used for the annual comparison.

Scope (u.m.: tCO2e / mil RON Turnover)	**2024**
Scope 1 emissions	4.00
Scope 2 emissions	0.94
(+) Scope 1+2 emissions	**4.94**

Period to which the target applies

The target is valid for the period 2025–2030, with annual assessments and the possibility of revising the level of aspiration according to the economic context and progress in the climate transition.

Intermediate stages or time terminals

Electromontaj will monitor the intensity of emissions annually.

Description of the methodology and significant assumptions used

The methodology applied to quantify greenhouse gas emissions complies with the provisions of the GHG Protocol – Corporate Standard, an internationally recognized standard for corporate emission reporting. For Scope 1 and Scope 2 categories, the methodology promoted by the Science Based Targets initiatives (SBTi) was adopted (targets noy yet assumed), thus ensuring alignment with decarbonization trajectories compatible with the Paris Agreement target of limiting global warming to 1.5°C.

Emission determination was carried out using scientifically validated emission factors from international reference databases such as:

- DEFRA (UK Department for Environment, Food and Rural Affairs),
- BEIS (UK Department for Business, Energy & Industrial Strategy).
- EXIOBASE

In order to develop projections and prospective analyses, a working hypothesis was used that provides for the maintenance of turnover. It was also assumed to maintain the current structure of the project portfolio.

These assumptions are the basis of estimates of emissions evolution and are used to substantiate results-oriented targets in accordance with the requirements set out in ESRS E1 – MDR-T Reporting Requirement (Monitoring the effectiveness of policies and actions through targets).

The target is based on conclusive scientific evidence

Although the relative target is not formally validated as the „science-based target validated science", it is aligned with the IPCC guidelines for reducing emission intensity in sectors with high economic variability and reflects the actual capacity for decarbonization without compromising economic development.

Stakeholder involvement in target setting

The target was proposed within the internal working group for sustainability and validated during a consultative session with the financial team, considering the integration into the ESG strategy and the correlation with the reporting related to the CSRD Directive.

Changes to the target, metrics, and methodologies

As the first target of this type, there are no previous changes. Any change in calculation methodology, data sources or emission factors shall be documented in a methodological note annexed to the annual report.

Performance against communicated target

For the 2024 reporting year, Scope 1-2 emission intensity is **4.94 tCO_2e/million RON**, and the comparison with the values of the following years will allow performance to be followed coherently and transparently.

Setting GHG targets to manage climate risks and opportunities

Targets for reducing greenhouse gas emissions will be introduced gradually, in parallel with the maturation of the system for collecting and reporting data on energy consumption and direct and indirect emissions. At this time, Electromontaj has set a relative target of maintaining or any reduction in the intensity of GHG emissions, expressed in tCO_2e/million RON figure business, which reflects the specifics of the construction sector, where the volume of emissions is closely related to financial performance.

Absolute and relative emission values avoided

For 2024, the only estimated avoided emissions are those associated with the production of renewable energy from solar panels from FSMZ. It is estimated to avoid about **606.63 $kgCO_2e$.**

Explanation of consistency between GHG inventory boundaries and targets

The GHG inventory is built in accordance with the GHG Protocol methodology and covers Scope 1,2 and Scope 3 emissions (location-based and market-based). Future targets will be based on the same operational perimeter, ensuring traceability between baseline data, targets and monitored progress for Scope 1 and 2, and Scope 3 targets will be gradually added.

Previous progress before base year

Not applicable – there have been no previous systematic measurements.

Representativeness of the reference value

The 2024 data will constitute the reference value, being the first year with full coverage for energy consumption in all factories.

Target compatible with limiting global warming to 1.5˚C

Future targets will be calibrated according to scientific scenarios compatible with limiting global warming to 1.5˚C, according to IPCC guidelines and SBTi methodologies, in correlation with applicable EU Directives.

Description of decarbonization levers and their contribution

Currently, the active levels are: 1) installation of photovoltaic panels, 2) energy efficiency through LED lighting. Other levers will include process electrification and digitization of consumption monitoring.

Climate scenarios used to detect relevant trends

IPCC RCP 4.5 and RCP 8.5 scenarios were used in the climate resilience analysis conducted in 2024 (CRA 2024), informing hazard identification, exposure assessment and priority setting for future actions.

Estimated period for adoption of measurable targets

Targets will be defined and validated in the third quarter of 2025, after establishing internal methodologies.

Pursuing the effectiveness of policies and actions

Progress is tracked through monthly energy measurements of PV production. For the new targets set, the following will be monitored: fuel consumption, energy consumption.

Description of the process for tracking the effectiveness of policies and actions

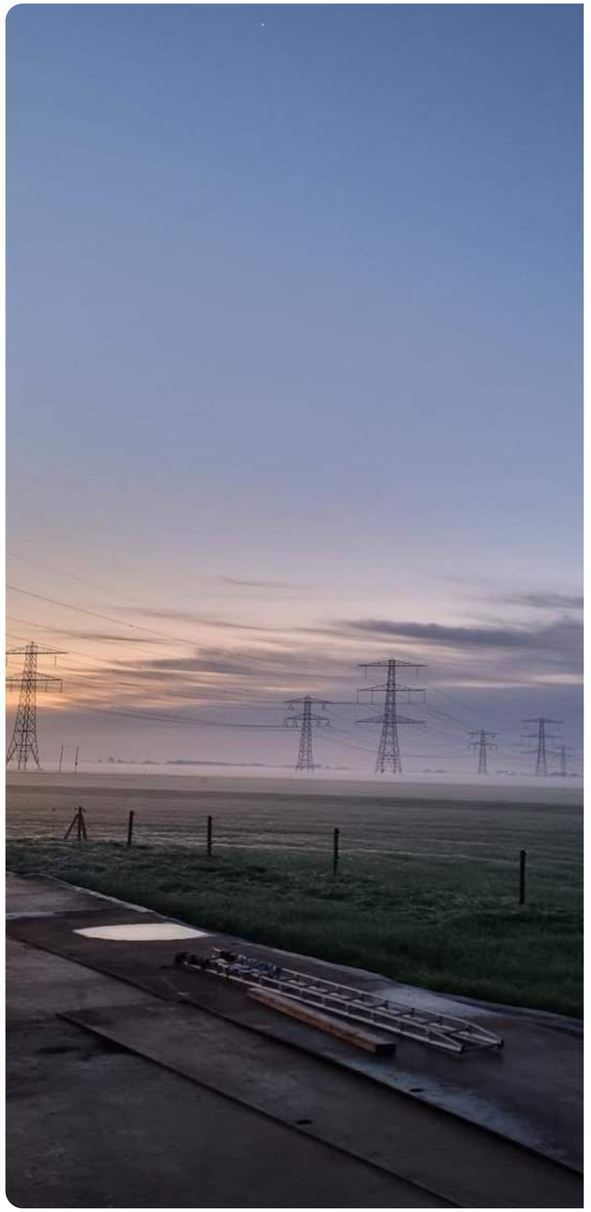
Currently, Electromontaj does not have an integrated tool for real-time tracking of the effectiveness of climate policies and actions. However, energy consumption data are collected manually through internal operational monitoring tools (e.g., monthly statements from facilities and construction sites), and efficiency actions are tracked punctually through project sheets and investment documentation. The company plans to develop a digital instrument-type system from 2025, which will aggregate relevant data on emissions, energy sources, consumption and implementation of actions, to support future target monitoring and non-financial reporting.

Level of aspiration and progress indicators

Even though the formal automatic tracking system is not yet implemented, Electromontaj has established a preliminary level of aspiration in terms of energy efficiency and decarbonization: a progressive reduction of energy consumption, parallel with the increase in the share of renewable energy in the operational energy mix.

Reference Year for Measuring Progress

The year 2024 has been designated as the reference year for all future climate-related objectives, representing the starting point for measuring sustainability progress. It marks the first year in which energy consumption data, along with information related to implemented efficiency initiatives and measures, have been fully collected and consolidated for all major company units, thus providing a solid and reliable foundation for assessing energy performance and environmental impact in the coming years.



E1-5 Consumption and energy mix

Total energy consumption related to own operations

In the reporting year, the total energy consumption related to Electromontaj operations was **3,667,230 kWh**. It includes energy used in production facilities, offices, and construction sites active in Romania and abroad.

Total energy consumption from fossil sources

Energy consumption from fossil sources has been estimated at **3,519,812 kWh**, including electricity purchased from the national grid, but also fuels used in generators or for transport

Total energy consumption from nuclear sources

During the analyzed period, there was no significant consumption from nuclear sources other than those from the national energy mix.

Share of energy from nuclear sources in total consumption

The weight is about **9.52%** being calculated according to Romania's national mix. In 2025, the weight will be calculated considering each individual supplier for greater accuracy, thus, the data from 2025 will not compare with 2024.

Total energy consumption from renewable sources

Energy from renewable sources was **202,210 kWh**, including solar energy generated internally at FSMZ.

Consumption of renewable fuels

During the period analyzed, there was no significant consumption of renewable fuels (e.g., biodiesel, biogas).

Consumption of electricity, heat, steam, cooling purchased from renewable sources

During the period under review, no significant consumption of green energy from certified suppliers with guarantees of origin was recorded.

Consumption of self-generated, non-fuel renewable energy

202,210 kWh were generated from FSMZ's own photovoltaic installations, of clean energy.

Share of renewables in total energy consumption

Renewable sources represent **0.05%** of the total energy consumption for the year 2024.

Fuel consumption from coal

No coal is used in own operations.

Fuel consumption from petroleum and petroleum products

Consumption of diesel and petrol for transport was **4,737,758.04** liters, respectively:

- Electromontaj headquarters – 552,602.02 liters
- Branches Electromontaj-4,153,092.53 liters
- Galvanized Metal Pole Factory – 24,183.85 liters
- Clamp and Fittings Factory – 7,879.64 liters

Natural gas fuel consumptionl

The gas used for heating units or industrial processes totaled **2,622,324.65 kWh**:

- Electromontaj headquarters – 348,846,536 kWh
- Branches Electromontaj-1,414,453,986 kWh
- Galvanized Metal Pole Factory – 483,266.05 kWh
- Clamp and Fittings Factory - 375,758.08 kWh

Fuel consumption from other fossil sources

Other fossil sources, namely LPG, were used in insignificant quantities in relation to total fuel consumption.

Consumption of electricity, heat, steam, cooling purchased from fossil sources

Consumption related to fossil sources from acquisitions has been estimated at **3,317,602.492 kWh**, based on the energy mix in the public network.

Share of fossil sources in total energy consumption

Energy of fossil origin represents **99.95%** of total energy consumption.

Non-renewable energy production

Electromontaj produces energy from non-renewable sources, but the exact amount is not calculated at this moment.

Renewable energy production

In 2024, its own photovoltaic installations produced **202,210 kWh**, contributing directly to sustainable energy self-consumption.

Energy intensity in sectors with high climate impact

The energy intensity calculated as the ratio between energy consumption and turnover in sectors with high climate impact is **4,664.10 kWh/million RON turnover.**

Indicator Name for the 2024 Reference Year	**Value**
Turnover (RON)	754,660,672.45
Power consumption (kWh)	3,519,812.492
Energy intensity (kWh / million RON)	**4,664.10**

Total energy consumption in sectors with high climate impact

Most of the activities carried out by Electromontaj — including factory production, electrical installation activities, transportation and operation of machines — are classified as having a high climatic impact, according to the list of relevant activities in the ESRS E1 guide. Office activities, although marginal in terms of energy consumption, are integrated into the same operational system and are not monitored separately for energy.

Therefore, for the reference year 2024, the company's entire energy consumption is attributed to activities with high climate impact. This approach is justified by the negligible share of consumption specific to administrative activities compared to industrial and operational ones.

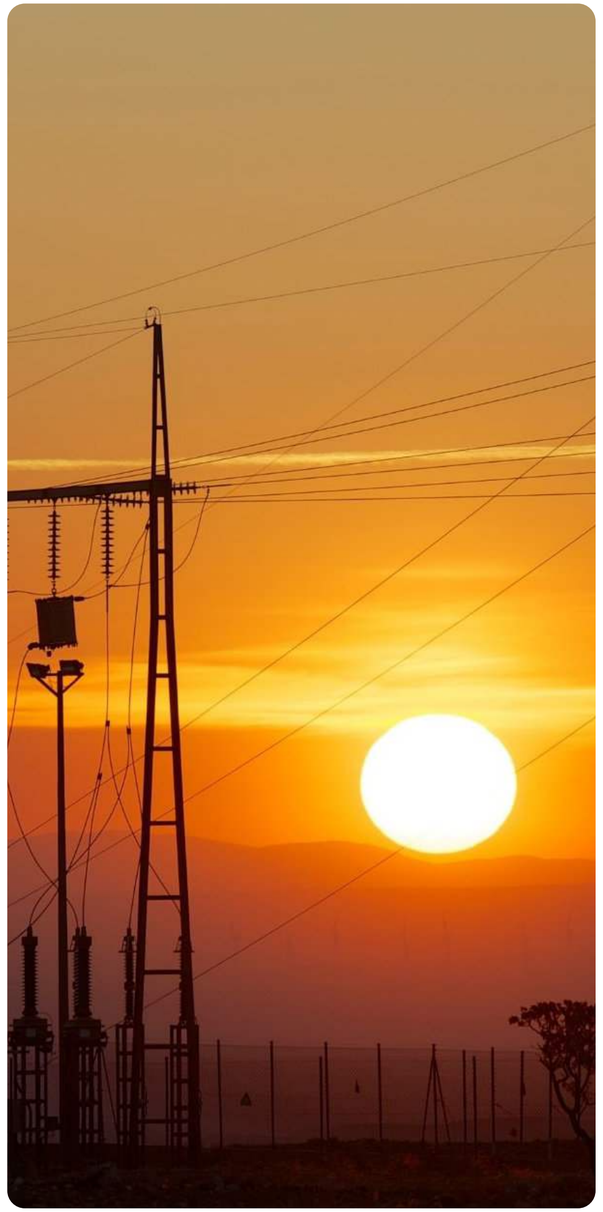
Total value of energy consumption related to activities with high climate impact (2024): 3,519,812.49 kWh.

High climate impact sectors used to determine energy intensity

The sectors included are construction-assembly works, manufacture of metal structures and logistic transport.

Correlation of consumption with income financial statements in high-impact sectors

The information was not disclosed because, at this time, there is no calculation available for this indicator, and the related data is considered sensitive. For this reason, no public analysis or reporting process has been initiated for this aspect.



E1-6 Carbon footprint – scope1,2 and 3 and total greenhouse gas emissions

GHG emissions for Scope 1, 2, 3 and total – GHG emissions per category

The carbon footprint is the total quantification of greenhouse gas (GHG) emissions generated by a company, both through direct and indirect activities, throughout its entire value chain. The quantification methodology is based on theoretical calculations rather than direct measurements.

Emissions are determined by multiplying activity data by a conversion factor, according to the relationship: kgCO2e = Activity data × Emission factor. These factors typically take into account the Global Warming Potential (GWP) of all gases associated with that activity, including carbon dioxide (CO_2), methane (CH_4), nitrogen oxide (N_2O), sulfur hexafluoride (SF_6), perfluorocarbons (PFCs) and hydrofluorocarbons (HFCs).

Electromontaj allocates significant resources to understand and manage environmental impact by adopting a rigorous carbon footprint assessment methodology. In this endeavor, the company opted to use the Green House Gas Protocol standard, a recognized international framework in the calculation and reporting of greenhouse gas (GHG) emissions, which ensures a high level of transparency and coherence in climate impact assessment.

Establishing organizational and operational boundaries is an essential element in carbon footprint management, according to the guidelines imposed by the GHG Protocol. Organizational boundaries define the entity responsible for monitoring and reporting GHG emissions and determine which activities or entities should be included in the footprint calculation, depending on the organizational structure of the company, either based on financial or operational control. A company may choose to set organizational boundaries based on financial control, thereby integrating all subsidiaries or entities under its financial control, or alternatively based on operational control, thereby limiting inclusion to entities over which it exercises direct influence. This methodological decision has significant implications for how to collect data and report carbon emissions at the organizational level.

In the context of operational limits, they target specific activities and processes that contribute to the generation of direct and indirect greenhouse gas (GHG) emissions of the organization. According to the GHG Protocol methodology, emissions are classified into three distinct categories:

- **Scope 1:** Direct emissions from sources owned or controlled by the organization.
- **Scope 2:** Indirect emissions associated with electricity, heat, or steam consumption.
- **Scope 3:** Indirect emissions from the supply chain and other operational activities are not under the direct control of the organization.

Scope	Category	Headquarters (tCO2e)	Branches (tCO2e)	FSMZ (tCO2e)	FCA (tCO2e)	Centralized emissions (tCO2e)
Scope 1	Stationary Combustion	122.06	337.06	441.86	294.15	**1,195.12**
Scope 1	Mobile Combustion	443.61	1,287.90	60.36	18.59	**1,810.46**
Scope 1	Fugitive Emissions	N/A	N/A	9.5	0.39	**10.24**
Scope 1 TOTAL		**565.67**	**1,624.96**	**512.07**	**313.12**	**3,015.82**
Scope 2	Purchased electricity	10.28	86.84	605.84	9.44	**712.4**
Scope 2 TOTAL		**10.28**	**86.84**	**605.84**	**9.44**	**712.4**
Scope 3	Purchased Goods and Services	24,230.03	2,242.91	973.81	101.66	**27.538.40**
Scope 3	Capital Goods	19,880.15	11262.86	2,264.24	1,400.62	**34,807.87**
Scope 3	Activities related to Fuels and Energy	123.80	1,671.81	14.75	4.73	**1,815.08**
Scope 3	Upstream Transport and Distribution	1,749.44	0.00	0.00	0.00	**1,749.44**
Scope 3	Waste generated in operations	101.67	151.75	1,444.89	2.83	**1,701.14**
Scope 3	Business trips	530.47	3,078.80	0.00	1.10	**3,610.37**
Scope 3	Employee commuting	9,743.69	684.34	0.00	12.94	**10,441.08**
Scope 3	Investments	1.949.17	0.00	0.00	0.00	**1,949.17**
Scope 3 TOTAL		**58,308.42**	**19,092.57**	**4,697.69**	**1,523.87**	**86,622.54**
TOTAL		**58,884.37**	**20,804.36**	**4,697.44**	**1,846.44**	**86,232.86**

GHG emissions for Scope 1, 2, 3 – Financial and operational control

Electromontaj applies organizational boundaries according to operational control. All activities aggregated in financial reporting are included in the GHG inventory.

Electromontaj is based on the principle of operational control to determine the emission sources included in the calculation of the carbon footprint. This approach ensures that all emissions generated by activities over which the company exercises direct or indirect control are correctly integrated into the final analysis. The operational control method, recognized as one of the three GHG Protocol-approved approaches to determining emission sources, refers to an organization's authority to define and implement operational policies at the level of a facility or location, regardless of the form of ownership or financial control.

By adopting this methodology, Electromontaj includes in its carbon footprint assessment all locations and entities over which it can exercise direct operational control, thus considering any unit or location where influence on energy use policies, waste management or resource consumption management can be exercised. Operational control gives the authority to determine how to manage greenhouse gas emission-generating activities within different entities, such as headquarters, branches, factories, or other locations subject to direct operational influence.

Disaggregation of GHG emissions

Emissions are disaggregated by GHG Protocol categories and by general categories of activities as defined below:

Organizational boundaries are fundamental to defining the emission sources included in the carbon footprint calculation, delineating the activities, locations and entities that contribute to the organization's climate impact. In the case of Electromontaj, these boundaries are established based on the principle of operational control.

Within the adopted methodology, the organizational boundaries are structured according to the organizational configuration of Electromontaj and are divided into the following categories:

Headquarters (Separate Analysis):

This is the main location where the administrative and coordination activities of the company's operations are carried out. Emissions resulting from energy consumption for offices, lighting, and heating are included in this category, the headquarters being a unit completely under the direct control of the company. Considering that in Holland there is no one separate branch, but there are only projects managed directly by Headquarters, emissions from these projects will be accounted for in this analysis.

Production Units (Separate Analysis):

This category includes industrial locations where manufacturing activities with significant energy consumption and relevant direct and indirect emissions are carried out. Within this category, an important methodological distinction is made: the Clamp and Fittings Factory (FCA) is evaluated separately, while the Metal Galvanized Pole Factory(FSMZ) and Pillar Test Station (SIS) are treated together to reflect specific operational and geographical features.

Branches (Separate Analysis):

These regional locations/international supports the commercial and administrative activities of Electromontaj in various regions. Due to the company's influence on local activities, emissions generated from electricity consumption, equipment transport and related logistics activities are assessed according to the principles of operational control. Given the similarity of the activities carried out, all branches are analyzed in a single carbon footprint analysis.

Centralization:

At the end of the separate analyses, the results were integrated at the level of Scopes 1, 2 and 3, to develop a general analysis of the carbon footprint. This centralized analysis represents the totality of emissions produced by the company and its value chain in 2024, bringing together data from all analyzed entities.

Detailing Operational Limits in Carbon Footprint Calculation

The carbon footprint is a fundamental indicator of the impact of an organization's activities on the environment, being quantified according to the internationally standardized methodology by **Greenhouse Gas Protocol (GHG Protocol)**. This methodology classifies greenhouse gas (GHG) emissions into three distinct categories, called **Scope 1, Scope 2, and Scope 3**, depending on the source and nature of the emissions.

Scope 1 – Direct Emissions

Scope 1 includes **all direct emissions** from sources controlled by the company. These result from the burning of fossil fuels in production facilities, thermal power plants, own transport fleets, and other equipment under the direct management of the organization. In case of **Electromontaj Carbon Footprint 2024**, Scope 1 includes emissions from combustion processes to produce heat, which is generated internally and not purchased.

Scope 2 – Indirect Emissions from Purchased Energy

Scope 2 covers **indirect emissions** associated with the consumption of electricity generated by third parties. Although the use of electricity does not directly produce GHG emissions, its generation involves the burning of fossil fuels in power-producing plants. **Electromontaj Carbon Footprint 2024** considers these emissions in its carbon footprint analysis.

Scope 3 – Other Indirect Emissions

Scope 3 is the most complex category and includes **all indirect emissions** from the company's value chain, both upstream (production and delivery of raw materials and services purchased) and downstream (use and disposal of products sold). According to GHG Protocol, Scope 3 is divided into 15 subcategories, of which **the 2024 Carbon Electromontaj footprint includes only those categories relevant to its activity**.

Detailing of Scope 3 Relevant Emissions for Electromontaj 2024

1 . **Goods and services purchased (Scope 3.1) –** Includes emissions resulting from the production of goods and services used by the company. This category is included in the Electromontaj 2024 carbon footprint.

2 . **Capital goods (Scope 3.2) –** Emissions associated with the purchase and depreciation of equipment and infrastructure used in production. This category is included in the carbon footprint.

3 . **Activities relating to fuels and energy (Scope 3.3) –** Covers indirect emissions resulting from the extraction, production and transport of purchased fuels and energy. This category is included.

4 . **Upstream transport and distribution (Scope 3.4) –** Include emissions associated with the transport of purchased goods necessary for the company's activities, including maritime, air and land transport. This category is included.

5 . **Waste generated in operations (Scope 3.5) –** Emissions from operational waste management, such as production residues or recyclables. This category is included.

6 . **Business travel (Scope 3.6) –** Includes emissions from air or land transport used by employees for duty purposes. This category is included.

7 . **Commuting of employees (Scope 3.7) –** Represents indirect emissions associated with the transport of employees to the workplace, regardless of the means of transport used. This category is included.

8 . **Upstream leased goods (Scope 3.8) –** This category includes emissions generated by equipment and resources rented by the company for carrying out operations. In the case of Electromontaj 2024, they are already considered in Scope 1 and 2, so this category is not included separately.

9 . **Downstream transport (Scope 3.9) –** Refers to emissions generated by the distribution of products sold. Electromontaj is not a product distributor, so this category is not included.

10 . **Processing of sold products (Scope 3.10) –** Covers emissions associated with product modification or transformation prior to delivery. Electromontaj is not a product distributor, so this category is not included.

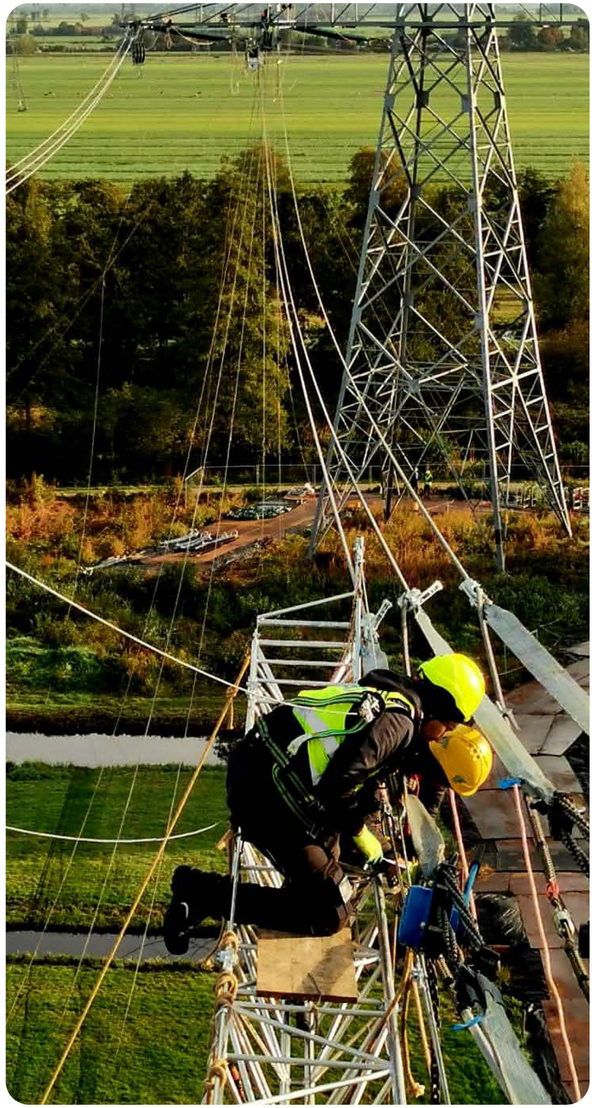
11 . **Use of products sold (Scope 3.11) –** Represents emissions generated by the consumption and operation of products by end users. This category is not included, as Electromontaj does not market finished products for consumption.

12 . **Treatment of products at the end of their life cycle (Scope 3.12) –** Includes emissions resulting from recycling, disposal or refurbishment of products sold. Electromontaj is not a manufacturer of products intended for distribution, so this category is not included.

13 . **Downstream leased goods (Scope 3.13) –** Refers to equipment or assets leased by customers for the operation of purchased products. Electromontaj does not offer such services, so this category is not included.

14 . **Franchises (Scope 3.14) –** Includes emissions generated by the operations of a company's franchises. Electromontaj does not own franchises, so this category is not included.

15 . **Investments (Scope 3.15) –** Covers emissions associated with the company's investments, which are not already included in Scope 1 and 2. This category is included in the Electromontaj 2024 carbon footprint.



Emission factors

EXIOBASE

EXIOBASE is a global and detailed system that combines an Extended Green Multi-Regional Table of Supply and Use with an Input-Output Table. This system was developed by harmonizing and expanding supply-use tables in a large number of countries, including estimates of emissions and resource extractions by industrial sector. Subsequently, the national tables were interconnected by means of trade relations. These tables are used for the analysis of the environmental impact associated with the final consumption of different product categories. The database used in this study is EXIOBASE 3, released in 2021, and includes monetary emission factors (kg CO2e/Euro) calculated based on 2019 data.

DEFRA

Database **DEFRA**, developed by **Department of Environment, Food and Rural Affairs of the United Kingdom (DEFRA)**, constitute an essential resource for determining emission factors, providing rigorous technical data necessary to inventory greenhouse gas (GHG) emissions. This represents a reliable reference source in the process of quantifying emissions associated with different economic and industrial activities.

In this analysis, the DEFRA database proves to be relevant in multiple contexts, having an essential role in the calculation of the carbon footprint. This database provides detailed information, including emission factors and essential parameters such as tonne-kilometres (t/km), necessary for assessing the environmental impact of transport activities.

In addition to carbon dioxide emission data (CO_2), the DEFRA database provides specific information on emission factors for critical air pollutants such as nitrogen oxides (NOx), particulate matter (PM10 and PM2.5), thus contributing to a comprehensive assessment of the impact of transport on air quality. These factors are essential for making accurate calculations of emissions generated by transport activities, supporting initiatives to monitor and reduce environmental impact.

ICAO

The International Civil Aviation Organization (ICAO) has developed a standardized methodology for calculating carbon dioxide emissions (CO_2) generated by air transport, with the main objective of supporting emission compensation programs in this sector. This methodology is based on the most accurate and up-to-date publicly available data, integrating a number of factors essential for quantifying emissions, including typology the aircraft used, specific characteristics of the routes, the load coefficients of the passengers and the amount of cargo carried.

The ICAO Carbon Emissions Calculator tool allows users to estimate CO_2 emissions associated with air travel, providing a transparent and standardized approach to assessing the climate impact of air transport. This methodology is essential in the process of monitoring, reporting, and reducing emissions, contributing to global climate change mitigation efforts in the aviation industry.

Significant events affecting emissions

There were no significant events between the reporting period and financial reporting.

Scop 1 - Stationary combustion

In the inventory of greenhouse gas emissions, Electromontaj identified and reported multiple sources of emissions from fixed (stationary) combustion. The main fuel source used in these processes are gasoline, diesel and natural gas, used both for heat generation and for various industrial processes carried out in production units.

For units without production functions, the three are mainly used for space heating. In some cases, specialized containers required for certain equipment and operational processes have been purchased.

In terms of production units such as the Galvanized Metal Pole Factory (FSMZ) and the Clamp and Fittings Factory (FCA), fuels are used both for heating and for powering machinery involved in specific industrial processes.

For the production units respectively FSMZ and FCA, fuels are used both for heating and for machines used for industrial processes such as:

Galvanized Metal Poles Factory

1 . **Initial processing**
- Cutting and cutting steel according to specifications
- Shaping and bending to achieve the desired shape of the posts

2 . **Heat treatment:** Heating and annealing (tempering, annealing) to optimize mechanical properties

3 . **Galvanizing:** Immersion of the material in the bath of molten zinc (hot dip galvanizing process)

4 . **Finishing:** Grinding and deburring to eliminate imperfections

Clamps and Reinforcements Factory

1 . **Initial processing:** Cutting materials to the dimensions required for processing

2 . **Forming and processing:** Forging, bending, shaping or pressing to obtain the shape of clamps and reinforcements

3 . **Heat treatment:** Heating and annealing (tempering, annealing) to optimize mechanical properties

4 . **Galvanizing:** Immersion of the material in the bath of molten zinc (hot dipgalvanizing process)

5 . **Finishing:** Grinding and deburring to eliminate imperfections

For an accurate estimate of greenhouse gas (GHG) emissions associated with fossil fuel consumption through fixed sources within Electromontaj, a detailed analysis was carried out using emission factors from the DEFRA database.

