ROMCARBON since 1952

SUSTAINABILITY REPORT ROMCARBON GROUP 2023

TOWARDS A CIRCULAR FUTURE

CONTENTS

CEO’s Message

HUANG LIANG NENG

CEO

Dear readers,

In the current global socio-economic and geopolitical context, our consistency with the group's short, medium and long term strategies remains a priority and represents one of the pillars of sustainable development.

In the short term, we are focusing on increasing the capacity of the plastic recycling activity and on developing our range of regranulates/compounds made from recycled plastic. We are also intensifying our effort to use green energy and reduce water consumption.

In 2023, the implementation of alternative energy sources continued to represent one of our priorities, being motivated on the one hand by the permanent concern to be more efficient from an energy point of view, and on the other hand by the reduction of our carbon emissions. At the end of the year, we signed the financing contract through PNRR for a capacity of 1 MW/h of photovoltaic electricity, a project currently being implemented in the first semester of 2024.

In the medium term, we intend to introduce and respectively increase the share of recycled raw materials in our traditional plastic processing activity, but also to continue the direction of sustainable development, by increasing the production of recycled polymers;

The transition to the circular economy remained an important concern in 2023, with the objective of making a transition as quickly as possible to this economic model, including in order to align ourselves with the EU objectives regarding sustainability. This is how we continue to develop and invest, making the circular economy a top priority, not only because we aim to be a sustainable business in the long term, but also because we care deeply about the environment and the impact of our products.

In the long term we aim to develop partnerships for the circular economy, relying on our know-how and experience in plastic processing and recycling. We want to close the circle and create new perspectives on how products can be designed in an environmentally friendly way and how they can be recycled at the end of the use cycle, to transform the post-consumer product from a waste to a raw material destined for new finished products.

One of the steps towards this objective was the signing in 2023 of the MOU with Swancor Holding for the development in Europe of the recycling activity of thermosetting materials, the partnership to be formalized in the course of 2024.

In order to adapt to the reporting requirements imposed by the CSRD Directive and the European Sustainability Reporting Standards, we developed this report as a transitional stage for the sustainability reporting of the year 2024 when the applicability of these standards becomes mandatory.

However, transformation is never easy, because change requires time and financial and innovation efforts, but currently we can say that the Romcarbon Group is on a path of change.

The management of GHG emissions, energy and water management, waste management and the promotion of the circular economy, business ethics, social responsibility, corporate governance, the application of the principles of human rights, non-discrimination, equal opportunities and the protection of privacy and of course, the development of human resources, will contribute to the economic development of the Group in accordance with this course.

We are convinced that time will continue to test our ability to respond and adapt to sudden changes and disruptions, but we are confident in our ambitious growth and sustainability plans, with a strong focus on the development of extensive environmental and green energy projects.

Management's Message

Sustainability, from Romcarbon Group's perspective, is an existential necessity in the face of the climate danger generated by the excessive consumption of fossil raw materials.
Sustainability is for us a priority that we want to transform into a way of life. Having an important recycling sector in the group's portfolio, we are among the few packaging companies in Europe that have implemented the circular economy concept, and we are a trailblazer in Romania.
We are, thus, one step ahead of the European commitments established by the Regulation for Packaging and Packaging Waste, recently voted by the European Parliament.

We are waiting with interest for EU member countries national authorities to put into practice the measures established by this regulation. We are also waiting for measures that will determine trading partners countries outside the EU, to adopt the same sustainable measures to guarantee the success of the commitment to achieve climate neutrality and last but not least to protect European industry and economy. Pollution of the earth's atmosphere does not only affect the area or the country that generates it, and the objective of climate neutrality must be global, and the EU has the duty and the power to influence the globalization of the objective.
Romcarbon gives a new life to post-consumer plastic waste, thus manufacturing sustainable raw material for its own products but also for other partner industries that use plastic, such as: the automotive industry, household appliances or furniture industry.
Romcarbon is also a constructive partner in public debates regarding legislative measures in our field of activity and an active member in several professional associations.

Cristinel Dobrotă

Deputy General Manager for Development

We are at the third sustainability report, prepared under the conditions of the emergence of European Sustainability Reporting Standards, as a transition stage towards the principles and structure regulated by ESRS. We carried out a new materiality analysis, taking into account the responses of the stakeholders in establishing the material themes, in evaluating the impacts, risks and opportunities, applicable to our activity.
In addition to the calculation of GHG emissions for Scope 1 and 2, also carried out in previous years, we also calculated for the year 2023 the emissions along the value chain (Scope 3), based on the available data, in the current report the total emissions are presented.

These are preparatory steps for the next stage, of analysing and drawing up the Transition Plan, which will detail the actions that our Group will undertake to achieve the climate objectives, for alignment with the European objective of zero carbon emissions until 2050.
Minimizing the impact, we have within our operations and on the value chain is the right and necessary step in the face of visible climate change.

The year 2023 was a challenging year, in which the effects of the global problems started in the past years became more and more visible. The markets we address reacted by reducing demand, based on the drop in consumption, our Group not being exempt from difficulties.
Despite the challenges generated by the international economic context, we are committed to maintaining stability and sustainable development.

Carmen Mănăilă

Deputy General Manager for Administrative Operations

Management's Message

In the current context of climate change and the depletion of natural resources, sustainability has become a global priority, necessary to ensure a healthy and prosperous future for generations to come. Sustainability is not just a theoretical concept, but an urgent necessity that influences every aspect of our lives and the global economy. It represents a commitment to improve the quality of life without compromising the ability of the environment to support life in the long term. The packaging industry plays an essential role in this endeavour, because packaging is omnipresent in our daily lives, influencing both the consumption of resources and the generation of waste. By adopting innovative practices, the packaging industry has the opportunity to transform an essential sector of the economy into an example of sustainability. Choosing materials, optimizing design and promoting recycling are just some of the essential steps to reduce the negative impact on the environment.

The global packaging industry has undergone major changes in recent years. The pandemic caused by COVID-19, an European Directive banning the use of single-use plastic packaging, but also consumer behaviour have resized the packaging markets and caused new requirements on packaging performance.

The trends have become more prominent than ever as new packaging requirements have emerged so our customers can maintain brand loyalty, become more sustainable themselves and reduce their carbon footprint.

In conclusion, sustainability is a shared responsibility that requires cooperation between industry and consumers. Through collective efforts and firm commitments, we can build a future where economic prosperity and environmental protection go hand in hand.

Ion Ungureanu

XPS & PET Sectors Manager

The year 2023 was a year full of challenges for the Polypropylene sector also. In order to face these challenges, we strengthened our partnerships with our company's customers, developed partnerships with new customers and also continued the improvement process of the quality of products specific to the Polypropylene sector.

In 2023, in order to compensate for the work force shortage, this being essential for the sustainable development of our company, we started the procedures to recruit foreign work force also within the Polypropylene sector so that, in 2024, we can ensure the occupation of as much of the production capacity as possible and, implicitly, the development of the activity in optimal conditions.

Also, in 2023, we started the process of reorganizing the Polypropylene sector to achieve a more efficient management, but also to reduce electricity consumption, respectively to optimize part of the costs related to the work force.

In 2024, we will continue the sustainable investments that ensure both the sustainable development of our company and the development of sustainable and competitive products.

Victor Crețu

PP sector Manager

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REPORTING PRACTICES AND BASIS OF PREPARATION

[in preparation for ESRS 2]

1. REPORTING PRACTICES AND BASIS OF PREPARATION

1.1. CSRD Transition

Based on the Corporate Sustainability Reporting Directive (CSRD), transposed into Romanian legislation through P.F.M. order no. 85/2024, Romcarbon Group is mandated to prepare its first Sustainability Report in compliance with the European Sustainability Reporting Standards (ESRS) starting with the financial year 2024 (report to be published in the first quarter of 2025).

Recognizing both the importance and the extensive scope of the new ESRS standards, we understood early on that timely preparation would be crucial. This foresight led us to take proactive measures to better anticipate and meet the new reporting requirements.

As a result, we initiated the alignment project in Q4 2023, and it has been ongoing since then.
Our journey began with a comprehensive double materiality assessment and a thorough gap analysis to compare the ESRS requirements with our existing practices. The findings from these analysis were instrumental in identifying the areas that required additional focus and improvement. Consequently, we developed detailed action plans outlining the new information and processes that needed to be integrated, not only for the current year but also for the years to come.

To ensure a seamless transition, we established a dedicated CSRD transition taskforce, comprising members from various key departments of Romcarbon Group. This cross-functional team has been the backbone of our sustainability efforts, meeting at least once per week since the inception of the project. These regular meetings have been crucial for tracking our progress and accelerating our advancements. Additionally, we have had continuous support from our consultants throughout the entire process.
The journey was not without its challenges. Navigating the complexities of the new standards required patience and persistence. However, we remained steadfast in our commitment to sustainability, recognizing that it is a continuous journey rather than a destination. We understood that achieving our goals meant doing things the right way, even if it took time and required additional efforts.

The outcomes of our proactive efforts are now encapsulated in the pages of our 2023 Sustainability Report. This report marks the beginning of our alignment with the ESRS and sets the foundation for our ongoing commitment to a more comprehensive reporting for our stakeholders.

KEY FIGURES 2023

SALES	2023
Romcarbon	214,230,854
Livingjumbo Industry	115,487,834
Rc Energo Install	20,393,926
Info Tech Solutions	2,029,034
Romcarbon Group	**304,683,985**

OPERATIONAL EBITDA	2023
Romcarbon	4,682,017
Livingjumbo Industry	- 437,348
Rc Energo Install	771,105
Info Tech Solutions	342,532
Romcarbon Group	**5,210,408**

PROFIT (LOSS) FROM OPERATING ACTIVITIES	2023
Romcarbon	2,133,197
Livingjumbo Industry	- 4,493,200
Rc Energo Install	689,590
Info Tech Solutions	288,468
Romcarbon Group	- 1,534,380

NET PROFIT/LOSS	2023
Romcarbon	3,313,809
Livingjumbo Industry	- 6,045,845
Rc Energo Install	289,398
Info Tech Solutions	283,646
Romcarbon Group	- 5,135,847

1. REPORTING PRACTICES AND BASIS OF PREPARATION

1.2. Current applicable regulations

The Sustainability Report corresponding to the year 2023, is developed in preparation for ESRS compliance, in accordance with the GRI Standards and complies with the currently applicable non-financial reporting regulations:

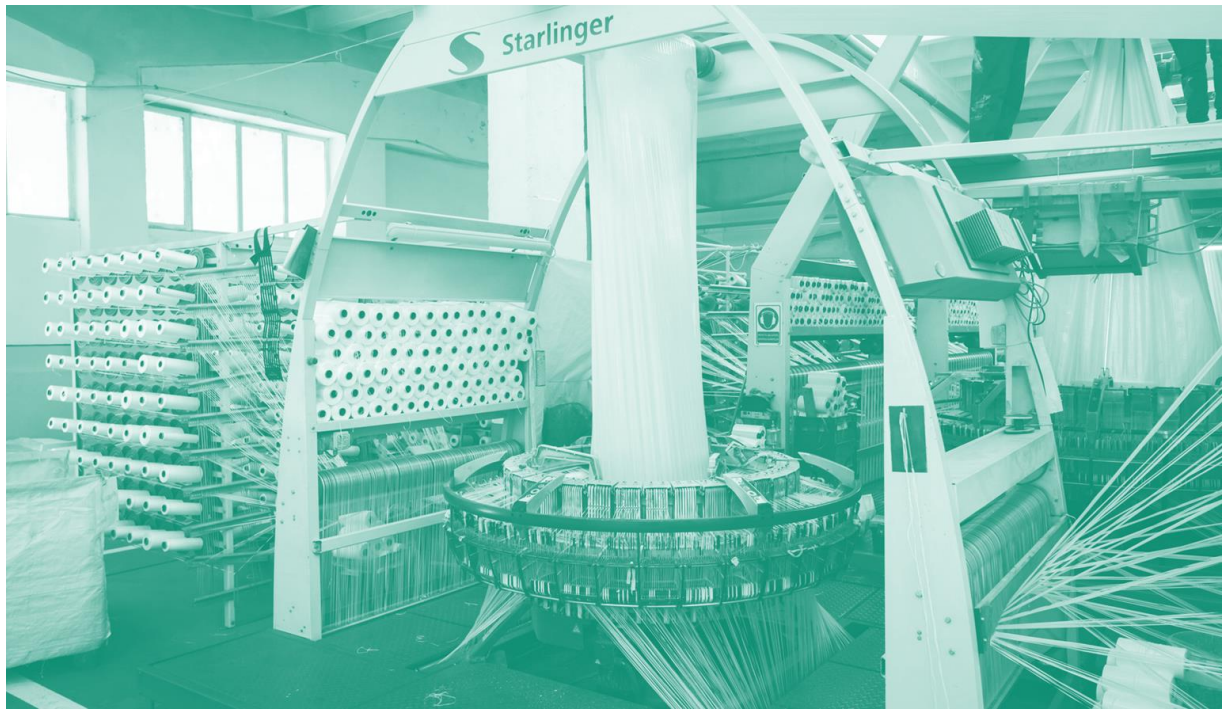
- ✓ P.F.M. Order no.1938/2016 and Order No.2844/2016, which transpose in Romania the EU Directive no.95/2014 regarding non-financial reporting.
- ✓ Green EU Taxonomy Directive and related Delegated Acts

Also, the recommendations from the "Guide on the reporting of nonfinancial information" published by the European Commission were applied.

1.3. Materiality assessment

The Group Sustainability Report is based on a double materiality approach, which considers both the impact of Romcarbon Group on the environment and society, and the influence of environmental and social issues on the Romcarbon Group's performance. This approach ensures that the Sustainability Report is relevant to all stakeholders, including employees, investors, customers and the communities in which the Group operates.It also includes a discussion of the risks and opportunities related to sustainability that the Group is facing.

Romcarbon as a parent company of Romcarbon Group and a company listed on BVB, was independently evaluated in 2022/2023 by Sustainalytics, based on this ESG rating company`s colaboration with BVB. Scores are calculated by Sustainalytics based on publicly available reports and information. Ratings are issued also by EcoVadis and Sedex, as sustainability rating providers, for Romcarbon, upon the request of some of the company`s customers.



1. REPORTING PRACTICES AND BASIS OF PREPARATION

1.4. Scope

The Sustainability Report was prepared at the consolidated level and is mirroring the scope of the Consolidated Financial Statements. **Romcarbon prepared only one report, at consolidated level, as required by the applicable regulations.**

Romcarbon Group includes companies with diversified business lines:

Company name	Ownership Romcarbon Group	Short description of activity	Turnover
Romcarbon SA	100.00%	Manufacture of plastic packing goods (NACE code 2222), manufacturing recycled polymers	216,420,862
Livingjumbo Industry SA	99.86%	Manufacture of plastic packing goods (NACE code 2222)	115,487,834
Info Tech Solutions SRL	99.50%	Other information technology and computer service activities (NACE code 6209)	20,393,926
RC Energo Install SRL	100.00%	Plumbing, heat and air conditioning installation (NACE code 4322)	2,029,034
Recyplat LTD	100.00%	Business and other management consultancy activities	-
Grinfild	62.62%	Retail trade	-
Eco Pack Management SA	99.88%	Other business support service activities n.e.c. (NACE code 8299)	-
Yenki SRL	33.34%	Operation of sports facilities (NACE code 9311)	-

The Sustainability Report includes specific data gathered for Romcarbon S.A., Livingjumbo Industry S.A., Info Tech Solutions SRL, RC Energo Install SRL.
The companies Grinfild and Eco Pack Management do not have any activity and therefore were considered immaterial during the reporting period.
Recyplat is a financial vehicle which was used to manage part of the Group financial investment. In Yenki the Group has a significant influence but not the control. Recyplat and Yenki were also considered immaterial for the sustainability reporting.