In the analysis of emissions, three main categories of fuels were taken into account:

1 . **Natural gas,**

2 . **Petrol,**

3 . **Diesel,**

Data collection methodology and units of measurement

In order to guarantee the accuracy and consistency of the calculations, the consumption data of each type of fuel were collected in specific units of measurement:

- Gasoline and diesel were analyzed based on the volume consumed, using liters (L) as the reference unit of measurement. This approach ensures a precise estimate of the emissions generated, as DEFRA emission factors are expressed in relation to the volume of fuel burned.

- Natural gas was quantified using kilowatt-hours (kWh), an appropriate unit of measurement for assessing energy consumption in heating processes. This approach allows an efficient conversion of consumption data into CO_2 emissions, based on the specific conversion coefficients established by DEFRA.

Non-CO2 emissions from fixed sources- FSMZ&FCA

In this analysis, the IPCC methodology was chosen , Tier 1 approach, given the limitations related to the availability of national activity data and emission factors. This methodology involves the use of standardized emission factors, which do not take into account the specific combustion technology or consumption conditions of fuels.

The relevant non-CO2 emissions taking into account the activity of the Electromontaj factories are those of methane (CH_4) and nitrogen oxide (N_2O) and will be reported based on the available data from Annex I, using the aggregate emission factors provided by relevant international sources, such as the CORINAIR90 database, CORINAIR94 emission factors and other sources, including EDGAR and national communications to the FCCC.

It is important to note that estimates of non-CO2 emissions, particularly for methane and nitrogen oxide, are affected by a significant degree of uncertainty. This is due to the use of aggregate emission factors, which do not reflect the variability of the specific conditions of each sector or technology.

Fuel Type	**FCA** [u.m. Natual gas (m^3)]	**FSMZ** [u.m. Natual gas (m^3)]
Consumption (L or m^3)	23,791,990.08	4,475.1
NCV (TJ/kL or TJ/1000m^3)	0.039	0.039
Energy (TJ)	927,887.61	1,745.29
CH_4 EF (kg/TJ)	5	5
CH_4 Emissions (kg)	4,639.44	8,726.45
N_2O EF (kg/TJ)	0.1	0.1
N_2O Emissions (kg)	92,788.76	174.53
CH_4 CO_2e (GWP=27)	125,264.83	235,614.02
N_2O CO_2e (GWP=273)	150,596,159.6	47,946.39
(+) Total CO_2e (kg)	**150,596.16**	**283,260.40**

Scop 1 - Mobile combustion

To achieve an accurate estimate of greenhouse gas (GHG) emissions associated with mobile combustion, Electromontaj used detailed data on the types of fuels used, the quantities consumed and the technical specifications of the operational fleets.

Electromontaj provided specific information relating to:

1. The types of fuels used for mobile purposes, namely diesel and gasoline

2. Total fuel consumption, expressed in liters (L)

This data was included in the carbon footprint files, serving as a basis for the analysis of emissions generated by the operational fleet.

Fuel consumption allocation methodology

Total fuel consumption was determined based on purchase invoices and data provided by each unit.

Emission assessment and use of DEFRA factors 2024

To quantify the climate impact of mobile combustion, the emissions generated by gasoline and diesel were evaluated using the specific emission factors from the DEFRA database.

Scop 1 - Fugitive emissions

Subcategory 1

In the analysis of fugitive emissions associated with Electromontaj, one of the most important sources of emissions identified is the use of refrigerants. In this context, R22 (chlorodifluoromethane, $CHClF_2$) is a hydrochlorofluorocarbon (HCFC) with a high global warming potential (GWP), which contributes to both global warming and the destruction of the ozone layer.

Although R22 is a refrigerant with significant environmental impact, its assessment by the mass balance of materials method indicates a net impact of zero (0) on direct emissions, according to the following considerations

- Inventory Change = 0

This represents the difference between the amount of refrigerant gas stored at the beginning and end of the reporting period.

In this analysis, the change is zero, meaning that there were no significant losses from cylinders or other storage containers at the site.

It is important to note that this calculation does not include the gas contained in the equipment, but only that stored separately in the inventory.

- Amount of refrigerant transferred (Transferred Amount) = 0

This is defined as the difference between the amount of gas purchased and that sold or disposed of during the reporting period.

In this case, there were no additional purchases, sales or disposals of refrigerant, which keeps this indicator at zero.

- Change in equipment capacity (Capacity Change) = 0

This parameter reflects the difference between the total capacity of the units at the beginning and end of the reporting period.

In this analysis, it is assumed that no units were added or removed that would change the total refrigeration capacity, thus resulting in a null impact.

Subcategory 2: Fugitive emissions from fire extinguishing systems

In the industrial sector, compliance with regulations requires efficient implementation and continuous maintenance of firefighting protocols. In accordance with the EPA Greenhouse Gas Inventory Guidebook, using details of the number and types of firefighting equipment by gas type, together with the firefighting capacity of each equipment we specifically extracted information on CO_2 cylinders, considered portable equipment, with a recommended leakage rate assumption of 3.5% if there have been no incidents or fire drills requiring the discharge of a full fire extinguisher. The total number of fire extinguishers and their CO_2 weight was provided.

Subcategory 3: Fugitive emissions from welding processes

In the industrial operations carried out by Electromontaj, one of the essential factors of fugitive emissions is the use of industrial gases in welding processes.

Chemical processes involved in CO_2 welding

During the welding process, CO_2 is exposed to high temperatures generated by the electric arc, which can lead to its dissociation into carbon monoxide (CO) and molecular oxygen (O_2), according to the following chemical reaction:

$$CO_2 \rightarrow CO + \frac{1}{2} O_2$$

The resulting oxygen can subsequently react with molten iron, forming iron oxide (FeO), helping to alter the chemical composition of the weld zone. Under certain conditions, the carbon present in the steel can reduce iron oxide back to iron, generating additional carbon monoxide in the process:

$$FeO + C \rightarrow Fe + CO$$

It is important to note that not the entire amount of CO_2 used in welding is converted to CO, and some of it remains unreactionary or participates in other side reactions. The conversion efficiency depends on the specific parameters of the welding, such as the type of electrode, protective gas, welding current intensity and welding speed. Generation rate (ml/min) of CO from CO_2.

To determine the actual impact of fugitive emissions from welding, it was considered that 3.5% of the total amount of liquid CO_2 is released into the atmosphere before and during welding. This percentage was chosen by analogy with the percentages used for fugitive emissions from portable fire extinguishers.

Main **fugitive emission** sources from welding processes include:

- Minor leaks during refilling of CO_2 tanks
- Connecting and disconnecting gas lines to welding equipment
- Equipment losses caused by wear and tear or minor malfunctions
- Shutdowns and restarts of welding equipment
- Purging gas lines during maintenance and repair operations

Safety considerations

Since carbon monoxide is a toxic gas, monitoring should be carried out in well-ventilated environments to prevent the accumulation of hazardous concentrations. Inhalation of carbon monoxide can cause severe poisoning, affecting the health of welding operators. Therefore, the implementation of adequate ventilation measures and the use of protective

equipment are essential to ensure a safe working environment. For the year 2026, the specific coefficient of fugitive emissions will be revealed based on accurate monitoring.

Scop 1 Results

Scope	Category	Headquarters (tCO2e)	Branches (tCO2e)	FSMZ (tCO2e)	FCA (tCO2e)	Row Total (tCO2e)
Scope 1	Stationary Combustion	122.06	337.06	441.86	294.15	**1,195.12**
Scope 1	Mobile Combustion	443.61	1,287.90	60.36	18.59	**1,810.46**
Scope 1	Fugitive Emissions	N/A	N/A	9.5	0.39	**10.24**
TOTAL		**565.67**	**1,624.96**	**512.07**	**313.12**	**3,015.82**

Scope 2 - Electricity bought

Electromontaj provided total consumption (kWh) for all locations along with the names of electricity suppliers. Also, Electromontaj provided the total amount of energy produced by the photovoltaic panels located at FSMZ, which is also the amount consumed by it together with energy purchased from the network.

It should be noted at the outset that in 2024 there were four electricity suppliers. The GHG protocol recommends calculating two different categories for purchased electricity: by market and by location.

The location-based (location-based) method uses the average emission factors for the electricity grids that provide electricity to the installation. Moroever, the location-based method considers the average intensity of emissions in electricity use locations, while the market-based method takes into account the intensity of emissions of the electricity products that the processor has specifically chosen. For the location-based calculation, the average emission factor of the Romanian electricity mix for 2023 (0.172 kg CO_2/kWh) was used, and was multiplied by the electricity consumption (kWh) to determine the emissions generated.

For the calculation of market-based emissions, the energy label of each energy supplier was sought.

In the analysis of energy impact and greenhouse gas (GHG) emissions, Electromontaj quantified the emissions avoided as a result of the production and consumption of electricity from renewable sources, especially photovoltaic panels installed at the Galvanized Metal Poles Factory (FSMZ).

Determination of avoided emissions

- Avoided emissions represent the difference between emissions associated with energy imported from the grid and emissions related to local electricity production through photovoltaic panels.
- The calculation formula used is:
  Eavoided* = Enetwork* - Ephotovoltaic*

*Eavoided = Emissions avoided by using photovoltaic energy

*ENetwork = Estimated emissions for energy that would have been imported from the network

*Ephotovoltaic = Emissions associated with solar energy production

Energy Type	Consumption (kW)	Emissions	Emissions if it had been a network (based on factor location)	Details
Own production	40,840	122.52	7,033.06	Invertor 1, section A1 (Sn=50 kVA)
Own production	87,000	261	14,982.27	Invertor 2, section A1; (Sn=100kVA)
Own production	37,810	113.43	6,511.26	Thermal power plant inverter; (Sn=50kVA)
Own production	36,560	109.68	6,296.99	Inverter Galvanizing; (Sn=50kVA)
TOTAL	**202,210**	**606.63**	**34,822.58**	
Avoided (tCO2e)			**34.22**	

Scope 2 Results

Scope	Category	Headquarters (tCO2e)	Branches (tCO2e)	FSMZ (tCO2e)	FCA (tCO2e)	Row Total (tCO2e)
Scope 2 (market-based)	Purchased electricity	10.28	86.84	605.84	9.44	**712.40**
Scope 2 TOTAL (market-based)		**1.84**	**48.98**	**605.84**	**5.21**	**661.86**
Scope 2 (location-based)	Purchased electricity	197.16	164.17	499.41	35	895.74
Scope 2 TOTAL (location-based)		**197.16**	**164.17**	**499.41**	**35**	**895.74**

Scope 3 - Purchased goods and services

Scope 3 category 3.1 refers to indirect greenhouse gas (GHG) emissions associated with all goods and services that the company purchases from third-party suppliers along the value chain. It is important to mention that this category includes only emissions generated in the process of production of purchased goods and services and does not include their transport to the Electromontaj location, which is reported separately in the Scope 3.4 category – Transport and distribution upstream.

To reflect the operational structure of the company as correctly as possible, the analysis was divided into two distinct components:

- Purchases for construction projects and works, that is, goods and services necessary to conduct the core activity of the company – the execution of energy infrastructure (power lines, stations, solar/wind parks, etc.).

- Purchases for internal use, i.e. goods and services used for the current operation of the company (e.g. office supplies, spare parts, administrative services).

This separation was necessary because the nature of purchases, data sources and emission factors can vary significantly between the two types.

In the absence of detailed quantitative data (e.g., weight, volume, or exact material type), emissions could not be calculated on a physical basis. Therefore, a methodology officially recognized by the GHG Protocol was applied for such situations –, namely the monetary method. This involves multiplying the value of purchases expressed in euros by a monetary emission factor, expressed in kg CO_2e /euro spent.

Monetary emission factors were extracted from the EXIOBASE database, an internationally recognized source for environmentally sound input-output analysis, which provides factors adapted by economic sector and by country. For this analysis, factors specific to Romania were used exclusively, which reflect the average emissions generated in local economic processes.

Analysis of emissions in category „Purchases of goods and services" clearly highlights the main emission hotspots within Electromontaj:

- The head office is responsible for 24,230.03 tCO_2e, that is, more than 88% of the total aggregate emissions in this category (27,548.40 tCO_2e). This high level of emissions reflects the fact that most strategic procurement processes – from large orders of materials (steel, cables, equipment) to contracting external services for national and international projects are concentrated here. Thus, the head office represents the main point in the procurement value chain.

- Branches, which also include construction sites, generate 2,242.91 tCO_2e, about 8% of the total. Although the percentage is lower, this volume of emissions is significant from an operational point of view, as it reflects direct consumption related to the performance of works – for example, local purchases of auxiliary materials or point subcontracting.

- FSMZ contributes 973.81 tCO_2e, the result of purchases of raw materials for production (zinc, crude steel, blasting products, etc.). Although the activity is specialized, emissions are consistent because of the material intensity of industrial processes.

- FCA has a marginal contribution of 101.66 tCO_2e, which indicates a low level of external procurement with a significant carbon footprint.

Capital goods

Scope 3 category 3.2 under the GHG Protocol standard covers indirect greenhouse gas emissions associated with the production of capital goods purchased by the organization. This category includes all tangible or intangible assets with a lifespan of more than one year, which are used to carry out the company's activity, but are not consumed immediately. Unlike Scope 3.1 – Purchased Goods and Services, which includes current consumption goods and services (e.g.: site materials, administrative supplies), Scope category 3.2 reflects strategic investments in infrastructure, equipment, systems, and technologies, essential for the company's operation and operational development.

For the reporting year, the analysis was carried out on the basis of the Electromontaj investment list for 2024, which included both new equipment purchases and infrastructure upgrades. Structure-wise, the most significant types of capital goods identified were:

- technological equipment used in production, construction, or electrical work (e.g., assembly equipment, lifting equipment, test station).;

- IT equipment and digital infrastructure (e.g., servers, computers, communications equipment).

- motor vehicles for internal transport and logistics (vans, electric or thermal vans, special vehicles).

In the absence of detailed quantitative data on weight, component materials or environmental data sheets (EPDs), emissions were estimated using the monetary method, a methodology recognized by the GHG Protocol for situations where LCA data are not available. This approach involves multiplying the net monetary value of each purchase of capital goods by a monetary emission factor (kg CO_2e /euro spent), specific to the related economic activity.

The emission factors used were extracted from the EXIOBASE database, one of the most detailed sources of much regional input-output data. They were selected exclusively for Romania, to reflect the production context and carbon intensity of the local economy. Each line in the investment list was classified by economic category according to the CPA (Classification of Products by Activity) system, then linked to the corresponding EXIOBASE factor.

Analiza emisiilor asociate bunurilor de capital la

Analysis of the emissions associated with capital goods at Electromontaj reveals a centralized total of 34,807.87 tons of CO_2e, one of the most significant contributions to the company's total carbon footprint. This category includes emissions embedded in purchased equipment and infrastructure, from heavy machinery and vehicles to IT systems, construction, and upgrades.

Distribution shows that the head office is responsible for 57% of total emissions, followed by branches, with 32.4%. This concentration is explained by the fact that the planning, approval, and accounting recording of major investments is carried out at headquarters, where strategic procurement and central budgets are managed. At the same time, are the main points of implementation, where capital goods are actually used in the works. Therefore, they reflect a significant consumption of resources with high climate impact, especially in site infrastructure, vehicles, and machinery.

FSMZ and FCA, being industrial production units with more specialized acquisitions, contribute in a smaller proportion (only approx. 10.5% cumulatively), but still relevant in the context of energy efficiency and equipment modernization. This distribution shows the importance of integrating sustainability criteria from the planning and budgeting phase of investments.

Activities related to fuels and energy

The Scope3 category 3 within the GHG Protocol Standard includes indirect emissions associated with upstream processes related to fuels and energy purchased by the company, which are not already included in Scope 1 (direct emissions) or Scope 2 (electricity or heat purchased). This category covers in particular emissions generated in the stages of extraction, processing, refining, transport and distribution of fuels and energy sources, up to the point of delivery to the organization – i.e. stages „from the source to the gate of the organization" (Well-To-Tank, WTT).

This component is essential to complement the carbon footprint associated with energy consumption, as emissions from Scope 1 and 2 only reflect fuel combustion or energy end-use, not including the full impact of the energy chain. By including Scope 3.3, reporting becomes completer and more accurate, reflecting the real impact of energy choices on climate, including differences between fossil sources, renewables, or fuel mixtures.

In the present analysis, the following energy sources and fuels were included: diesel (diesel), gasoline, natural gas. For each of these, WTT (Well-To-Tank) emission factors provided by DEFRA UK – GHG Conversion Factors 2024, recognized as an international standard for energy footprint calculation, were applied.

Upstream transport and distribution

Scope 3 category 3.4 includes indirect emissions associated with the transportation and distribution of goods purchased by the company, which occur before the products are owned or controlled by the end customer. Specifically, this category covers logistics related to the transport of materials and equipment from suppliers to company locations (factories, warehouses, operational headquarters), as well as internal transport between own locations and construction sites where the company operates, when they involve previously purchased goods.

In the case of Electromontaj, logistics flows relevant to this category include:

- International and national shipments from external or local suppliers to company facilities (e.g., head office, FSMZ, FCA, temporary warehouses, etc.).
- Transports carried out from company locations to construction sites, in order to deliver the materials needed to implement energy projects (electric infrastructure, solar/wind parks, network works, etc.) that are not carried out with company vehicles.

These shipments are classified as "upstream" and not "downstream" because the transported goods are used within the organization for production or execution purposes and are not yet delivered or transferred to customers. According to the GHG Protocol definition, transport is considered "upstream" when the company owns or controls the transported goods, and the transport is outsourced to a third party (e.g.: carriers, couriers, logisticians). Thus, even if Electromontaj does not operate the transport vehicles, the emissions associated with these activities are accounted for in Scope 3.4, as part of the indirect footprint.

To estimate greenhouse gas emissions in this category, the quantitative method based on physical activity was applied, according to the formula standardized by GHG Protocol and EMEP/EEA:

Emissions (kg CO_2e)=Weight×Distance×Emission factor

The analysis of CO_2e emissions associated with the transport of raw materials shows a significant variation according to distance, quantity, and type of means of transport. The highest emissions are generated by sea transport combined with road transport from China and Turkey. For example, the delivery of more than 1,329 tons of hot rolles sheets from China generated approximately 926,229 kg CO_2e, while an even larger volume – over 2,636 tons from Turkey – generated 787,327 kg CO_2e, reflecting both the relative efficiency of maritime transport and the contribution of domestic road transport.

In contrast, deliveries from Central Europe, such as Bulgaria, Hungary or Germany, make a much smaller contribution to the carbon footprint, even when the number of shipments is higher. For example, 12 shipments of 377 tonnes of zinc from Bulgaria generated only 7,240 kg CO_2e, highlighting the critical role of distance and transport mode choice in total emissions. Thus, optimizing the logistics chain, with an emphasis on direct rail or sea transport, can significantly contribute to reducing the company's carbon footprint.

The total amount of emissions associated with the international transport of the analyzed raw materials

amounts to 1,749.44 tons of CO_2e. This value reflects the significant impact that logistics have on the supply chain, especially in the case of heavy materials, transported over long distances, with conventional means such as diesel trucks or ships for the transport of bulk goods.

Waste generated from operations

Scope 3 category 3.5 includes indirect greenhouse gas (GHG) emissions associated with the treatment of waste generated by the company, when the management of this waste is carried out by third parties (collectors, carriers, authorized operators). This category covers the entire „post-consumption" stage of the operational cycle: from waste collection at Electromontaj premises and sites, to their disposal, incineration or recycling.

For the reporting year under review, the following waste streams identified in the company's current operations were considered:

- Metal waste (scrap metal, sheet metal, residual metal structures).
- Paper and paperboard.
- PS-type plastic waste (polystyrene).
- Municipal solid waste (residual mix from office and site activities).
- Hazardous waste (e.g., oil filters, contaminated packaging, absorbent textiles, used protective equipment).

Each type of waste has been correlated with one or more specific treatment methods, depending on the practices identified at the level of sanitation operators, the local waste management infrastructure, and the physico-chemical characteristics of the material. For these treatments, standardized emission factors were applied from the following sources:

- The quantities of waste were obtained from waste management registers, scale sheets issued by authorized collectors, handover invoices or, in their absence, by estimates
- The largest amount of waste was generated at the Galvanized Metal Poles Factory (FSMZ), as a result of the specific industrial activity of metal processing, cutting, welding and galvanizing, processes that naturally generate a significant amount of metal scrap and sludge resulting from the treatment of documented operational surfaces.

Business trips

Scope 3 category 3.6 includes all indirect GHG emissions associated with the movement of employees for professional purposes, when means of transport and related services (such as accommodation) are outsourced. In the case of Electromontaj, this category is considered relevant from a materiality perspective, considering the high frequency of trips made for technical visits, operational coordination, international partnerships, and participation in profile events.

Components analyzed:

1 . **Transport for business purposes,** comprising all outsourced forms (flights, train, bus, taxi). Emissions were estimated based on distance traveled and official DEFRA 2024 emission factors, adjusted by vehicle type, fuel and occupancy level. For air transport, factors that also integrate non-CO_2 effects were used.

2 . **The accommodation –** Indirect emissions resulting from hotel consumption and services (electricity, thermia, water, cleanliness, etc.) were calculated using country-specific UNFCCC factors expressed per night's accommodation.

Employee commuting

Scope category 3.7 covers indirect GHG emissions associated with movements of employees between home (or place of temporary accommodation) and place of work, carried out by means of transport that are not owned or controlled by the company. These emissions, while not directly operationally influenced, reflect the indirect impact of labor mobility and are relevant to a full assessment of the organizational climate footprint.

1 . **TESA staff – urban/suburban commute to Headquarters**
For employees with predominantly administrative activity, a sampling study was carried out on a group of 100 people. Data were extrapolated to the entire TESA group (approximately 300 employees), under the assumption of uniform mobility behavior. Emissions were estimated using DEFRA UK 2024 emission factors, differentiated by vehicle type and occupancy level.

2 . **Operational staff – local commuting to work points and construction sites**
For technical and field employees, an approach was adopted based on the analysis of GPS data from Electromontaj vehicles used to transport teams. The average daily distances travelled between accommodation and work points were determined.

In the Employee Commuting category (movement of employees to/from work), total reported emissions amount to **10,441.08 tonnes CO_2e**, reflecting the impact of daily mobility of staff throughout the organization. The highest input goes to headquarters (including FSM), with a total of **9,743.69 tonnes CO_2e**, which indicates a significant volume of employees moving individually, possibly on personal motor vehicles or conventional non-energy-raised transport.

Branches (which include construction sites) contribute 684.45 tonnes of CO_2e, a notable but significantly lower value than on-site due to fewer employees or shorter commuting distances. In the case of FCA, emissions are marginal (12.94 tons CO_2e), while for FSMZ data were collectively estimated with Headquarters. These results highlight the fact that the greatest environmental pressure comes from commuting

employees out of the head office and underline the potential for reduction by implementing solutions such as working from home, car sharing or alternative transport facilities.

Investments

The Scope 3.15 category comprises **indirect greenhouse gas emissions associated with economic activities carried out by entities in which the reporting organization has holdings**, but which **are not already included** within the organizational limits Scope 1 and 2, based on the chosen aggregation method. According to the GHG Protocol, this category is relevant for companies that invest capital in other organizations – either through share ownership, shareholdings in share capital, loans granted or other forms of financial interest.

For GHG emission reporting, Electromontaj SA applies the **equity method** for setting the organizational limit. This method involves including in Scope 1 and 2 only those entities or locations where the company has **equity**, regardless of the legal ownership structure.

Therefore, the entities in which Electromontaj SA has **only a financial interest or capital holding without direct operational control**, may be considered in **scope Category 3.15**, depending on relevance and materiality.

At the reporting date, Electromontaj S.A. has holdings in the following companies:

- **IPROEB S.A** (industrial activity and production of electrical components)
- **EMFOR SA** (execution of drilling works, special constructions)
- **Electrotechnics EM SA** (electrical equipment, switchboards)
- **Paper Invest SRL** (marginal activity, no active industrial operations)
- **Electromontaj Branch Bucharest SA** (marginal activity, no active industrial operations)
- **Pro Elm Electric S.R.L** (vocational training unit, non-productive educational activity)

Under the GHG Protocol, when a company has equity in other organizations, it may choose to:

- **Estimates emissions in proportion to the share held in the share capital,** where it has no operational control.
- **Excludes non-material investments** in those entities that do not generate significant emissions or contribute relevantly to the company's total footprint reporting.

Applying these principles:

IPROEB S.A, EMFOR S.A, and **Electrotechnics EM SA** are considered investments **relevant from the point of view of emissions,** having industrial and operational profiles similar to the core activities of Electromontaj SA.

Since these companies **are not included in the operational limits of Electromontaj**, they are eligible to be reported in Scope 3.15, to the extent that quantitative data on their emissions will be available or a method of estimation will be applied on a financial basis in future years.

Paper Invest SRL and **Pro ELM Electric SRL** were **methodologically excluded** from the Scope 3.15 category, based on an evaluation of **materiality**. These entities have extremely low or non-industrial activities (educational services, passive asset management), and their estimated contribution to the centralized carbon footprint is **negligible**. This approach is consistent with the GHG Protocol's reporting principles on relevance and proportionality.

Company	Scope 1 + 2	Electromontaj SA Participation	CF proportional shareholding (kg CO2e)
EMFOR SA	892,175.65	98.37%	877,633.19
Electrotehnica EM SA	33,595.52	83.66%	28,112.73
IPROEB SA	1,773,943.94	58.82%	1,043,428.55
TOTAL			**1,949.17 tonnes**

Market-based GHG emission intensity

To evaluate the carbon efficiency of Electromontaj's activities in 2024, the intensity of greenhouse gas (GHG) emissions was calculated, expressed in tons of CO_2e per million RON turnover. This indicator allows a standardized and comparable reporting of climate performance, regardless of absolute fluctuations in emissions or volume of activity.

According to the GHG Protocol methodology and based on the calculated carbon footprint, the total emissions (Scope 1-2-3) based on the market were of 86,232.86 tonnes CO2e. Relating these values to Electromontaj's turnover in 2024, of **754,660,672.45 RON**, result

- **Market-based intensity: 114.27 tCO_2e /million RON turnover**

These metrics will serve as a baseline for the company's future climate targets and will be used for annual monitoring of decarbonization progress.

Reconciliation income – GHG intensity

The total turnover reported in the Electromontaj financial statements for the 2024 financial year is 754,660,672.45 RON. This value represents the net turnover according to the applicable accounting standards and constitutes the basis for reconciliation with the data used for the GHG emission intensity indicator.

To determine the intensity of GHG emissions (tCO_2e / million RON), all revenues generated from the main operational activities of Electromontaj – were included, the execution of energy works, the production of components for the electrical infrastructure and the delivery of projects compliant with the European Taxonomy.

This reconciliation is carried out in accordance with: ESRS E1-6 which requires entities to transparently clarify the difference between the reported accounting income and the income used to calculate the GHG intensity, to allow audit and comparability between entities.

Scope 3 Results

Scope	Category	Headquaters (tCO2e)	Branches (tCO2e)	FSMZ (tCO2e)	FCA (tCO2e)	Row Total (tCO2e)
Scope 3	Purchased Goods and Services	24,230.03	2,242.91	973.81	101.66	**27,548.40**
Scope 3	Capital Goods	19,880.15	11,262.86	2,264.24	1,400.62	**34,807.87**
Scope 3	Activities related to energy and fuels	123.80	1,671.71	14.75	4.73	**1,815.08**
Scope 3	Upstream Transport and Distribution	1,749.44	0.00	0.00	0.00	**1,749.44**
Scope 3	Waste generated in operations	101.67	151.75	1,444.89	2.83	**1,701.14**
Scope 3	Business Travel	530.47	3,078.80	0.00	1.10	**3,610.37**
Scope 3	Employee commuting	9,743.69	684.45	0.00	12.94	**10,441.08**
Scope 3	Investments	1,949.17	0.00	0.00	0.00	**1,949.17**
TOTAL		**58,308.42**	**19,092.57**	**4,697.69**	**1,523.87**	**83,622.54**

Scope Results 1-2-3

For the period under review, the **total emissions of greenhouse gases (GHGs)** company's **Electromontaj SA** were estimated at **83,622.54 tCO_2e**. These include:

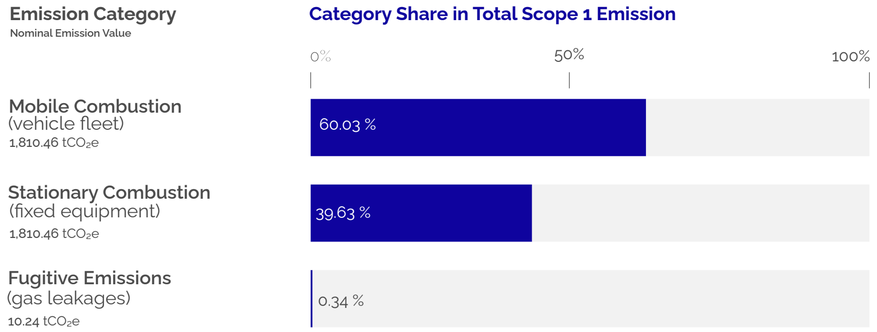
- **Scope 1 -** Direct emissions
- **Scope 2 -** Indirect emissions from purchased electricity
- **Scope 3 -** Other Indirect emissions along the value chain

Detailed Analysis of Scope 1

3,015.82
tCO_2e

Total direct emissions

Scope 1 Emissions Distribution



Detailed Analysis of Scope 2

712.40
tCO_2e

come from **consumption of purchased electricity**, representing a reduced share.