In this report, the terms **"Romcarbon Group"** and **"Group"** are used for unitary reasons when referring to all the companies that constitute the Romcarbon Group.

1. REPORTING PRACTICES AND BASIS OF PREPARATION

1.5. Value Chain in the Sustainability Report

In its Sustainability Report, Romcarbon Group is considering its value chain through a comprehensive approach.

➔ **Materiality Assessment:**

The Group conducted a double materiality analysis including the potential impact of Romcarbon Group's sustainability issues on its value chain, to develop appropriate strategies to address them. We also engaged stakeholders in identifying and evaluating impacts, risks, and opportunities by incorporating their feedback from an extensive questionnaire into the final version of our Impacts, Risks, and Opportunities report.

➔ **Processes and Procedures**

Supplier's Ethics and Conduct Code To ensure that the values and ethical principles that underlie our activity are shared by suppliers we collaborate with, we have developed the Supplier's Ethics and Conduct Code. As a reflection of Supplier's Ethics and Conduct Code, its provisions set up the minimum requirements and expectations, which are not negotiable, regarding the current and future supplier of goods and services, subcontractors, consultants. We expect suppliers to understand, share and adhere to the principles of this code governing business ethics.
The **Purchasing Policy** and procedures of Romcarbon Group companies are regulated by the quality (SR EN ISO 9001), environment (SR EN ISO 14001, except Info Tech Solutions) and occupational health and safety (SR EN ISO 45001: 2023, except Info Tech Solutions) standards, which impose the general conditions for the evaluation of all suppliers, ensuring the quality of purchased products and services, the conformation of products and services in legal regulations and standards, their safety in use for employees, customers, the environment.

Customer Satisfaction and Customer Health and Safety
Our products are designed and made taking into account the needs and expectations of our customers, so that we manage to have a positive impact on the various sectors of activity, considering the legislative changes in the field. We particularly value the trusting relationship we have been able to establish with our customers. In this sense we try to continuously improve the processes by which we make our products. This allows us to have a high level of customer satisfaction.
Customer satisfaction information is collected on an ongoing basis. The evaluation is carried out both using questionnaires and permanent discussions with our customers.
The products in the regulated fields, respectively filters and individual respiratory protection equipment, are made according to legal requirements and are authorized by competent national bodies in the field both regarding quality requirements and health and safety in operation.
For individual respiratory protection equipment, we have EU type examination certificates for each product as well as the quality system approval certification for the production process, mode D, granted by the Alexandru Darabont Institute Bucharest.
Car filters have homologation certificates from the Romanian Auto Registry, railway filters have a valid railway supplier authorization and railway technical homologation certificates issued by AFER (Romanian Railway Authority).
Within the sectors that produce packaging that can be used in the food industry, we identify and analyze the risks that may arise as a result of the presence of threats and vulnerabilities for all raw materials/materials or groups of raw materials/materials, in order to assess the potential risk of fraud.
Hazards relevant to food safety are those hazards that can be directly or indirectly transferred to food through the use of the products and/or services provided and thus have the potential to cause a negative effect on human health. To prevent these dangers, all products are analyzed in external laboratories authorized in the field.

1. REPORTING PRACTICES AND BASIS OF PREPARATION

The products are necessarily accompanied by declarations of conformity per batch as well as analysis reports (at the customer's request).
In 2023, as in 2022, we received no customer health and safety complaints regarding the use of our products.
Within the company Energo Install works a management team with specialized personnel who hold authorizations in the fields: design of electrical installations (authorized by ANRE), design of gas installations (authorized by ANRE), design of security systems (authorized by IGSU), electricians (authorized by ANRE), gas fitters (authorized by ANRE), firemen (authorized by ISCIR), welders (authorized by ISCIR), RTS (technical responsible for welding - ISCIR), RSL (responsible for the supervision of IR and IMSP works - ISCIR), RVT (responsible for boiler technical checks - ISCIR).
In order to ensure the quality, compliance with legal requirements as well as the safety and health of customers for the works with special regimes carried out within the Energo Install, the company holds authorizations from ANRE (National Energy Regulatory Authority) for: electrical installation works, design works use of natural gas < 6 bar type PDI and EDI, ISCIR (State Inspection for the Control of Boilers, Pressure Vessels and Lifting Installations) for: Installation, assembly, repair and maintenance and technical checks in use of hot water boilers with P < 400 kW, maintenance and technical overhaul of self-propelled forklifts, maintenance and technical overhaul of cranes and IGSU (General Inspectorate for Emergency Situations) for: designing signaling systems and installations, alarming and alerting in case of fire, designing limiting systems and installations and extinguishing fires.
Thus, all the works are carried out by authorized specialists in the field at the highest levels of quality and safety.

Privacy of customer data

In order to ensure the confidentiality of customer data, we have implemented specific policies regarding the protection of personal data both in terms of suppliers and in terms of our customers. The platform we have implemented, Microsoft 365 Business, provides tools that ensure the protection and confidentiality of the data in the IT system.
We have GDPR policies and procedures in place regarding the protection of personal data and all our employees are trained for using the appropriate IT tools.

During the year 2023 for which we are reporting, we did not receive any complaints, claims or notifications in connection with the confidentiality of our partners' data (customers, suppliers, employees, etc.) and there were no incidents of confidential data leaks.

➔ Indicators

We included the Scope 3 Carbon Footprint indicator to assess the impact of our value chain. To be mentioned that we used industry references, as we did not obtain specific information from our suppliers.
The only information received from our suppliers is the Scope 2 emission factor, available for 2022, for the used electricity.

➔ Datapoints that derive from other EU legislation

We included the datapoints derived from other EU legislation in Appendix 4. The table indicates where these data points can be found in our report and identifies which data points are assessed as 'Not material'.

1. REPORTING PRACTICES AND BASIS OF PREPARATION

1.6. Sources of estimation and outcome uncertainty (including Value chain estimations)

The preparation of the Sustainability Report requires management to make judgments, estimates and assumptions that affect amounts reported. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

The following indicators have a higher degree of judgement and complexity for which changes in the assumptions and estimates could result in different results than those recorded in the Sustainability:

✓ Scope 3 CO2 footprint

The emission factors used to calculate GHG emissions are subject to a high level of uncertainty, as they use indirect sources such as sector-average data.
For example, the uncertainty for emission factors used to evaluate Category 1- Purchased goods and services is ±50% for ETC/WMGE - Plastics and ±60% for US EEIO.
This is a standard uncertainty for spend based factor emissions. The more we will be able to obtain relevant data from our suppliers, the more this uncertainty will decrease.
The uncertainty values for the majority of emission and conversion factors are estimated, as most sources of published factors do not provide uncertainty values. The estimated uncertainty values are "directional" so that emission factors which involve relatively few assumptions are estimated to have a lower uncertainty than emission factors which involve more assumptions.

✓ Climate assessment

In climate risk assessment, uncertainty arises from various sources including model and parameter uncertainties (differences in model structures and assumptions, and variability in estimated parameters), emission scenarios (varied projections based on future greenhouse gas emissions and socioeconomic pathways), data quality (accuracy and resolution of observational data), and methodological approaches (differences in translating global models to regional outputs).

Natural climate variability (natural fluctuations in the climate system, such as El Niño-Southern Oscillation (ENSO) or external forcing such as solar variability), human responses (adaptation measures and mitigation efforts), feedback mechanisms (such as ecosystem responses), and nonlinearities (where small changes can lead to disproportionately large impacts), further contribute to outcome uncertainty.

To mitigate these uncertainties, we have used methods like:

- ensemble modeling: using multiple climate models and scenarios to capture a range of possible outcomes; the scenarios used in our analysis are based on Coupled Model Intercomparison Project 6 (CMIP 6).
- robust decision-making: focusing on mitigation solutions that are resilient under a wide range of future conditions.
- sensitivity analysis: identifying key parameters and assumptions that significantly influence outcomes.

In our climate risk assessment, we have incorporated a range of estimations to account for the inherent uncertainties in projecting future climate conditions and their impacts on our operations. These estimations include variables such as temperature changes, precipitation patterns, and extreme weather events, as well as their effects on our operations and value chain. We have also made some assumptions on building materials and techniques used, on maintaining storing conditions, on equipments stress, electricity and water supply, etc. These assumptions help us model and predict the potential impacts and necessary adaptations to ensure resilience against climate-related risks.

1. REPORTING PRACTICES AND BASIS OF PREPARATION

1.7. Time horizons

The sustainability report covers the period 01.01.2023 –31.12.2023.
The Group adopted the following time intervals as of the end of the reporting period:

- ✓ for the short-term time horizon: the reporting period in the financial statements which for this report is 01.01.2023 –31.12.2023
- ✓ for the medium-term time horizon: from the end of the short-term reporting period up to 5 years;
- ✓ for the long-term time horizon: more than 5 years.

1.8. Preparation and approval of the sustainability report

In preparing the report, Romcarbon Group benefited from the support of Forvis Mazars SRL, an external sustainability consultant.
The sustainability report has been verified and approved by the Board of Directors. Romcarbon's auditor, Deloitte Audit S.R.L, noted that, for the year 2023, the Group will issue the sustainability report by 30.06.2024, but the content of the report has not been audited by a third party through an assurance process.

1.9. Changes in Preparation or Presentation of Sustainability Information

✓ Change in presentation structure:

The Sustainability Report has been issued in preparation to the ESRS. In 2023, our aim was to adapt as much as possible of the fundamental structure of the standards.
This process will be continued, aiming to achieve compliance with CSRD for reporting for the financial year 2024.

✓ Change in the Scope of the reporting:

The report reffering to the financial year 2022, prepared in accordance with GRI , covered the sustainability performance of Romcarbon S.A. and Livingjumbo Industry S.A., the most significant companies in Romcarbon Group, holding during the reporting period 82% and 14% of the Group's total fixed assets, respectively.
To ensure completeness and align with CSRD, the **current Sustainability Report (reffering to the financial year 2023**) includes information from Romcarbon S.A., Livingjumbo Industry S.A., Info Tech Solutions SRL and RC Energo Install SRL.
The companies Recyplat LTD, Grinfild, Eco Pack Management, Yenki were considered immaterial during the reporting period.

Publication date: June 30, 2024.
Date of previous report publication: June 30, 2023

Contact point for sustainability issues: sustainability@romcarbon.com
Registered office: 132 Transilvaniei steet, 120012 Buzău Romania.
Location of business : Romania

02

CORPORATE GOVERNANCE
[in preparation for ESRS 2]

2. CORPORATE GOVERNANCE

2.1. The composition and independence of the Board

Romcarbon S.A.

Being the parent company of the Group, Romcarbon is a joint-stock company, listed on the BSE since 2008, we have established a unitary and strong corporate governance system that allows us to perform in compliance with the law and create value for all our shareholders. Thus, at company level we have implemented the "Corporate Governance Regulation" which regulates all related aspects of the company's governance: the main structures, duties and responsibilities, etc. We have also adhered to the Corporate Governance Code of the Bucharest Stock Exchange adopted by the BSE Council in 2015.
More information related to the implementation status of this code can be found in the Annual Report for 2023(https://www.romcarbon.com/wp-content/uploads/2024/04/ROCE-2023_Annual-report_EN.pdf)

Name of member	Executiv/ non-executiv	Independent (Yes/No)	Gender	Role
Huang, Liang Neng	Executiv	No	Male	Chairman General Manager
Wey, Jiann Shyang	Non-executiv	Yes	Male	Deputy Chairman
Toderita Stefan-Alexandru	Non-executiv	No	Male	Member

Mr.Huang, Liang Neng has a long experience in the field of circular economy, being over time Director of the companies GREENTECH S.A. GREENFIBER INTERNATIONAL S.A and LIVING PLASTIC INDUSTRY S.R.L, companies well known for their activity in the field of recycling, respectively plastic processing.

Percentage of Non-Executive Board member: 67%
The Board gender diversity is 0%.
Management gender diversity is 33% (For every 3 male management members, there is 1 female management member)

2. CORPORATE GOVERNANCE

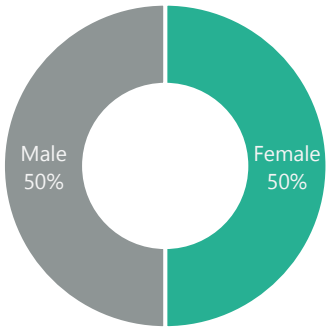
Livingjumbo Industry SA

For **Livingjumbo Industry SA**, as the second largest company of the Group, the management system is unitary.

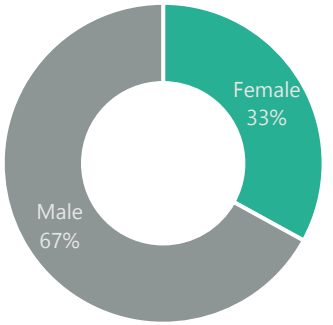
RC Energo Install SRL, as a limited liability company, is managed by two directors (1 male director and 1 female director) and **Info Tech Solutions SRL,** as the smallest entity of the Group, is managed by one director (male).

Livingjumbo Industry

Management gender diversity



BoD gender diversity



2. CORPORATE GOVERNANCE

2.2. Roles and responsibilities of the administrative, management and supervisory bodies:

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (G.M.S.) is the deliberative body of each company through which shareholders express their will regarding aspects given by law or the Incorporation act within G.M.S. `s competence. The general meetings are convened by the Board of Directors/director.
Romcarbon's Ordinary General Meeting of Shareholders takes place at least once a year, within 4 months of the end of the financial year, to examine the financial statements for the previous year and to establish the activity program and the income and expenditure budget for the current year.
The General Meeting of Shareholders meets at the company headquarters or in other places in Buzău, with their exact indication.

BOARD OF DIRECTORS

In accordance with the company's Incorporation act, the Board of Directors in case of Romcarbon SA and Livingjumbo Industry SA consists of three members, elected or appointed by the Ordinary General Meeting of Shareholders by secret vote for a period of four years, with the possibility of being re-elected.
The election of directors is made by the company' shareholders from among the candidates for director positions nominated either by the current members of the Board of Directors or by the shareholders. In the process of nominating directors, their experience and personal qualifications are taken into account.

Persons who, according to the law, are incapable or have been convicted of fraudulent management, abuse of trust, forgery, fraud, embezzlement, perjury, giving or receiving bribes, as well as other crimes are incompatible with the membership of the Board of Directors.

2. CORPORATE GOVERNANCE

The members of the Board of Directors have the obligation to exercise their mandate with prudence and diligence, with loyalty and in the interest of the company.

The Board of Directors is chaired by a president elected by its members for one term which cannot exceed the duration of the director's mandate.
The Chairman of the Board of Directors of Romcarbon also fulfils the position of General Manager according to the provisions of the incorporation act, cumulating these positions being justified by the extensive experience in the industry in which we operate and within Romcarbon Group.
The Board of Directors meets at the company headquarters or in other places, monthly and whenever necessary, at the call of the chairman, at the motivated request of at least 2 of its members or of the General Manager, the president being obliged to participate in such a meeting called on such requests.

In 2023, Romcarbon Board of Directors held 20 meetings.
Romcarbon Board of Directors is responsible for carrying out a self-assessment of its structure and performance and for evaluating the independence of the non-executive members of the Board of Directors.