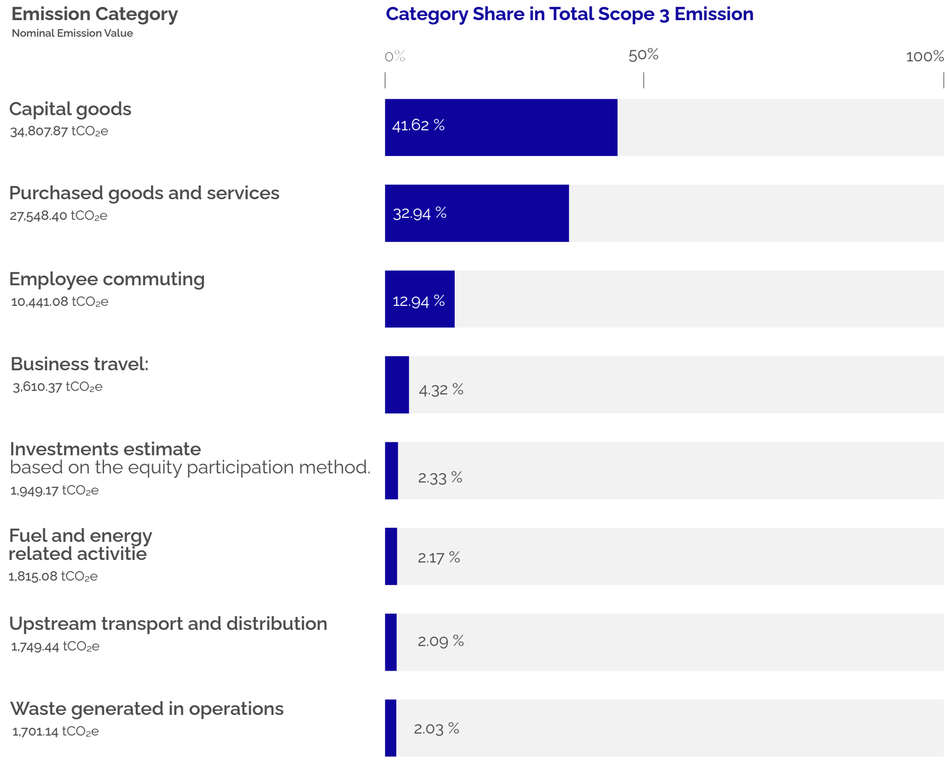
The biggest contribution comes from the FSMZ (**605,84 tCO_2e**), where energy intensive industrial processes are carried out.

Detailed Analysis of Scope 3

83,522.54
tCO_2e

Scope 3 clearly dominates the carbon footprint and reflects the complexity of the Electromontaj value chain.

Scope 3 Emissions Distribution



Technical plan to reduce emissions

Electromontaj proposes **decreasing the effective carbon footprint**, aligned with ESG principles and climate scenarios compatible with 1.5°C. The strategy aims at continuously reducing greenhouse gas (GHG) emissions for Scope 1 and Scope 2, as well as minimising the impact of emissions specific to the energy industry, in particular NOx and hazardous substances.

Strategic directions:

- Scope Emission Reduction 1
- Scope 2 Emission Reduction
- Minimizing emissions specific to the energy industry

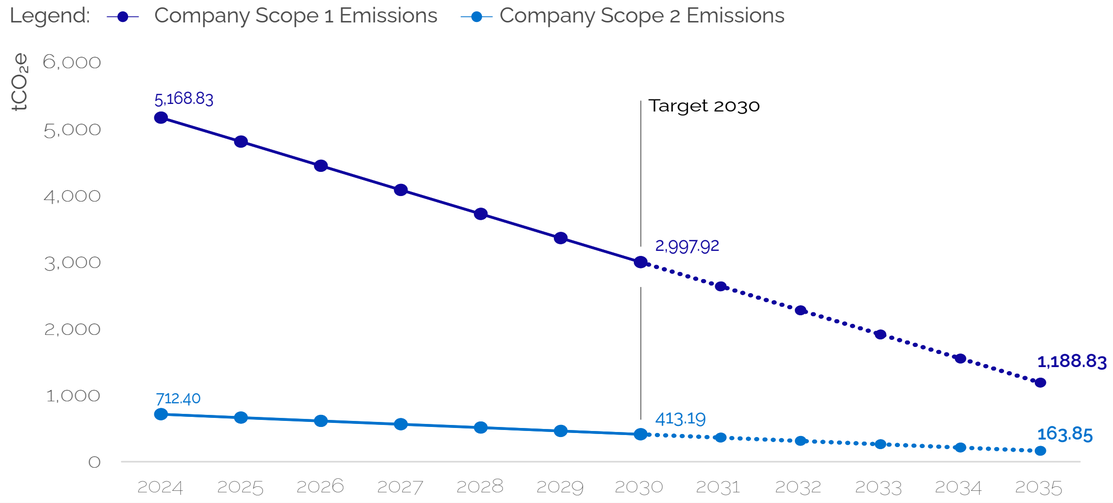
Governance and Implementation

The implementation of the carbon footprint reduction plan is coordinated by the Sustainability department, which collaborates with the Logistics, Procurement teams, and project managers in the field. Each measure proposed now or added in the future is and will be integrated into operational flows through clear responsibilities and periodic monitoring. In parallel, a digital monitoring and reporting system ensures transparency, traceability, and the possibility of auditing ESG indicators, supporting decision-making on a real basis.

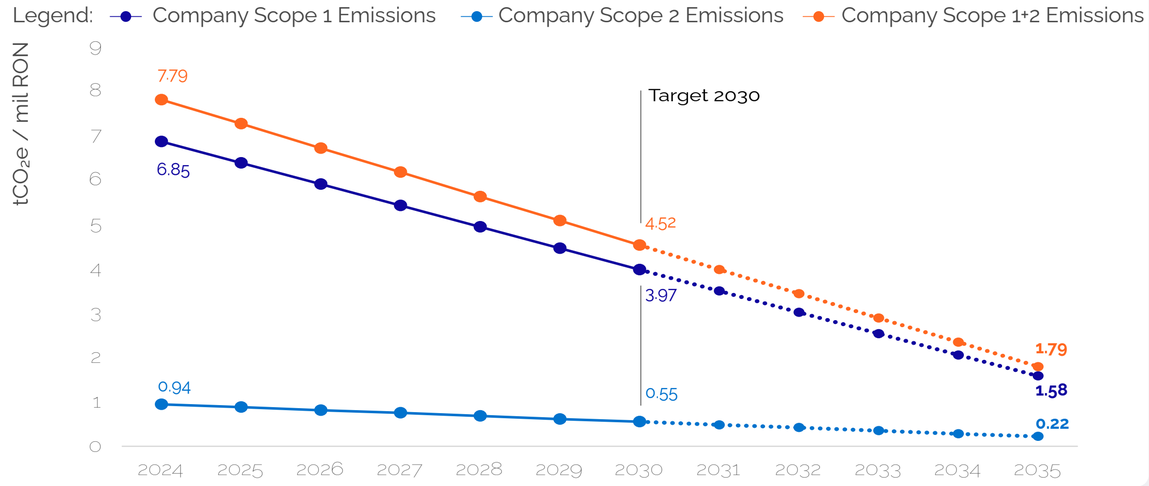
Culture and Engagement

Reducing emissions depends not only on technology, but also on people's daily behaviors. That is why Electromontaj cultivates an organizational culture oriented towards efficiency and climate responsibility. Internal campaigns, such as „Efficiency starts with mine," encourage employees to adopt small gestures that, cumulatively, have a significant impact on the environment. Communicating progress and recognizing high-performing teams drives everyone's engagement, turning lowering their carbon footprint into a collective and visible effort.

Carbon Footprint Reduction Pathway – Absolute Contraction 1.5°C



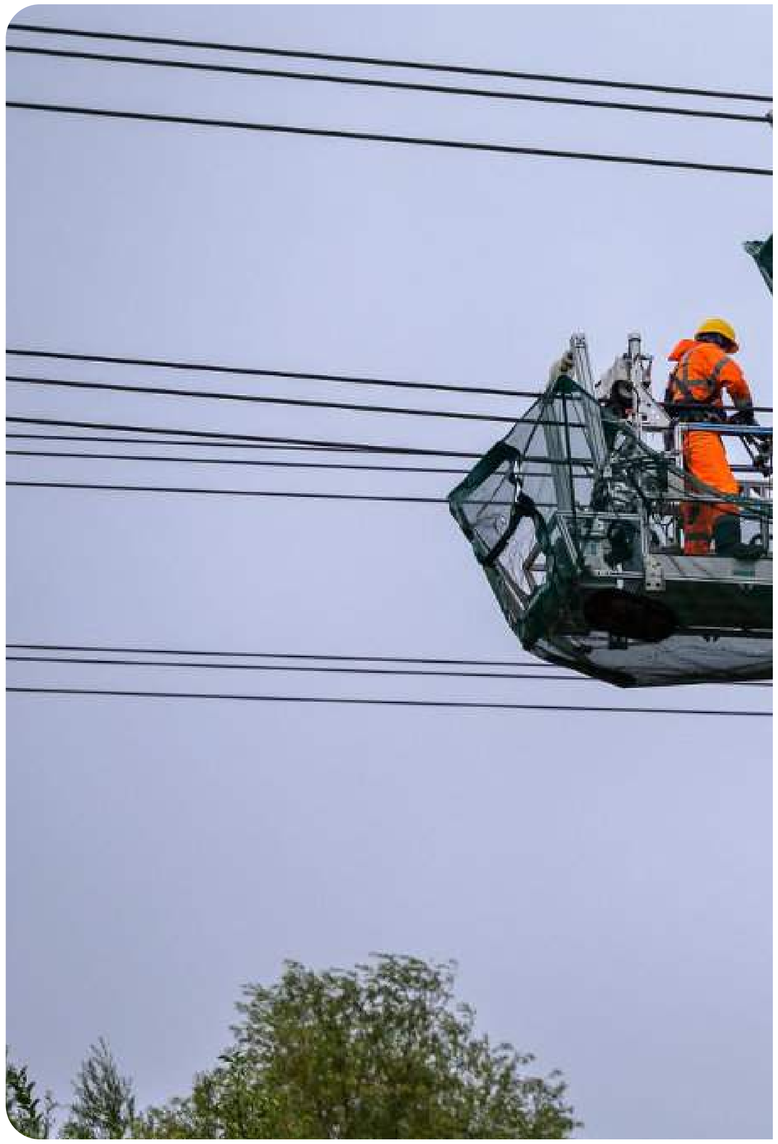
Carbon Footprint Reduction Pathway – Relative Contraction 1.5°C



Electromontaj is committed to helping combat climate change through a responsible and transparent approach to its greenhouse gas emissions. The first step in this process was to fully measure the carbon footprint, covering all categories **Scope 1, Scope 2 and Scope 3**, to realistically understand the impact of the activities on the environment. This stage of full emissions inventory allows us to start with a solid database and build footprint-lowering measures on operational realities, not theoretical estimates.

The next stage is the implementation of direct actions, aimed at reducing emissions where we can achieve an immediate and quantifiable effect. A concrete example is **optimizing idle times for machinery and vehicles in construction site**s, measure which reduces both fuel consumption and Scope emissions 1. At present, our objective is qualitatively focused on **maintaining or reducing emissions**; to observe the real impact of each measure and assess to what extent they contribute to the decrease of the company's total footprint. This gradual approach allows us to **adjust emission reduction trajectories** depending on **operational reality** and to progressively align ourselves with long-term climate goals.

We rely on transparency and real results. Every action implemented is rigorously monitored and reported so that we can demonstrate progress not just on paper, but in concrete emission indicators. This philosophy guides us in building a model of decrease in the carbon footprint, adapted to the specifics of our industry and integrated into the ESG strategy of Electromontaj.



E1-9 Anticipated financial effects of significant physical and transition risks and potential climate-related opportunities

Assets exposed to material physical risk prior to the application of climate change adaptation measures

In 2024, Electromontaj carried out a detailed analysis of its own assets and production facilities to determine their exposure to physical climate risks, in the short, medium and long term, before implementing any adaptation measures. The process included several successive steps:

Asset inventory – The fixed asset database was extracted from accounting, including the bookeeping value, the fixed asset group and the unit of membership (e.g. Head Office, branches, factories). The database was filtered and supplemented with additional information to be able to correlate financial results with climate risk analysis. Thus, each asset was added:

Final location (Headquarters, Factories, Branches), to establish the relevant territorial unit.

Vulnerability typology against climate risks, by classifying each fixed asset according to potential exposure to risks **acute**, **chronic**, or **combined** (e.g.: buildings – acute+chronic, technological equipment – acute, intangible assets – chronic).

Correlation with climate risk analysis – The results of the climate resilience analysis carried out in 2024 were integrated into the database, each work unit (headquarters, branches, factories, external entities) being associated with a climate risk score on a scale from 1 to 5, later transformed in percentage (0–100%). The risks identified were classified as **acute** (extreme events such as heat waves, heavy rainfall, strong winds) or **chronic** (e.g., gradual increase in average temperature or other gradual climate change).

Unit exposure assessment – For each organizational unit (FCA, FSMZ, Headquarters, internal and external branches – e.g. Bacau, Bucharest, Chisinau, Cyprus, Finland, Jordan, Pitesti, Craiova, FSMZ-SIS) it was established which fixed assets fall into the acute categories, chronic or combined. Based on the related climate risk score, the corresponding percentage of exposure was allocated to each asset.

Calculation of the value of exposed assets – The total bookeeping value of fixed assets exposed was calculated for each unit and type of risk (acute, chronic, acute+chronic). Later, the value of the assets exposed to the total value of Electromontaj's fixed assets was reported, to determine their weight.

Result determination – Centralization of results showed that:

- **53%** of the total amount of fixed assets shall be in areas of material physical risk prior to the application of any adaptation measures:
- of these, **13%** are exposed to acute risks, while **40%** are exposed to a combination of acute and chronic risks;
- rest of **47%** of the value of the fixed assets are not exposed to the identified material physical climatic risks.

Assets exposed to acute physical risk

Following the correlation of climate risk maps with the geographical positioning of Electromontaj's assets, several locations exposed to such risks were identified. These include units such as **FCA, FSMZ, Headquarters, Electromontaj branches in Bacau, Bucharest, Craiova, Pitesti, FSMZ-SIS, as well as external units in the Netherlands, Finland, Cyprus, Jordan and Chisinau**. The evaluation was carried out on each category of fixed assets (buildings, land, technological equipment, means of transport, measuring and control devices, etc.), considering their degree of vulnerability to acute risks.

According to centralized analysis, **13%** of the total value of Electromontaj's tangible assets is exposed to acute risks before the application of climate change adaptation measures. For reasons of confidentiality, the absolute values in RON cannot be disclosed, but only the weight calculated relative to the total fixed assets.

Assets exposed to chronic physical risk

The chronic risks identified include the lasting effects generated by climate change, such as **rising average temperatures**, **decrease in water supplies** and **prolonged droughts**. These risks manifest themselves gradually and may affect the integrity and performance of Electromontaj's assets in the medium and long term. The analysis carried out highlighted the exposure of units such as **Headquarters, branches in Bacau, Bucharest, Craiova, Pitesti, FSMZ-SIS and other locations** to chronic risks, in particular regarding buildings, land and intangible assets.

The results show that **40% are exposed to a combination of acute and chronic risks**. And in this case, for reasons of confidentiality, the absolute values in RON are not disclosed, but only the percentages related to the total value of the fixed assets.

Percentage of assets exposed to material physical risk

The share of assets considered exposed to material physical risk was calculated by correlating the results of the climate resilience analysis (risk maps, percentage scores) with the geographical positioning and accounting value of Electromontaj's fixed assets. All categories of fixed assets (buildings, land, equipment, means of transport, intangible assets) were taken into account in the assessment, both for acute and chronic or combined risks.

The centralized result shows that **53% of the total value of tangible assets** is exposed to material physical climatic risks before the application of adaptation measures. Of this share, **13%** are exposed to acute risks again **40%** it combines both types of risks. Rest of **47%** from assets are not affected by the identified material climate risks.

Location of significant assets exposed to physical risk

Significant assets exposed to physical climatic risks are in the units **FSMZ** and **Headquarters**, these holding the most exposed assets due to the high volume of fixed assets they concentrate. The climate resilience analysis highlighted that these units include an important part of Electromontaj's assets vulnerable to acute (heat waves, flash floods, storms) and chronic (increased average temperatures, prolonged drought) risks.

According to the results aggregates, **53% of the total value of tangible assets** Electromontaj is exposed to material physical climatic risks before the application of adaptation measures, with FSMZ units and Headquarters contributing significantly to this share.

Location of significant assets exposed – NUTS coding

The relevant NUTS area is: RO321.

Integrating physical risks into the assessment process

Based on **climate Risk Analysis (CRA)** made in 2024 and **a further analysis carried out subsequently,** it correlated fixed asset accounting data with CRA results, the units with the highest shares of assets exposed to physical climate risks were identified.

The additional analysis included detailed inventory of assets, their classification by vulnerability types (acute, chronic and combined risks) and the allocation of exposure percentages for each organizational unit. The results showed that **FSMZ** and **Headquarters** it concentrates most exposed assets due to the high volume of fixed assets they own. Both units are in **Bucharest**, framed in the coding of **NUTS 2: RO321 – Bucharest-Ilfov.**

This additional post-CRA approach allowed for better localization of vulnerable assets and a precise understanding of their exposure to physical climate risks, information essential for prioritizing adaptation measures.

Risk factors for income in the face of physical risks

The main risk factors include disruption of supply chains, reduced accessibility to construction sites in extreme weather and decreased productivity in excessive heat.

Integrating physical risk assessment into climate scenarios

The risk assessment was carried out using IPCC RCP scenarios 4.5 and 8.5, integrated into the climate risk analysis methodology.

Risk factors for income from activities at physical risk

Risk factors include deteriorating critical infrastructure, transport disruptions, logistical limitations and input price increases.

Percentage of assets addressed through adaptation measures

At this time, no explicit climate adaptation measures have been implemented for assets identified as exposed to physical risks from climate change. Although some technical improvements may indirectly contribute to infrastructure resilience, there is still no systematic approach dedicated to reducing climate vulnerabilities. Electromontaj is considering the development of an **integrated transition plan**, which will include specific assessment of climate risks (both physical and transitional) and propose concrete adaptation measures – such as infrastructure development, flood protection, streamlining of air conditioning systems and access management in extreme weather conditions. This plan will contribute to increasing operational resilience and progressive alignment with the requirements of European sustainability regulations.

Assets exposed to material transition risk and the Percentage of assets at transition risk

Electromontaj actively assesses the transition risks generated by the changing regulatory and economic context, against the background of the acceleration of decarbonisation and digitization processes at European level. Transition risks are defined as those possible negative impacts on the company's activity, driven by legislative changes, cost increases, the need to comply with stricter environmental standards or adaptation to new and more energy efficient technologies.

In order to quantify these risks, a detailed analysis was carried out on a set of 20 operational activities carried out by Electromontaj. Each activity using assets has been assessed against four essential criteria: (1) be an own activity (not upstream or downstream), (2) be currently active and relevant to the current business, (3) be affected by independent risks (related to the direct control of the company) and (4) be explicitly exposed to transitional factors, such as regulatory changes in the field of safety, environment or energy, volatility of resource prices or the need to integrate green technologies.

Following this analysis, 8 activities were identified that meet all four criteria, thus being considered assets directly exposed to transition risk. These include the construction of high-voltage electrical installations – exposed to both occupational safety regulations and environmental standards –, transport and system services, subject to increasingly strict regulations on carbon emissions, as well as the purchase of electricity and natural gas, vulnerable to legislative and economic fluctuations. Other activities, such as managing utilities or purchasing maintenance equipment, involve risks of non-compliance, outdated technologies or increased costs for adapting to ESG requirements.

The way of calculating the proportion of activities exposed to transition risk is simple and transparent: 8 affected activities were identified, out of a total of 20 analyzed. The result, expressed as a percentage, it is:

- **(8 / 20) × 100 = 40%.**

So, roughly 40% of Electromontaj's own and independent activities are directly exposed to the risks generated by the transition to a green and digital economy.

This proportion justifies the integration of transition risk into the company's strategic and operational planning. Recommended measures include carrying out periodic audits on compliance with changing regulations, investing in equipment and technological systems compatible with efficiency and sustainability requirements, as well as diversifying energy sources to reduce dependence on volatile markets. At the same time, the constant monitoring of public policies at national and European level becomes essential for real-time adaptation to the new requirements of the market and regulatory authorities.

Assets at transition risk before mitigation measures

Transition risks particularly target activities with high greenhouse gas (GHG) emissions, such as galvanizing, intensive energy consumption and the use of emission-generating equipment. They may be affected by stricter regulations on decarbonisation, compliance costs and market fluctuations related to energy prices and emissions.

Currently, the carrying amount of the exposed assets cannot be accurately estimated, since the assessment involves matching the fixed asset register with climate transition scenarios and evolving regulations. Electromontaj is to carry out a detailed analysis in the coming period to determine the potential financial impact and to substantiate the appropriate mitigation measures.

Percentage of assets addressed through mitigation measures

Through spot investments in photovoltaic panels, energy efficiency measures and the modernization of some equipment, Electromontaj has started the process of reducing exposure to transition risks. **However, the exact proportion of exposed assets that were partially addressed by these measures cannot be estimated at present**, as there is still no complete correlation between the implemented initiatives and the accounting categories of assets associated with transition risks. The detailed assessment is to be carried out within the strategic decarbonisation plan and future reporting compliant with CSRD requirements and EU taxonomy.

Assessing the effects on future financial performance in the context of transition risks

Following the analyzed scenarios, transition risks may affect Electromontaj's competitiveness and ability to access contracts in regulated sectors such as public infrastructure, where environmental criteria and decarbonisation requirements are becoming increasingly strict. The potential impact is associated with additional costs for compliance, investments in low-emission technologies and pressures on the profit margin in projects with fixed contractual budgets. **The process of assessing these financial effects has already been initiated**, however **estimated value of the impact cannot be calculated at this time**, due to the lack of a complete correlation between climate scenarios, cost structure and portfolio dynamics of future projects. The next stage will include the development of an internal financial analysis framework and transition scenarios, allowing for rigorous exposure quantification and its integration into strategic planning.

Integration of transition risks into the analysis methodology

The evaluations are based on the own methodology developed within the double materiality process, which includes ESG factors, emerging legislation (eg CBAM, EU Taxonomy) and net-zero trajectories at sectoral level.

Potentially locked assets

Assets at risk of becoming unserviceable or uncompetitive are being identified, especially in the galvanizing area, where the use of fossil fuels could lead to the loss of eligibility for European funding.

The book value of real estate assets where energy consumption is estimated

In the case of Electromontaj in the carbon footprint reporting process for the reference year, energy consumption was collected and reported based on actual measurements, coming from utility bills and branch operational data. Thus, it was not necessary to estimate the energy consumption for any of the buildings included in the calculation of the carbon footprint, and the accounting value which was estimated was used null. This approach ensures the accuracy of data on indirect emissions from energy consumption (Scope 2) and strengthens the reliability of the company's climate reporting.

Potential liabilities related to transition risks

Until this moment, Electromontaj has not identified recognized accounting liabilities related to transition risks. The situation will be reassessed annually in relation to obligations under financial reporting standards.

Number of GHG emission certificates (Scope 1) under the ETS regime

Electromontaj does not operate in sectors directly subject to the ETS certificate trading regime.

Certificates stored from previous allocations

No ETS certificates from previous periods are stored.

Potential liabilities associated with contracted carbon credits

Electromontaj does not have contractual agreements regarding the purchase of carbon credits to be canceled in the future.

Monetized value of Scope 1 and 2 emissions

Applying an estimated carbon price eg: 100 LEI/tCO_2e, the estimated value for Scope 1 and 2 emissions is: 372,822.17 RON

Monetized value of total emissions

Same methodology applied for total Scope 1, 2 and 3 emissions: **8,623,286.03 RON.**

Income from activities exposed to transition risk

Electromontaj operates in the field of energy infrastructure, considered a sector with a high impact on the climate transition.

According to the European Taxonomy analysis, the turnover related to non-eligible activities is 52,876,939 RON

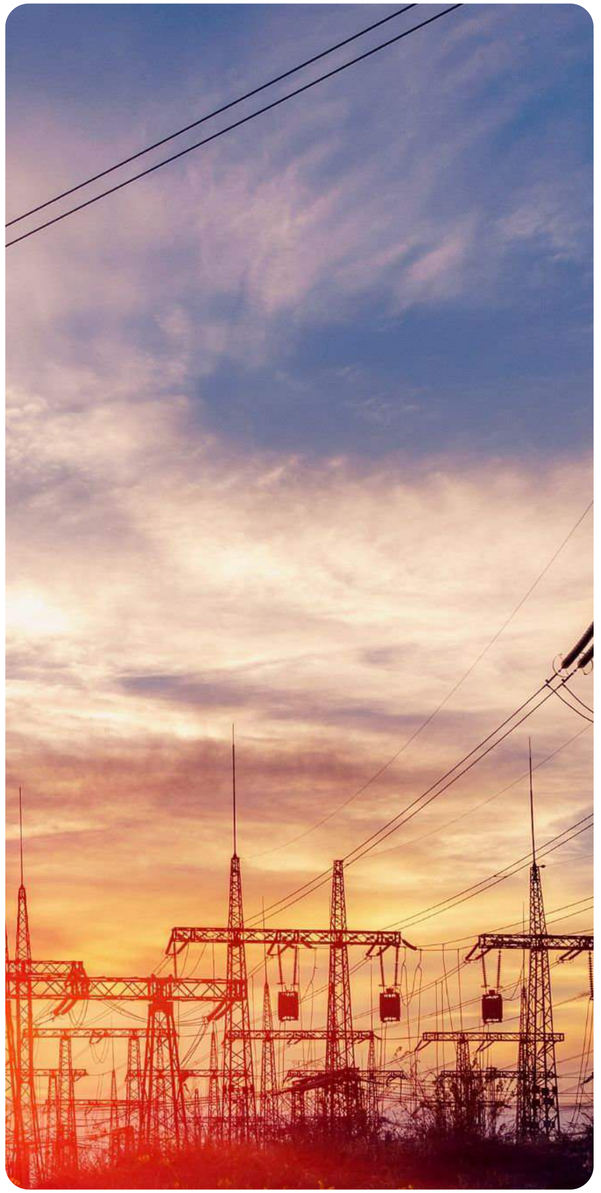
Revenue from customers in sectors based on coal /oil /gas

Currently the company has no direct active contracts with entities in the coal sector. Indirect collaborations may exist through subcontractors in national infrastructure.

Estimated savings through mitigation measures

At an average cost of kwh in Romania of 1,045RON/ kwh, photovoltaic panels saved 211,309 RON.

At this stage, Electromontaj cannot provide quantitative estimates or accounting values for the following three disclosure points: (1) savings generated by adaptation measures, (2) market size for low-carbon products and services, and (3) anticipated changes in income from low-emission activities. These estimates involve a high degree of complexity, as they require precise correlation between climate scenarios, historical operational performance, market dynamics and regulatory evolution. In addition, the project portfolio is variable, and some benefits of adaptation or transition measures manifest themselves indirectly and progressively. However, Electromontaj is considering the development of an internal modeling framework that will allow the quantification of these aspects in the coming years, in line with the requirements of the CSRD and the principles of transparency.



Pollution Prevention

SECTION CONTENT

06

ESRS E2 related to ESRS 2 IRO-1 – Description of the process of identifying and analyzing the use of material resources and the impacts, risks and opportunities

Information on the process of identifying actual and potential pollution impacts, risks and opportunities

Electromontaj implemented a systematic process for assessing pollution-related impacts, risks and opportunities, aligned with the requirements of ESRS 2 and using the LEAP approach . The process includes locating sources of interaction with the environment in own operations and in the value chain, assessing dependencies on ecosystems affected by pollutants (air, water, soil), as well as identifying risks. The tools used include internal emission assessments, analysis of environmental documentation and consultations with internal specialists.

Declaring whether and how consultations were carried out (pollution)

To objectively evaluate the materiality of the subject of pollution, Electromontaj substantiated the analysis by consulting international databases and instruments with a scientific basis, such as **ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure**), alongside relevant studies and academic articles on industrial impacts on air, water and soil. These references were supplemented by local consultations with stakeholders – employees, environmental authorities. The dialogue included questionnaires on the perception of pollution risks, technical discussions on hazardous substances and the assessment of ecosystem exposure and human health. The results were integrated into the materiality assessment and the company's preventive pollution risk management strategy.

Declaring the results of the materiality assessment (pollution)

The outcome of the materiality assessment process indicated that the topics related to soil pollution (through construction waste), air (through particulate and dust emissions) and water (through potential accidental leaks) **are materials for the Electromontaj** activity. The most relevant activities in this context are those of execution in construction sites located in the vicinity of residential areas or surface waters. On this basis, priority actions were established for emission reduction and selective collection.

E2-1 Pollution-related policies

Description of policy content

Electromontaj applies the policy **EM-PS-06 „Performance measurement and monitoring"**, which, although not intended solely for pollution prevention, includes explicit references to monitoring emissions and controlling environmental indicators. The policy provides for the use of a set of indicators techniques to track the operational impact on air, water and soil and to assess the efficiency of the environmental management system in the context of the activities carried out.

Description of the scope of the policy or possible exclusions

The policy is applicable to the entire organization and all activities carried out by Electromontaj, without mentioning specific exclusions. This covers all operational processes, from site work to logistics and support activities.

Description of the highest level within the organization that has responsibility for policy implementation

Responsibility for enforcing the policy lies with environmental, quality and occupational health and safety (OSH) structures. Although no individual executive officer is appointed in the document, the involvement of these structures indicates oversight and coordination at the senior managerial level.

Information on third-party standards or initiatives that are met through policy implementation

The policy mentions compliance with the requirements set by the standards **SR EN ISO 14001:2015** for environmental management and **SR EN ISO 45001:2018** for occupational health and safety. Compliance with national and European legislation in force on environmental protection is also sought.

Description of how stakeholder interests have been considered in policy setting

In developing and enforcing the policy, Electromontaj considered the interests and concerns of stakeholders, including local communities and regulators. The results of measurements and monitoring are actively used for external communication and relationship management with relevant actors.

Explanation of whether and how the policy is made available to potentially affected stakeholders and those who need to implement it

The policy does not explicitly provide for public availability but mentions that the information generated is used for communication with external and internal stakeholders, which indicates an openness to transparency in the implementation of environmental measures.

Information on whether and how the policy addresses the mitigation of adverse impacts related to air, water and soil pollution

The EM-PS-06 policy includes specific indicators for tracking atmospheric emissions, water quality, and soil contamination. These measures aim to prevent, reduce and control the negative impacts associated with Electromontaj activities.

Information on whether and how the policy addresses the substitution and reduction of the use of hazardous substances and the phase-out of substances of great concern

The policy indirectly refers to the assessment of the risks associated with hazardous substances but does not contain explicit objectives related to the replacement or disposal of highly hazardous substances (SVHC). This may constitute an area for expansion in future policy reviews.

Information on whether and how the policy addresses the avoidance of incidents and emergencies and, if they occur, the control and limitation of their impact on people and the environment

Measures to prepare for emergencies, such as fires, explosions or accidental spills, by equipping them with rapid response equipment and organizing periodic exercises are included. The aim is thus to reduce the impact of incidents on the environment and human health.