BOD's contribution to sustainability integration

The Board of Directors, which is the highest governance body, is responsible for setting the strategic direction and policies regarding sustainability, encompassing the organization's economic, environmental, and social impacts.
Communication with the Board of Directors occurs in person and/or by written communication. Minimum twice per year, a status is provided regarding the progress on the planned actions . In 2023 updates on energy and water management issues were provided The Board was also informed about the progress of PV panels project, about the contain of recycled materials in our products, consolidation of Group's presence in the recycling industry, about social involvement of the Group in the local community.
BoD is responsible to approve the Sustainability Report.

BoD Self assessment on sustainability matters:

Additionally, in compliance with ESRS requirements, the new self-assessment process will evaluate the sustainability-related knowledge of the directors. This will include:

- Their understanding and management of material sustainability impacts, risks, and opportunities.
- The relevance and adequacy of the training sessions attended by Board of Directors (BoD) members throughout the year, ensuring they remain informed about the latest developments in the field of sustainability.

AUDIT COMMITTEE

Alongside the Board of Directors, Romcarbon's corporate governance system is strengthened by the Audit Committee, which is composed of two members appointed by the Board of Directors.

The Audit Committee is responsible for conducting an annual assessment of the internal control system, taking into account the effectiveness and scope of the internal audit function, risk management and internal control reporting to the Board's audit committee, as well as the responsiveness and effectiveness of the management in addressing deficiencies or weaknesses in the internal control system, identified and presented to the Board through relevant reports.

The audit committee must review the conflict of interest in the transactions of the organization and its subsidiaries with interested parties.
The Audit Committee is responsible for reviewing the Statement of Corporate Governance in the Annual Report regarding risk and internal control, as well as evaluating corporate governance and monitoring the application of legal standards and generally accepted internal auditing standards.

2. CORPORATE GOVERNANCE

Audit Committee's contribution to sustainability integration

Beginning with 2024 financial year, the Audit Committee of Romcarbon, appointed by the Board of Directors (BoD) and O.G.M.S., will oversee the company's sustainability efforts. It will incorporate audit missions into their annual audit plan to ensure the accuracy and completeness of non-financial data in the Sustainability Report. Additionally, the reporting process to the BoD will be updated and integrated into the Internal Audit Policy .

COMPANY MANAGEMENT

The management of the company is delegated by the Board of Directors to the General Manager/Managers, who are responsible for carrying out all the measures corresponding to the management of the Company, within the object of the Company's activity and in accordance with the exclusive powers granted by the Law or the Incorporation Act, by the Board of Directors or by General Meeting of Shareholders.

The General Manager/Managers/Directors are appointed or dismissed from their position by the Board of Directors/GMS, which will also establish their remuneration, as well as duties, responsibilities and powers, the duties of representing each Company may be delegated by the General Manager/Managers/Directors to a third person only with the prior written consent of the Board of Directors/GMS.
Romcarbon Chairman of the Board of Directors also fulfils the position of General Manager according to the provisions of the incorporation act, cumulating these positions being justified by the extensive experience in the industry in which we operate and within Romcarbon Group.
Potential conflicts of interest arising from this dual mandate being addressed according to the Corporate Governance Code of Romcarbon section

Management's contribution to sustainability integration

The aproach on sustainability issues is set by Romcarbon SA, as parent company of the Group and for the two largest companies the Board of Directors delegated sustainability responsibilities to the General Manager /Managers during their mandate while for the smaller companies the Directors are responsable for sustainability aspects.

Through established organizational mechanisms, the General Manager/Managers/ Directors engage with relevant stakeholders on all aspects of sustainability, providing information and gathering feedback to enhance processes.
Additionally, they are supported by the CSRD Transition Taskforce in integrating sustainability into the Group strategy/company strategy , internal processes, and reporting.

The CSRD Transition Taskforce monitors new legal requirements and trends around the ESG landscape, makes recommendations on key ESG initiatives to ensure sustainability of the business and also compliance with stakeholder expectations, and executes on strategic targets. Reports to the General Manager/Managers/Director and is comprised by representatives of sustainability related departments, such as financial, legal, internal audit, HR.

2. CORPORATE GOVERNANCE

2.3. List of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees during the reporting period

In 2023, the main sustainability matters considered in the decisions of the governing bodies were related to:

Energy

The impact of energy consumption, the risk of energy price increase, as well as the opportunity to grow the production of renewable energy.

Water

The impact of water consumption and the avoidance of spilled water pollution; elaboration of the feasibility study and start of its solutions implementation.

Circular economy

Increasingly strict national and European requirements regarding plastic packaging/ opportunities created by owning your own recycling sector.

Own workforce

Risks related to the shortage of the quantitative and qualitative work force / opportunities from generating a suitable working environment.

Starting with 2024, following the update of the materiality assessment, the administrative, management and supervisory bodies will follow up, directly or through their committees, the newly identified IROs.

2. CORPORATE GOVERNANCE

2.4. Integration of sustainability-related performance in incentive schemes

Currently, neither the Board of Directors nor any other member of the administrative, management, and supervisory bodies has incentives linked to sustainability goals. Following the development and maturing of our main goals and transition plans, we will evaluate the feasibility of aligning sustainability goals with performance incentives.
[More information regarding the Senior Management incentives can be found in the Remuneration Report of Romcarbon SA, as parent company]

2.5. Involvement of the employees and workers representatives

Employee representatives are regularly consulted, at least once every two years, when, for the negotiation of the Collective Labor Agreement, topics of common interest are also discussed, with the aim of improving the performance of employees, labor relations, the working environment, of employee protection measures, etc.

In addition, according to the legal provisions, at the level of each company - Romcarbon, Livingjumbo Industry and Energo Install -the Safety and Health at Work Committee (CSSM) is established, in order to ensure the involvement of employees in the development and application of decisions in the field. CSSM is a mixed committee, made up of employer representatives, employee representatives and the doctor responsible for occupational medicine.
In CSSM meetings, we present the annual report on health and safety at work within the company, information on risk assessment, preventive measures at the level of the unit and at the workplace, proposals and requests made by employees are analyzed.

03

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

[in preparation for ESRS 2]

3. RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

3.1. Risk Management

At the Group level, a risk management system is implemented in compliance with the SR EN ISO 31010 standard for Risk Management.
In accordance with the risk management procedure for all Group companies, risks were identified and assessed in all functional departments within the organization. For the identification and assessment of risks, management tools and techniques were used such as PESTLE analysis, SWOT and analysis of relevant stakeholders.

The identified risk factors include various general aspects such as: potential political instability, legislative changes, exchange rates, inflation rates, as well as risks related to the capital market and its liquidity, customer demographics, cultural boundaries, lifestyle, education, attitude in terms of quality and savings.
Starting 2023, in the internal risk analysis, the sustainability risks were also identified and evaluated through this process.
As it is a very important topic for us, the assessment of physical vulnerability to climate and ecological transition risk provided new insights that were integrated into the internal approach to sustainability risks.
The register of relevant risks and associated action plans are approved by the Managers/Directors of the Group's companies. Annually, the Group companies management evaluate the effectiveness of the risk identification and management process, including evaluation of sustainability risks. Starting 2024 the Audit Committee of parent company will assure the evaluation of sustainability risks for all Group's companies.

Romcarbon approaches risks responsibly, in line with its long-term strategy.

Responsible risk management is becoming more and more important, given the prolonged economic and financial uncertainties and the prominent manifestation of market volatility. The strategic vision of risk management is established by the Board of Directors/Director and is implemented through political actions at the level of the company's executive management.

The risk control and management activity is ensured by a series of specific structures, regulated by the specific provisions of the capital market, the Articles of incorporation, the Collective Labor Contract, Policies and Procedures and the organizational structure, as follows: financial auditor, internal auditor, organizational and functional structure configuration.
More information about the material sustainability risks & opportunities can be found in the Double Materiality Assessment section of the present Report.

The sustainability-related risks are considered, along with impacts and opportunities, in the process of drawing up the specific sustainability strategy of the Group. The sustainability risks assessed as material turn out to be those that have the potential to significantly affect our business. Thus, the actions identified for the fulfillment of the sustainability objectives are constituted, in many cases ,as business development actions.

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3.2. Internal control

Currently the internal control framework for non-financial information is in progress.
Our approach is to integrate related controls directly into our policies and procedures and to incorporate improvements based on the feedback to be received from the statutory auditors as a result of performing the limited assurance engagement for the FY 2024.

04

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

[in preparation for ESRS 2]

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

4.1. Outlook on the Plastic Processing Market in the EU and Romania

The European Union stands as a significant consumer and producer in the global plastics market, with Romania emerging as a key player within the region. The two largest plastics markets in Europe are related to packaging (39%) and building and construction (21%)*. This outlook provides an analysis of the market trends, growth forecasts, and the comparative performance of Romania against other EU countries.

EU Market Overview

- The global plastics market size is expected to expand from $532.64 billion in 2024 to $778.67 billion by 2032. **
- The EU plastic processing market is projected to grow at a Compound Annual Growth Rate (CAGR) of around 3-5%, driven by increased demand across various applications, including packaging, automotive, and electronics .***
- The outlook for plastics in the European Union is shaped significantly by the evolving regulatory landscape, primarily driven by the Packaging and Packaging Waste Regulation (PPWR) and various other legislative measures aimed at promoting sustainability and reducing environmental impact. The PPWR sets ambitious targets for reducing packaging waste, with all packaging required to be recyclable by design and in practice by 2030.
- Specific targets for post-consumer recycled (PCR) content are established: by 2030, plastic packaging must contain 10-35% PCR content, with this increasing to 50-65% by 2040. Mandatory reuse and refill targets are also set, varying by packaging type and product category, to be achieved by 2030 and 2040
- The European Green Deal and the eighth environmental action program also guide policies to enhance recycling, reduce single-use plastics, and incorporate more recycled materials into packaging.
- The packaging industry is expected to face challenges in meeting the new regulatory requirements, particularly in terms of achieving high levels of PCR content and developing infrastructure for large-scale recycling. The food & drinks industries are anticipated to be significantly impacted and there are ongoing adjustments to ensure that safety and quality standards are maintained while transitioning to more sustainable packaging solutions.
- Investments in new technologies such as bio-based polymers and advanced recycling methods are expected to surge, enhancing product efficiency and sustainability.

Romania's Market Dynamics

- The plastic industry in Romania, reflecting broader European trends, is at a crossroads due to evolving regulatory landscapes, environmental concerns, and shifts in consumer behavior. As of 2024, Romania's commitment to the European Union's circular economy package and directives on single-use plastics significantly influences the industry's trajectory.
- In 2021, Romania was ranked as the 14th-largest market for plastic products in the EU, with its export and import activities showing significant growth potential. This positions Romania as an increasingly important hub within the EU's plastic industry.
- Economically, the Romanian plastic sector is witnessing moderate growth, with sales anticipated to grow steadily, by 2.2% annually. According to recent reports, the industry has seen an increase in production capacity, spurred by both domestic demand and export opportunities, particularly in Central and Eastern European markets. However, this growth is tempered by challenges such as rising raw material costs and the need for investment in advanced recycling technologies.

In conclusion, the plastic processing market in the EU and Romania is poised for growth, driven by regulatory changes, market demands, and technological advancements. Romania, in particular, shows promising growth potential within the broader EU context, requiring strategic investments in technology and sustainability to leverage emerging opportunities.

*Plastics Europe: "Plastics- the Facts 2022", October 2022
**Fortune Business Insights- "Plastics Market Size, Share and Industry Analysis (...) and Regional Forecast, 2024-2032", May 2024
***Orion Market Research- "European Plastics Market Size, Share & Trends Analysis Report, Jul 2022
****ReportLinker-"Romania Plastic Industry Outlook 2022-2026"
*****ReportLinker-"Romania Plastic Industry Outlook 2022-2026

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

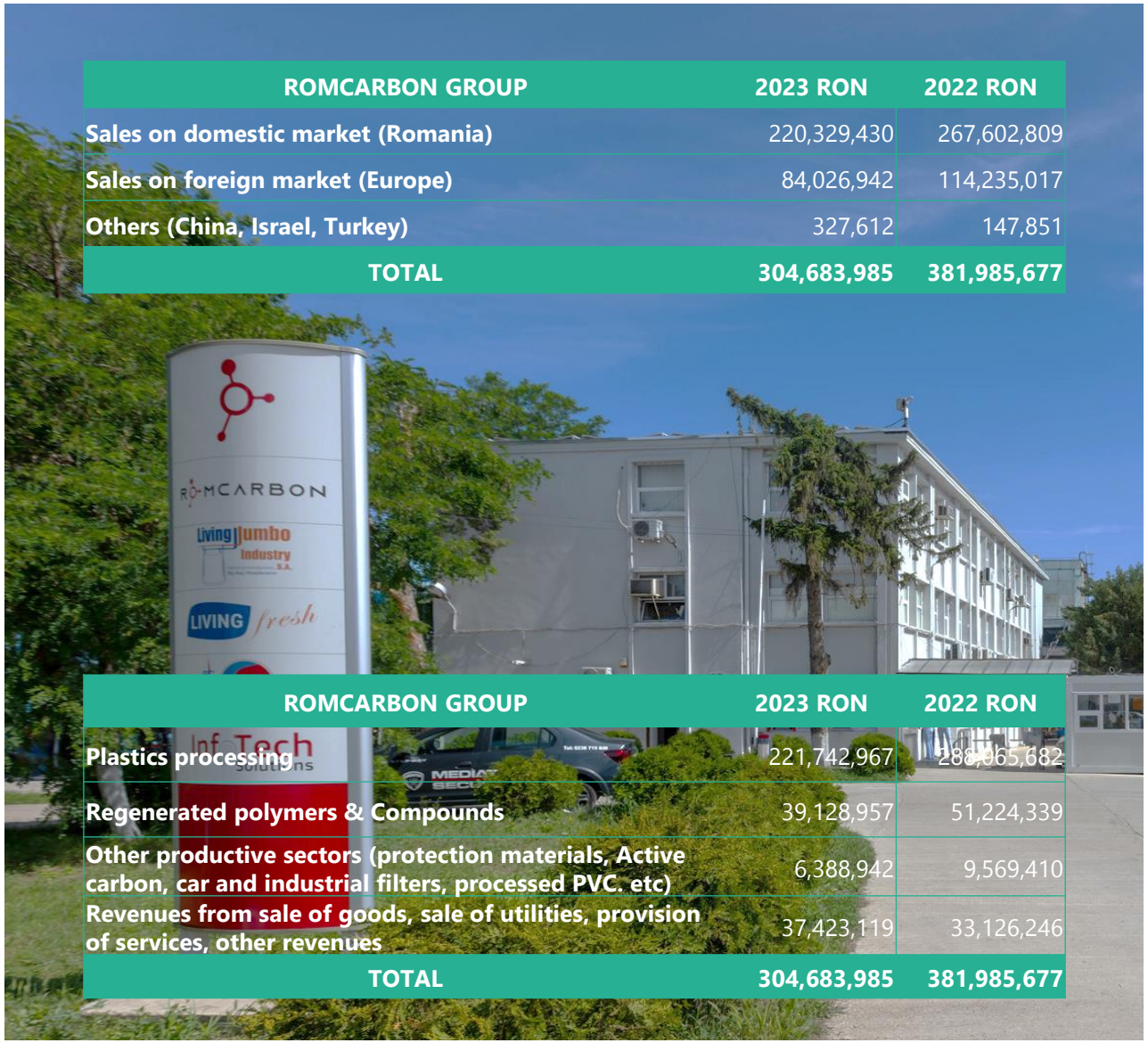
4.2. Business Model

Romcarbon Group is one of the main players in the national and European market in the field of plastics processing. With more than **70 years** of experience in processing polyethylene, polypropylene, PVC and polystyrene, Romcarbon Group is the largest plastic packaging producer in Romania and one of the largest employers in Buzău County. Romcarbon Group is also one of the most important recyclers of plastic waste, with an annual recycling capacity up to **15,000 tons**, operating in this field since 2012.

Romcarbon S.A.

The parent company of the Romcarbon Group is Romcarbon S.A. which is mainly active in the plastics processing sector, serving mainly the food and agricultural sectors with the plastic packaging it produces.

Within Romcarbon, in 2012, we set up a new development direction in the field of plastics recycling and the production of virgin and recycled raw materials and compounds.
Romcarbon' s manufacturing range is diversified, including processed plastic products, filters and filter elements, individual respiratory protection equipment, activated carbon needed in the food, chemical and pharmaceutical industries, and, as a separate sector, the recycling of plastic waste, regranulation and manufacture of compounds



ROMCARBON GROUP	2023 RON	2022 RON
Sales on domestic market (Romania)	220,329,430	267,602,809
Sales on foreign market (Europe)	84,026,942	114,235,017
Others (China, Israel, Turkey)	327,612	147,851
TOTAL	**304,683,985**	**381,985,677**

ROMCARBON GROUP	2023 RON	2022 RON
Plastics processing	221,742,967	288,965,682
Regenerated polymers & Compounds	39,128,957	51,224,339
Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC. etc)	6,388,942	9,569,410
Revenues from sale of goods, sale of utilities, provision of services, other revenues	37,423,119	33,126,246
TOTAL	**304,683,985**	**381,985,677**

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Romcarbon S.A. carried out its main activities in the following sectors:

Recycled polymers & compounds

Plastic waste is treated by separating recyclable fractions that are subjected to sorting, grinding and washing operations, after which they are extruded. The finished products in this sector are recycled polymers and compounds that can replace virgin polymers.

Polyethylene processing

Here is manufactured polyethylene packaging of various sizes (bags, small bags, covers, by extrusion, printing, welding), general purpose foil, solar foil, germination foils, heat-shrinkable foils, and from 2019, biodegradable and compostable packaging (bags) have been added to our product range.

Filters sector

Air, oil and fuel filters for cars, trucks and tractors, railway equipment and industrial plants are produced.
Respiratory Protection Equipment Sector which produces individual respiratory protective equipment - masks and filter cartridges - for the chemical industry, the mining industry, the defence industry, civil defence and collective protection equipment.

PVC pipes Sector

Here, supports for road signs are manufactured from recycled PVC, as well as semi-finished pipes for own consumption.

Polypropylene processing

Polypropylene products are manufactured: Laminated or non-laminated fabric bags, printed or non-printed, in various sizes, thicknesses and colors for packaging agricultural and industrial products.

Active Carbon Workshop

Here is manufactured active carbon as a semi-finished product for protective equipment, as well as activate carbon used in the petroleum, food, chemical and pharmaceutical industries.

Polystyrene processing

Here are manufactured by extrusion and thermoforming, casseroles for the food industry and construction products in the form of sheets and rolls of XPS, laminated or unlaminated.

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Livingjumbo Industry S.A.

The company Livingjumbo Industry, organized as a closed joint-stock company, with its registered office in Buzău, 132 Transilvaniei, street, began in 2002 its plastic processing activity in the field of polypropylene packaging, consisting in the production of flexible packaging (big-bag type). Over the years, the company has steadily increased its capacity, quantitatively and from the point of view of assortment, and in 2016 it opened a new production sector, namely the sector related to the production of PET rigid film/ trays and multilayer barrier films for food packaging. The main shareholders are Romcarbon S.A. (99.86%) and Living Plastic Industry S.R.L (0.14%).

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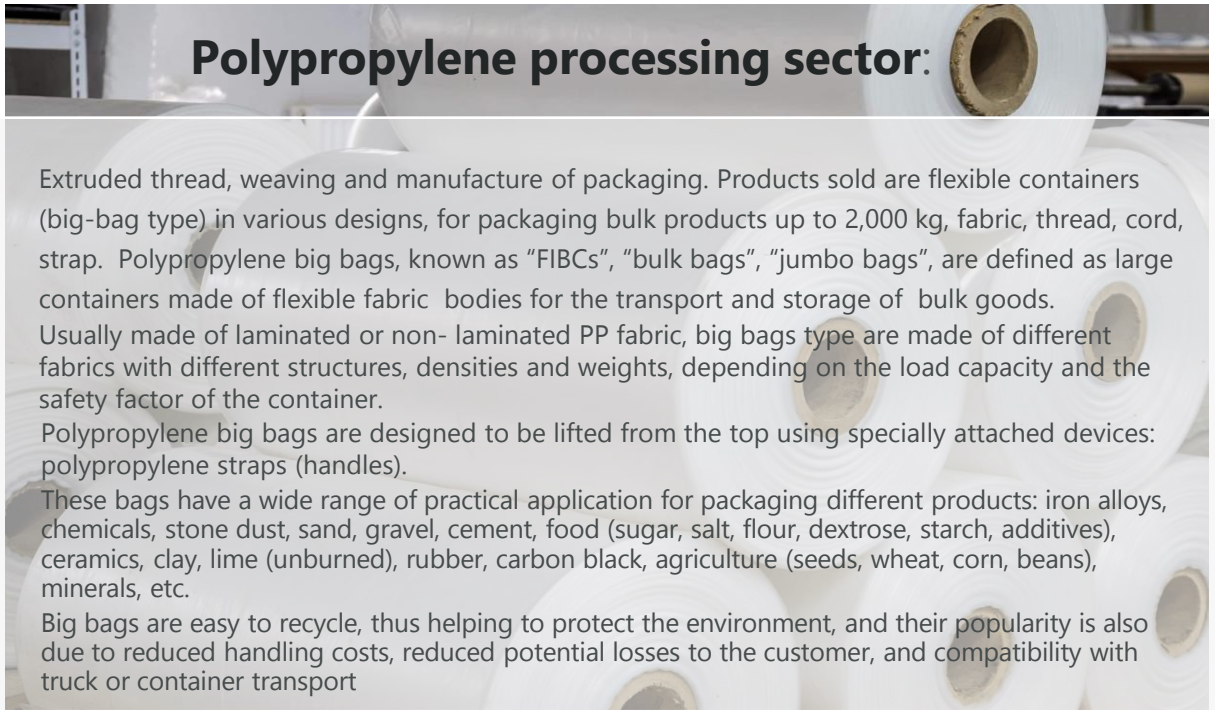


Polypropylene processing sector:

Extruded thread, weaving and manufacture of packaging. Products sold are flexible containers (big-bag type) in various designs, for packaging bulk products up to 2,000 kg, fabric, thread, cord, strap. Polypropylene big bags, known as "FIBCs", "bulk bags", "jumbo bags", are defined as large containers made of flexible fabric bodies for the transport and storage of bulk goods.

Usually made of laminated or non- laminated PP fabric, big bags type are made of different fabrics with different structures, densities and weights, depending on the load capacity and the safety factor of the container.

Polypropylene big bags are designed to be lifted from the top using specially attached devices: polypropylene straps (handles).

These bags have a wide range of practical application for packaging different products: iron alloys, chemicals, stone dust, sand, gravel, cement, food (sugar, salt, flour, dextrose, starch, additives), ceramics, clay, lime (unburned), rubber, carbon black, agriculture (seeds, wheat, corn, beans), minerals, etc.

Big bags are easy to recycle, thus helping to protect the environment, and their popularity is also due to reduced handling costs, reduced potential losses to the customer, and compatibility with truck or container transport

PET processing sector

Extrusion and thermoforming. Products sold are rigid thermoforming films, laminated and unlaminated, and trays for modified atmosphere packaging, transparent and in various colours.

To serve a fast-growing market, Livingjumbo has created the **LivingFresh brand**, which has the following product categories in its portfolio:

LIVING FORM: range of PET trays for meat and FFS (form-fill-seal) films. The range of PET meat trays is perfect to serve a booming fresh products market. The trays are made using efficient processes that combine mechanical strength and flexibility to offer a superior packaging solution. The State-of-the-art technology enables packaging with excellent properties in line with environmental protection requirements.

LIVING FLEX: Range of multilayer films for sealing, flowpack and flexible thermoforming.

LIVING FLEX is the first domestic brand of 9-layer co-extruded film for special packaging. The multiple layers improve the mechanical strength of the packaging and allow multiple material combinations serving a wide range of applications.

The **EVOH barrier** provides optimal gas protection and significantly extends the shelf life of the packaged product.

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

RC Energo Install SRL

The company, organized as a limited company, with its registered office in Buzău, 132 Transilvaniei, street, was established in 2005 by outsourcing the maintenance and repair of heating, water installations, sewage and substations; the main object of activity is Plumbing, heat and air conditioning installation (NACE code 4322).

Currently the company has the following activities:

- Design and execution of electrical, civil and industrial installations - low and medium voltage installations - tests of electrical equipment and installations - lightning protection installations - automations - PRAM station works, switchboards - street, industrial, residential lighting - photovoltaic systems - thermal rehabilitation systems of buildings
- Design and execution of ventilation installations
- Design and installation of security systems: - detection, signaling, alarming and alerting in case of fire - limiting and extinguishing fires - access control, video surveillance and anti-burglary systems - CCTV (closed circuit television)
- Design and execution of civil and industrial installations using natural gas: interior and exterior installations, checks and revisions
- Design and execution of sanitary installations - fully equipped bathrooms - bathrooms, fully equipped kitchens - drainage installations and external sewers - septic tanks, sewage treatment plants
- Design and execution of thermal installations: - classic heating systems, with gas, wood, pellet fuel - heating systems with tubes and radiant panels - solar systems
- Industrial technological installations: - compressed air installations - technological steam installations - water installations - water pumping stations - maintenance and technical revisions of lifting installations (cranes, overhead cranes, forklifts, up to 12.5 tons of force)
- Metal constructions, interior design, mechanical processing. - metal stairs, light constructions, fences, gates, scaffolding, metal scaffolding - ceramic cladding, false ceilings, plaster partitions, thermal insulation systems, painting

Info Tech Solutions SRL

The company, organized as a limited company, with its registered office in Buzău, 132 Transilvaniei, street, was established in 2005 by outsourcing the IT services and its main object of activity is information technology and computer service activities (NACE code 6209).
Currently the company has the following activities:

- Trading with hardware and software;
- Dealer of Soft One ERP, services of implementation and consultancy ERP Soft One;
- Custom tailored software;
- Web design and developer of conector applications for ERP; Customisation of ERP Soft One modules; Web and desktop applications;
- IT network development and maintenance;
- Designing and optimisation of network security;
- Hardware and software services;
- Mentainance and developing of network systems; Adjustment of current system; Updating network systems;
- Design for customer requirements

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Certifications

ROMCARBON

The Integrated Quality and Environment Management System is certified according to the standards **ISO 9001:2015, ISO 14001-2015**.

ISO 45001:2023 is implemented for the whole company and certified for the Individual respiratory protection equipment sector.

Annually, the entire Integrated Management System is audited internally by our specialists and externally by an accredited body at the national and international level, SRAC Romania, both for quality and environment, as well as for safety and work health. During the surveillance audit carried out in 2023, we did not have any non-conformities or opportunities for improvement reported by the certification body.

The Polyethylene, Polystyrene and Polypropylene packaging produced by Romcarbon is in line with national and EU regulatory requirements in the field of food safety, compatibility with food products being attested by the results obtained in accredited laboratories.

Furthermore, Polypropylene bags are certified by **LABORDATA-Germany** for the transport of hazardous substances. Filters produced by Romcarbon are certified by **AFER** and **RAR**

Starting 2021 the Plastics Compounds Division was certified **EuCertPlast**. The certification is based on the European standard EN 15343:2007.

This certification provides the company's suppliers and customers with the assurance that the pre-and post-consumer plastics processed are treated according to best practices and with respect for the environment. Obtaining EuCertPlast certification enables the company to meet the requirements of the REACH Directive and contributes to the application of best practices on the traceability of recycled plastics (throughout the recycling process and supply chain) and on the quality of the recycled content in the final product.

EuCertPlast aims to encourage eco-friendly plastics recycling through standardisation and seeks to increase the transparency of the European plastics industry by establishing best practices in recycling and marketing.

LIVINGJUMBO INDUSTRY

Livingjumbo Industry has implemented and maintains the Integrated Quality and Environmental Management System certification in accordance with **ISO 9001:2001 and ISO 14001-2015.**

The Polypropylene sector is certified for food safety by implementing the **ISO 22000- 2018** standard.

Furthermore, certain types of large Polypropylene bags are certified by **LABORDATA- Germany** for the workload and the safety factor.

Since 2016, the PET Sector holds the **BRC Packaging and Packaging materials issue 6 certification.** This certification certifies the quality, legal compliance and safety of food products and those that come into contact with food through the application of mixed product quality management systems, HACCP and good manufacturing practices (GMP - Good Manufacturing Practices).

Annually, the entire Integrated Management System is audited internally by our specialists and externally by an accredited body at national and international level, RINA SIMTEX, both for Quality, Environment and Food Safety.

During the surveillance audit carried out in 2023, we did not have any non-conformities or opportunities for improvement reported by the certifying body.

BRC Packaging and Packaging materials issue 6 certification is granted by the certifying body, LRQA, on yearly basis. In the certification audit carried out in 2023 we obtained the **AA+ grade** for the production of flexible film and rigid PET film.

RC ENERGO INSTALL

ISO 9001:2015, ISO 14001-2015, ISO 45001:2018 the entire Integrated Management System is audited internally by our specialists and externally by an accredited body at the national and international level, ROYALCERT Romania.

INFO TECH SOLUTIONS

ISO 9001:2015, accredited by SRAC Romania.

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

4.3. Value Chain and Due diligence

The complexity of the Romcarbon Group's activity is transposed into an equally complex value chain. Through our production companies, we process a wide range of polymers - POLYETHYLENE, POLYPROPYLENE, POLYSTYRENE, PET - both as virgin material and as recycled material, transforming them into packaging, materials for construction, agriculture, sanitation, etc. We take important quantities of plastic waste in our own recycling sector, transforming them into raw material for the automotive and plastic processing industries, replacing virgin materials and saving resources.

The production activity of respiratory protection materials (gas masks and filter cartridges) and automotive and industrial filters involves an equally diverse supply chain.

Considering the other two companies – activating in construction /installations and IT services - the complex picture of this activity of the Group is taking shape.

At Group level, we have over 1700 suppliers of products, utilities and services, with great influence in our financial and sustainability performance. We understand the impact of our activity through the resources involved in our value chain, through the implications on the environment and people. We act to minimize negative impacts, identify risks and consider sustainability aspects at all stages of the value chain. The Group's current purchases were directed in 2023, as main groups, to: basic raw materials and materials, utilities, spare parts, services.

In 2023, as a proportion of the total value, acquisitions at Group level were structured in 77% products, 15% services, 7% utilities, with the following breakdowns for each of the companies: Romcarbon 79% products, 12% services, 11% utilities; Livingjumbo: 81% products, 10% services and 9% utilities; Energo Install 37% products, 62.5% services,0.5% utilities; Info Tech Solutions 45% products, 54% services, 1% utilities.

In the production companies of the Group - Romcarbon and Livingjumbo - we purchased in 2023 over 16,000 tons of polymers, used as basic raw materials in the processing sectors and other activities, and 9,500 tons of waste for recycling.

To these were added other raw materials (additives, fillers, dyes, inks and solvents, rubber and metals, etc.), packaging materials (cardboard boxes and tubes, films, pallets, tape, labels, etc.), auxiliary materials and consumables for production and for other departments (laboratory materials, work and protective equipment for employees, office equipment, etc.), spare parts, fuel for internal means of transport, others.