Background information on the relationship between the policies implemented and how the policies contribute to the EU Action Plan for an environment free of air, water and soil pollution

Although the policy does not directly refer to the EU Zero Pollution Action Plan, its objectives and methods are partially aligned with its principles, through its emphasis on prevention, monitoring and control of pollution sources.

E2-2 Actions and resources allocated to pollution

Description of the key action

Electromontaj initiated an operational plan to reduce pollution generated in construction sites, focused on the introduction of selective collection systems in temporary execution locations.

Description of the scope of the key action

The actions apply to all company sites, especially those located in the vicinity of residential areas, where pollution risks are higher. They cover the entire operational cycle, from transport and logistics to the actual execution of the works.

The time horizon within which the key action is to be completed

The actions are to be fully implemented by 2027, in accordance with operational planning and technological investment stages.

Description of the key action taken and its results

During the reporting period, Electromontaj implemented actions such as measuring pollution levels in production facilities

Quantitative and qualitative information on the progress of actions in previous periods

The year 2024 was determined as the first base year for reporting.

The type of financial and other resources allocated to the action plan

During the period under review, the **Electromontaj has not yet formally allocated financial or operational resources dedicated exclusively to the climate transition action plan**. Therefore, capital expenditure (CapEx) and operational expenditure (OpEx) values, both current and future, **cannot be reported at this time**. This is because the relevant projects are currently integrated into overall investment or modernisation budgets, with no distinct labelling linked to sustainability objectives. In the coming period, the company is considering the development of an internal budgeting mechanism that will allow the identification, tracking and separate reporting of resources allocated for adaptation, mitigation and alignment with climate and environmental requirements.

Explanation of how financial resources are reflected in financial reporting

Financial resources allocated to environmental, training, maintenance and monitoring activities are included in aggregate in general investment budgets and operational expenditure accounts, however **they are not broken separately in the balance sheet or in the annual financial statements**. Consequently, these amounts cannot be identified separately under the standard financial reporting headings. Electromontaj envisages, for the future, the development of an internal budget tracking methodology that allows separate labeling and reporting of resources allocated to ESG and climate objectives.

E2-3 Objectives related to pollution

Relationship to policy objectives

The targets set are directly correlated with the objectives defined in the EM-PS-06 policy on monitoring environmental performance and reducing impacts on air, water and soil. They support the implementation of pollution prevention policies, aligning with the principles of ISO 14001 and the commitments made under the sustainability strategy.

Measurable target

- Commissioning of a new galvanizing bath with high energy efficiency.
- Implementation of the cover system at galvanizing baths to maintain temperature and reduce emissions to air.

Nature of target

Qualitative target with medium-term horizon.

Description of the scope of the target

The target applies to galvanizing activities within the FSMZ.

Reference value

2024 is the first since the actions are planned.

Reference year

The reference year is the financial year 2024.

Target application period

The period of application of the targets is 2024 – 2026.

Intermediate stages or targets

- 2025: Start of implementation;
- 2026: Completion of the implementation of the established targets.

Description of significant methodologies and assumptions

The targets were defined based on the need to modernize galvanizing equipment and reduce diffuse emissions, correlated with good technical practices in the industry. Assumptions include maintaining the level of production.

The target is based on conclusive scientific evidence

Yes – the target is based on the technical documentation of the equipment and on specialized studies on energy efficiency and emission reduction in the galvanizing process.

Stakeholder involvement in target setting

The target setting process included consultations with internal HSE structures and factory representatives. The points of view received influenced both the feasibility and the degree of aspiration of the target.

Description of changes to the target and associated metrics

The target was first formulated in 2024; no changes were made by the time of reporting.

Reported performance against published target

The target was first formulated in 2024; no changes were made by the time of reporting.

Relationship with the prevention and control of air, water and soil pollution

Target contributes to:

- **Air:** reduction of diffuse emissions of vapors and metallic particles.

Consideration of ecological thresholds and specific allocations

The targets consider locally established thresholds on air quality, in compliance with the Environmental Permit (Factories).

Methodology for identifying thresholds

The analyses were based on the information contained in the Environmental Permits obtained.

Responsibility for compliance with thresholds

Responsibility is allocated to the structure on the control of processes and is coordinated by the Factory Director.

Mandatory/Voluntary

The target is **voluntary** but aligned with the requirements regulated by the applicable environmental permits.

Addressing non-conformities against DNSH criteria

The target contributes to remedying potential deviations from the DNSH („Do No Significant Harm") principle, especially in the context of European Taxonomy.

Targets implemented at site level

N/A – targets are set at company level

Lack of other targets – justification

Although the subject of pollution has been assessed as a material topic, targets have currently only been set for the component on air pollution in the galvanizing area, through prevention measures and reduction of diffuse emissions, namely the commissioning of a new galvanizing bath with energy efficiency and the implementation of a cap system to maintain the temperature and reduce the dispersion of vapors and metal particles.

The other sub-topics considered materials — including the use of hazardous and very hazardous substances, the risk of pollution of living organisms and the food chain, presence and management micro plastics, as well as aquatic and terrestrial pollution, have been recognized as having significant impact potential, but currently no formal targets or objectives have been agreed for them.

The company is considering developing a framework of targets, operational measures and monitoring systems related to these areas in the following reporting periods, as available data and internal management and reporting capacity are aggregated.

Target-taking for these areas will be phased in correlation with developments in regulations, customer requirements, and industry best practice standards.

Time horizon for new targets

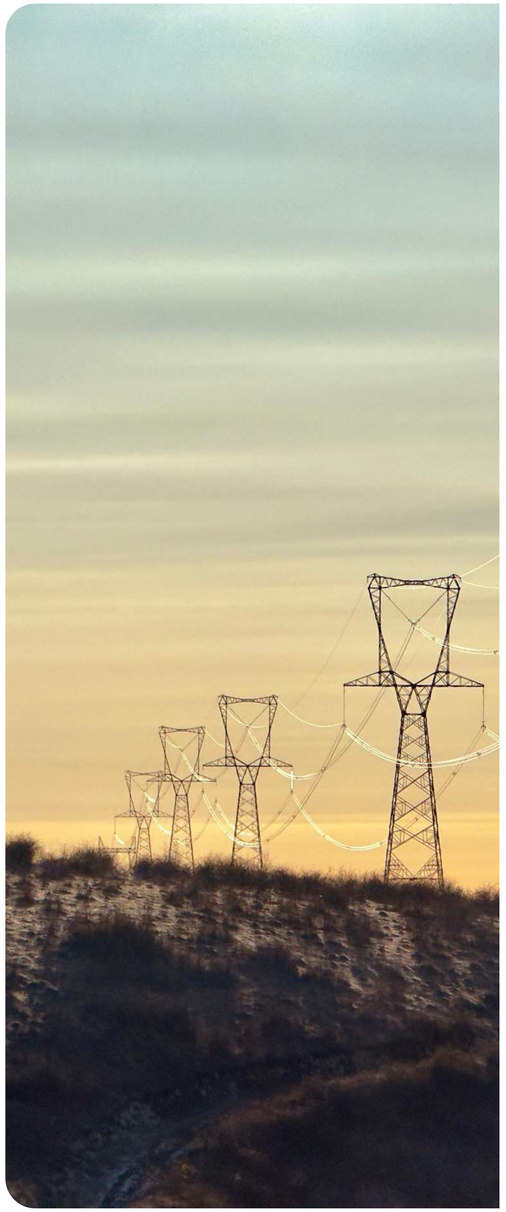
It is estimated that new targets will be set by the year **2026.**

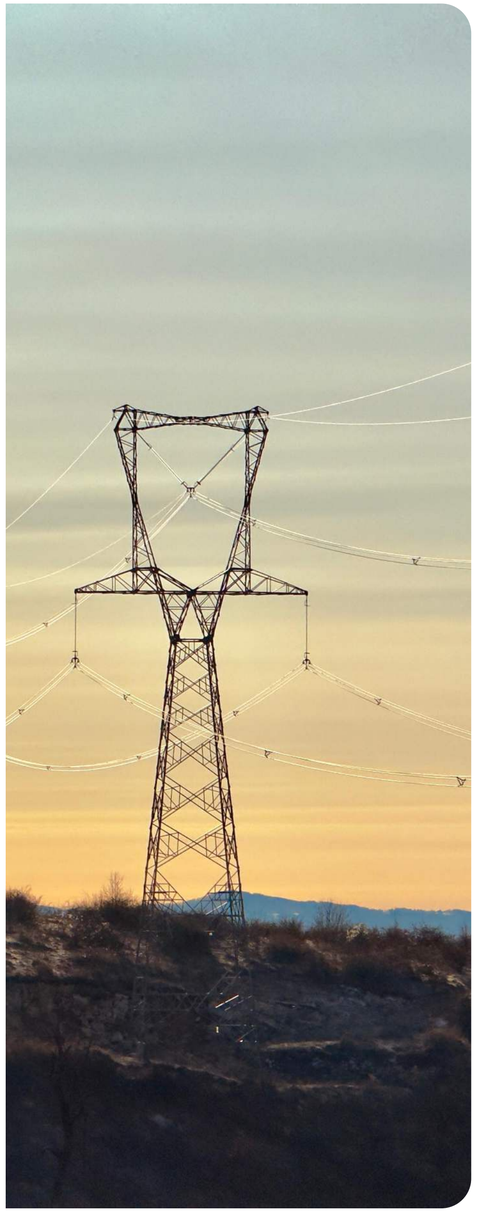
Pursuing the effectiveness of policies and actions

Effectiveness is tracked through KPI indicators such as the number of caps implemented at galvanizing stations.

Description of the follow-up process

The process includes internal audits, KPI reporting and annual factory-level assessments.





E2-4 Air, water and soil pollution

Air, water and soil pollution

Provides a geographic and functional overview of significant pollution sources across company operations.

Location	Pollution type	Main Source	Sector of activity	Amount emitted (kg/year)
FCA	Air	Plasma cutting machine	Lathe	N/A
	Air	Metal fabrications	Locksmithing	N/A
	Air	Forge	Locksmithing	N/A
	Air, water	Galvanizing	Galvanizing section	N/A
FSMZ	Air	Thermal power station	Factory	N/A
	Air, water, soil	Galvanizing	Galvanizing section	N/A

Emissions to air broken down by pollutant

It highlights the release of pollutants into the atmosphere, by location and source.

Location	Polluant	Main Source	Sector of activity	Amount emitted (kg/year)
FCA	SOx (expressed in SO_2)	Exhaust pipe in the forge oven	Forge	63.84
	Nox (expressed in NO_2)	Exhaust pipe in the forge oven	Forge	1,758
	Free chlorine	The ventilation system from the pickling baths	Galvanizing section	4.57
FSMZ	CO	Thermal power station	Factory	14.3
	Nox	Thermal power station	Factory	32.6
	SO	Thermal power station	Factory	6.0
	Powders	Thermal power station	Factory	0.41
	HCl	Galvanizing	Galvanizing section	33.73
	Powders	Galvanizing	Galvanizing section	24.74
	NH3	Galvanizing	Galvanizing section	11.25
	Cr	Galvanizing	Galvanizing section	0.077

Emissions to water broken down by pollutant

It highlights the input of pollutants into water resources, per location and source.

Location	Pollution type / Polluant	Main Source	Sector of activity	Amount emitted (kg/L)
FCA	Washing water, galvanized landmarks	Electrochemical galvanizing	Galvanizing	N/A
FSMZ	Ammoniacal nitrogen (NH_4+)	Rainwater and domestic wastewater	R1 connection	0.018
	Total Phosphorus	Rainwater and domestic wastewater	R1 connection	0.003
	$Zn^{2}+$	Rainwater and domestic wastewater	R1 connection	0.00001
	Nickel	Rainwater and domestic wastewater	R1 connection	0.000003
	Lead	Rainwater and domestic wastewater	R1 connection	0.00001
	Copper	Rainwater and domestic wastewater	R1 connection	0.00001
	Total Chromium	Rainwater and domestic wastewater	R1 connection	0.000002
	Phenol index	Rainwater and domestic wastewater	R1 connection	0.000002

Emissions to soil broken down by pollutant

Location	Polluant	Main Source	Sector of activity	Amount emitted (kg)
FSMZ Neutralization Station Area	Chromium and compounds (expressed in Cr)	Galvanizing	5 cm deep	0,0843 x10-3
	Lead and compounds (expressed in Pb)	Galvanizing	5 cm deep	0,0843 x10-3
	Zinc and compounds (expressed in Zn)	Galvanizing	5 cm deep	0,0843 x10-3

Micro plastics generated and used

Electromontaj – The Galvanized Metal Pillar Factory (FSMZ) currently does not have a formal pollution monitoring mechanism with micro plastics, but the evaluation of involvement is conducted indirectly, by identifying potential sources from internal activities. At this moment, the only approach implemented to reduce the risk of generating micro plastics is the replacement of single-use plastic cups with cardboard alternatives, a measure aimed at reducing plastic waste that can contribute to the fragmentation and dispersion of micro plastics in the environment. Similarly, at the Clamps and Fittings Factory (FCA) no dedicated points of action have yet been developed in this regard.

Measurement methodologies

In the analysis from FCA and FSMZ, the data are reliable because they were collected through standardized methods, specific to the analyzed field. Calibrated equipment, validated work procedures, and trained personnel were used, which significantly reduces the risk of error. The repeatability and accuracy of the methods, as well as the correlation with reference values or legal limits, confirm the reliability of the data obtained.

Data collection processes

Within the Electromontaj factories, data related to sustainability (water consumption, energy, chemicals, emissions to air and wastewater, quantities of waste) are periodically collected by designated personnel, based on internal monitoring sheets and the results of laboratory analyses. In sectors with environmental impact, such as galvanizing, the data is verified through periodic chemical analyses (e.g. zinc concentrations, pH, alkalinity). For the analysis of forge emissions and wastewater from the galvanizing process there is a contractual relationship with a company that performs these analyses for Electromontaj while the measuring equipment is calibrated and maintained according to the maintenance plans. The data is centralized, then reported to the factory management and, if applicable, to the competent authorities (e.g. Environmental Guard), in accordance with legal requirements and implemented ISO standards.

Installations under IED and B.A.T

FSMZ

Electromontaj operates **Galvanized Metal Poles Factory**, installation that falls under the scope of IED (code 2.6 of Annex I to Law 278/2013).

The installation holds Integrated Environmental Authorization no. 7/2010, revised on 01.02.2022, issued by APM Bucharest, which confirms:

- Treatment of metal surfaces by chemical and electrochemical processes with bath volumes >30 m^3.
- Application of BAT techniques

Incidents of non-compliance /corrective actions

During the reporting period, the **no incidents of non-compliance were recorded** against integrated authorization and IED conditions.

The company has implemented **internal event response procedure**, including:

- Cause identification and implementation **corrective actions.**
- Prompt reporting to the authorities, if applicable.
- Additional monitoring to prevent recurrence.

Performance vs. BAT-AEL

According to the authorisation and monitoring system:

- Emissions of **powders, SO_2, NOx and CO** in flue gases it falls into **intervention thresholds** (5 mg/Nm^3 powders, 35 mg/Nm^3 SO_2, 350 mg/Nm^3 NOx, 100 mg/Nm^3 CO when starting boilers).
- **Chemical analysis of solutions** from the galvanizing baths and from the neutralization station is carried out periodically.

The results are maintained within the limits of BAT-AEL for sector „Surface treatment for metals and plastics".

Performance vs. BAT-AEPL

The plant's energy performance falls within the AEPL (General Environmental Performance) range for the electricity sector, below 100 kWh/tonne product.

Derogations according to art. 15(4) IED

Electromontaj does not benefit from exemptions.

The installation fully complies with the BAT requirements and the conditions of the integrated authorization, without requests to extend the deadlines for the application of European standards.

FCA

Within compliance with the legislation on industrial emissions is ensured by periodic monitoring of emissions in air and water, according to the provisions of Law 278/2013 on industrial emissions and other applicable regulations. The measured values are compared with the limits established by the environmental permit. In the case of air emissions (e.g. HCl, chlorine, dust), measurements are conducted by accredited laboratories and the results are kept and reported as required. The consumption of hazardous substances is also kept and the environmental impact is assessed, according to legal requirements.

Performance

All measured values are below BAT-AEL levels, so installations are compliant and emission efficient. The actual values demonstrate the efficiency of the technological measures applied and compliance with the legislation.

The environmental performance of the facility falls within the range of environmentally sound good practice, through the following arguments:

- Air pollutant emission values (e.g. SOx, NOx, Cl_2) is below the BAT-AEL limits and in accordance with the legislation in force (Law 278/2013).
- Wastewater discharged into the sewage network comes only from rinsing operations and contains no dangerous substances in concentrations above the limits imposed by local authorities.
- Hazardous waste is managed according to regulations, collected separately and handed over to authorized operators.
- No SVHC substances are used or generated in the technological process, apart from boric acid which does not leave the unit as an emission and is maintained in optimal concentrations.

All this reflects a high level of compliance with good ecological practices applicable in the metal processing and galvanizing industry.

E2-5 Substances of Concern and Very High Concern

The total amount of hazardous substances generated or used during production or purchased, broken down by hazard classes

Location	Hazard class	Substance	Associated activity	Quantity (kg)
FCA - Galvanizing	- Corrosive (H314) - Oxidizer (H272) - Toxic to the environment at high concentrations	Nitric acid	Electrochemical galvanizing	5.68
	- Corrosive (H314) - Respiratory irritant (H335) - Dangerously acute (on inhalation, in high concentrations)	Technical hydrochloric acid	Thermal / electrochemical galvanizing	1,321.815
	Corrosive and toxic for the aquatic environment	Addition of gloss	Electrochemical galvanizing	9.2
	- Irritants (H315, H319) - Hazardous to the aquatic environment (H411)	Forming solution and gloss carrier	Electrochemical galvanizing	2.14/14
	Irritant in direct contact or inhalation of dust	Potassium chloride	Electrochemical galvanizing	11.5
	Irritating or corrosive, potentially ecotoxic	Passive	Electrochemical galvanizing	11.5
	- Corrosive (H314) - Acute toxic(H302, H332) - Hazardous to the aquatic environment (H410)	Zinc chloride	Electrochemical galvanizing	3.89
	- Suspected reprotoxic (H360FD) conc. >5.5% - Classified as mild irritant	Boric acid	Electrochemical galvanizing	12
	- Corrosive - Dangerous with environment	Alkaline degreaser	Thermal / electrochemical galvanizing	10.2

Location	Hazard class	Substance	Associated activity	Quantity (kg)
FSMZ - Galvanizing section		Zinc	Galvanizing	425.00
	Class 8 - Corrosive substances.	Hydrochloric Acid	Galvanizing	177.32
	Class 9 - Other hazardous substances and articles	Ammonium chloride	Galvanizing	13.00
	Class 9 - Other hazardous substances and articles	Zinc chloride	Galvanizing	12.95
	Class 5 - Oxidizing substances	Chromic anhydride	Galvanizing	0.05
	Class 5 - Oxidizing substances	Sodium dichromate	Galvanizing	0.100
	Class 5.2 - Oxidizing substances and organic peroxides	Oxygenated water >35%	Galvanizing	22.00
	Class 9 - Other hazardous substances and articles	Soil ammonia 24%	Galvanizing	11.14
	Class 9 - Other hazardous substances and articles	Mineral oil	Galvanizing	0.60
	Class 2 - Gases dissolved under pressure	Acetylene	Galvanizing	1.36
	Class 2 - Compressed gases	Oxygen	Galvanizing	5.20
	Class 2 - Liquefied gases	Propane	Galvanizing	0.08
	Class 2 - Compressed gases	Nitrogen	Galvanizing	1.1
	Class 9 - Other hazardous substances and articles	Corrosion inhibitor	Galvanizing	1.65
	Class 9 - Other hazardous substances and articles	Degreasing agent	Galvanizing	3.10

The total amount of Substances of Concern leaving the facilities as emissions, products or part thereof

Location	Output form (emissions/product/service)	Substance	Associated activity	Quantity (kg)
FSMZ	Emissions	CO	Thermal power plant	14.3
	Emissions	Nox	Thermal power plant	32.6
	Emissions	SO	Thermal power plant	6.0
	Emissions	Powders	Thermal power plant	0.41
	Emissions	HCl	Galvanizing	33.73
	Emissions	Powders	Galvanizing	24.74
	Emissions	NH3	Galvanizing	11.25
	Emissions	Cr	Galvanizing	0.077

Number of Substances of Concern leaving facilities as emissions, broken down by hazard class

Location	Hazard class	Substance	Associated activity	Quantity (kg)
FCA	- H272, H314, H331, H335 - Oxidizing, corrosive, toxic inhaler	Nitric acid	Galvanizing	Within limits of the Environmental permit
	- H314, H335 - Corrosive, respiratory irritant	Technical hydrochloric acid	Galvanizing	Within limits of the Environmental permit
	- Irritating, it can give off light vapors	Azur Brite	Galvanizing	Within limits of the Environmental permit

Location	Hazard class	Substance	Associated activity	Quantity (kg)
	- Irritating, slightly corrosive	Azure HT-4 Base	Galvanizing	Within limits of the Environmental permit
	- Irritating, corrosive	Azure HT-4 MU	Galvanizing	Within limits of the Environmental permit
	- Irritating, locally corrosive	Proseal XZ-111	Galvanizing	Within limits of the Environmental permit
	- Reprotoxic (H360)	Boric Acid	Galvanizing	Within limits of the Environmental permit
FSMZ	Class 8 - Corrosive substances	Potassium chloride	Galvanizing	11.5
	Class 8 - Corrosive substances	Hydrochloric acid	Galvanizing	177.32
	Class 9 - Other hazardous substances and articles	Ammonium chloride	Galvanizing	13.00
	Class 9 - Other hazardous substances and articles	Zinc chloride	Galvanizing	12.95
	Class 5 - Oxidizing substances	Chromic anhydride	Galvanizing	0.05
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	Class 9 - Other hazardous substances and articles	Soil ammonia 24%	Galvanizing	11.14
	Class 9 - Other hazardous substances and articles	Mineral oil	Galvanizing	0.60
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	Class 9 - Other hazardous substances and articles	Corrosion inhibitor	Galvanizing	1.65
	Class 9 - Other hazardous substances and articles	Degreasing agent	Galvanizing	3.10

The quantity of Substances of Concern leaving the facilities as products, broken down by hazard class

As part of the activity at FCA or FSMZ, no Substances of Concern are delivered as products. All Substances of Concern are used exclusively in the internal galvanizing process, without leaving the facilities in product form.

The amount of Substances of Concern leaving the facilities as services, broken down by hazard class

- Galvanizing services from FCA are carried out in compliance with technological flows that include rinsing steps. No significant quantities of Substances of Concern result to leave the facility as a result of the service provided.

- Within the FSMZ it is not the case

Total quantity of Substances of Very High Concern (SVHC) generated or used, broken down by hazard class

- Within the technological process at FCA, the following SVHC substances are used:

  - Boric acid (it is used in the preparation of electrochemical galvanizing baths, but it is below the limit at which it becomes dangerous <5.5%) – classified as toxic for reproduction.

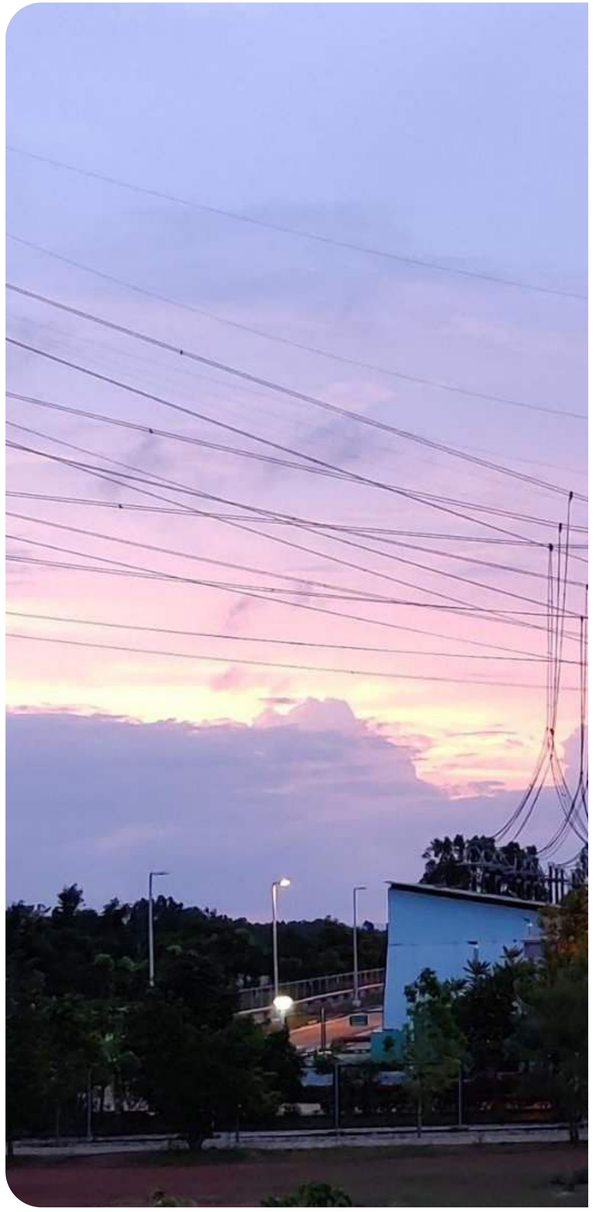
  Quantities are kept under control and handling is done according to SDS and REACH regulations.

- Within the FSMZ it is not the case.

The total amount of SVHC leaving the facilities as emissions, products or part thereof

- As part of the technological process conducted in the FCA unit, no substances identified as SVHCs are used that can leave the facilities as emissions through products or waste. Internal monitoring and safety data sheets (SDS) confirm the absence of these substances from operational flows and delivered products.

- Within the FSMZ it is not the case.



E2-6 Anticipated financial effects from the use of resources and impacts, risks and opportunities related to pollution

Quantitative information on the anticipated financial effects of risks and material opportunities generated by pollution-related impacts

Currently, **Electromontaj does not carry out dedicated quantitative assessments of the financial effects of risks and material opportunities generated by pollution-related impacts**. Although operational aspects related to compliance with environmental regulations and specific incidents are monitored, they are not integrated into a formal financial modeling framework that estimates the impact on cash flows, financial position or future exposure.

Operational expenditure (OpEx) associated with major incidents and storage (pollution)

The company recorded operational expenses relevant to the prevention, control and management of pollution, such as waste collection.

Qualitative information on the anticipated financial effects of pollution risks and opportunities

Currently, Electromontaj **does not carry out systematic quantitative assessments of the financial effects of pollution risks and opportunities**, because of the difficulty in accurately correlating these risks with clear monetary indicators. For example, the values regarding the percentage of net income obtained from products or services containing hazardous substances cannot yet be estimated because these materials are not distinctly detailed in the accounting system and are used in variable contexts, depending on the specifics of each project.

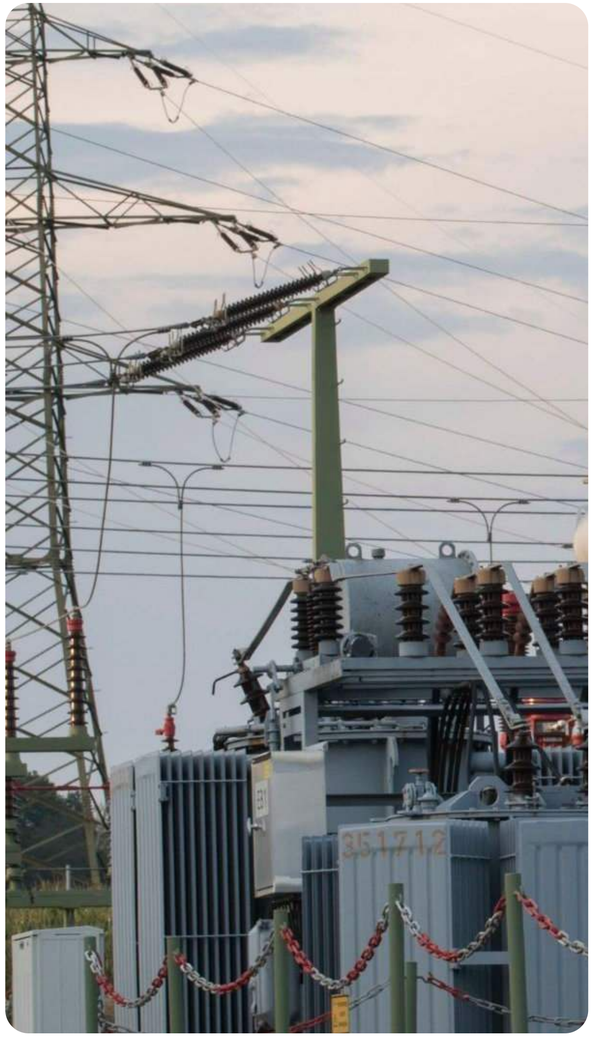
In addition to the impossibility of direct quantification, the company nevertheless identifies several **strategic risks with potentially significant financial impact**, even if they cannot be expressed in monetary terms at the moment. These include loss of operating licenses, supply chain bottlenecks, exclusion from public contracts in the context of increasingly stringent environmental requirements and difficulties in accessing green funding. In parallel, they are also identified **competitive opportunities,** such as increasing the confidence of stakeholders in the responsible management of environmental risks, the advantage in green infrastructure tenders, or the adoption of eco-innovative solutions that can open new markets.

Description of the effects considered the associated impacts and the time horizons within which it is likely to materialize (pollution)

The identified risks correlate with activities with direct exposure, such as work in urban areas or in the vicinity of water bodies. Impacts can manifest themselves in the short (urgent fix), medium (operational losses) and long term (impairment of reputation and client portfolio).

Information on critical assumptions used in quantifying financial effects, sources and level of uncertainty

The financial modeling used is based on multiple scenarios, including the likelihood of incidents, response costs and reputation impact. Critical assumptions include frequency of incidents (once every X years), average cost per incident, applicability of legal fines, and indirect costs (e.g. loss of contracts). The level of uncertainty is assessed as medium to high, especially for emerging risks (eg accidental soil pollution in temporary construction sites).



Circular economy and Resource Management

SECTION CONTENT

07

ESRS E5 related to ESRS 2 IRO-1 – Description of the process of identifying and analyzing the use of material resources and the impacts, risks and opportunities associated with the circular economy

Assessing assets and activities to identify resource and circular economic impacts, risks and opportunities

As part of the process of assessing material impacts and risks, Electromontaj has started a preliminary analysis of its own assets and activities in order to identify real and potential impacts on the use of resources and the transition to a circular economy. This analysis covered both internal operations and upstream (upstream – suppliers and procurement processes) and downstream (downstream – product delivery and waste management) relationships.