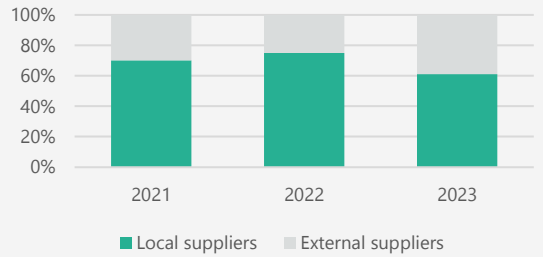
Energo Install and Info Tech Solutions acquisitions are specific to their fields of activity, meaning construction and installation materials in the case of Energo Install, respectively hardware products, software and IT consumables for Info Tech. A special mention for the first purchases of photovoltaic panels and other materials used in their installation, made in 2023 by Energo Install, related to the entry of this company in the field of installation of renewable energy equipment.

Regarding services, we collaborate with companies specialized in repairs and maintenance, operation of installations, regulated checks and inspections, laboratory analyses, IT, transport, security, sanitation, etc.

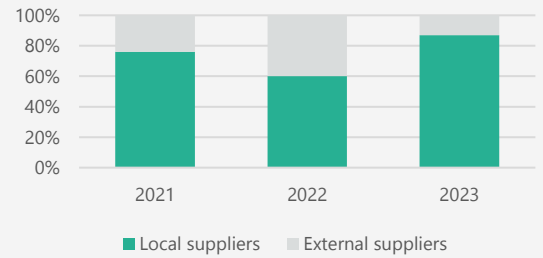
In the category of utilities providers are those through which we provide the necessary electricity, gas and water (including waste water discharge).

Proportion of expenses with local and external suppliers

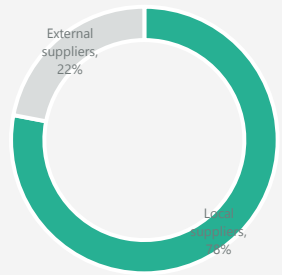
Romcarbon



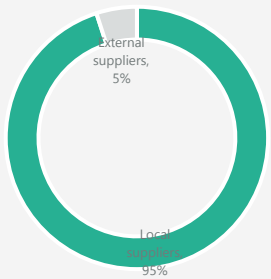
Livingjumbo Industry



Energo Install



Info Tech Solutions



4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Compared to the previous year, the number of suppliers of the two production companies - Romcarbon and Livingjumbo - increased in 2023 by 5%, local suppliers representing 90% of the number (compared to 88% in 2022), and external ones 10% (compared to 12% in 2022). As a share in the value of purchases, internal suppliers represented 59%, and external ones 41%. (Note: in 2022, information was presented only about the companies Romcarbon and Livingjumbo Industry).

Regarding the origin of the purchased goods, we are considering the implementation of additional registrations for the easy identification of purchases according to this criterion, regardless of the supplier's place of registration. There are many European suppliers, especially, but not only for the raw materials used by the production companies of the Group, which distribute materials of non-EU origin. The origin of the goods is verified, but for the year 2023 it was not specifically registered in our system. Therefore, the data presented below refer in many cases to the origin of the supplier, not necessarily to the origin of the goods. According to the data held at the time the report was drawn up: In Romcarbon, in the case of the main suppliers of raw materials for the plastic material processing sectors (value > 250,000 lei/year), 84.6% were purchases from EU countries (according to the country in which the supplier is registered; purchase from the EU includes Romania). For the recycling Sector, 90% of the purchase value comes from EU suppliers (mostly from Romania). In Livingjumbo Industry, for the production activity, the purchases were: virgin polymer granules - 65% EU origin; recycled polymers - 100% non-EU origin; additives and other special materials - 44% EU origin; other materials for production - 88% EU origin; packaging - 100% EU origin; spare parts - difficult to identify the origin. In the case of purchases for the trading activity, the goods were 100% non-EU. In Energo Install: for the activity of installing photovoltaic panels - 82.6% non-EU suppliers; for the installation activity - suppliers from Romania, but it is difficult to identify the origin of the products; for public lighting activity – 100% EU suppliers.

In Infotech - internal suppliers with products of non-EU origin: hardware products - 93.9%; software - 4.5%; consumables - 97.2%; laptops - 100%.

Specific changes in the supply chain in 2023

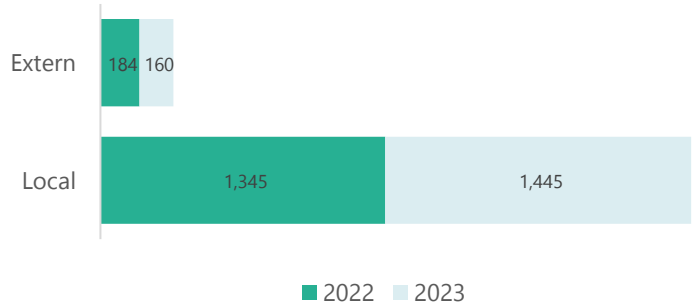
The year 2023 was marked, further, by the international geo-political situation, by the effects of the war in Ukraine, by inflation and economic problems specific to Europe, coagulating the negative effects at the micro and macro economic level, with all the imbalances they caused on the supply, processing and transport segments.

Against the background of the sharp decrease in demand from the market and, implicitly from the processing sectors, the main raw materials used in the Group's production - polymers - have registered significant price reductions compared to the end of the previous year, but the problem of unpredictable quantitative availability remains, as there are many cases of declaring force majeure or capacity limitations on the part of European and non-European suppliers, often in an attempt to stop price reductions.

The continuous adaptation to the conditions of uncertainty in the market was the watchword in the year 2023 in the purchasing activity. It was necessary, for certain materials, to look for alternative suppliers, who would ensure good quality, delivery on time and a price that would allow us to stay competitive with our products.

For the total Group, including Energo Install and Info Tech Solutions, the total number of suppliers in 2023 exceeded 1700 suppliers, the internal-external ratio remaining at approx. 90% internal and 10% external.

Supply chain of the Group production companies 2022 – 2023 (suppliers number)



4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Supply chain policies and procedures

The Supply Policy and Procedures of the Romcarbon Group companies are aligned with the quality (SR EN ISO 9001), environment (SR EN ISO 14001) and occupational health and safety (ISO 45000) standards, which impose the general conditions for the evaluation of all suppliers, ensuring the quality of purchased products and services, the inclusion of products and services in legal regulations and standards, their safety in use for employees, customers, the environment.

The structures responsible for carrying out the purchasing activity in the group companies are Services/Purchasing-Logistics/Import-Export Offices, the form of organization and the number of personnel being adapted to the specifics of each one
These structures ensure the supply of all necessary materials, procurement activities being carried out in accordance with specific procedures. The Procurement-Logistics Service permanently informs the sectors and managers about the availability of materials in the market and the evolution of prices, in order to make quick decisions, for adaptation in real time. The supply requirement sent by the production sectors and/or other departments is approved at the level of section head/department head and Profit Center Manager, only after checking the stocks, in correlation with the planned production activity. Safety stocks are established/set in the system, sized and periodically updated, taking into account the changes in the market, both to avoid the risk of any stoppage in production, but also to avoid unnecessarily blocking financial resources. The initiation, approval and transmission of supply requirements is done through the ERP system of the production companies, ensuring visibility, verification and approval in real time.

Purchasing agents, specialized in product types and groups, send bid requests to accepted suppliers, informing the departments involved about the bids received and analyzing together with them technical aspects, price, delivery terms and any other element necessary in making a decision. For new products or alternatives to existing materials, the technical-financial analysis is doubled by tests in production.

After the purchase decision, the order to the supplier is launched, this document also being initiated and approved in the ERP system. An order approval/sign-off matrix is implemented by department, product, value, with responsibilities up to top management level involved. Purchasing agents then follow the order confirmation, delivery, receipt of the goods, ending the purchase cycle by registering in the same ERP system.

An important part of the procurement activity is the identification of alternative suppliers for each purchased material, even more so for the basic raw materials for which the quantitative requirement is important.

To ensure deliveries, the Transport Office organizes transport in an outsourced system both for purchases under ex-works/FCA delivery conditions, but also for our deliveries to customers. The following are pursued: the efficiency of transports, the provision of round-trip routes, the delivery on time and the assurance that the goods arrive in good conditions at the destination, the selection of carriers taking into account all these criteria.

Evaluation of suppliers

In establishing the business relationship with the Suppliers, a mandatory and important stage is their evaluation. The analysis, based on questionnaire, takes into account the general information, field of activity, capacity, financial data, system and/or product certifications, authorizations, accreditations, certifications required by legislation, information about the quality management system, of environment, health and safety at work, information about the documents provided for the delivered products (Declarations of Conformity/Declaration of food contact and Warranty Certificate, as applicable; CE Certificate of Conformity; Technical data sheets/ product specifications; Instructions for storage, handling, transport, use of products; Analysis Bulletins/ Test Reports); information on compliance with legal requirements regarding environmental protection, occupational health and safety and human rights; the way of evaluating complaints and reports on the non-conformities found.

The selected providers are included in the "List of agreed suppliers". The evaluation is done for each new supplier, and, annually, the accepted suppliers are re-evaluated, also considering criteria related to the price, falling within the delivery terms, respecting the quality of the products, responding to any complaints, payment term, communication method.

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

In 2023, there were evaluated 529 suppliers, from which 453 in production companies of Group (in 2022 - 465 suppliers registered in Romcarbon and Livingjumbo).

Code of ethics and conduct of Romcarbon suppliers

To ensure that the values and ethical principles underlying our activities are shared by the suppliers with whom we do business, we have created the Supplier Code of Ethics and Conduct.

As a reflection of Romcarbon's Code of Ethics and Conduct, the provisions of this code set out the minimum requirements and expectations, which are not negotiable, regarding the suppliers of goods and services, subcontractors, consultants, current or future with whom we work. We expect suppliers to understand, share and adhere to the principles of this code governing business ethics. The code of ethics and conduct of suppliers can be accessed at this link: https://www.romcarbon.com/wp-content/uploads/2022/06/CODUL-DE-ETICA-SI-CONDUITA-AL-FURNIZORILOR.-CODE-OF-ETHICS-AND-CONDUCT-OF-SUPPLIERS.pdf

Until the publication of this Sustainability Report, 48 relevant suppliers have adhered to the Code of ethics and conduct of suppliers.

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According to the **Sustainability Strategy for the years 2022 – 2030**, 100% of our relevant suppliers (with a turnover with Romcarbon Group> 50,000 euros/year) will be assessed from environmental impact perspective until in 2025.
Until the moment of the current report publication, 48 relevant suppliers filled the ESG questionaire (from 92 invitations sent), meaning 52%.

Next steps

We will expand the Code of Ethics and Conduct of Suppliers at Group level, to include all companies and increase the number of suppliers invited to join.

Considering the impacts, risks and opportunities identified for the supply chain (please see Double Materiality Section for more information) our future actions will target:

- the continuation of the identification of local/European sources/from shorter distances, to reduce the risk and CO2 emissions during transport
- modification of the evaluation procedure of suppliers/offers by introducing the criterion regarding the geographical proximity of suppliers, to reduce transport distances
- aspects related to professional conduct in the relationship with suppliers and its non-discriminatory application, continuous training of the own staff regarding business conduct and the introduction of a chapter in the supplier evaluation questionnaire for their feedback regarding the relationship with our companies.

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Customer management

Our products are addressed to customers who work in various industries, Romcarbon SA being a traditional processor of plastics. With over 70 years of experience in processing polymers (polyethylene, polypropylene, PVC and polystyrene) and over 10 years of recycling, we are a recognized brand on the Romanian and European market. Livingjumbo Industry SA, through the initial products or added along the way, won and stabilized its market share. Most of Romcarbon Group's customers are legal entities, and a smaller proportion of sales are directed to individuals, mainly through distributors.
In 2023, Romcarbon SA sold the products obtained in the plastic processing sectors to Distributors (61%) and Producers (39%). Depending on the geographical destination, the sales were distributed as follows: Romania - 76%, EU countries - 19%; non-EU countries – 6%.
The products obtained in the recycling & compounds sector were mostly addressed to the automotive (38%) and packaging (24%) industries, the difference being represented by companies that produce consumer goods, for construction, agriculture, household, etc. The geographical direction of sales was to Romania (85%), EU countries (14%), non-EU countries (1%).
Livingjumbo Industry SA products were sold in 2023 to distributors in a proportion of 60%, and the difference of 40% to Producers & users. A proportion of 58% of sales was addressed to customers from Romania, 36% from EU countries and 6% from non-EU countries.
In 2023, Energo Install SRL addressed only customers from Romania, companies (58%) - with installation works and on the lighting activity - and public institutions (42%) on the lighting activity.
In 2023, Info Tech Solutions' customers were only companies from Romania.
We have built a relationship based on mutual trust with many of our customers and we aim to maintain it by measuring the degree of customer satisfaction.

Policies and procedures for managing the customer relationship

In Romcarbon Group, we have implemented procedures that establish the principles, methods of checking and recording the activity undertaken regarding: the sale of products - the delivery process - the assessment of customer satisfaction. The sales teams manage the relationship with customers throughout the chain: bidding - contracting - confirmation and delivery planning - follow-up of the collection of the value of the goods.
Depending on the specific requirements of the requested products and the way of working agreed with the customers, any order/contract/offer is processed. In this regard, product requirements include, but are not limited to:
- requirements specified by the customer, including requirements related to delivery and post-delivery activities;
- requirements not specified by the customer, but necessary for the specified or intended use when this is known;
- legal and regulatory requirements applicable to the product (these also include applicable government regulations regarding safety and the environment, which apply to the supply, storage, handling, recycling, disposal or decommissioning of materials);
- any other additional requirements deemed necessary.

Orders for new products or with changes compared to those in the standard range are subject to a multi-departmental analysis,

Customer satisfaction

The collection of information related to customer satisfaction is carried out permanently, in direct relationship with them. Annually, the evaluation of customer satisfaction is carried out through evaluation questionnaires, which customers can access online at the link:

https://forms.office.com/Pages/ResponsePage.aspx?id=a9h82jcgxUGf_hwBBob_GO_vWUYTf0xDp5gpbDTf3MtUNEtZMUg3VUNLODhTTjNHRFZXT1VNQU8xMi4u&l ang=ro.

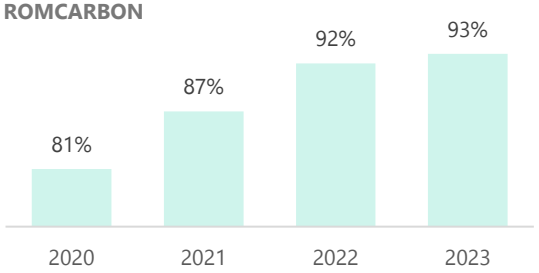
with automatic collection of the answers.
The preparation of the Annual Report on the results of the evaluation of customer satisfaction is carried out using:

- the information and proposals obtained from the questionnaires completed by customers;
- direct communication with the customer;
- data from the customer regarding the quality of the delivered products;
- compliments received from customers;
- complaints received from customers;
- damages/discounts requested by customers;
- information related to invoices.