For the reporting year, the following methodologies and tools were applied:

- Review of raw material and material consumption
- Assessment of waste-generating processes and opportunities for internal reuse.
- Identification of circularity points in plant operations

The next stage aims to define a concrete action plan with objectives and performance indicators in the field of circularity and waste management.

Stakeholder consultation in the field of resource use and circular economy

Electromontaj has initiated an informal consultation process with several partners and internal experts to understand good practices in the field of efficient use of resources and promotion of the circular economy. These interactions included:

- Exploring partnerships with local recyclers for the efficient management of metal, paper and plastic waste.
- Participation in specialized events and relevant conferences (e.g.: Circular Economy Forum);
- Internal consultations with technical and maintenance departments to identify possible circular flows in current operations.

As the circularity strategy strengthens, a periodic stakeholder consultation mechanism will also be formalized, in line with ESRS requirements and participatory governance principles.

E5-1 Policies related to the use of resources and circular economy

Policies to manage impacts, risks and material opportunities related to resource use and the circular economy

Currently, Electromontaj does not have a formalized policy dedicated to managing the use of resources and the transition to a circular economy. However, the company recognizes the strategic importance of this topic and is committed to developing and implementing such a policy by 2026, aligned with BREEAM Infrastructure requirements for sustainable infrastructure projects and ESRS E5 standards.

Description of the main content of the policy

The planned policy will include the principles of preventing material waste, maximizing reuse and recycling, integrating secondary (recycled) resources, promoting sustainable suppliers, and traceability of waste streams. It will align with the waste hierarchy and the objectives of the European Circular Economy Strategy.

Description of the scope of the policy or exclusions

It is anticipated that the policy will cover all major infrastructure projects, manufacturing operations (FSMZ, FCA), procurement and logistics activities. Only administrative activities that do not involve significant material flows will be excluded from the scope.

The level of responsibility for policy implementation

Responsibility for the implementation of the policy will be assigned to Project Managers and Directors of Production Units.

External standards or initiatives respected through policy implementation

The policy will refer to BREEAM Infrastructure-Technical Manual standards, ISO 14001, the EU Waste Directive, as well as the principles of the European Circular Economy Platform.

Considering stakeholder interests in policy making

In developing the policy, Electromontaj intends to consult relevant stakeholders, including institutional clients, industry partners and sustainability NGOs, to ensure the relevance and applicability of the document.

Explanation of policy availability to affected Parties

The policy will be published on the company's website and will be communicated accompanied by implementation guidelines and requirements included in procurement and supplier evaluation procedures.

Transition from primary resources to secondary resources

The policy will include targets on progressively increasing the use of recycled materials, reducing dependence on primary resources and promoting low carbon footprint materials where appropriate.

Sustainable supply and use of renewable resources

Evaluation of suppliers' ESG performance will be promoted.

Waste hierarchy

The policy will support compliance with the waste hierarchy: prevention → preparation for reuse → recycling → other forms of valorization → elimination. Operational procedures will be adapted to reflect this hierarchy.

Setting the priority of waste prevention over waste treatment

Emphasis will be placed on process optimization and sustainable design to prevent the generation of waste from the source.

Disclosures in case of lack of policy

In the absence of a formalized policy in the reporting year 2024, Electromontaj recognizes this gap and publicly undertakes to correct it within a defined interval.

Reasons why the policy has not yet been adopted

Policy development has been delayed due to the prioritization of other components of the ESG framework and the need to collect relevant data from the field. At the same time, a better integration of circularity principles in internal procedures is necessary.

Time horizon for policy adoption

The adoption of the resource and circular economy policy is planned for the fourth quarter of 2025, with gradual implementation starting in 2026, depending on pilot projects and alignment with BREEAM Infrastructure.

E5-2 Actions and resources in relation to the use of resources and circular economy

Actions and resources related to resource use and circular economy (according to ESRS 2 MDR-A)

Disclosure of the main action

Currently, Electromontaj has implemented a main action formally dedicated to the circular economy, more precisely the setting of facilities for the selective collection of waste both in production facilities and in construction sites and offices.

Description of the scope of the main action

The main action planned will cover procurement processes, industrial operation (FSMZ, FCA), temporary construction sites. The goal is to increase the degree of recovery and recycling.

The time horizon in which the main action is to be implemented

2024 – Quarter IV 2026,

Description of the action taken and its results

Among the actions are the following:

- Installation of containers specific to selective collection
- Staff training in the field

Type of current and future financial resources allocated to the action plan (CapEx and OpEx)

Currently, no specific budget has been allocated for this initiative. However, Electromontaj has already implemented a main action in support of the circular economy, consisting of setting facilities for selective waste collection, both in production facilities and within construction sites and offices.

Description of high levels of efficiency in the use of technical, biological and water materials

Electromontaj aims to improve consumption efficiency for metal profiles, aggregates and electricity, through digital planning systems and reduce losses in galvanizing and welding processes.

Description of increased use of secondary raw materials

No secondary raw materials were used in an increased regime.

Description of the application of circular design

Applicability and concrete examples

A relevant example of modular and removable design is found in metal structures of overhead power line (LEA) poles. They are made up of sections mechanically joined by screws and clamps, which allow the components to be partially replaced, dismantled for relocation or reused in other projects. This approach ensures increased flexibility in operation and extends the useful life of equipment.

Technical design details

The joining methods used are based on mechanical fasteners with screws, clamps and clamps, which allow mounting and disassembly without affecting the integrity of the components. In the case of insulators, fastening systems are used with removable elements, which can be replaced individually, without destructive interventions on the assembly. For metal structures, anti-corrosion protection is maintained by treatments applied during exploitation, and when necessary, sandblasting and repainting are carried out to restore the protective layer.

Materials and circularity

Most metal structures and fittings are made of galvanized steel, a 100% recyclable material. Aluminum and steel conductors are, in turn, fully recyclable. At the end of its life, standard procedures include selective dismantling, sorting components by types of materials (steel, aluminum, copper, plastics) and handing them over to authorized operators for recycling and recovery. However, reuse may be limited by factors such as physical wear or advanced corrosion of metal components, changes in technical standards that make parts incompatible with new designs, or operational safety regulations that prohibit the reinstatement of certain types of electrical equipment.

Description of the application of circular business practices

Electromontaj analyzes the inclusion of circularity requirements in the supplier selection process.

Description of actions to prevent waste generation in the upstream/downstream value chain

Electromontaj prevents downstream waste generation through a responsible value chain approach. Currently, waste management is carried out through contracts with authorized operators, who ensure the collection

and recovery of materials resulting from factories and construction sites, such as metal scrap from poles and fittings, cable packaging and waste from galvanizing and painting processes. This system guarantees the traceability of materials and reduces the risk of pollution or non-compliant storage.

Upstream, we are taking the first steps towards waste prevention by working with suppliers who accept the return of reusable packaging. A concrete example is the return of cable drums, which can be reused in multiple cycles, thus reducing wood consumption and waste generation.

Description of waste management optimization

Electromontaj collaborates with authorized operators for the selective collection and recovery of metal and packaging waste, with traceability documented in the Environmental Management System.

Information on collective actions for circularity

In 2025, Electromontaj plans to participate in circularity events, aiming to share good circularity practices with other actors in the energy and construction fields.

Description of the contribution to the circular economy

The current contribution is indirect, through the reduction of material losses and the use of own solar energy (FSMZ). Future contributions will include circular criteria in design, execution and reporting.

Description of how to organize the project (resources and circular economy)

A coordinated interdepartmental structure of Sustainability is envisaged, with support from Production and Operations.

Disclosures where the undertaking has not adopted actions

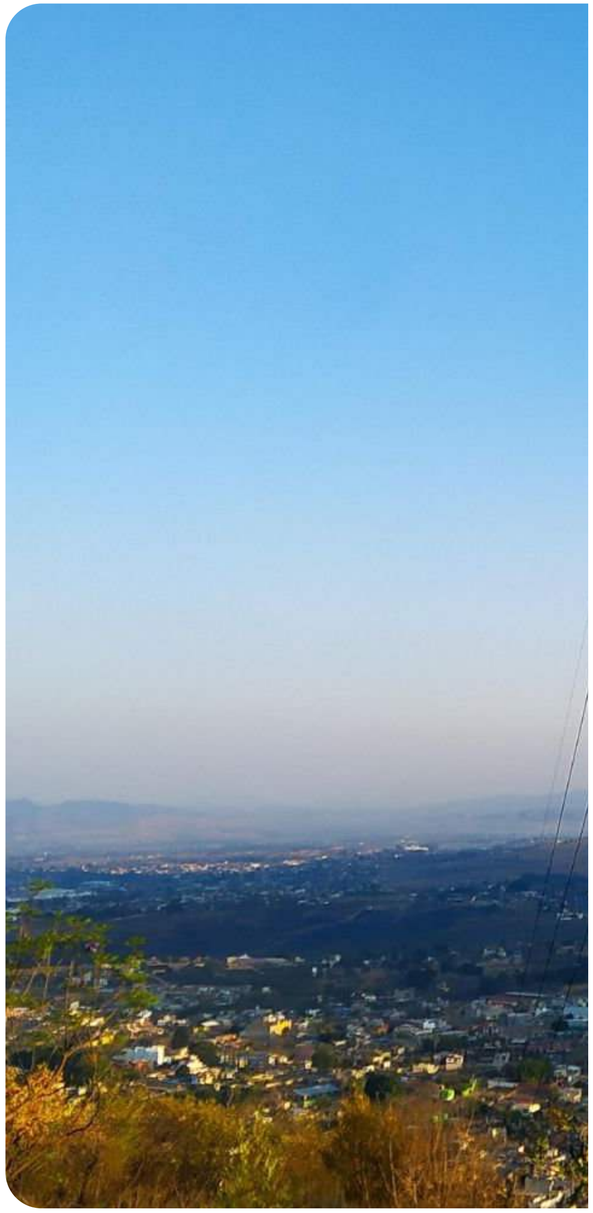
Electromontaj recognizes that, by the reporting date, no formal circular economic operational plan has been adopted.

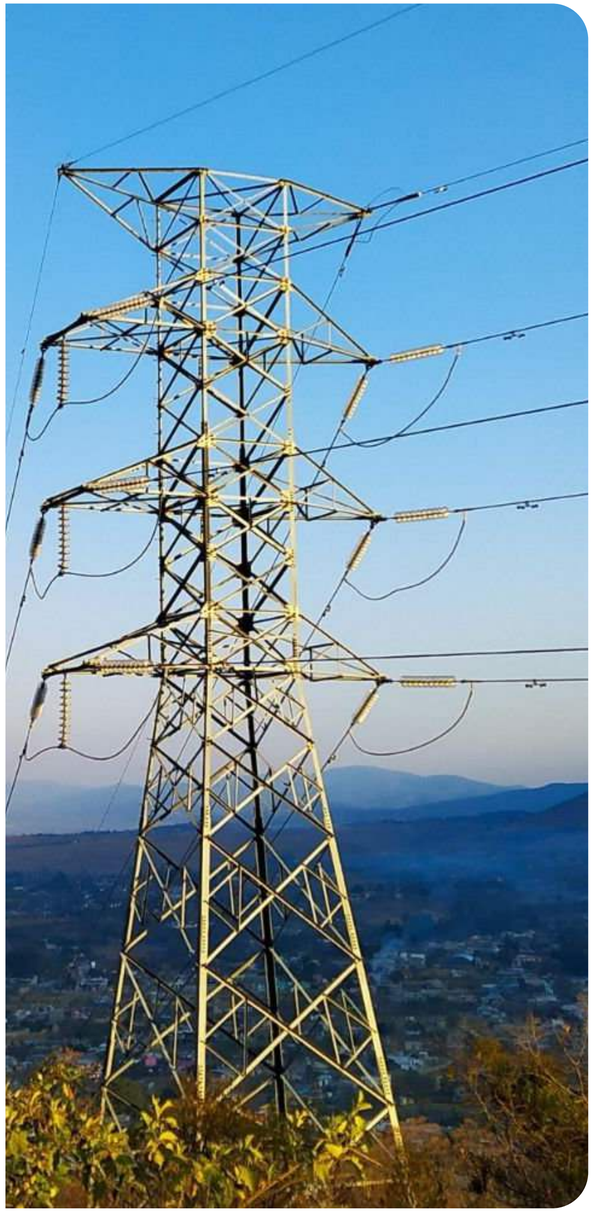
Reasons for not acting

The lack of an internal operational precedent in this area is the main reason.

Estimated time horizon for action adoption

2025–2026, in parallel with the development of the general policy for the use of resources and the circular economy, according to ESG strategic objectives and BREEAM Infrastructure requirements.





E5-3 – Objectives related to the use of resources and circular economy

1 . Correlation with policy objectives

The established objectives contribute to the promotion of a circular economy by reducing the consumption of resources, increasing reuse and recycling, in accordance with the Electromontaj Strategy even in the absence of a formal policy.

2 . Measurable objective

The objectives are measurable: the creation of spaces for selective collection, training sessions and volunteering actions implemented gradually.

3 . Nature of objective

They are voluntary, strategic objectives, oriented towards reducing the impact on the environment by optimizing waste management.

4 . Description of the scope of the objective

Se aplică tuturor sediilor, fabricilor și șantierelor Electromontaj din România și din străinătate, implicând încă de la angajați până la echipele de management.

5 . Reference value

The initial value is zero, in the absence of a formal system implemented until the end of 2024.

6 . Reference year

The year 2024 is used as the reference year for measuring progress.

7 . The period to which the objective applies

Period 2025–2030, with intermediate stages each year.

8 . Indication of intermediate stages

Each year has a specific action: offices (2024), factories (2025), construction sites (2026), training (2027), volunteering (2028-2030).

9 . Description of methodologies and assumptions used

The methodology involves the collection of data on equipped locations, the number of trained employees and the number of volunteer actions, in relation to the total number of units or staff.

10 . The objective is based on conclusive scientific evidence

Reducing waste and resource consumption is recommended in the EU circular economy guidelines and it is part of BREEAM's requirements.

11 . Stakeholder involvement

The objectives were established based on internal consultations, to be further validated with external stakeholders (e.g. project beneficiaries, authorities).

12 . Changes in objective or indicators

No changes in structure or indicators have been made to date.

13 . Performance in relation to the objective

Reporting starts in 2025, with delays, progress or overshoot of planned milestones to be measured annually.

14 . Relationship of the objective to resources (use and circular economy)

The objective contributes to resource efficiency by preventing waste and optimizing the collection of recyclable waste.

15 . Objective on increasing circular design

Indirectly, collection actions contribute to cleaner recycling flows, facilitating the application of circular design.

16 . Objective regarding the rate of use of circular materials

It promotes an enabling environment for reuse and recycling through adapted infrastructure.

17 . Objective regarding the reduction of primary raw materials

Indirectly, it contributes to reducing the demand for primary resources by facilitating recycling.

18 . Objective regarding stopping the depletion of renewable resources

It contributes to reducing the pressure on resources by preventing waste.

19 . The objective is waste management

Yes, the entire structure of objectives aims at efficient waste management.

20 . Details on how the objective contributes to waste managementor

Through selective collection, training and awareness, the premises are created to reduce the amount of waste disposed of through landfill.

21 . Contribution of the objective to other areas of the circular economy

It includes education actions and internal collaboration, with expanded potential in the value chain.

22 . Stage in the waste hierarchy

It aims at prevention, reuse and recycling, according to the European waste hierarchy.

23 . Identified ecological threshold and methodology

No specific numerical ecological threshold has been established.

24 . Entity-specific threshold

It is not currently applicable but is due for consideration in 2025.

25 . Responsibility for the ecological threshold

It will be assumed by the Sustainability Department in collaboration with the technical design, management team of factories, administrative department.

26 . Legally binding objective

No, it is a voluntary objective but aligned with European trends and future regulatory requirements.

27 . Reporting obligation if no objectives

This is not the case, as there are clear objectives and under implementation.

28 . Timetable for setting measurable goals

Set of objectives set for the period 2025–2034, annual intermediate points.

29 . Reason for lack of measurable objectives

Not applicable, objectives have already been defined.

30 . Pursuing the effectiveness of policies and actions

Efficiency is measured by the concrete implementation of each stage, degree of coverage and internal feedback.

31 . Effectiveness tracking process

The process includes annual verification, internal sustainability audit.

32 . Level of aspiration and indicators of progress

Ambition is the full implementation of infrastructure and behavioral change of employees. Indicators: % equipped locations, % trained employees, % voluntary participation.

33 . Reference year for tracking progress

The reference year is 2024.

E5-4 Resource inputs

Total weight of products and technical and biological materials used during the reporting period

During the reporting period, Electromontaj used various materials, substances, and equipment. Considering their diversity, it was not possible to calculate a general amount of resource inputs, on the other hand, they are broken down by various units of measure such as pieces, kg, cubic meters, etc. These resources are essential for carrying out energy infrastructure works.

These are contained in the technical annex called „ Data Analysis-Resource inputs 2024". In this annex you can see both the type, the quantity, and the unit that needed them.

Percentage of biological materials (and biofuels used for non-energy purposes)

Biological materials, including biofuels used for non-energy purposes, represented a marginal amount of the total materials purchased and used. Therefore, for this reason, as well as the difficulty of estimating the total weight, considering the practical rule -„rule of the thumb", the percentage of biological materials was not calculated.

The absolute weight of reused or recycled components, secondary intermediate products and secondary materials used to manufacture the company's products and services (including packaging)

In execution and logistics activities, Electromontaj did not use secondary materials.

Percentage of reused or recycled components, secondary intermediate products and secondary materials

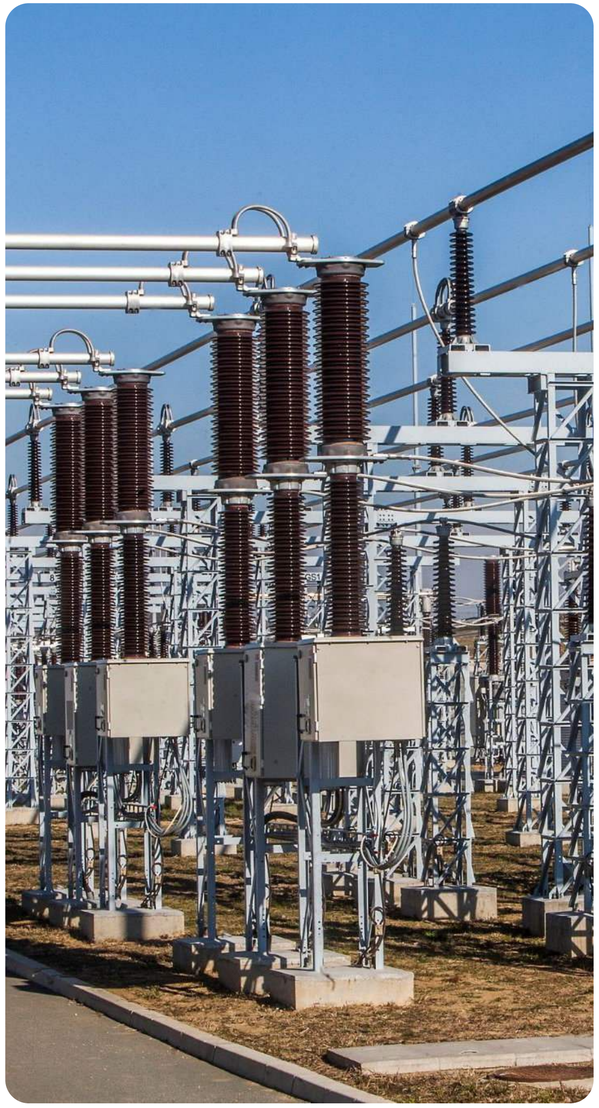
Secondary materials constituted 0 per cent of the total materials used during the reporting period. This value indicates a clear direction towards the integration of circular economic principles into the operational activity of the company.

Description of the methodologies used to calculate the data and the key assumptions used

The calculation of these data was made based on internal consumption sheets, records from carbon footprint analysis. In the absence of direct quantitative information, assumptions based on historical averages and past standard coefficients were used. The principle of prudence was applied to avoid overestimates.

Description of how double counting was avoided and the choices made

Only the goods purchased during 2024 were considered. Although stocks from 2023 were also used in the current activity, and part of the stocks purchased in 2024 will be used starting from 2025, they were not included in the analysis. This approach was adopted to avoid double counting and to reflect as faithfully as possible the actual purchases made during 2024.



E5-5 Resource Outputs

Description of the main products and materials resulting from the production process

The Electromontaj activity mainly generates finished energy infrastructure products and works, such as medium and high voltage electrical installations, connection systems and associated equipment. In the production process by-products are also generated, usually in the form of reusable waste (eg cut cables, concrete residues, etc).

Estimated durability of products placed on the market compared to the industry average

The average durability of the installations executed by Electromontaj is approximately 25–40 years, depending on the specifics of the project and the operating conditions. This duration is aligned with the sustainability standards of the construction industry and electrical networks in Romania and the European Union.

Product repairability

Electromontaj products and works are designed to allow easy access to repairs and maintenance interventions, an aspect regulated by the technical specifications included in the execution contracts. The electrical and mechanical components are mostly modular, allowing defective segments to be replaced without decommissioning the entire system.

Calculation methodology for resource output data

Data on recycling capacity and sustainability were collected through technical equipment assessments and discussions with project managers. Estimates were supplemented by sources of good industry practice.

Waste generated in total

During the reporting period, Electromontaj generated a total volume of 4,294.87 tonnes of waste. They were collected, sorted and directed according to the environmental regulations in force.

Entity	Hazardous waste	Non-Hazardous waste
Headquarters	0	1,070.65
Branches	0	1,597.94
FSMZ	599.77	956.82
FCA	0.48	69.24
TOTAL	**600.25**	**3,694.64**

Waste directed to disposal (hazard/non-hazard and treatment type)

Entity	Hazardous waste	Non-Hazardous waste
Headquarters	0	1,070.65
Branches	0	1,597.94
FSMZ	599.77	95.34
FCA	0.48	15.11
TOTAL	**600.25**	**2,779.03**

Non-recycled waste and related percentage

Non-recycled waste totaled 3379.283592 tonnes, representing approximately 79% of the total waste generated. Electromontaj aims annually to reduce this percentage through partnerships with specialized recycling operators.

Waste composition and relevant waste streams

Waste comes mainly from site activities (concrete, metal, wood, electrical cables, electronic equipment). The main flows are construction waste, hazardous waste from factories and non-hazardous waste from factories.

Materials present in waste

The waste contains materials such as iron, copper, aluminum, PP plastic, composite materials. Hazardous waste has specific compositions These are manually sorted to facilitate proper recycling or disposal.

Total amount of hazardous and radioactive waste

Electromontaj generated a total of 600,254 tons of hazardous waste (14% of the total). No radioactive waste was generated during the reporting period.

Methodology used for waste data

Estimates of waste generation and treatment were based on waste management registers, annual environmental declarations and transport/storage sheets prepared according to GD 856/2002 and GEO 92/2021.

E5-6 Anticipated financial effects from the use of resources and impacts, risks and opportunities related to circular economy

Quantitative information on the anticipated financial effects of risks and material opportunities generated by resource use and circular economic impacts

At this moment, there is no budget allocated to minimizing risks and maximizing opportunities related to resource management and circular economy.

Qualitative information on the anticipated financial effects of risks and material opportunities generated by resource use and circular economic impacts

Risks are mainly generated by reliance on materials with high price volatility and reputational risks associated with inefficient waste management. The identified opportunities aim to integrate the principles of the circular economy by reusing components and adopting technical solutions with an extended life cycle, which could increase the competitiveness and efficiency of projects.

Description of intended effects and related impacts (resource use and circular economy)

Among the effects considered are fluctuations in procurement costs due to the scarcity of resources, expenses with the treatment of hazardous waste, costs of compliance with environmental regulations, but also economic benefits from the recovery of secondary materials and the extension of the duration of equipment use.

Critical assumptions used in estimates of the financial effects of risks and opportunities generated by resource use and circular economic impacts

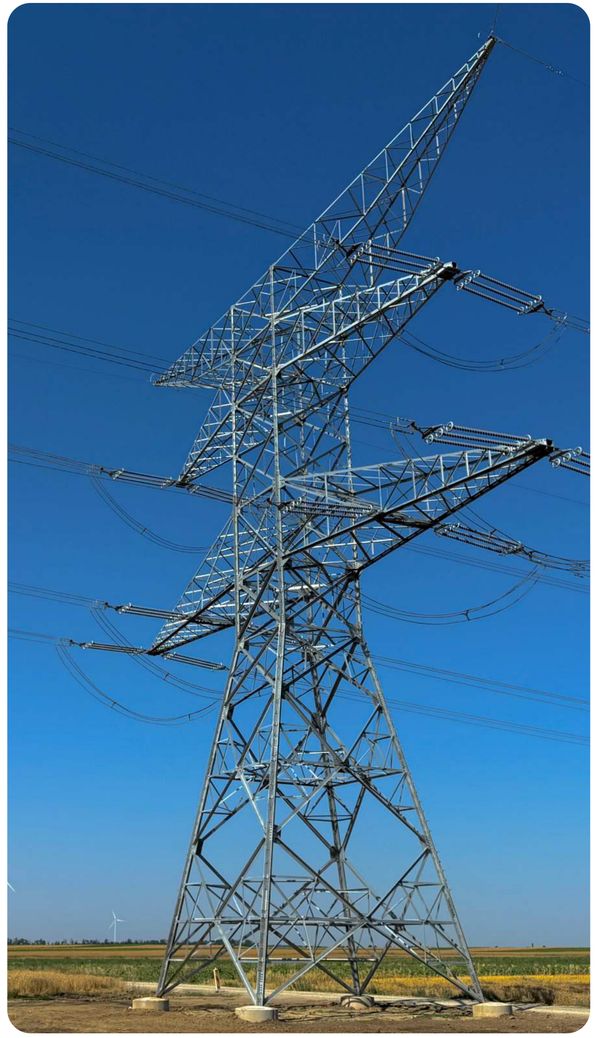
The estimates were based on assumptions such as annual increases in raw material prices, a rate of adoption of solutions.

Description of related products and services at risk (use of resources and circular economy)

Electrical assembly services involving metal components are most exposed to risks related to resource volatility. Long-term infrastructure projects are also affected by potential supply chain bottlenecks or legislative changes regarding the recycling of construction materials.

Explanations of how time horizons are defined, how financial amounts are estimated and critical assumptions made (resource use and circular economy)

Time horizons are structured in the short (1–2 years), medium (3–5 years) and long (over 5 years) term. Critical assumptions are based on historical trends, macroeconomic risks and domestic estimates of technological and operational adaptive capacity.



Own Workforce

SECTION CONTENT

ESRS S1 related to ESRS 2 SBM - 2

Within the Electromontaj development strategy, the workforce is the central pillar, both from an operational perspective and from the point of view of long-term sustainability.

Employee rights, safe and fair working conditions, as well as respect for fundamental human rights are integrated into the company's business model as essential dimensions of organizational performance. In the consultation process conducted for the double materiality analysis (DMA), human rights and employee rights scored high, reflecting their perceived importance by both employees and management.

This conclusion was also supported by the qualitative discussions within the internal focus groups, which highlighted clear expectations related to transparency, social protection, career equity and active involvement of the workforce in strategic decisions.

Therefore, Electromontaj aligns its business strategies and policies directly with the interests, opinions and rights of people in its own workforce, thus strengthening its commitment to sustainable, fair and responsible development.

ESRS S1 related to ESRS 2 SBM - 3

1. Persons in own workforce which are materially affected by company activities

Electromontaj takes a comprehensive approach to defining and delineating its own workforce in sustainability reporting as required by ESRS S1. In this sense, all categories of people may be materially affected by the company's activities, regardless of the type of contract or the location where it operates. These categories include permanent employees (with an individual employment contract of indefinite duration), temporary employees (with fixed-term contracts), staff posted to other locations or projects, as well as people in transitional stages of employment, such as apprentices, trainees and employees on probation.

This extensive demarcation reflects Electromontaj's commitment to ensure a full assessment of its impacts on the entire workforce, not only within the headquarters or production facilities, but also at external work points, on national and international construction sites, where the company carries out direct activities or under operational control. Through this inclusion, the company aims to responsibly address all the social, health and safety, as well as professional development implications that may arise during commercial activities, in line with the principles of due diligence and respect for human rights at work.

In 2024, the total number of people in the workforce materially affected by the company's activities, respectively employees and people with management contracts, is 1,347.

2. Types of employees and non-employees subject to material impacts

Electromontaj's workforce brings together a variety of contractual forms and occupational profiles, configured in accordance with the specific requirements of activities in the fields of energy, infrastructure and construction-installation. This organizational architecture includes all persons under the direct coordination of the company, whose activity can be significantly influenced by operational decisions, work processes or risks inherent in the sector in which we operate.

Among the main categories of **employees** count:

- Staff with an individual employment contract of indefinite duration, who represent the operational core of the company.
- Staff employed on a fixed-term basis, including one-off projects or seasonal periods.
- Part-time workers and staff on probation.
- Apprentices and trainees, who participate in vocational integration programmes supported by the company.

As regards **non-employees** of their own workforce, they include:

- Subcontractors carrying out activities exclusively for Electromontaj, based on direct contracts, which involve an operational dependency relationship.
- Technical consultants engaged in collaboration, with active involvement on strategic projects or in international geographical areas.

All these categories can be exposed to material impacts – either positive, such as access to training and protection at work, or negative, such as risk of injury, contractual instability or lack of inclusion. In this sense, the evaluation of these typologies is essential for substantiating strategies for the protection of workers' rights, reducing social risks and increasing the level of retention and organizational well-being.

Within the work points in Romania, the terms **TESA** and **non-TESA** are used to classify types of posts according to the nature of the activity carried out:

- **TESA** (short for Technical, Economic, Socio-Administrative) refers to staff with administrative, support and decision-making functions: engineers, economists, human resources specialists, IT, procurement, management, etc. These functions are usually of character **non-executive** and they support operational activities through planning, coordination and control.
- **non-TESA** assign staff **directly productive or executive** those employees who carry out activities in the field, in construction sites, in workshops or in maintenance operations – eg electricians, technicians, skilled workers and operational staff.

At the Electromontaj level, the workforce is structured as follows:

- **406 individuals** are assigned to positions **TESA**, having roles in coordination, planning, design, technical and administrative support.
- **941 individuals** work in functions **non-TESA**, conducting direct operational activities on construction sites or within execution divisions.

Total number of employees:

1. With employment contract of indefinite duration: 1,237.
2. With fixed-term employment contract: 110
3. Part-time vs. Full-time: 52 vs 1,295
4. Find out during the trial period: 41

5 . Trainees / apprentices / practitioners: 0.

Nationally, Electromontaj has an extensive presence, with a total of **1,309 active employee**s, distributed to operational centers, factories, test stations and regional branches. The highest concentration of personnel is recorded in **execution and Design**, located at **headquarters in Bucharest (265 people**), followed by P**itesti branch (185), Bucharest branch (171), Craiova (165)** and **Bacau (159).** Own industrial establishments also contribute significantly to the labor force: **FSMZ (Galvanized Metal Pole Factory) with 157 employees** and **FCA (Clamps and fittings Factory) with 75 employees**. **The Pole Testing Station houses 49 technical specialists** involved in testing, control and structural validation.

In addition to the activities in Romania, Electromontaj also carries out international projects, for which employees are mobilized in various external locations. During the reported period, they were active: **41 employees in Finland, 32 in the Netherlands, 9 in Cyprus** and **1 employed in Jordan**. The distribution reflects the organization's ability to also operate outside national borders, responding to the demands of international markets through specialized and well-coordinated technical teams.

It is important to note that the data includes exclusively **active employees** at the reporting date, excluding persons on extended leave (e.g. childcare leave – CIC, unpaid leave – CFS) or permanently seconded. This approach ensures a true picture of the operational workforce directly involved in the company's current activity.

3. Incidence of material negative impacts on own workforce

Electromontaj recognizes that, despite the implementation of a robust occupational health and safety management system, certain categories of employees and collaborators may be exposed to material negative impacts resulting from the specifics of the operations carried out. The company's activity involves construction-installation works in complex conditions, both in industrial environments and in geographical locations with high climatic exposure, which generates a series of occupational risks that require careful monitoring and continuous intervention.

Among the main negative impacts identified following internal assessments and HSE and climate risk analysis processes are:

- **Risks of injury and incidents of work,** particularly on building sites or in processes for handling heavy equipment.
- **Exposure to extreme conditions of temperature or humidity,** particularly at locations in Cyprus and Jordan where execution staff work outdoors under thermal overload.
- **Chronic occupational fatigue** or stress associated with the frequent rotation of teams, under the conditions of international projects with extended duration or increased geographical mobility.

To prevent and mitigate these impacts, the company applies formalized policies and procedures within **Integrated Management System**, certified to standard **ISO 45001**, which includes regular training, safety audits, activity risk assessments and prevention plans. At the same time, HSE performance indicators are reported to management and correlated with annual sustainability objectives.

In 2024, only one occupational accident, of mild typology, was registered among employed persons. The incident took place at a site-type location.

The accident can most likely be attributed to occupational stress and fatigue factors.

The number of people who did not receive HSEQ training (out of the total workforce) in 2024 was zero, reflecting the organization's commitment to maintaining the highest standards of occupational safety and security.

This data is supported by the following internal documents and records:

- HSE Annual Report (internal),
- Accident registers and risk assessment sheets,
- Minutes of OSH committees,
- Attendance lists at HSE training,
- Documents regarding the provision of personal protective equipment (purchases, distribution, updates).

4. Positive impact activities and positively affected groups

Electromontaj integrates into its human resources and operational policies a series of measures that generate direct and significant positive effects on the well-being of employees and a collaborator from their own workforce. These activities are designed both to enhance the attractiveness and retention of staff and to sustain an organizational culture based on respect, equity and continued development.

Among the most relevant initiatives with a positive impact are:

- **Free transportation** for workers on national and international construction sites, especially in hard-to-reach or rural locations. This measure contributes to reducing daily stress, costs borne by employees and increasing punctuality and stability in activity.
- **Salary bonuses are conditional on performance, efficiency and compliance with safety regulations.** They are awarded monthly or quarterly, depending on measurable results at individual or team level, thus stimulating motivation and professional responsibility.
- **Implementation of programs of internship** and professional integration for young graduates or people in professional reconversion. These include

technical mentoring, access to modern equipment and gradual integration into operational teams.

- **Annual access to refresher courses and technical training** for TESA staff (technical-economic and administrative), with a focus on digitization, sustainability, HSE legislation and technological innovation.

- **Constant equipment with modern personal protection equipment,** adapted to the specific risks of each activity and compliant with ISO standards. This measure has a direct impact on the safety of workers and the perception of the organization's concern for their well-being.

All these activities contribute not only to reducing social risks and increasing professional satisfaction, but also to the development of a stable and sustainable relationship between the employer and the workforce, with positive effects on the overall performance of the company.

Electromontaj pays special attention to the well-being of employees through a set of **financial and social benefits designed to support professional and personal balance**. Among these are: **electricity bonus, holiday bonus, project bonus, work-at-height bonus and sleeve making**, **life and accident insurance**, as well as **monthly and annual performance bonuses,** granted according to specific results and responsibilities (e.g. for branch managers). The company also offers **social benefits for retirement and childbirth,** as well as **festive bonuses** (e.g. Christmas bonus), designed to support employee morale and recognition of their contribution. Although there are currently no ongoing apprenticeship programs, Electromontaj invests in **specialized technical training**, with relevant examples such as electrician courses for mounting and repairing underground electric cables (360 hours/man, 11 participants), as well as training on **working at height** and **VCA certifications**, essential for work safety, as well as internship programs for students in their final years or recent graduates. Through these measures, the company aims to **minimize negative impacts related to occupational risks and occupational instability**, strengthening a stable, predictable and long-term development-oriented working environment.

5. Risks and opportunities related to own workforce

Electromontaj recognizes that its own workforce is an essential element in the smooth running of its activities, and the quality of the relationship with it directly influences capacity the company to implement sustainable strategies and deliver projects in conditions of efficiency and compliance. In this context, both material risks with potential to affect performance and strategic opportunities that can be leveraged to increase the resilience and attractiveness of the organization were identified.

Identified risks:

- **Difficulties in attracting and retaining qualified staff,** particularly in the technical fields (electricians, assembly operators, plant designers) and in geographical areas with reduced availability of specialized manpower.

- **Exposure to social tensions** where wage, ethnic or gender differences within the diverse workforce are not transparently managed.

Opportunities identified:

- **Increasing employee loyalty** by developing benefit packages adapted to the operational context (transportation, accommodation, catering, training, modern equipment).

- **Improving the image and attractiveness of the company** among young specialists in the technical sector, through educational partnerships, mentoring programs and employer branding campaigns.

- **Integrating ESG principles into organizational culture,** through regular training, formal recognition of sustainable performance, participation in social initiatives and support in local community initiatives.

- **Internal development of green skills,** correlated with the transition to electrified technologies, digitization, and sustainability in the execution of works.

The company plans to expand internal assessments of job satisfaction, transparency of opportunities and the impact of working conditions on workers' physical and mental well-being.

Electromontaj offers an extensive package of extra salary benefits, structured to meet the various professional, social and family needs of employees, with the aim of a **it increases the retention, safety and attractiveness of the company as a responsible employer**. These benefits cover key areas such as health, work balance–personal life, social support, and safety at work.

Among the most relevant benefits are:

- **Health and life insurance** for active employees, covering risks such as accidents, hospitalization and disability.

- **Additional vacation days** granted according to length of service (up to 6 days/year).

- **Bonus** (holiday, electricity, retirement, birth/child adoption), which provides financial support at important moments in professional and personal life.

- **Days off for special events** (marriage, birth, death), reflecting respect for work/life balance.

- **Hybrid work schedule** for eligible positions (4/1 regime), promoting flexibility and adaptation to diverse working conditions.

- **Financial aids** in the event of death or accident at work (including invalidity), guaranteeing real support in critical situations.

- **Partial settlement of rest and treatment tickets** and benefits of a preventive nature (Fruit Day, access to

the EM library, discounts to partners);

- **Seasonal bonuses,** like **Christmas bonus for employees' children**

6. Impacts on workers on green transition plans

In the context of alignment with the decarbonization and sustainability objectives assumed by the European Green Deal, Electromontaj initiated several actions involving **transition to low environmental impact operations**, including electrification of processes, digitization of workflows and gradual replacement of high energy consumption equipment. These measures, although essential to the company's environmental strategy, have a potential material impact on certain segments of the workforce, requiring careful planning from a human resources perspective.

A concrete example is **gradually reducing the use of outdated technologies** , in favour of more efficient machinery. This transition implies **retraining of workers** who operated this equipment as well as the **adaptation of maintenance and safety procedures** for new electrified solutions. At the same time, the implementation of systems of **automation in factories** requires **developing new digital and technical skills** for production and maintenance personnel.de validated

In the medium term, these structural changes may influence:

- distribution of staff between projects.
- the need for professional reconversion;
- modification of job descriptions and career paths within the company.

7. Risks concerning forced labor and child labor

Electromontaj carries out its direct operational activity in accordance with European and international legislation on the fundamental rights of workers, being aligned both with the Conventions of the International Labor Organization (ILO) and with the principles set out in the UN Global Compact. Currently, the company **carries out limited own operations in identified areas at high risk of forced labor or child labor**, respectively in Jordan, according to international risk analyzes (eg. ITUC Global Rights Index, UNICEF).

The international projects in which the company is involved – in particular those of **Jordan and Cyprus** – are run in partnership with public authorities, multilateral institutions and corporate clients, who impose strict social compliance standards and contractual clauses regarding respect for workers' rights.

8. Groups with specific characteristics and increased risk of damage

In the process of assessing the social and operational risks associated with its own workforce, Electromontaj identified several **categories of people with characteristics or work contexts that expose them to a higher risk of material damage**, both physical and psychosocial. These findings resulted from an integrated analysis conducted on the basis of HR data, field observations and informal consultations with the task teams.

Among the groups identified as vulnerable are:

- **Employees from isolated rural areas,** where access to means of information, continuing vocational training or administrative support (eg. IT, payroll) is limited;
- **Migrated workers temporarily relocated to other regions or outside the country,** who may suffer from social isolation, family dislocation, communication difficulties or lack of support networks

To respond to these risks, the company started implementing actions and courses to reduce the related risks.

During the reporting period, a number of **83 Electromontaj employees were temporarily relocated abroad** within international projects, in the form of **transnational secondments**, according to the applicable legislation. This mobility reflects the company's operational ability to carry out complex work across borders, with its own technical teams, adapted to local contexts. As regards **percentage of employees from rural backgrounds or with limited access to digital information**, currently **there is no systematized data** available for this category, but the company is considering developing a mechanism to assess social and digital inclusion in future reporting cycles.

9. Specific groups affected by risks and opportunities

In analyzing the specific groups affected by risks and opportunities, Electromontaj assessed the profile of the workforce through detailed indicators of **gender, age, location, retention and diversity.**

Of the total of 1,1347 employees **188 are female (14%) and 1,159 male**, most of them being involved in operational activities.

In terms of retention, the company registers a 98% **retention rate in 2024**, reflecting a high level of organizational stability and professional satisfaction.

In terms of diversity, **11% of employees are non-EU citizens**, again 9.**4% are employees of retirement age**, which highlights the degree of inclusion and the company's ability to integrate varied professional profiles.

These groups can be differentially affected by social risks, integration barriers or access to training, but they are also an important source of **resilience, know-how and adaptability**, which Electromontaj capitalizes on through inclusive human resources policies and pro-active retention measures.

S1-1 S1-1 Policies related to own labor force

1. Policies to manage impacts, risks and material opportunities on the workforce

Electromontaj has adopted formal policies on occupational health and safety, equal treatment, prevention of discrimination, combating forced labor and supporting inclusion. .

2. Main content and scope of policies

Policies include measures on:

- Equal opportunities in employment
- Health and safety at work
- Combating discrimination and harassment
- Referral and remedial mechanisms
- Fair and non-discriminatory vocational training

The policies cover all permanent temporary employees, collaborators and subcontractors enrolled in their own workforce. Entities where Electromontaj has no direct operational control are excluded.

3. Level of accountability and implementation mechanism

Responsibility for implementing a policy rest with the issuing Department. These policies are approved annually by the Administration Council.

4. Third party initiatives or standards recognized by policies

Electromontaj integrates standards such as:

- ISO 45001 – Occupational health and safety
- ISO 14001 – Integrated environmental system
- ISO 9001 – Quality management system
- SA 8000:2014- Social Responsibility

5. Considering stakeholder interests in policymaking

The company involved human resources managers in consultations to update policies.

6. Availability of policies for stakeholders

Policies are available upon request, for subcontractors and external parties

7. Significant changes to policies in the reporting year

All significant changes to policies in the reporting year are documented within the the electronic file entitled „Proceedings", where they are clearly marked in the form of revisions.

8. Human rights commitments and correlation with international instruments

Electromontaj recognizes the fundamental rights stipulated by the ILO and the UN, and introduced an internal declaration of respect for:

- Right to decent work
- Right to association
- Right to protection from forced labour
- This statement is substantiated by the audited SA-8000 system.

9. Policies on prevention of discrimination, inclusion and safety

The company has Policies to Prevent Discrimination.

10. Referral mechanisms and promotion of powers

At this moment there is the notification mechanism „Vocea Ta". It is planned to improve the promotion of skills.

11. Unadopted policies – explanations and adoption plan

Draft ongoing policy: Waste management policy with an impact on employee responsibility is currently being developed, which will include clear objectives, responsibilities, prevention measures, separate collection, recycling and disposal according to legal provisions and sustainability requirements.

Estimated Approval Calendar: The draft policy is expected to be finalized and submitted for approval by the end of the third quarter of this year, with approval planned in 2026.

Reasons for the delay: The delay is driven by the need to align the policy with the new European circular economy regulations and to ensure that all parties involved in the waste management chain are consulted, as well as to integrate the policy into the wider framework of the organization's environmental strategy.

S1-2 Procedures for consulting employees and employee representatives in connection with the management of current and potential impacts

1. Integrating workforce perspectives into company decisions

Electromontaj systematically aims to integrate the employees' points of view in the strategic decision-making process, more precisely the integration of the trade union representative in the decision-making process.

2. Types of involvement and representation

Employees participate through indirect methods involving workers' representatives, including union leaders

3. Timing, type and frequency of involvement

Employees are consulted in the most important phases of the project cycle, from planning and execution to evaluation.

4. Operational responsibility and function

Direct responsibility for coordinating the involvement of the employee representative rests with the Steering Committee.

5. Global or sectoral framework agreements

To date, Electromontaj has not signed a Global Agreement on Labor Rights but is evaluating the opportunity to accede to International Conventions.

6. Evaluating the effectiveness of involvement

Now, Electromontaj does not evaluate the effectiveness of workforce involvement.

7. Vulnerable and marginalized groups

Groups within the workforce that are more susceptible to social impacts or marginalization have been identified: employees from isolated rural backgrounds, migrated workers and disabled employees.

8. Lack of a general formal process

Not the case. Electromontaj has a formal process of involving its own workforce, structured within governance policies and human resources procedures. If the framework is changed, it will be documented accordingly.

9. Interaction with people in vulnerable situations

Currently, Electromontaj does not conduct interviews with people in vulnerable situations, but monitors their situation.

10. Barriers to engagement

Among the main barriers encountered are the lack of time available for active participation in consultations, difficulties of expression in Romanian for workers in international areas and limited access to digital communication channels. Electromontaj responded to these barriers by translating materials, organizing face-to-face sessions and distributing information through the direct boss.

11. Accessibility of communication

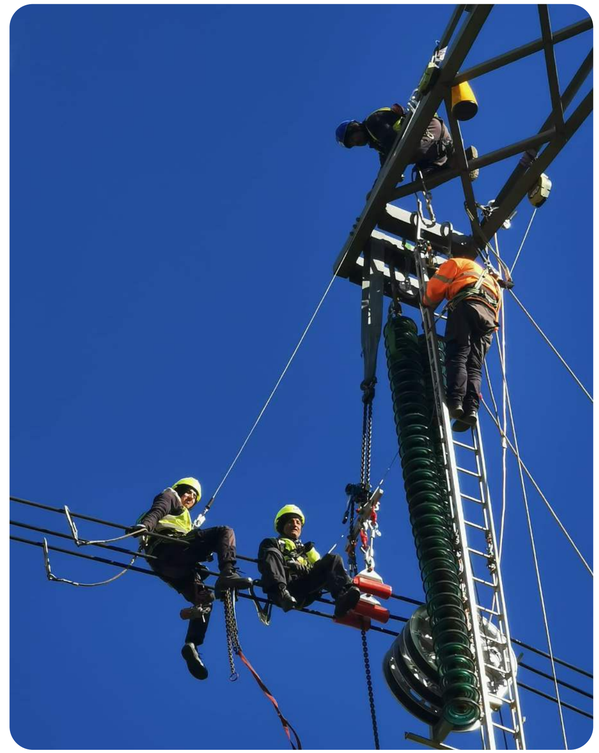
Materials addressed to employees are communicated through a combination of channels: information panels in work points, internal newsletter, informative sessions in team meetings. Equitable access to information is thus ensured, regardless of the level of digital literacy.

12. Respecting the rights of all involved

Respect for workers' rights is guaranteed by a solid internal framework, based on non-discrimination, equal opportunities and fair treatment policies contained in the Electromontaj Code of Ethics and Professional Conduct. All employees have access to referral mechanisms and call channels for cases of abuse.

13. Efficiency of previous processes

Evaluation of the efficiency of the involvement process conducted in the year 2024 shows an improvement in general participation rates, considering that in previous periods this was minimal.



S1-3 Processes for remedying negative impacts and channels for employee notifications

1. General approach and processes for remedying material negative impacts

Electromontaj takes responsibility for providing effective remedial pathways where it has caused or contributed to material adverse impacts on its workers. The overall approach includes the activation of a formal referral, analysis and remediation mechanism, managed by a specific committee. Measures may include relocation, mediation or operational corrections. This general approach can be broken down into specific approaches according to the „Risk Register"

2. Specific channels for reporting concerns

The company provides employees with several direct channels to express their concerns: physical notification forms at work points, dedicated email addresses, as well as a line of notifications. Channels are communicated periodically by email and information sessions.

3. Access to mechanisms managed by third parties

Electromontaj also allows workers access to external, independent mechanisms, especially government mechanisms such as the existing mechanisms at the National Agency for Labor Protection.

4. Access of workers' representatives to the channels

Both workers and their designated representatives (team leaders, trade unionists, etc) have equal and non-discriminatory access to the available channels. Where relevant, they may submit collective referrals or represent employees before the Steering Committee.

5. Complaints handling mechanisms

The formal complaint management mechanism consists of an electronic register managed by Communication called „Your Voice".

6. Availability of channels through institutional support

Channel availability is supported through internal policies, training, and empowering team coordinators to encourage their use.

7. Monitoring and efficiency of mechanisms

All recorded cases are coded, monitored, and evaluated periodically.

8. The degree of awareness and trust

Electromontaj assesses the level of awareness and confidence of employees in the signaling channels through periodic discussions between direct superiors (team leaders, site managers or location managers) and team members.

9. Protection against retaliation

Your voice is not an anonymous channel, but to minimize the risk of retaliation, the decision was made to implement another anonymous reporting channel.

S1-4 Taking measures and actions to counteract material impacts on one's own workforce and approaches to minimizing material risks, achieving opportunities and efficiency of actions

Key plans and actions adopted

Electromontaj has developed a series of priority actions to respond to the identified impacts on its own workforce, including workplace protection measures, professional development (through dedicated training) and reducing exposure to social risks in international projects.

Scope of the action

Actions target the entire workforce of their own.

Time horizon of actions

Each action is planned with a clear implementation deadline.

Remediation of material impacts

Material impacts are remedied according to procedures contents of the book Electromontaj Risk Register.

Progress of previous actions

Considering that 2024 was chosen as the base year, the multi-annual actions will be monitored starting this year.

Types of financial resources allocated (Cape/OpEx)

Dedicated budgets are divided between capital investment (CapEx) and operational expenditure (OpEx). Estimates are included in the annual plans.

Linkage between resources and financial statements

The financial statements contain the number of employees in their own workforce.

Measures to prevent negative impacts

Preventive actions are underway, such as the review of protective equipment, the verification of subcontractors and recurrent training.

Remedial actions

A general example of remedial action is reanalysis of activities, processes that could generate potential health and safety risks for staff.

Initiatives with positive impact

Electromontaj runs initiatives with a clearly positive goal: apprenticeship programs, retraining courses, free transport.

Evaluating the effectiveness of measures

At the time of reporting, there is no specific mechanism for monitoring and evaluating the effectiveness of the measures.

The process of identifying actions

Actions are established following DMA analysis, internal audits, team feedback and legal obligations in Taxonomy, ISO and ESRS.

Material risk mitigation plans

These include occupational health policies, supplier evaluation, and climate exposure assessments.

Plans to maximize opportunities

A relevant example of action aimed at capitalizing on opportunities is the Electromontaj initiative to attract qualified technical personnel by developing competitive benefit packages and by modernizing the professional training process, with an emphasis on digitization. These efforts aim not only to increase retention and attract new talent, but also to continuously improve the skills of the workforce in the context of the transition to a greener and more technologically advanced economy.

Measures to avoid generating other impacts

At the time of reporting, there are no specific measures to avoid the generation of other impacts.

Budget for impact management

Although there is no specific budget for ESG, there are specific budgets for impacts in the previously mentioned areas. For commercial reasons they cannot be disclosed.

General and specific approaches for negative impacts

Includes HSE standards, ESG training, human factor integration in procurement and operational design.

Initiatives to increase positive impact

It explores partnerships with technical schools, local sponsorships, internal communication platforms.

Progress during the reporting period

In 2024, we had an absenteeism rate of 3.84%, compared to 4.55%, the absenteeism rate of 2023. Thus, in 2024, the absenteeism rate decreased by 0.71% compared to 2023.

Continuous improvement objectives

The strategic plan provides for the expansion of professional development programmes, the increase in digital access and the inclusion of ESG requirements in job descriptions.

Using influence in the value chain

Electromontaj requests HSE policy providers, answers to ESG questionnaires

Direct company measures for material impacts

The initiatives are assumed directly by the HR and Technical structures.

Employee involvement in stock design

Employee representatives are involved in drawing up plans through regular consultations. In large construction sites, team leaders act as an interface between HR and workers.

Results obtained or followed up

Electromontaj aims to decrease the absenteeism rate because of the actions taken, this decreasing by 0.73% compared to the previous year.

Contributions to the Sustainable Development Goals

Actions are linked to SDG 8 (decent work), and SDG 5 (gender equality).

Green transition measures

Includes machine electrification planning, green work training, low-impact logistics reorganization.

The role of internal functions

HR, OSH, Sustainability and operational management collaborate to implement actions and follow up results.

S1-5 Objectives related to the management of negative material impacts, the maximization of positive ones and the management of risks and opportunities

1. Relationship with domestic policy objectives

The target set is to ensure a high level of well-being and optimal working conditions for all employees.

2. Measurable target

The specific indicator for this objective is: analysis of benefits and the wage package according to current needs and the economic context. This will be checked annually with a time horizon: 2025-2030

3. Nature of target

Quantitative, increasing the staff retention rate

4. Description of the application area

Employees in all departments

5. Reference value

Since 2024 is the first year in which Electromontaj constitutes a sustainability report in accordance with the ESRS Standards, 2024 will become the reference year for the following reports.

6. Reference year

Since 2024 is the first year in which Electromontaj constitutes a sustainability report in accordance with the ESRS Standards, 2024 will become the reference year for the following reports.

7. Methodology and hypotheses

Target setting was achieved through a methodological process that integrated several sources and types of analysis. First, internal historical trends in staff turnover were analysed. In parallel, qualitative feedback was collected through semi-structured discussions with team managers and HR representatives, providing a contextual understanding of existing challenges. The working assumptions included: maintaining a relatively stable economic context, continued availability of labour in key regions, and retaining current benefit policies.

8. Targets related to environmental aspects

It does not apply directly in this case.

9.Involvement of interested parties in defining the target

The main internal stakeholders were involved in the target definition process, especially the HR department, executive management and employee representatives.

10.Changes in target/measurement methods

There are no changes.

11. Performance against the target

The Year 2024 represents the reference year, so a percentage representing the performance against the target cannot be calculated.

12-13. The role of the workforce in the process of establishing, monitoring and revising targets

The workforce played an active role in identifying critical retention needs through comments provided to the HR department.

14. Expected results

An increase in workforce stability, reduction of costs associated with the recruitment and integration of new employees, improvement of staff satisfaction and loyalty, as well as reduction of operational risks caused by excessive staff turnover are estimated.

15. Time stability of the target definition

Given that 2024 is the year the target is set, this disclosure is non-applicable

16. References to other standards

The target is aligned with the requirements of GRI 401.

17. If there is no adopted target

It does not apply at present but will be completed if necessary.

S1-6 Characteristics of Electromontaj employees

1. Employee characteristics – number of employees by gender

Electromontaj monitors the gender distribution of the workforce to highlight gender balance within the organization. Data are collected from the human resources system and are reported separately for women and men.

Total number of employees at the end of the year distributed by gender: Women: 188; Men: 1,159

Gen	Year 2024
Women	188
Man	1,159
TOTAL	**1,347**

2. Total headcount (headcount)

The indicator reflects the total number of employees, regardless of the norm or type of contract. It is reported in absolute numbers. The total number of employees is 1,347

3. Average headcount (headcount)

The annual average of the number of employees is calculated to avoid seasonal fluctuations. This is important for comparability between periods.

Monthly headcount ian–dec 2024 calculated as arithmetic mean is **1,325.5**.

4. Number of employees in countries where there are ≥50 employees representing ≥10% of all employees

Electromontaj **does not register significant representativeness outside of Romania**, in the sense of the existence of external locations to concentrate **more than 50 employees** which to sum **at least 10% of the total active workforce** (ie over 134 people, compared to a total of 1,347 employees). International activities are carried out punctually, through mobile teams seconded for specific periods, within the projects in Cyprus, Finland, Jordan and the Netherlands.

5. Characteristics of employees – employment contracts and gender

Reporting aims at gender distribution by type of contract: determined/undetermined, full/part time.

At the Electromontaj level, out of the total headcount of 1,347 employees **188 are women**, again 1,**159 are men**, reflecting a predominantly male personnel structure, specific to the industry in which the company operates.

Most employees (1,237) they have employment contracts on **indefinite duration** – of which **178 women** and **1,059 men** – which indicates a high level of contractual stability. Number of employees with **fixed-term contracts** is reduced (**110 individuals**), of which only **10 are women**.

Contractual duration	Gen	Year 2024
Determined	W	10
	M	100
TOTAL		110
Indeterminate	W	178
	M	1,059
TOTAL		1,237
TOTAL		**1,347**

As regards the form of employment, the **52 people work part-time** (16 women and 36 men), and **1,295 employees have contracts full-time** (172 women and 1,123 men), emphasizing the fact that employment relationships are predominantly full-time. This structure contributes to operational coherence and continuity of skills within the company.

Contract type	Gen	An 2024
Part-Time	W	16
	M	36
TOTAL		52
Full-Time	W	172
	M	1,1,23
TOTAL		1,259
TOTAL		**1,347**

6. Employee characteristics – distribution by region

It is evaluated how the workforce is distributed geographically, in Romania and in international branches.

Electromontaj's workforce is strategically distributed nationwide, depending on the company's operational and industrial centers. The greatest concentration of personnel is found in **Bucharest (485 employees)**, where the head office, execution units and a significant part of the design and coordination activities are located. In the industrial area, **Galvanized Metal Pole Factory (FSMZ)** and **Clamp and Fittings Factory (FCA) together they accumulate 232 employees**, being essential centers to produce components specific to the energy infrastructure.

At regional level, branches in **Pitesti (185 employees)**, **Craiova (165)** and **Bacau (159)** ensure the implementation of local projects and supports national logistics. Outside the country, Electromontaj mobilizes specialized teams for international projects, having in the reported period **41 employees active in Finland**, **32 in the Netherlands**, **9 in Cyprus** and **1 in Jordan**, which reflects the company's operational flexibility and its ability to perform complex work in transnational contexts.

Location	No. Staff 2024
Bucharest (Headquarters + Operations)	485
Pitesti	185
Craiova	165
Bacau	159
FSMZ - Galvanized Steel Pole Factory	157
FCA - Clamp and Fittings Factory	75
TOTAL Domestic (Romania)	1,226
Finland	41
Netherlands	32
Cyprus	9
Jordan	1
TOTAL International	83
TOTAL	**1,347**

7. Number of employees (headcount or full-time equivalent – FTE)

At the Electromontaj level, the total number of employees (**headcount**) at the time of reporting is 1,347 people. For a true reflection of the work performed, this number was also converted into full-time equivalent (**FTE – Full-Time Equivalent**), resulting in a total of **1,314.75 FTE**. The difference between headcount and FTE is determined by part-time employment contracts or reduced periods of activity during the year, and the use of both indicators allows a more accurate assessment of the company's actual operational capacity.

Indicator	Value
Monthly average headcount (Jan-Dec 2024) Total number of people employed (regardless of norm)	1,325
Monthly average FTE (Jan-Dec 2024) Full-Time Equivalent (Full-Time Equivalent)	1,294

8. Staff turnover rate (%)

The staff turnover rate, calculated as the ratio between the number of departures and the average number of employees, expressed as a percentage [(departures / average employees) × 100], was **1.74% in 2024**. This indicates a very low turnover, suggesting strong employee retention and a stable organizational climate. The calculation was based on internal data on the monthly average number of employees and total departures during the reference period.

9. Methodology and assumptions used to compile data

Electromontaj uses data extracted from the HR computer system, validated monthly by the HR department.

10 Reported employee numbers are in headcount

Electromontaj uses headcount, reported at the end of the period.