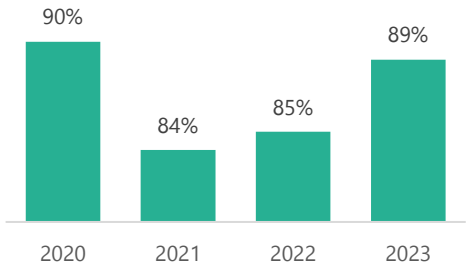
4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

CUSTOMER SATISFACTION

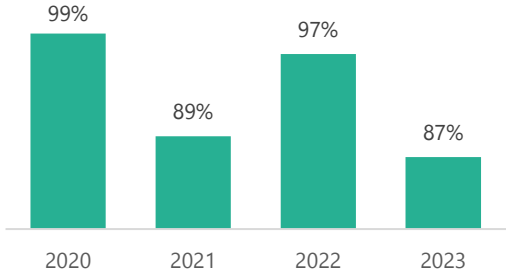
ROMCARBON



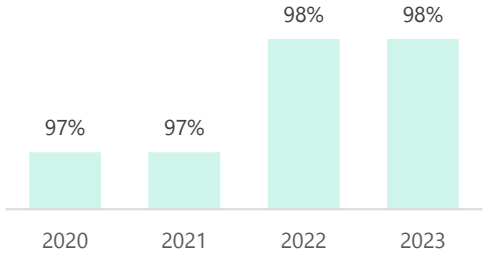
LIVINGJUMBO INDUSTRY



INFO TECH SOLUTIONS



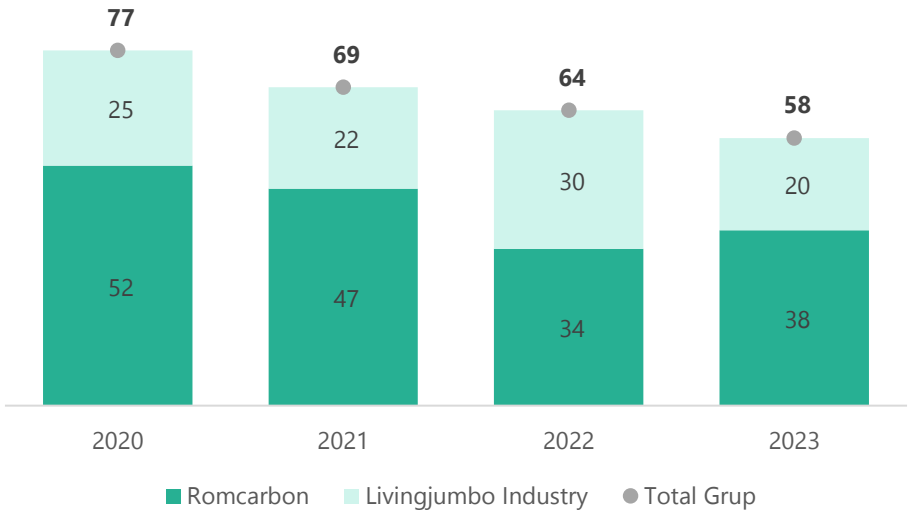
RC ENERGO INSTALL



Target in strategy 2022-2030:

Assuring over 85% degree of satisfaction for relevant customers

TOTAL NUMBER OF CLAIMS RECEIVED FROM CUSTOMERS



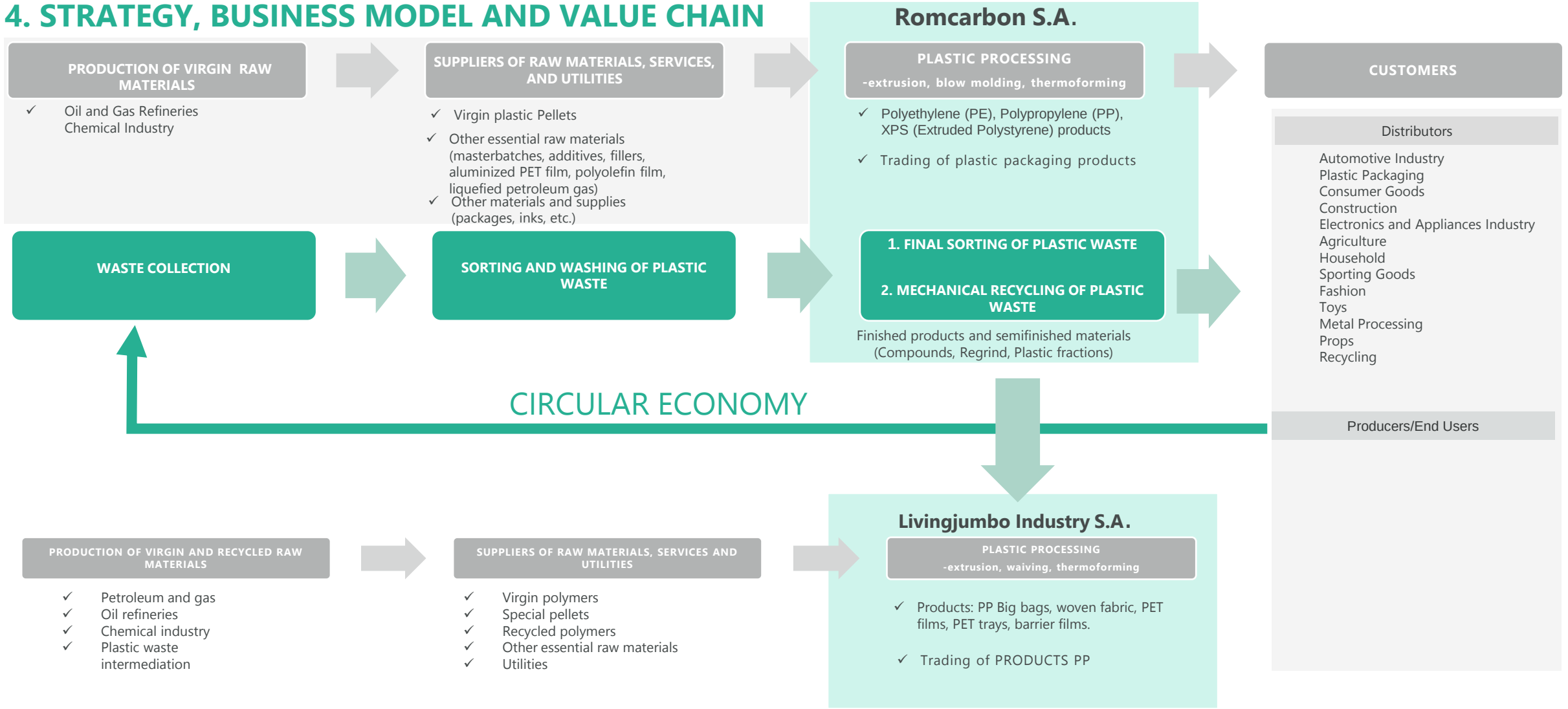
*Energo Install and Info Tech Solutions for the reporting year received 0 claims.

We promote a fair and responsible attitude towards the customer, we communicate transparently about the economic, environmental and social impact of our products and services. Our marketing communications, including advertising, promotion and sponsorship, do not take advantage of customers' lack of knowledge or choice, so we had no complaints, referrals or warnings in this regard during the reporting year.

Customer health and safety

For the safety of consumers, products in the regulated areas, namely filters and individual respiratory protection equipment, are marked and inscribed according to legal requirements with all the data necessary for strict identification. Plastic packaging products are marked with international recycling symbols to facilitate their separate collection by end users. 100% of our products comply with labeling requirements.
For full transparency and correct information to customers and end users regarding the product content, especially the substances that could produce an impact on the consumer, the environment and/or society and for safe use and disposal, all our products are mandatorily accompanied by: declarations of conformity per lot; "food contact" declarations for products used as food packaging; technical sheets (if applicable); analysis bulletins for products (at the customer's request); instructions for use (for products in regulated areas); safety data sheets (if applicable).
We increase our customers' awareness of waste separation by marking special waste recycling codes on each of our products. For sectors that produce packaging that can be used in the food industry, we identify and analyze the risks that may arise as a result of the presence of threats and vulnerabilities for all raw materials/materials or groups of raw materials/materials, assessing the potential risk of fraud. Hazards relevant to food safety are those hazards that can be directly or indirectly transferred to food through the use of the products and/or services provided and thus have the potential to cause a negative effect on human health.In 2023 we received no complaints regarding the fact that our products would have harmed the health and safety of customers, would have caused incidents and/or accidents of any kind, similar to the years 2021 and 2022.

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN



4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

RC Energo Install SRL

RAW MATERIALS PRODUCTION

- ✓ Silicon, metals, electrical materials
- ✓ Pipes, cables, installation components
- ✓ Electrical materials, lighting fixtures
- ✓ Building materials, etc.

DIRECT SUPPLIERS

- ✓ Solar panels, Metal structures
- ✓ Building materials and materials for construction
- ✓ Services (construction and design; IT, legal, accounting; maintenance, auto repairs, service)
- ✓ Lighting products (flash curtains, 2D and 3D figurines, flakes).
- ✓ Supports and accessories (support stands, connectors, tubes)
- ✓ Services (logistics, transportation, crane, assembly/disassembly), etc

DELIVERED SERVICES

- ✓ Installation of photovoltaic panels
- ✓ Gas, water, electrical installations
- ✓ Holiday lighting (rental or sale of lighting installations)
- ✓ Construction

CUSTOMERS

- ✓ Households
- ✓ Public institutions
- ✓ Companies

Info Tech Solutions SRL

RAW MATERIALS PRODUCTION

- ✓ Semiconductor materials for electronic components (chips)
- ✓ Metals (copper, aluminum, gold, silver, tantalum, platinum, palladium) used in interconnects for circuits, capacitors, sensors, and storage devices
- ✓ Dielectric and insulating materials
- ✓ Rare materials (used in the production of displays, touchscreens)
- ✓ Chemicals (acids, solvents)

DIRECT SUPPLIER

- ✓ Suppliers of Hardware (laptops, printers, monitors, adapters, switches, cables, keyboards, mice)
- ✓ Suppliers of Software
- ✓ Suppliers of Consumables (cartridges, toner)
- ✓ Service Providers (telecommunications, IT, insurance)

DELIVERED SERVICES

- ✓ IT Services
- ✓ Sale of IT Goods

CUSTOMERS

- ✓ Intra Group Romcarbon
- ✓ Other companies
- ✓ Owner associations

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

4.4. Engagement with the Stakeholders

Our stakeholder engagement approach highlights our dedication to actively listening to and engaging with our stakeholders. Through continuous dialogue, we aim to understand their perspectives, concerns, and expectations.
This ongoing interaction shapes our sustainability efforts, projects, and processes, enabling us to align with stakeholder interests and viewpoints. The insights gained from these dialogues inform our due diligence processes and double materiality assessments

Stakeholder	How engagement is organized	Purpose of engagement	Example of outcomes from the engagements
Employees	Employment relations and occupational health and safety representation	Incorporating employees' perceptions and experiences	Internal policy updates
	Consultations with Employees Representatives	Fostering a sustainable workplace and enhancing quality of working life	Improvement and action plans
	Employees Representatives involvement during the double materiality assessment in the specific internal experts workshop for identifying impacts, risks and opportunities	Identifying employees view regarding material sustainability impacts, risks and opportunities	Communications from management
	Satisfaction Surveys		Group initiatives and campaigns
	Double Materiality Assessment Surveys		Input for management in defining the material sustainability impacts, risks and opportunities

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Stakeholder	How engagement is organized	Purpose of engagement	Example of outcomes from the engagements
Customers	Customer support and guidance Customer satisfaction surveys/ discussions Complaints received from customers Damages/ discounts requested by customers	Building trust & ensure customer satisfaction Providing sustainable solutions Enabling customers to achieve their targets	Product/service improvements Internal procedures updates
Suppliers	Supplier evaluation (including sustainability due diligence)	Compliance with our code of conduct Promoting responsible sourcing	Streamlined supplier expectations Supplier improvement plans Informed selection of suppliers
Investors	ESG ratings Investor calls, questionnaires, and emails Periodic investor updates	Understanding expectations to sustainability Attracting responsible investors Enhancing transparency	ESG rating improvement plans Responses to investor queries Adapted internal communication on
Romanian Authorities (both central and Buzau region)		Understanding their requests and comply with the legal requirements	Improving the way the activity is carried out and reducing the risk of being fined.
Civic and non-profit organization	Questionnaires and emails Collaboration on community projects	Contributing to local initiatives	Awareness of the importance of cultural identity, music and reading in the education of the population

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Stakeholder	How engagement is organized	Purpose of engagement	Example of outcomes from the engagements
Industry associations	Answering public consultations on industry related regulations Joint initiatives and programs Inputs into strategic directions Workshops and knowledge sharing	Enabling the industry to engage policymakers Developing industry standards on sustainability	Alignment on sustainability practices and measurement standards
Local Communities	Questionnaires, emails, calls and meetings	Identifying their needs and offering appropriate solutions	A better cooperation and a better development of the local community
Financial Institutions	Regular financial reporting and discussions	Securing funding and favorable loan terms	Access to green financing and investment opportunities Better credit ratings and reduced borrowing cost
Mass Media	Press releases Participation in industry conferences and public events	Promoting transparency and positive public relations Highlighting sustainability initiatives and innovations Managing brand reputation and public image	Increased positive media coverage and public awareness Enhanced corporate reputation and brand value
Competitors & peers	Collaboration inside of professional associations	Initiatives at national and European level for industry development	Clarification in Law and Regulation in environment and circular economy domains

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Stakeholder	How engagement is organized	Purpose of engagement	Example of outcomes from the engagements
Capital Markets participants	ESG ratings	Understanding expectations to sustainability	ESG rating improvement plans
	Investor calls, questionnaires, and emails	Attracting responsible investors	Responses to investor queries
	Periodic investor updates	Enhancing transparency	Adapted internal communication on sustainability practices
Certification and Regulatory bodies	Compliance audits and certification processes	Ensuring compliance with environmental and safety standard	Obtained certifications
		Gaining certifications that enhance market competitiveness	Reduced risk of fines and legal issues
Education, science and research organizations	Emails, calls and meetings	Active involvement in the training process and Technical training of young people	Obtaining a qualified workforce

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

4.5. Strategy

The 2022-2030 sustainability strategy, approved by the Board of Directors of Romcarbon SA in 2022, guided us throughout 2023. The strategy is built on 3 main pillars, with specific objectives for each pillar.