11. Employees are reported at the end of the period.

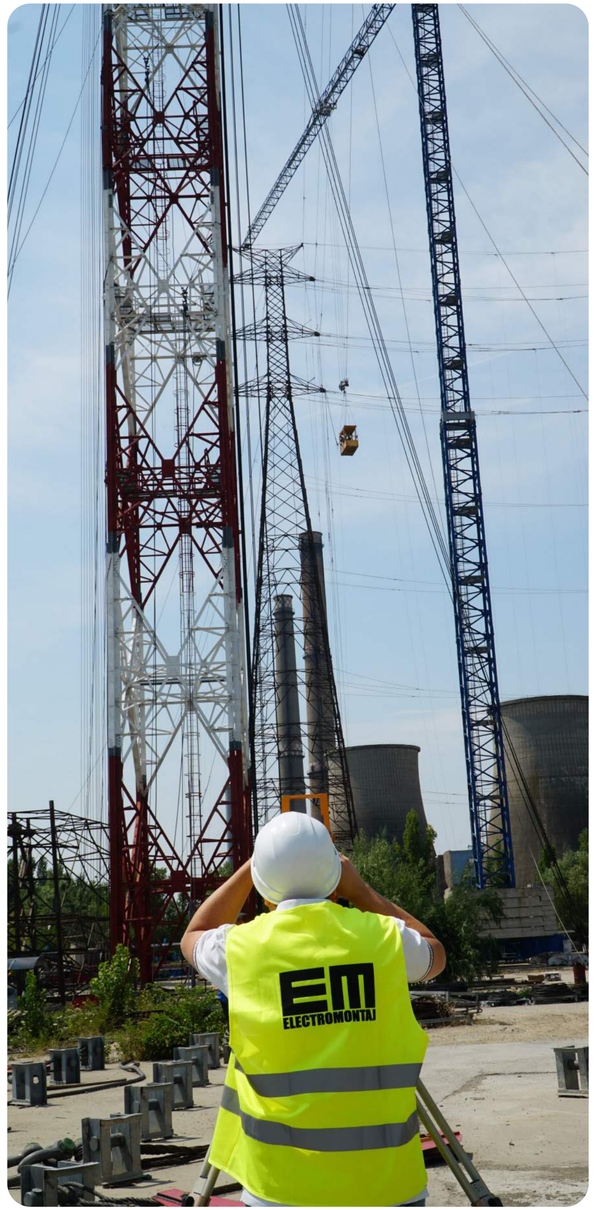
End-of-year reporting (December 31) is used, but for some internal analyses the monthly average is also used.

12. Contextual information for data interpretation

Some contextual information is the seasonal nature of construction sites (headcount increases in summer), integration of apprentices or exclusive collaborators into the analysis.

13. Correlation with information reported in the financial statements

Only the number of employees is mentioned in the financial statements.



14. Further detailed breakdown by gender and region

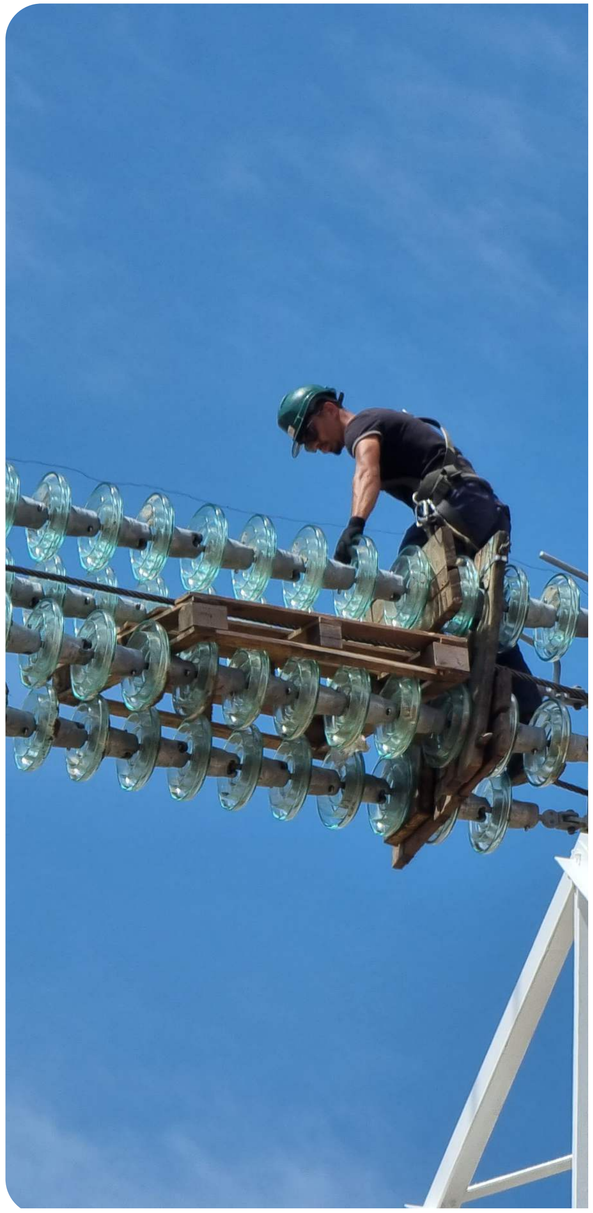
Location	Gen	Nr. 2024
Headquarters	W	108
	M	167
Bacau Branch	W	11
	M	150
Bucuresti Branch	W	14
	M	160
Craiova Branch	W	13
	M	153
Pitesti Branch	W	10
	M	183
Clamps an Fittings Factory	W	16
	M	60
FSMZ	W	12
	M	154
Pole Test Station	W	3
	M	49
Finland	W	1
	M	40
Netherlands	W	0
	M	32
Cyprus	W	0
	M	10
Jordan	W	0
	M	1
TOTAL	**W**	**188**
	M	**1,159**

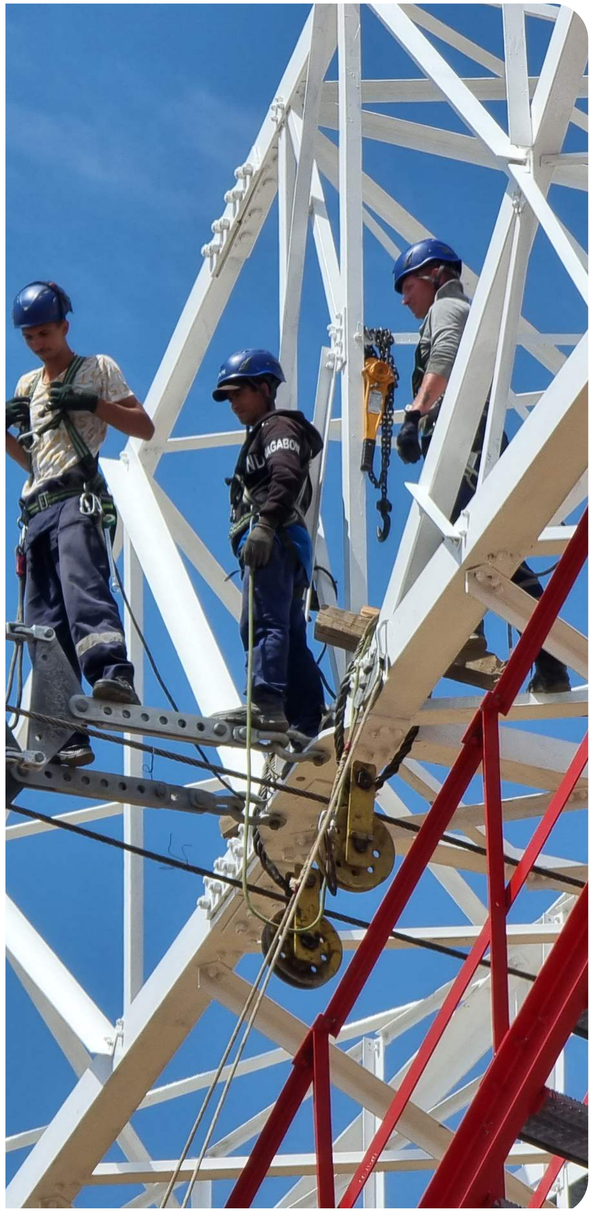
15. Number of full-time employees (headcount

The total number of employees is 1,295 (headcount).

16. Number of part-time employees (headcount/FTE)

The total number of part-time employees is 52 (headcount).





S1-7 Characteristics of non-employed workers in the workforce of Electromontaj

1. Number of non-employed workers in own labor force

Electromontaj collaborates with several people who are not directly employed but carry out essential activities within the projects.

2. Number of non-employed persons – authorized natural persons /freelancers

Some of the design, consulting or training activities are carried out by authorized persons who collaborate punctually with the company through its branches.

3. Description of the most common types of non-employed workers, the relationship with the company and the type of work performed

In the case of Electromontaj, the main categories include:

- external consultants (design, evaluation, training);
- worker staff rented from partner firms (eg security);
- external inspectors on a temporary basis.

4. Methodology and assumptions used to collect data on non-employees

Methodologies for collecting data on non-employees are limited for the reporting year 2024, but Electromontaj plans to improve this methodology.

5. The number of non-employees is reported in headcount or FTE format

At the time of reporting, the exact number of non-employees is not known.

6. Non-employees are reported at the end of the period as an annual average

This is not the case with the disclosure of this point.

7. Contextual information for interpreting data on non-employees

This is not the case with the disclosure of this point.

8. Calculation basis for estimating the number of non-employees

This is not the case with the disclosure of this point.

S1-8 Coverage of collective bargaining and social dialogue

1. Percentage of total employees covered by collective labor agreements

The entire workforce of Electromontaj is covered by collective agreements, respectively 100%.

2. Percentage of own employees covered by collective agreements in EEA countries (EU + Norway, Iceland, Liechtenstein)

In Romania (country with significant presence), the collective contractual coverage is 100%. Employees benefit from provisions negotiated periodically through the registered collective labor agreement.

3. Percentage of own employees covered by collective agreements outside the EEA, by region

Outside the EEA, in countries such as Jordan, Cyprus or other project locations, the work regime is also based on 100% collective agreements

4. Working conditions and contractual terms for employees not covered by collective agreements

There were no employees not covered by the CCM

5. Influence of collective agreements on the working conditions of non-employed workers

This disclosure point does not apply.

6. Percentage of employees in countries with significant presence covered by trade union representation or workers' delegates

In Romania, 100% of employees are represented by trade union delegates or elected workers in health and safety committees, social dialogue and decision-making consultation.

7. Agreements on worker representation through the European Workers' Council, Societas Europaea or Societas Cooperativa Europaea

Currently, Electromontaj does not have such a formal agreement concluded, but remains open to the initiation of such a framework in the context of international expansion.

8. Own labor force outside the EEA covered by collective agreements or social dialogue agreements – by regions and coverage

There is coverage through collective agreements, but the local provisions of the labor code, correlated with the standards of the International Labor Organization, are respected.

S1-9 Diversity-related metrics

1. Gender distribution in absolute numbers (headcount) among top management

To ensure transparency and equity in management processes, Electromontaj reports annually on the number of women and men occupying top management positions. This record is essential for assessing progress towards gender diversity at the decision-making level.

The Steering Committee of Electromontaj is formed three people plus a permanent guest, occupying the key positions of Director General, Director Internal Works Division, Economic Director and Human Resources Director. In terms of gender distribution, the current structure includes 2 women and 2 men, reflecting a balance in top leadership.

2. Gender distribution expressed as a percentage among top management

In addition to absolute values, the percentage of female and male employees in top management positions is also reported, to highlight proportionality and possible imbalances.

Electromontaj's Board of Directors consists of three people plus a permanent guest, with a balanced gender representation: 50% women and 50% men

3. Distribution of employees under 30 between 30 and 50 and over 50

The age structure of Electromontaj employees highlights significant generational diversity within the workforce. Of the total employees, 15% (208 people) are under the age of 30, indicating an important contribution of young people to the organization. The majority segment is represented by employees aged 30 to 50, who constitute 38% of the total (515 persons), reflecting a mature and experienced workforce. At the same time, 46% of employees (624 people) are over 50 years old, which underlines the presence of human capital with consolidated expertise. This balanced distribution enables the transfer of knowledge between generations and supports operational continuity in all key regions and positions.

4. Internal definition of the concept of „top management"

For methodological consistency, Electromontaj defines „top management" as consisting of: Chief Executive Officer, Chief Financial Officer, Internal Works Division Director,Human Resources Director.

S1-10 Appropriate salaries

1. All employees are properly remunerated in accordance with the applicable salary benchmarks

Electromontaj undertakes to respect the principle of adequate pay, so that all its own employees receive a minimum remuneration at least equal to the decent living standards established at national or regional level. In Romania, this benchmark correlates with the net minimum wage relative to the consumption basket for a decent living

2. Countries where employees earn below the appropriate wage benchmark

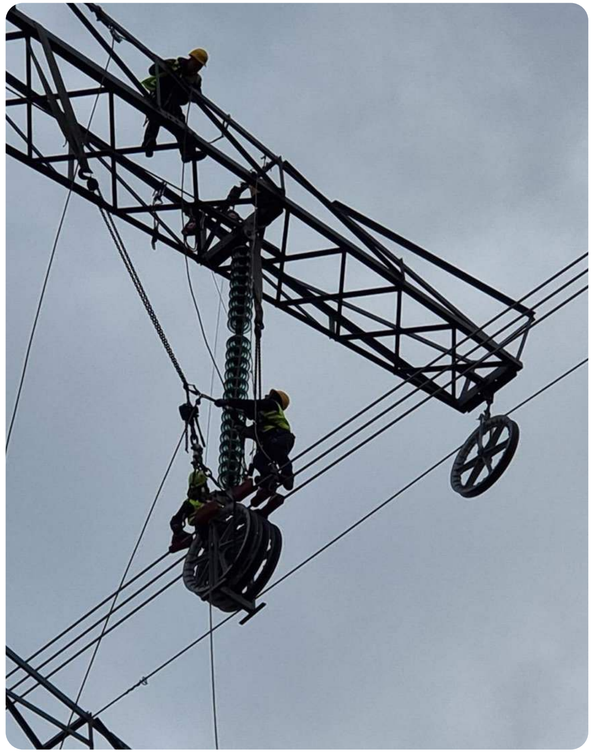
In the case of Electromontaj, the countries where international activity is carried out (eg. Cyprus, Jordan, Finland) must be assessed separately against local appropriate pay thresholds.

3. Percentage of employees paid below the appropriate wage threshold

Electromontaj respects the principles of transparency and social responsibility, but for reasons related to the confidentiality of individual salary data and the protection of sensitive information, **we cannot disclose the percentage of employees paid below the appropriate salary threshold**. We note, however, that, internally, these analyses are carried out periodically, being correlated with the type of contract, region, gender and other relevant factors, to ensure pay equity and alignment with applicable decent living standards.

4. Percentage of collaborators (non-employees) remunerated below the appropriate salary threshold

Subcontractors are chosen on a project basis, with contract prices being negotiated. Thus, Electromontaj does not have access to the salaries of subcontractors' employees.



S1-11 Social protection

1. Its own labour force benefits from social protection in the event of illness

Electromontaj ensures employee coverage in case of loss of income caused by illness through contributions to the national public system and through additional benefits offered by the company (such as life and accident insurance for any reason or private medical insurance depending on the organizational framework.

2. All employees are covered in case of unemployment

All employees registered in Romania contribute through the public system to the unemployment fund, which gives them the right to compensation in case of involuntary job loss.

3. All employees receive coverage in the event of accidents at work or acquired disability

Electromontaj ensures the protection of employees through contributions to the public system and through HSE training programs, providing the necessary legal framework in case of injury at work. In addition, all employees benefit from life and accident insurance, which covers deaths from any cause and accidents of any kind, both at work and in their free time, 24 hours a day, 7 days a week, globally.

4. All employees benefit from financial protection in case of parental leave

In accordance with Romanian and European legislation, employees who become parents can access paid holidays. The company supports the use of these rights, also offering flexibility in resuming the activity.

5. All employees receive retirement coverage

Through monthly contributions to the public pension system (and/or pillar II), employees are eligible for a pension upon reaching legal age. Depending on seniority within Electromontaj, employees retiring at the age limit also receive retirement benefit as follows:

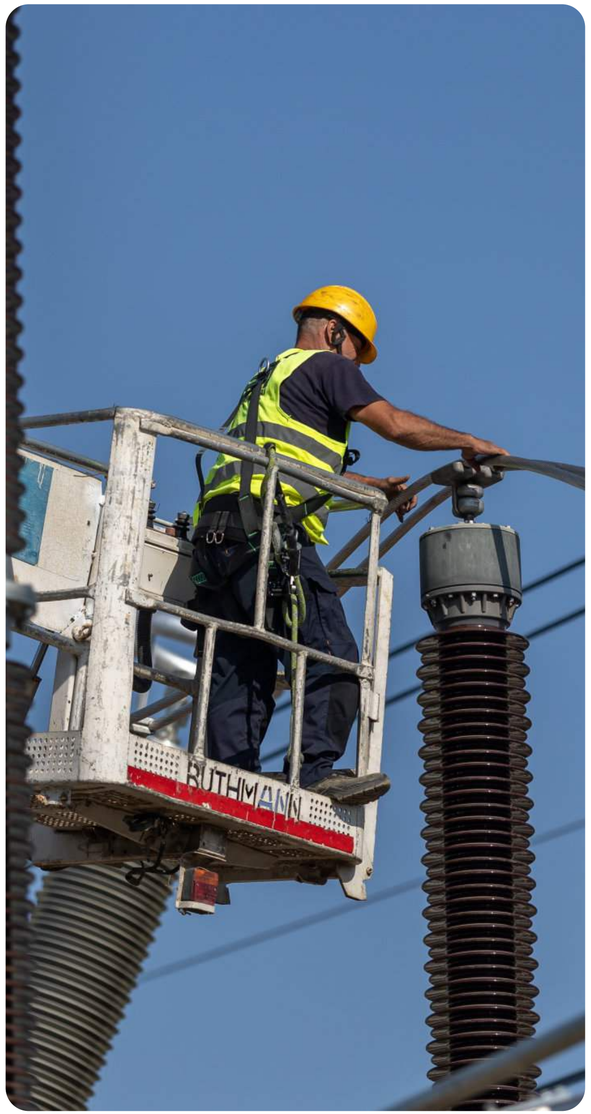
- more than 10 years' service in the company – a basic gross monthly salary of the employee on the date of retirement.
- more than 20 years of service in Electromontaj – two basic gross monthly wages of the employee at the date of retirement.
- more than 30 years of experience in Electromontaj – three basic gross monthly salaries of the employee at the date of retirement.

6. Social protection by countries and type of employee (including non-employees)

The Collective Labor Agreement ensures social protection

7. Types of employees not covered various risks

All employees are covered by the Collective Labor Agreement



S1-12 Persons with disabilities

Percentage of disabled persons among employees

Electromontaj complies with the legislation on the protection of sensitive data and does not actively collect information related to disability except to the extent that this is permitted and necessary for legal compliance (e.g.: Law 448/2006 on the protection and promotion of the rights of persons with disabilities). Currently, the percentage of employees who have self-identified as disabled is 0.2%. The registration of this data is done exclusively voluntarily, through employment documents sent to the HR department.

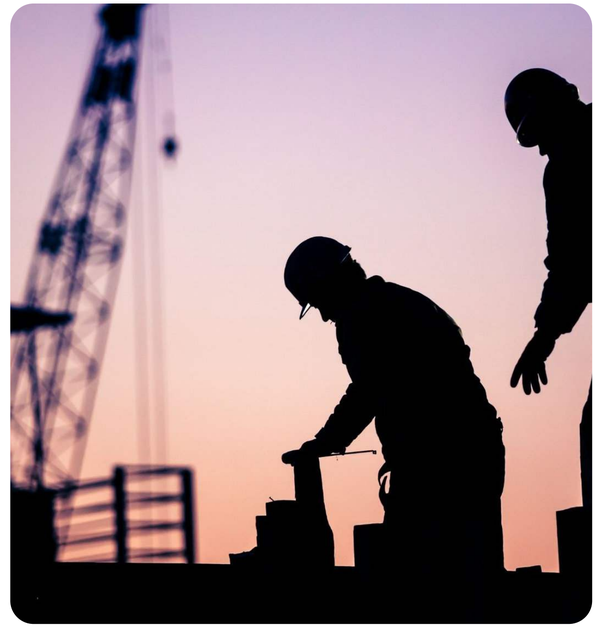
Percentage of employees with disabilities in their own workforce, broken down by gender

To ensure transparency and inclusion, Electromontaj monitors gender distribution among employees with disabilities. This breakdown allows for a deeper understanding of equitable access to opportunities for women and men with special needs.

Gen	No of employees with disabilities	% of total employees with disabilitiesi
Women	1	33%
Men	2	67%
Total	**3**	**100%**

Contextual information is needed to understand the data and how to collect it (people with disabilities)

Data on disability is only collected when there is an official statement or a request for reasonable accommodation, according to the principles of non-discrimination and inclusion. Electromontaj does not require self-disclosure of disability and treats this information with strict confidentiality. Also, the geographical context is important, as legislation differs by country (e.g. in Jordan or Cyprus such information may be collected differently or not at all).



S1-13 Training and metrics related to skills development

1. Training and skills development indicators – broken down by gender

Electromontaj follows the evolution of staff skills through technical and ESG training programs, with periodic monitoring broken down by gender. This approach allows for fair assessment of access to professional development opportunities and identification of imbalances.

Indicator	Gen	Value (current year)
Training hours (u.m.: hours)	W	2,068.33
	M	12,159.67
TOTAL		**14,228**
No. of people trained (u.m.: persons)	W	**17**
	M	**303**
TOTAL		**320**

2. Percentage of employees who participated in regular performance and career development reviews

To ensure continuous professional growth, Electromontaj has implemented an annual performance evaluation system, linked to career plans. The process includes individual feedback, set goals and customized development plans.

Indcator	Category	Value (current year)	Value (previous year)
Participation performance evaluation	Total employees	100%	100%

3. Average number of hours of instruction – broken down by gender

In 2024, it was not possible to calculate a breakdown regarding the average number of training hours per employee.

4. Numărul mediu de ore de instruire per angajat

În anul 2024 nu s-a putut calcula o defalcare referitoare la numărul mediu de ore de instruire pe angajat

5. Percentage of employees who participated in performance evaluations – broken down by category of staff

Evaluations are conducted differently for workers, administrative staff, technical specialists, and management positions, ensuring relevance and adaptation to the specifics of each position.

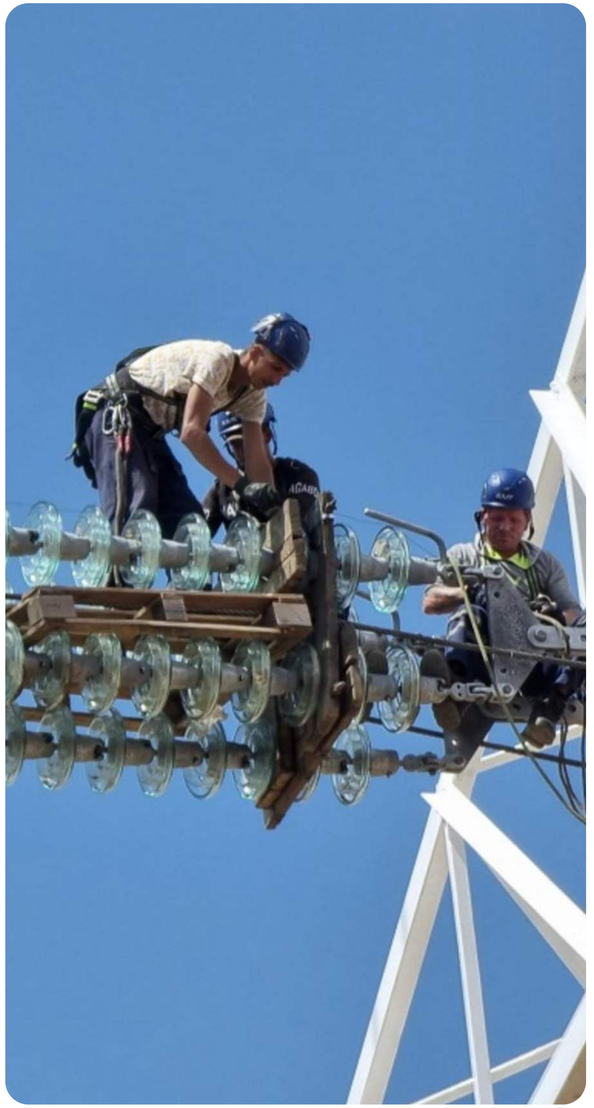
Category / Breakdown	Value (current year)	Valoare (previous year)
Workers	63.5%	59.72%
Technical Staff	8.03%	9.05%
Administrative staff	6.10%	7.52%
Leadership	0.40%	0.68%
Other departments	21.97%	23.05%

6. Average number of employees who participated in performance evaluations – per employee category

In 2024, it was not possible to calculate a breakdown regarding the average number of employees who participated in performance evaluations per employee category.

7. Percentage of non-employees who participated in performance evaluations

Although non-employees (collaborators, seconded or workers under indirect contract) are not integrated into standard processes, Electromontaj is exploring the extension of simplified evaluations in partnership with subcontracting firms.



S1-14 Health and Safety at Work Metrics

Coverage of the workforce by an OSH system based on legal requirements

Electromontaj has an occupational health and safety management system certified according to ISO 45001. In the reporting year, 100 per cent of its own workforce is covered by this system, including employees at headquarters, factories, and construction sites. This coverage reflects the company's commitment to operational safety.

Deaths recorded in own labor force due to occupational accidents or diseases

During the period under review, Electromontaj recorded 0 cases of death confirmed as being caused by accidents at work or occupational diseases. Each case was reviewed by the HSE committee, reported to the authorities, and registered in the internal system.

Total number of registrable (own) accidents at work

1 accident at work registrable at the level of own employees were reported. All incidents were documented in accident registers, analyzed by HSE specialists and, where appropriate, reported to local authorities.

Rate of registrable accidents at work

Rate of accidents registrable in the year **2024 was 1.3. 1.3‰**. This is calculated as the ratio between the number of accidents and the total staff, relative to 1,000 employees. The rate is used as an HSE performance indicator.

Number of cases of occupational disease registered with employees

During the year, no cases of occupational diseases were confirmed among own employees.

Number of cases of occupational disease among non-employees

Not applicable

Days lost due to accidents /illnesses – employees

Electromontaj recorded a total of 47 days lost due to occupational accidents or illnesses among its own staff. Absenteeism was monitored in collaboration with HR and occupational medicine.

Days lost due to accidents /illnesses – non-employees

Not applicable

Percentage OSH coverage as required by legal requirements

100% of all Electromontaj employees are covered by procedures, policies and training in accordance with Romanian and European legal requirements. The ISO 45001 integrated system is the main compliance framework.

Standards for OSH audit or certification

Electromontaj uses the ISO 45001 occupational health and safety management system, audited annually by an accredited third-party body. The system includes risk monitoring, training plans and incident analysis.

Cases of occupational disease detected in former employees

Following notifications received or subsequent investigations, 0 cases of occupational diseases were identified in former employees.

S1-15 Metrics related to the balance between private and professional life

Percentage of employees eligible for family-related leave

According to human resources policies and the provisions of the Labor Code, all Electromontaj employees with an active contract benefit from the right to family leaves (e.g. leave for employee's marriage of an employee's child, death of the employee's spouse, child, parents, grandparents, brothers/sisters or in-laws).

Percentage of eligible employees who accessed family leave

Following the requests received, an amount of 86 employees benefited from leave for special events, accumulating together 268 days of leave. A breakdown by category is not available and the percentage of employees who have accessed this type of leave amounts to about 1%.

Percentage of eligible employees who accessed family leave – broken down by gender

For reasons of privacy, cannot disclose this point

All employees benefit from family leave according to social policy and (or) the collective labour agreement

The right to family leave is guaranteed to all Electromontaj employees through individual employment contracts, the Collective Labor Agreement applicable at company level and internal policies.

Leave can be divided into two categories:

1. Leave provided by law

- Parental and childcare leave
- Paternal leave
- Leave to care for a dependent

2. Internally regulated leave through CCM or internal policies

- Employee's marriage
- Marriage of a child of an employee
- Death of the employee's spouse, child, parents, grandparents, brothers/sisters or in-laws

All employees have the same rights of access to these holidays, without differentiation between categories of staff.

S1-16 Metrics related to remuneration (pay gap an total compensation)

1. Gender wage gap

Electromontaj periodically evaluates the wage differences between women and men, reporting the average annual gross income of female employees compared to male employees. This information is confidential

2. Contextual information needed to understand wage differentials

For the correct interpretation of wage data, the following factors are considered: regional differences, occupational structure (eg: share of technical vs. administrative positions), length of service, as well as benefit granting policy (meal vouchers, premiums, performance bonuses, insurance). Data were collected at the December 2024 month level and aggregated over the entire fiscal year.

3. Breakdown of the gender wage gap by categories of employees and countries/segments

This evidence is considered sensitive and it cannot be disclosed.

4. Breakdown of the wage gap by basic wage and variable components

This evidence is considered sensitive and it cannot be disclosed.

5. Remuneration ratio adjusted according to differences in purchasing power between countries

This evidence is considered sensitive and it cannot be disclosed.

S1-17 Incidents, complaints, and severe impacts on human rights

1. Number of incidents of discrimination

During the reporting period, Electromontaj recorded a total of 0 incidents of discrimination reported through official channels.

2. Total number of incidents of discrimination

According to HR records and internal reporting, in 2024, 0 were recorded confirmed cases of discrimination.

3. Number of complaints submitted by employees through referral channels

Employees used the notification channels by recording 0 official complaints.

4. Number of fines and compensation caused by incidents of discrimination

Electromontaj was not financially penalized for incidents of discrimination during the reporting period.

5. Information on the reconciliation of amounts with financial statements

This disclosure point is not applicable.

6. Number of severe cases violating the UN Guiding Principles or the OECD Guidelines

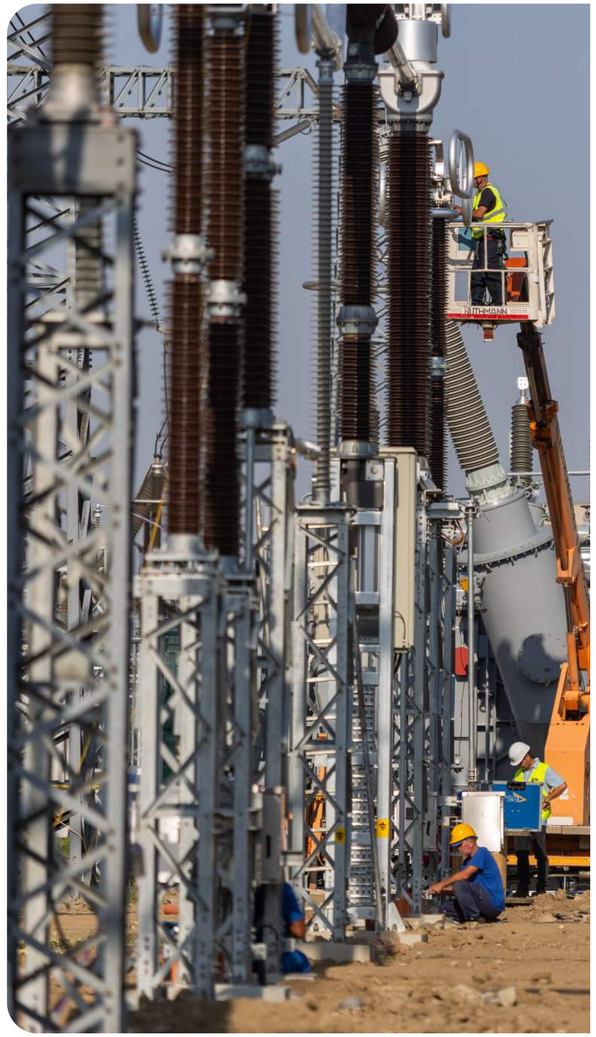
In the year 2024, there were no cases of violation of the UN or OECD Principles

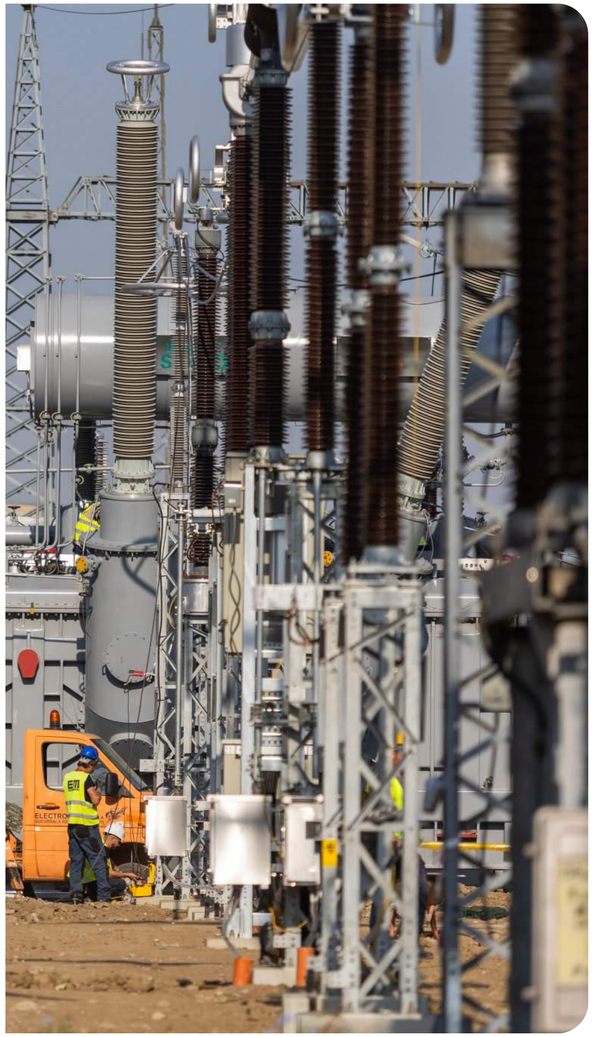
7. Confirmation that no severe human rights incidents have occurred

For the 2024 financial year, Electromontaj confirms that there have been no severe human rights incidents.

8. Number of fines or compensation for severe human rights incidents

There have been no financial sanctions in this regard.





Business conduct

SECTION CONTENT

G1 related to ESRS 2 GOV-1 – Role of administrative, supervisory and management bodies

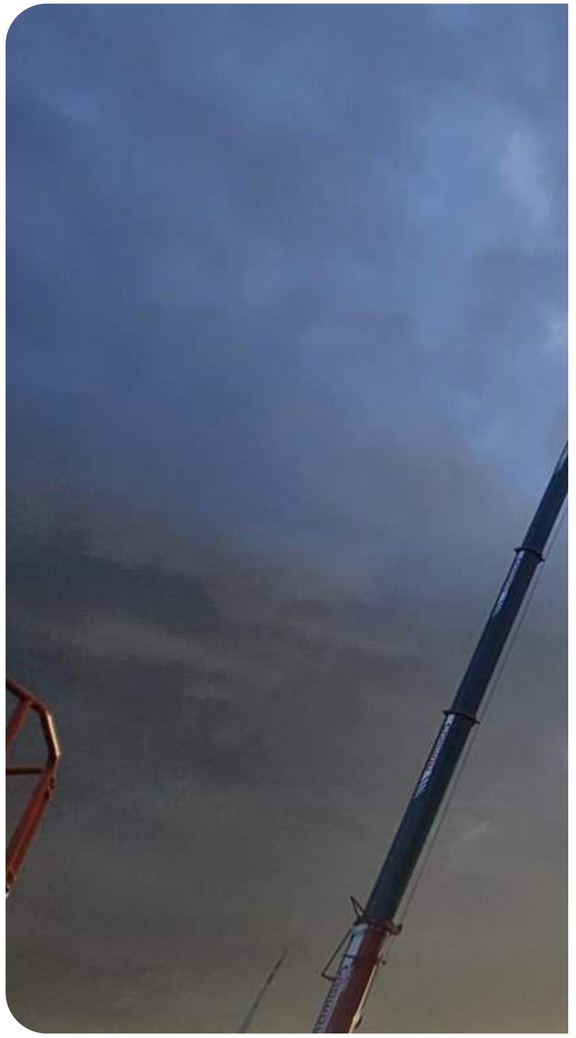
The role of administrative, management and supervisory bodies regarding business conduct

According to the Internal Regulation of Electromontaj SA, CAP III „Rights and obligations of the employer", art 12, the Employer has the obligation: „In the execution of their duties, the management bodies (general director, executive director, department directors, heads of departments, chief engineer, site manager) of the company is responsible for the organization and management of the entire activity, for the adoption of the necessary measures in order to fully fulfill the contractual obligations under conditions of efficiency. Thus, it must take the appropriate measures to organize the activity so that it is carried out under conditions of discipline and safety by:

- Creation of an organizational structure
- Distribution of all employees by jobs specifying their duties and responsibilities, by adopting an appropriate personnel structure
- Exercising control over how employees fulfill their book service obligations
- Periodic analysis, within the functional departments and work points, of the activity carried out to fulfill the tasks and take the measures considered necessary to improve the work
- Ensuring the strengthening of discipline by pursuing strict compliance with the provisions of the legislation in force and the given provisions. For this purpose, the staff with management positions of departments will permanently control the activity of subordinate employees, guiding them and taking measures to remove shortages as well as sanctioning measures
- Establishing instructions for the operation and operation of installations and machinery used in society.

Expertise of administrative, management and supervisory bodies in matters of business conduct

Electromontaj SA management members bring experience and expertise in the field of ethical leadership and corporate governance. The management is composed of professionals with experience in various relevant sectors, thus ensuring effective supervision of business conduct policies. This diversity of expertise contributes to a comprehensive and informed approach to promoting ethical standards within the company.



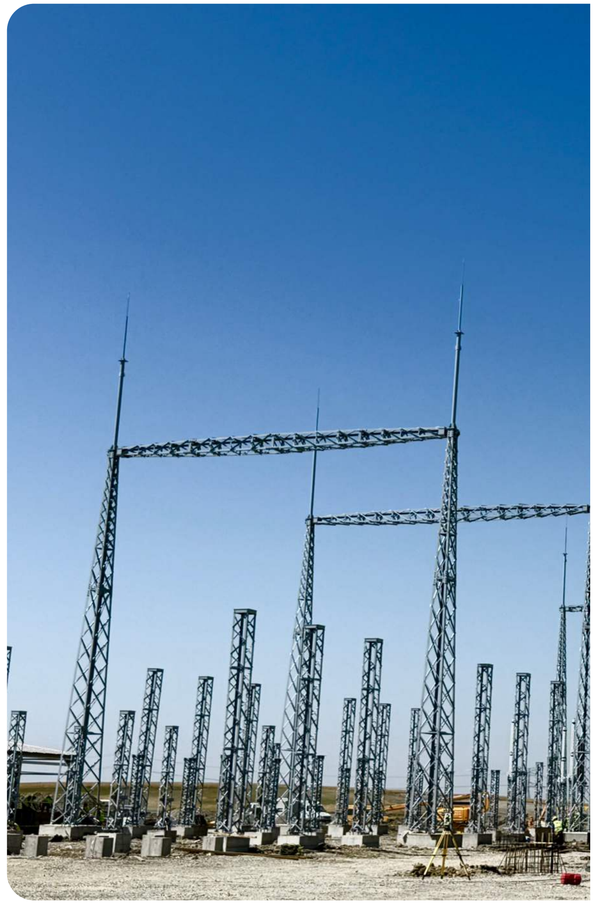
G1 related to IRO-1 – Description of the process for identifying and assessing significant impact, risks, and opportunities

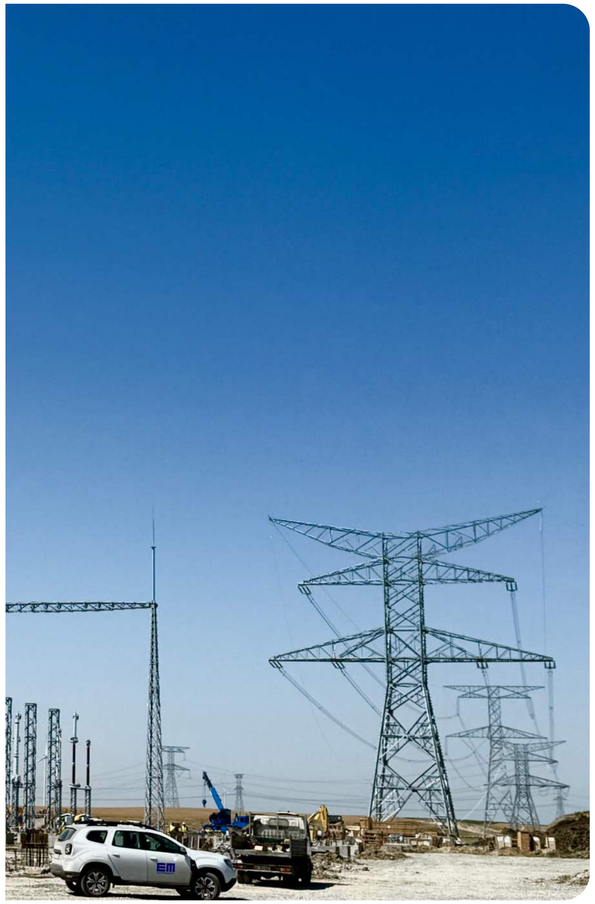
Electromontaj has implemented a rigorous and structured Double Materiality Analysis (DMA) process in accordance with ESRS requirements, and the methodology defined by EFRAG. This process was designed to identify and assess both the significant impacts generated by the company's activity on the environment, society, and governance, as well as the risks and opportunities that can influence its financial performance. The process is made up of two complementary dimensions: **impact materiality** and **financial materiality,** being supported by a scoring system based on qualitative and quantitative data, international scientific sources (e.g., ENCORE, WWF Risk Filter, OECD), but also internal contributions from experts in the organization.

Steps in this process include understanding the operational context, value chain analysis, mapping, and stakeholder engagement, defining impact areas (on ESG dimensions), assessing the severity and likelihood of impacts, and assessing associated risks and opportunities. Impacts are classified into current or potential, positive or negative, and scores are calculated based on a specific weight mentioned above.

Finally, materiality scores are centralized and ranked for each ESG topic (E1–E5, S1–S4, G1), and the results are used to substantiate the decision-making process, prioritization of actions and selection of relevant reporting points within the annual sustainability report.

This framework allows the company to align its business strategy more effectively with the goals of green transition, resilience, and compliance.





G1-1 Policies related to business conduct

Existing policies on impacts, risks and opportunities related to business conduct and corporate culture

The general principles regarding ethical and professional behavior are integrated into internal procedures and codes of conduct applicable at the company level.

Description of key policy content

Considering that the policy is not currently developed but is in the works, it will cover aspects such as business conduct, ethics, and payment practices.

Description of the scope of the policy or exclusions

The policy will apply to all managers, employees, and all business partners of Electromontaj SA.

The level of responsibility for policy implementation

Responsibility for the implementation of the future conduct of business policy will be allocated to the Steering Committee, through the direct involvement of the Chief Executive Officer and the Legal Department, in coordination with the Sustainability Department.

External standards or initiatives respected in policy implementation

Once adopted, the policy will refer to relevant international standards such as the UN Convention against Corruption (UNCAC), the OECD Principles for Corporate Governance, and the ISO Standards on Organizational Responsibility (eg. ISO 37001).

Considering stakeholder interests in policy making

The policy will be developed through internal consultation with representatives of employees and key control functions, as well as through alignment with the contractual and compliance requirements of strategic partners and public/private clients.

Stakeholder access to adopted policy

It is intended that the policy adopted will be publicly available on the company's website and internally through the Intranet, so that all actors affected or involved in its application have transparent access.

Development and evaluation of organizational culture

This point is not currently considered in the policy, but the company plans to consider inclusion in future revisions.

Lack of formalized anti-corruption or anti-bribery policies

Currently, there are formalized anti-bribery policies.

Calendar for the adoption of anti-corruption policies

Not applicable.

Irregular reporting mechanisms, including whistleblower protection

It is intended to implement an internal system for reporting violations of the code of conduct, with a secure digital platform and periodic training of employees on rights and obligations such as whistleblowers.

Lack of whistleblower protection policies

Currently, there is a formalized channel for reporting irregularities, but it is desired to improve it and digitize specific flows.

Policy adoption calendar for whistleblowers

The adoption of a whistleblower policy is planned for Q4 2025, following consultation with responsible structures.

Commitment to investigating incidents of conduct

Electromontaj is committed to promptly, objectively, and independently investigate any incident of conduct reported through official channels, following an internal process that will be formalized in the conduct policy.

Animal welfare policies

Not applicable – the field of activity of Electromontaj does not involve direct interactions with animals or activities regulated by animal welfare policies.

Training in business conduct

It is planned to launch an online training module for all employees by the end of 2025, which will cover ethical principles, cases of misconduct and legal reporting obligations.

Functions at risk of corruption and bribery

Those in the areas of procurement, contractual relations, sales, and public project management are identified as exposed functions. These functions will be included as a matter of priority in compliance training.

Whistleblower Protection Regulations

Electromontaj is subject to the provisions of Law no. 361/2022 on the protection of whistleblowers in the public interest, and its compliance will be integrated into internal policies.

Disclosures in the absence of adopted policies

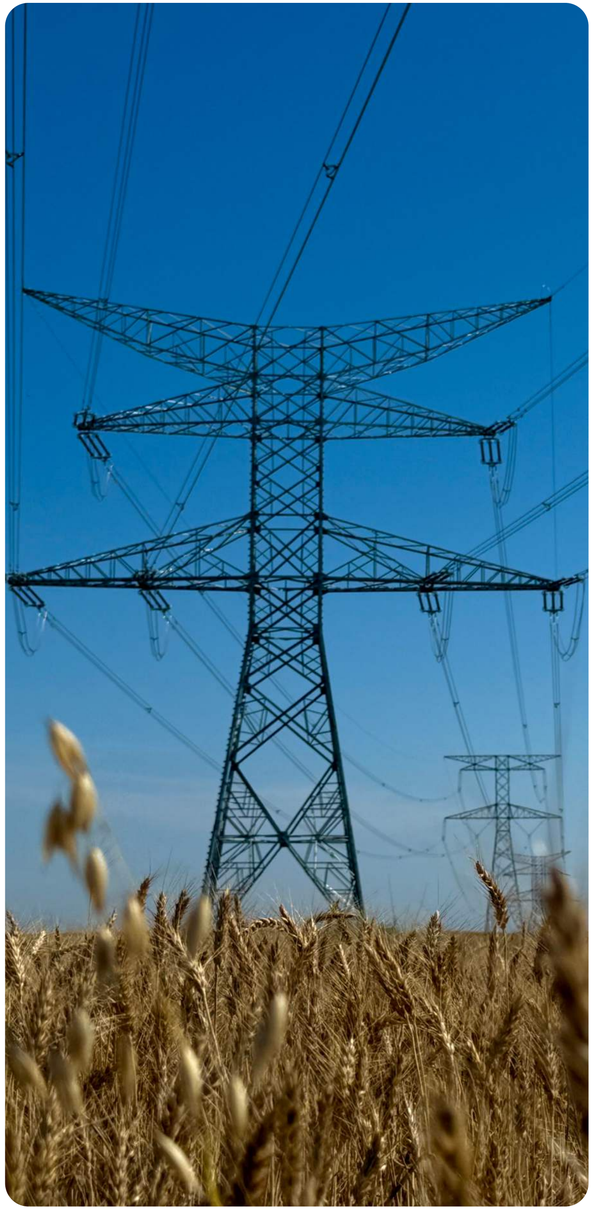
Being in the early stage of updating the policy framework, the organization will provide total transparency on the stages and progress of their adoption.

Reasons for lack of policies

The lack of a full formal policy is the result of a reorganization process and the prioritization of ESG compliance requirements in the context of the entry into force of ESRS requirements. It does not reflect a lack of ethical commitment, but an organizational transition stage.

Time horizon for policy adoption

The Business Conduct Policy and Whistleblower Policy will be finalized and published by Q4 2025, with implementation and training plans in the latter part of 2025 and the early part of 2026.



G1-2 Supplier Relationship Management

Policy to prevent late payments, to SMEs

Electromontaj recognizes the importance of responsible behavior in the relationship with suppliers, especially small and medium-sized enterprises (SMEs), to avoid negative effects on their liquidity and financial stability. Current organizational practice involves monitoring contractual payment terms and committing payments in accordance with the applicable legislation on settlement terms (Law no. 72/2013 on combating late payment obligations). In the case of SME partners, additional priority is given in the payment cycle, and delays are treated as exceptions and analyzed punctually. There is currently no distinct formal policy, but those principles are included in framework procurement contracts and terms applicable to suppliers.

Supplier relationship approach, including supply chain risks and sustainability impact

Electromontaj's relationship with suppliers is governed by a formalized evaluation and selection process, which takes into account both quality and economic performance criteria, as well as sustainability risks.

The company uses a supply chain risk register that includes criteria for traceability, compliance with legislation, as well as risks of human rights violations or the use of vulnerable labor. The approach is aligned with the principles of the European due diligence directives and the ESG objectives integrated into the procurement strategy.

Taking social and environmental criteria into account in selecting contractual partners on the supply side

Electromontaj integrates social and environmental criteria into the supplier selection process, especially for goods and services with a significant impact on the organizational footprint. As part of the procurement process, declarations are requested regarding compliance with social (decent working conditions, non-discrimination, equal opportunities) and environmental (use of resources, waste management, ISO 14001 certifications) standards. In the case of strategic or repetitive procurement, ESG criteria are introduced in the technical-economic evaluation grids.

G1-3 Prevention and detection of corruption and bribery

Procedures for the prevention, detection, and management of cases of corruption or bribery

Electromontaj has in place a set of internal measures and controls designed to prevent, detect, and address cases of corruption and bribery. These are described in the Code of Ethics and Conduct as well as in the Anti-Bribery Policy and include: conflict of interest policies, contracting checks, internal audits, and reporting mechanisms. All suspicious incidents follow an internal investigation procedure.

Independence of the committee or person responsible for the investigation

People designated for the investigation of incidents of misconduct are independent of the decision-making chain involved in their prevention and control. Currently, the responsibility belongs to a delegated team within the Legal Department.

The process of reporting results to administrative, management and supervisory bodies

After the completion of the investigations, the results are communicated to the Administration Council, based on a formal report. If systemic risks are identified, corrective recommendations are issued.

Communicating policies to relevant staff

Business ethics policies are actively communicated to employees through internal training, official emails, on-premises posters, and integration into onboarding manuals. Access to the Code of Ethics and Anti-Bribery Policy is public and available online.

Anti-corruption and anti-bribery training programs – content and coverage

Electromontaj organizes regular training sessions on the prevention of corruption and bribery, especially for exposed functions.

Number of persons covered by training

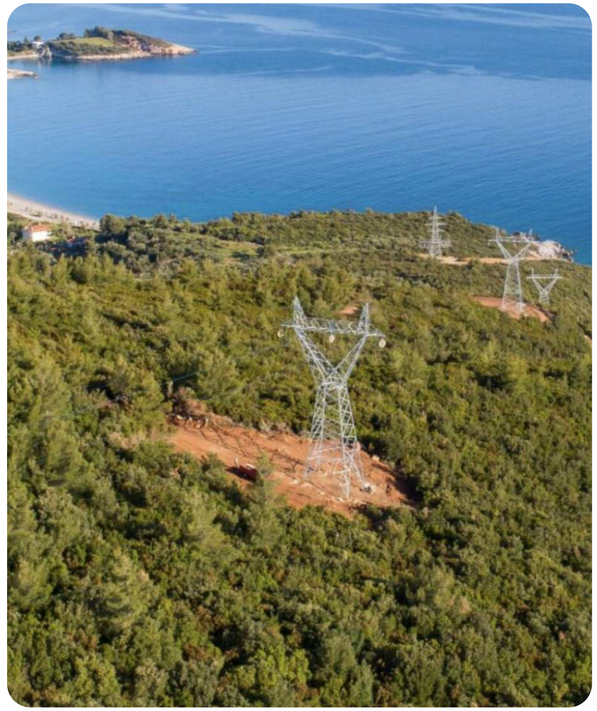
For the reference year 2024, an estimated 394 people were covered by training programmes. These functions include procurement, contracting, sales and external relations.

Management members involved in anti-corruption training

A significant percentage of Administration Council members attended training sessions on ethical conduct and corruption prevention.

Analysis of training activities – region, theme, or category

The organization started a process of analyzing the training offered in the field of business conduct, classifying them by operational regions, staff categories, and topics. This analysis will be used to identify gaps and adjust future training programmes.



G1-4 Incidents of corruption and bribery

Key actions taken to prevent corruption and bribery

The organization has identified as a priority the development of a set of operational and cultural measures to prevent corruption and bribery. This is in the plan

Number of convictions for violations of anti-bribery and anti-corruption legislation

During the reporting period, Electromontaj did not register any criminal convictions related to corruption or bribery.

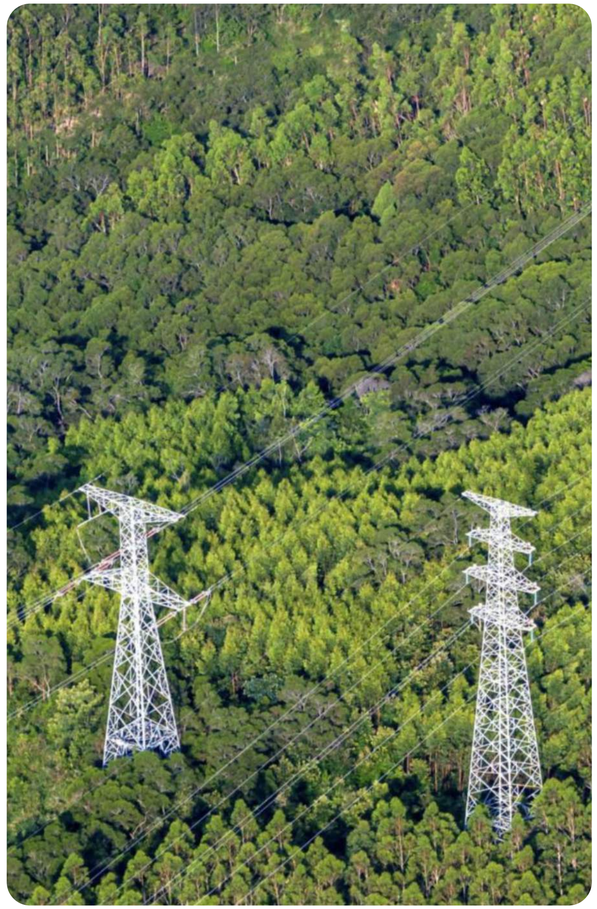
The number of fines for acts of corruption

In 2024, no fines were imposed by the authorities for violating anti-corruption legislation.

Training type	No. Of sessions	No. Of people
General anti-corruption	1	394

Number of confirmed incidents of corruption or bribery

During the reporting period, 0 incidents related to conduct violating anti-corruption policies were confirmed. These were documented and managed according to internal procedures.



G1-5 Political influence and lobbying activities

Information on those responsible in management for overseeing political influence and lobbying activities

Responsibility for overseeing activities with potential for political influence, including joining associations and participating in public consultations, is assigned to the position of Chief Executive Officer. This accountability is reflected in the governance structure and is aligned with internal integrity policies.

Information on political contributions – financial or in kind

During the reporting period, the company made no political, financial or in-kind contributions.

Registration in the Transparency Register of the EU or a member state

Electromontaj is not registered) in the EU Transparency Register or in a national equivalent register.

Appointment of members of management bodies with previous positions in public administration

In the last two years, no members of the Administration Council have been appointed or have held positions in public administration.

Legal obligation to be a member in a chamber of commerce or other representative organization

Electromontaj is a member of the Chamber of Commerce and Industry of Romania based on the legal obligation or the statutory decision to represent the interests of the sector. This membership is used to facilitate dialogue with the authorities and access to public consultations.

G1-6 Payment Practices

The average number of days until the payment of the invoice from the moment of the start of the contractual or legal payment term

For the analyzed reporting period, the average number of days in which Electromontaj makes payments to suppliers, calculated from the moment the contractual or legal payment term begins, is approximately 30 days. This indicator is monitored internally to prevent delays that may affect suppliers, especially SMEs.

Description of the company's standard payment terms, depending on the main categories of suppliers

There are no rules broken down by the main categories of suppliers.

Percentage of payments made in accordance with standard payment terms

The percentage of payments made in accordance with the standard payment terms was not calculated for the reporting period, as the data required to determine this indicator is not currently available.

Annexes

SECTION CONTENT

10

Annex No. 1 to the European Taxonomy Analysis

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
Text		*local CCY*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES			**93%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Conservation, including restoration, of habitats, ecosytems and sdpecies	CCM 1.1	1,165,901.47	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	99,354,305.60	13%	13%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	13%		T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.6	20,368,419.10	3%	3%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3%	E	
Transmission and distribution of electricity	CCM 4.9	346,907,828.59	46%	46%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	46%	E	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	31,688,356.42	4%	4%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	4%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**499,484,811.18**	**66%**	**66%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**66%**	**53%**	**13%**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	3,289,733.91	0%																
Electricity generation using solar photovoltaic technology	CCM 4.1	0.00	0%																
Infrastructure for rail transport	CCM 6.14	1,949,861.24	0%																
Manufacture of iron and steel	CCM 3.9	55,162,277.33	7%																
Renovation of existing buildings	CCM 7.2	0.00	0%																
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	13,877,260.36	2%																
Transmission and distribution of electricity	CCM 4.9	128,019,788.45	17%																
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.00	0%																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**202,298,921.29**	**27%**																
Total (A.1+A.2)		**701,783,732.47**	**93%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**52,876,939.98**	**7%**																
Total (A+B)		**754,660,672.45**	**100%**																

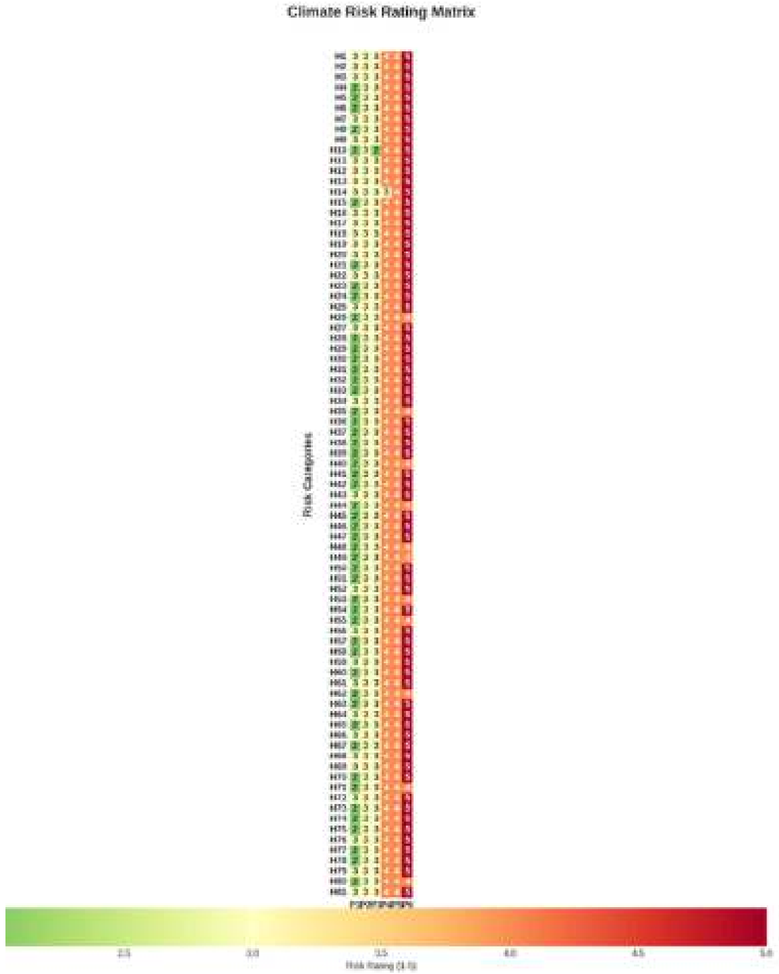
Annex No. 1 to the European Taxonomy Analysis

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total CapEx, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
Text		*Millions, local CCY*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES			**95%**																
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
Transmission and distribution of electricity	CCM 4.9	12,731,940	65%	65%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	65%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**12,731,940.01**	**65%**	**65%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**65%**	**65%**	**0%**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	648,556.63	3%																
Manufacture of iron and steel	CCM 3.9	180,509.55	1%																
Renovation of existing buildings	CCM 7.2	941,399.74	5%																
Transmission and distribution of electric	CCM 4.9	3,195,877.69	16%																
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	742,926.38	4%																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**5,709,269.99**	**29%**																
Total (A.1+A.2)		**18,441,210.00**	**95%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		**1,050,431.16**	**5%**																
Total (A+B)		**19,491,641.16**	**100%**																

Annex No. 1 to the European Taxonomy Analysis

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total OpEx, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
Text		*Millions, local CCY*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES			**89%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Conservation, including restoration, of habitats, ecosystems and species	CCM 1.1	728,097.44	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	91,913,911.36	11%	11%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	11%		T
Electricity generation using solar photovoltaic technology	CCM 4.1	77,538.12	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	22,729,269.37	3%	3%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	15,180,723.00	2%	2%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	2%	E	
Transmission and distribution of electric	CCM 4.9	364,673,217.17	44%	44%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	44%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**495,302,756.46**	**60%**	**60%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**60%**	**49%**	**11%**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	10,064,317.65	1%																
Infrastructure for rail transport		532,686.88	0%																
Manufacture of iron and steel		53,370.55	0%																
Renovation of existing buildings		833,253.89	0%																
Transmission and distribution of electricity		231,250,494.42	28%																
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**242,734,123.39**	**29%**																
Total (A.1+A.2)		**738,036,879.85**	**89%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**87,701,581.95**	**11%**																
Total (A+B)		**825,738,461.80**	**100%**																

Annex No. 2. Climate Risk Matrix



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