A honest business

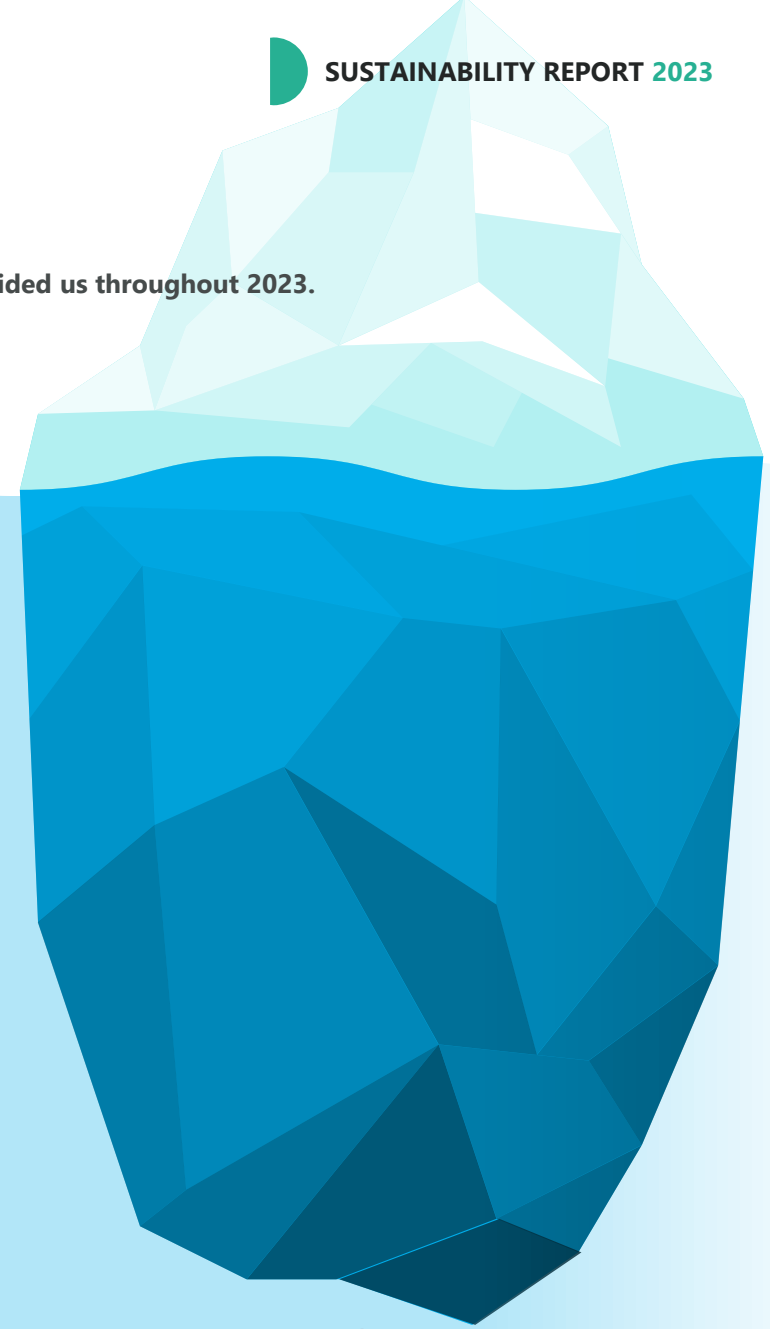
- ✓ Ensuring a good corporate governance within the Group and improving the ESG management framework.
- ✓ Acquisition from sustainable sources
- ✓ Continuous delivery of quality and safety for the customer

Innovation and skills for a clean environment

- ✓ Improving environmental performance
- ✓ Strengthening the capabilities of the Romcarbon Group to adapt to climate change
- ✓ Pollution prevention and emergency response

Involvement for people and community

- ✓ Ensuring a healthy and safe working environment for our employees, contractors and visitors
- ✓ Ensuring a qualified, motivated and sufficient workforce
- ✓ Ensuring equality of treatment and opportunities and non-discrimination for all staff
- ✓ Encouraging among the population the importance of separate collection of waste, especially plastic waste
- ✓ Maintaining the social license to operate.



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4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

For each objective, actions and targets measured by specific impact indicators are established. The content of the current Report presents the status for each target.
The Sustainability Strategy has become an integral part of the Group's business strategy, the specific impacts, risks and opportunities on the sustainability component complementing the "traditional" ones related to business. Due to the specificity of our main activity, concern for the environment and the reduction of specific impacts have always been present in our business strategy. **We are plastic processors, but also recyclers.** For more than 10 years we have been recycling plastic at an industrial level while continuously increasing the recycling capacity and contributing to reducing the negative effects on the environment and people.
The actions and targets that we have established in the Sustainability Strategy - increasing the production of recycled polymers, reducing the amount of technological waste generated in production, increasing the degree of use of recycled materials in the plastic processing activity - are organically linked to the development and the efficiency of our activity.
The actions and targets set in the energy area - the reduction of specific consumption and the production of renewable energy for own consumption - concern both the reduction of CO2 emissions, as well as the reduction of costs and the efficiency of our activity.
Calculating the emissions of Scope 1 and 2, as a first step, helps us establish the directions and investments for reducing these emissions, in more efficient equipment from the point of view of consumption. Calculating Scope 3 gave us also an understanding of value chain impact.
Good corporate governance, sustainability along the entire value chain, relationships with our employees and the community we belong to are basic elements that help us in the success of our business strategy

Next steps

At the time of publishing this Report, we are taking a step further.
During 2024 we will work on updating the strategy in the sense of developing a group-level strategy , establishing strategic and tactical objectives applied to the Impacts-Risks-Opportunities identified in the new double materiality analysis.

Sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders;

In our technical-investment initiatives, we concentrated on developing new products and acquiring advanced production technologies. Additionally, we focused on enhancing existing technologies, consistently prioritizing sustainability throughout all processes..

In Romcarbon, in the polyethylene sector we continue to assimilate products with higher recyclable content. Being also a recycling company, certified by EUCERTPLAST, Romcarbon can assure the circular process, taking from market the post-consumer wastes, recycling its and creating new raw materials.

In Compounds Center were developed 36 new compounds manufactured from recycled plastic, which includes optimization from both costs and raw materials usage point of view, ~1.000 tons. The products were delivered to beneficiaries for testing, validation and use.

To increase the proportion of recycled materials in our products, we are implementing investment projects for new equipment that bridges the recycling and processing sectors.

Developing our contribution to saving energy, through good insulation of houses, we provide a range of products like XPS panels, with panels folded and laminated with aluminized boPET film, intended for floor insulation both thermic and acoustic and of humidity point of view. In 2023, after the new line became operational, the panels were produced and tested in an external laboratory according to the characteristics specified in the EN 16354 standard and obtained technical approvals for materials used in construction from ICECON. The products demonstrated high quality, aligning with the higher classes of the mentioned standard.

4. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

In accordance with Regulation (EU) 2022/1616 of the Commission of September 15, 2022 regarding recycled plastic materials and objects intended to come into contact with food products, the economic operators who put on the market must comply with appropriate recycling technologies.

Livingjumbo Industry is a member of PETCORE EUROPE, a non-profit association. Through this membership, we have taken steps to establish the technology for producing foils and PET containers that incorporate a functional barrier, making them suitable for food contact. Additionally, Livingjumbo Industry is actively participating in the "Task Force Functional Barrier" working group. In the first trimester of 2023, we fulfilled the following steps: at the individual level, we registered as a recycler utilizing this technology in the Union Register; at the national level, we registered with the National Institute of Public Health; and through PETCORE, we submited a notification to the European Food Safety Authority (EFSA).

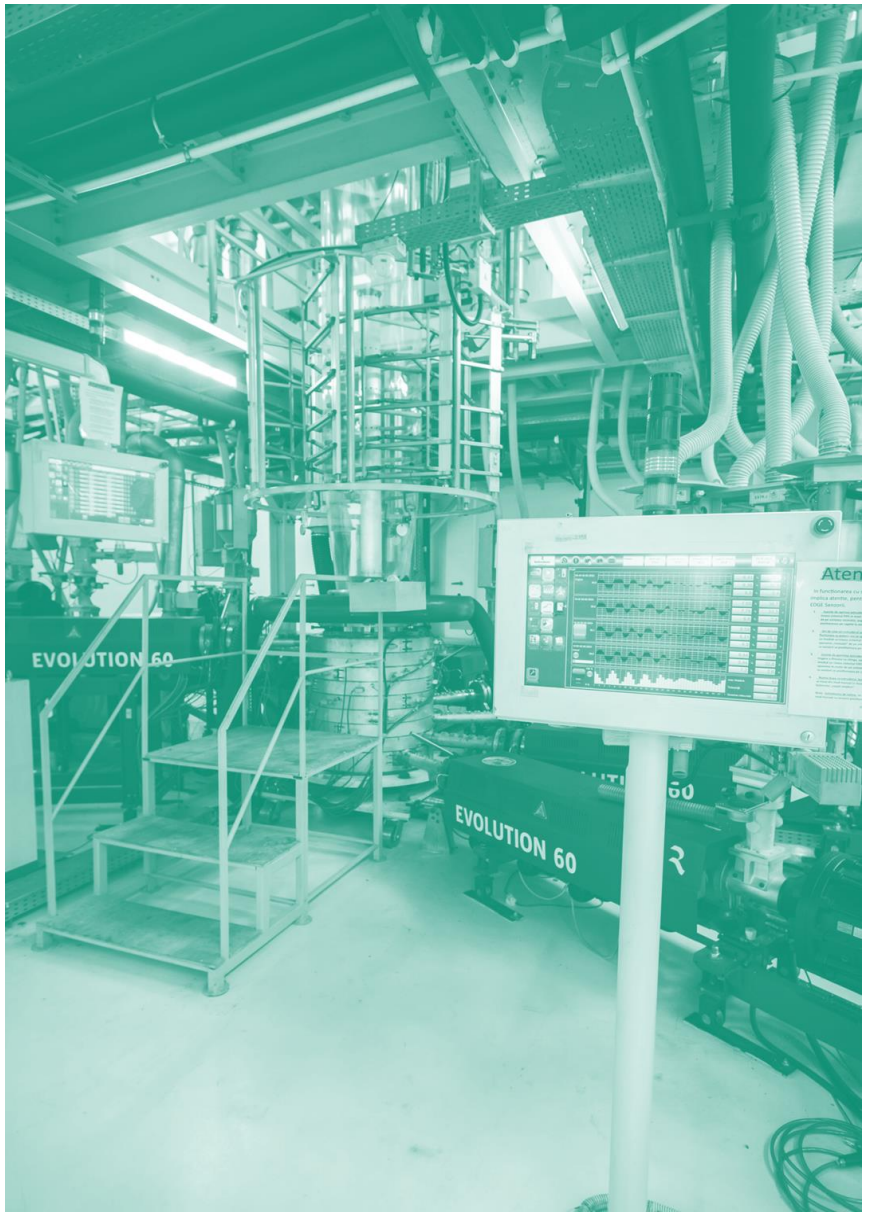
Energo Install started in 2023 the acquisition of photovoltaic panels in order to gain a stronger position on the market for the installation of renewable energy sources.

✓ **Current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals;**

Our plastic-processed products largely meet recyclability requirements, and we are committed to making all our products 100% recyclable. To achieve this, we plan to invest in equipment and develop formulations for monolayer barrier materials. Leveraging our recycling sector, we ensure products with high recycled content. Collaborating with our customers, we seek efficient logistical solutions to reclaim waste from our products' usage, aiming to close the loop wherever possible.

✓ **The elements of the Group's strategy that relate to or impact sustainability matters, including the main challenges ahead, critical solutions or projects to be put in place**

We are committed to achieving our main strategic objectives, focusing on sustainability and cost reduction in production. Significant investments in equipment will enhance our recycling capacity and increase the use of post-consumer recycled content in our products. Additionally, we are investing in the production of renewable energy, particularly solar power.



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DOUBLE MATERIALITY ASSESSMENT (DMA)
[in preparation for ESRS 2]

5. DOUBLE MATERIALITY ASSESSMENT (DMA)

Romcarbon Group material Impacts, Risks and Opportunities (IROs) influence or are influenced by our strategy and business model. Our material impacts are due to our presence in the plastic processing value chain, most noticeably related to emissions, circular economy, pollution and actual and potential social impacts on our employees. Material risks and opportunities relate to access to, and cost of, capital and new business opportunities.

However, this year, we have shifted our approach and aimed to align with the ESRS guidelines as much as possible. For our 2024 report, we are committed to ensuring that our materiality assessment is completely compliant with the ESRS standards, and we will have this compliance verified by an auditor as required.

As a key element in our work to prepare for the CSRD reporting, during January- February 2024 we conducted a double materiality assessment guided by the ESRS requirements (IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities and IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement).

Given the wide range of operations and products offered by the Romcarbon group, we recognize that the impacts, risks, and opportunities, as well as their intensity, can vary across different value chains. Therefore, took into consideration five major distinct value chains.

- Plastic processing (Romcarbon SA, Livingjumbo Industry SA)
- Polymer recycling and compounding (Romcarbon SA)
- Protective equipment, and activated carbon (Romcarbon SA)
- IT services (Info Tech Solutions SRL)
- Electric, gas, water instalations, construction and building refurbishments (Energo Install SRL)

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5.1. Outcome

In 2024, in our CSRD preparation process, we have identified our impacts on the environment and society (impact materiality assessment) as well as the sustainability-related risks that we are exposed to (financial materiality assessment). The outcome is aggregated per ESRS topic, showing that E1, E2, E3, E5, S1, and G1 are our most material sustainability areas.

5. DOUBLE MATERIALITY ASSESSMENT (DMA)

Material Topic	Material Subtopic	I/R/O	Description	Own Operations	Value Chain
Climate change [in preparation for ESRS E1]	Energy	Impact -	Impact of energy consumption as a resource	X	
	Energy	Risk	Increase in the cost & availability of electricity	X	
	Energy	Opportunity	The production of renewable electricity was started and there is still potential to increase capacity which will generate a decrease in energy expense.	X	
	Climate change mitigation	Impact -	Direct CO2e footprint impact (Scope 1)	X	
	Climate change mitigation	Impact -	Indirect CO2e footprint impact (Scope 2 & Scope 3)	X	X
	Climate change mitigation	Risk	Increase in the cost of fossil fuels	X	
	Climate change mitigation	Risk	customers to focus more and more on the CO2 footprint of the products that they buy	X	
	Climate change mitigation	Risk	Delays in deliveries of materials purchased from outside EU due to climate change effects (both effects in the suppliers' operations and in the logistics)	X	
	Climate change adaptation	Risk	Physical risk	X	
	Climate change adaptation	Risk	Transition risk	X	

5. DOUBLE MATERIALITY ASSESSMENT (DMA)

Material Topic	Material Subtopic	I/R/O	Description	Own Operations	Value Chain
Pollution [in preparation for ESRS E2]	Pollution of water	Impact -	Water contamination through mistreatment of raw materials and products (potential impact)	X	
	Pollution of water	Risk	In case of accidental spillage, image risk and risk to receive fines	X	X
	Pollution of water	Impact -	Pollution of water due to mistreatment of our plastic products by the end consumer	X	
	Pollution of soil	Impact -	Soil contamination due to improper storage of raw materials or cracking of tanks at the treatment plant (potential impact)	X	
	Pollution of soil	Impact -	Soil contamination due to improper treatment of waste, especially on refurbishment and IT waste (potential impact)	X	
	Pollution of soil	Impact -	Pollution of soil due to mistreatment of our plastic products by the end consumer	X	
	Substances of concern	Impact -	Pollution with substances of concern due to accidental spills or mishandling (for example mineral oils, etc.)	X	X
	Substances of concern	Risk	Risk that suppliers may face operational shutdowns or insolvency (due to fines) if their operating licenses are revoked. This can negatively affect the internal processes.	X	
	Substances of concern	Risk	Image Risk, increase in the value of fines received and increase in the cleaning expenses	X	
	Microplastics	Impact -	During the production of plastic materials, small plastic particles can be spilled or released into the environment through handling, transportation, and processing activities at production facilities.	X	

5. DOUBLE MATERIALITY ASSESSMENT (DMA)

Material Topic	Material Subtopic	I/R/O	Description	Own Operations	Value Chain
Water and marine resources [in preparation for ESRS E3]	Water	Impact -	Water consumption in a water stress area. The water stress in the region will increase as estimated through the vulnerability scenarios	x	
	Water	Impact -	Suppliers use a significant amount of water to produce our needed raw materials		x
	Water	Risk	Not able to extract the water needed in the production process. The alternative being the need to connect to and purchase water from the city's network if available.	x	
	Water	Impact -	Discharge of contaminated water into Buzau river either due to mishandling or due to the cracking of tanks at the wastewater treatment plant.	x	
	Water	Risk	Reputational and legal/ fines risk in cased of discharging contaminated waste water (above legal limits)	x	

Material Topic	Material Subtopic	I/R/O	Description	Own Operations	Value Chain
Circular economy [in preparation for ESRS E5]	Resource inflows, including resource use	Impact+	The Romcarbon Group uses waste (post-consumer waste and its own technological waste) as raw material. Solutions are being studied to integrate a larger quantity of recycled materials. Through activities of recycling plastic waste (including plastic packaging), you reduce the amounts of virgin plastic pellets used in the production of new finished products.	x	
	Resource outflows related to products and services	Opportunity	Opportunity to obtain a lower cost of financing for specific circular economy projects	x	
	Waste	Opportunity	Increase the percentage of recycled waste. Implement cost synergies throughout the entire group.	x	

5. DOUBLE MATERIALITY ASSESSMENT (DMA)

Material Topic	Material Subtopic	I/R/O	Description	Own Operations	Value Chain
Own workforce [in preparation for ESRS S1]	Working conditions	Impact+	As a general rule, all employees have employment contracts and salaries are paid on time. The Group offers employment opportunities, including for low-skilled individuals who would otherwise have few chances to support themselves through work.	x	
	Working conditions	Impact+	Workers' Representatives are elected by the employees, and management discusses with them the context of corporate decisions in order to understand the underlying causes. Then, the Workers' Representatives convey the message to the rest of the employees. This involvement helps workers understand the overall situation of the company and allows them to feel included.	x	
	Working conditions	Impact+	The Romcarbon Group has implemented robust health and safety policies to minimize accidents and occupational illnesses.	x	
	Working conditions	Impact+	Trainings for competences development for all employees	x	
	Working conditions	Risk	Productivity loss	x	
	Equal treatment and opportunities for all	Impact+	Gender equality promoted by internal policies and follow up through equal pay calculations	x	
	Other work-related rights	Impact+	Positive impact through the implementation of our Code of Conduct	x	

Material Topic	Material Subtopic	I/R/O	Description	Own Operations	Value Chain
Business conduct [in preparation for ESRS G1]	Protection of whistleblowers	Impact+	Whistleblowers' protection through the implementation of the internal policy	x	
	Management of relationships with suppliers including payment practices	Impact+	Working with local suppliers whenever possible Standard payment terms	x	
	Corruption and bribery	Impact+	Ensuring compliance through the implementation of the Group Code of Conduct and the Code of Conduct for suppliers.	x	x

5. DOUBLE MATERIALITY ASSESSMENT (DMA)

5.2. Methodologies and assumptions

Step 1 Identification and evaluation of the stakeholders

During this step, we consulted all departments across each company within the Group to

- Identify all stakeholders and their interaction channels
- Define communication objectives
- Qualitatively evaluate Romcarbon Group's impact on stakeholders
- Qualitatively evaluate stakeholders' influence on the Romcarbon Group

The feedback was received from department heads from each company within Romcarbon Group, from whom we collected a total of 33 responses (19 from Romcarbon SA, 11 from LivingJumbo Industry SA, 2 from RC Energo Install SRL, and 1 from Info Tech Solutions SRL).
Based on the input from these internal experts, the Group employees were classified as the most important stakeholders. Consequently, we involved employee representatives in internal experts' workshop to identify IROs and ensured feedback was received from each category of employees

Step 2 Identification of IROs & stakeholders' engagement

The identification of IROs was done in 2 phases:

• Stakeholders Questionnaire (Impact materiality)

We have prepared a questionnaire asking stakeholders to identify and evaluate the actual and potential impacts both from the perspective of our own operations but also from the value chain perspective

As this is our first year preparing the DMA for ESRS compliance, we adopted a comprehensive approach. We included all topics and subtopics from ESRS 1 - Appendix A: Application Requirements in our questionnaire to provide stakeholders with a complete picture of possible impacts and perspectives. Additionally, we incorporated practical examples to enable stakeholders to provide informed feedback. To ensure stakeholders could highlight additional potential impacts, such as sector- or company-specific issues, we also included open-ended questions.
We have received 111 responses from different stakeholders' categories (shareholders, employees, associations, authorities, Suppliers, Financial Institutions).

The received input to the opened questions was reviewed and when relevant included in the impacts, risks and opportunities list.
The evaluation of impacts at the topic and sub-topic level, based on answers to closed questions, was included in the IROs evaluation file. This served as a guide for the internal experts during their assessment.

• Workshop with internal experts (Impact and Financial Materiality)

As part of our preliminary work, we:

- Reviewed the impacts, risks, and opportunities identified by our peers and competitors (local but also from EU) to ensure comprehensive industry-level considerations:
  - PP Sector: 1 peer;
  - Plastic Compounds (recycling sector): 4 peers,
  - PET sector: 1 peer;
  - Polypropylene products (plastic wrapping): 3 peers,
  - XPS Panels (polystyrene): 3 peers,
  - Extruded Polystyrene products: 2 peers,
  - Polyethylene products: 4 peers
  - Industrial filter sector: 3 peers
- Utilized the topics, sub-topics, and sub-subtopics from ESRS 1 - Appendix A: Application Requirements.
- Listed the indicators from the ISSB sectoral standards for the following industries:
  - Containers & Packaging
  - Chemicals
  - Waste Management
- Evaluated exposure to physical vulnerabilities based on scenarios relevant to the geographical location of the Romcarbon Group

5. DOUBLE MATERIALITY ASSESSMENT (DMA)

Having a basis the above mentioned information, we organized a workshop which included the members of the CSRD Transition taskforce but also participants from each Romcarbon Group company and the formally appointed employees representatives (22 Romcarbon internal experts and 2 consultants).

Given the novelty and complexity of sustainability topics, we prioritized explaining the context and terminology to participants and then proceeded with a brainstorming session to identify impacts, risks, and opportunities.

The feedback received both through questionnaires and the workshop was centralized in the IROs Database by the CSRD transition taskforce with the support from consultants. This resulted in a document detailing:

- Descriptions of impacts, risks, and opportunities (which also included stakeholders' feedback).
- Input from stakeholders' average evaluations of impacts.

During the expert discussions were also considered the connections of Romcarbon's impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies.

Step 3 Evaluation and Identification of Material IROs
Each identified IRO was documented and assessed for their materiality in a designated project workbook.

The scoring parameters used are based on the requirements of ESRS:

- **Impact Materiality: evaluation of impacts**
  - Scale,
  - Scope,
  - Irremediability Character,
  - Probability of occurrence

Severity takes precedence over likelihood for human rights related impacts as per ESRS 1 (45).

- **Financial Materiality: evaluation of risks and opportunities**

The existent scales included in the Risk Management Policy were considered as a starting point, which were then updated in preparation for compliance with the ESRS requirements.

- Magnitude of financial effect
- Direct financial impact
- Reputational impact from the market perspective
- Legal Risk
- Probability of occurrence

Based on these scales, the members of the CSRD transition Taskforce proceeded to evaluate the Impacts, risks and opportunities and identity the material ones.
Threshold: The IROs classified as materials were the ones that scored equal or more than 5 on a scale from 1 to 10.

Step 4 Final Review & Validation

The final list of material IROs and the evaluation was validated by the General Manager/Managers/Directors

5. DOUBLE MATERIALITY ASSESSMENT (DMA)

5.3. Interaction of identified material IROs with our business model

The identification and evaluation of material impacts, risks, and opportunities form the foundation for updating our sustainability strategy, an ongoing process. This new strategy, which will become the Group's strategy, builds upon our current one. Many objectives and actions will remain valid, but the new strategy will offer a step forward with greater detail and specificity.

The outlined strategic objectives - Strengthening the capabilities of the Romcarbon Group to contribute to mitigating climate change (ESRS E1); Improving environmental performance and resource use (ESRS E2, ESRS E3, ESRS E5); Ensuring a qualified, motivated and sufficient workforce (ESRS S1), Ensuring a healthy and safe working environment for our employees, contractors and visitors (ESRS S1), Ensuring equal treatment and opportunities and non-discrimination for all staff, combating work forced and child labor (ESRS S1), the establishment of corporate culture and policies regarding professional conduct in the relationship with suppliers (ESRS G1) - are the basis for the continuation of some of the actions already in implementation and also for some new actions.

On energy-related topics, actions will focus on reducing consumption, including through investments in more energy-efficient equipment, but also through increasing the installed capacity of renewable energy through photovoltaic panels for own consumption (we estimate 1600 MW of installed power capacity until 2030).

Pursuing the European Union's target of zero emissions until 2050, relying on this year's completion of the emissions calculation with the emissions of Goal 3, we intend to develop a Transition Plan in this sense by the end of 2025. The actions and investments that will be outlined in this plan will complete the basis for completing the Group’s strategy.

In parallel, we will follow the selection of electricity suppliers based on criteria that take into account the equivalent CO2 emission factor. We will identify closer sources in terms of distance for raw materials and purchased materials, and we will make CO2e emissions a key criterion in selecting equipment. Our goals include reducing the amount of waste generated, raising awareness among employees about reducing CO2 emissions from commuting, and identifying low-emission alternatives.

Also we will monitor the coverage by the Transition Plan of the physical risks identified in the climate scenarios created for this report and the establishment within the Transition Plan of actions and resources regarding climate adaptation.

We continue to prioritize reducing resource consumption, including water, and raising staff awareness about efficient water use and waste elimination. Additionally, we are committed to preventing water and soil pollution from hazardous substances and microplastics.

The contribution to the circular economy through the use of recycled materials will go to a new level by aligning with the requirements of the new EU Regulations in the field, for a minimum of 35% (2030) /65% (2040) recycled content recovered from post-consumer plastic waste in all packaging from plastic produced in the Group and for 100% recyclability for the plastic packaging produced in the Group. Investments in equipment to allow the inclusion of a high proportion of recycled material in any packaging and packaging material produced in the Group will be necessary. Equally necessary will be the identification of sufficient and close sources of post-consumer waste for recycling and/or recycled materials from post-consumer waste that we cannot ensure from recycling in our own sector.

Workplace safety, the balance between the professional and personal life of our employees, social dialogue, health and safety at work, ensuring respect for human rights, gender equality and equal pay, ensuring training and skills development, ensuring a working environment without violence and harassment, are areas of ongoing focus that will be integrated into the Group’s strategy.

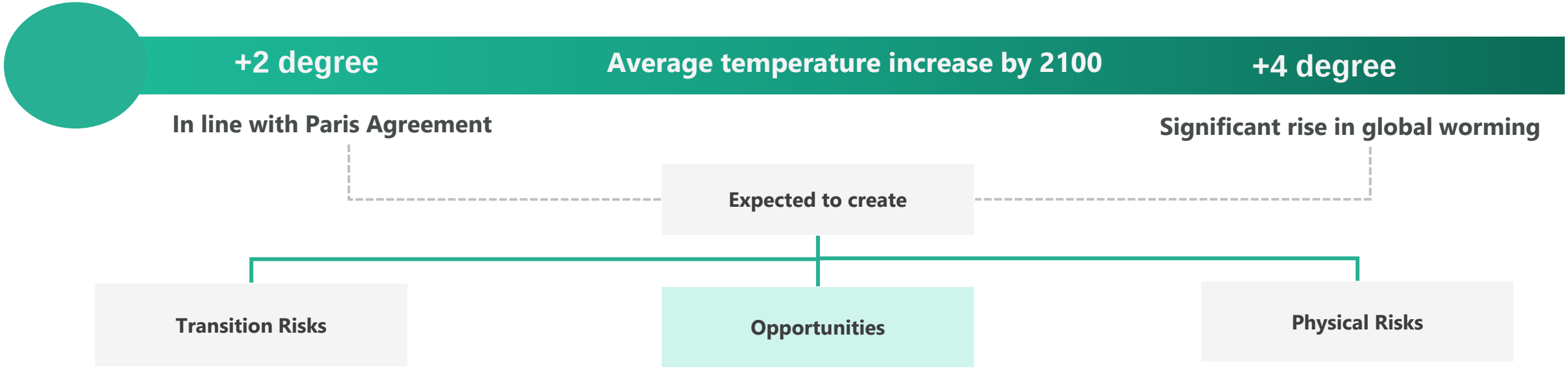
The adherence of suppliers and collaborators to the corporate culture and to the Group's professional conduct policies on the one hand, and the continuous training of our own staff on business conduct, on the other hand, represent essential aspects of our corporate culture.

06

CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

[in preparation for ESRS E2]

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS



6. 1. Scope of the analysis

The below analysis had a special focus on Romcarbon Group's own operations, with a light assessment of its value chain.

6.2. Physical Risks

This year, we developed our methodology for assessing the physical risks that climate change poses to our operations.

In this context, the study of scenarios makes it possible to understand how physical climate risks can affect our business over time. Potential climate-related physical risks are included in our risk assessment processes, both in our own operations and in our value chain.

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

A physical climate risk occurs if the system (Romcarbon Group) is exposed and sensitive to climate-related hazards. The degree of risk is shaped by the interplay between vulnerability (function of sensitivity and adaptative capacity), exposure, and hazards. We focused our understanding of the physical risks on what climate hazards could occur on the Romcarbon site, how the assets are developed and whether the design features, engineering and the materials are resilient or vulnerable to climate change.

To accurately assess the overall materiality of physical climate risks, the process involved:

- Analyzing significant interconnections between climate-related hazards and the system elements
- Compiling data on present and projected future climate-related hazards,
- Collecting information on the sensitivity of system components likely to be affected.

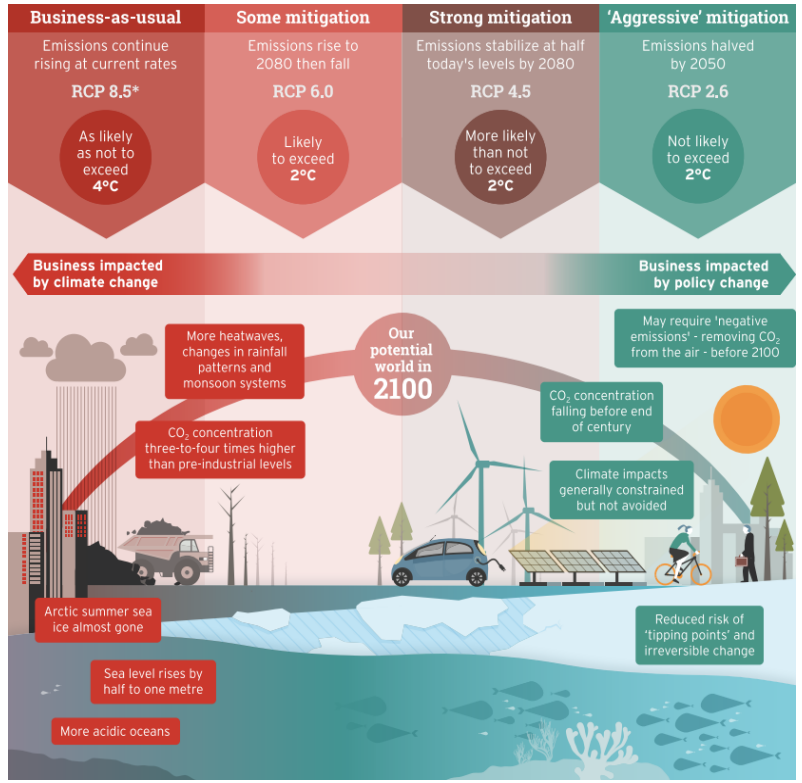
We sub-divided the processes that take place at the production site located in Buzau into elements of risk that are decisive for their functionality:

- integrity of building and constructions (administrative buildings , warehouses, practicallity of internal roads, integrity of external areas);
- Maintaining storage conditions of raw materials, products and waste (stocks of raw materials-polymers;
- stocks of plastic waste for processing;
- storing conditions of non-hazardous and hazardous generated waste);
- Maintaining indoor working and production conditions;
- Integrity and proper functioning of equipment;
- Availability and quality of supplies (suppliers of plastic polymers and plastic waste; suppliers of equipment);
- Availability and quality of transport networks;
- Availability and quality of electricity supplies;
- Availability and quality of water supplies to site.

As a next step, the materiality of the physical climate risks for each element at risk identified was assessed and internally documented each decision, including the most important arguments related to prioritization.

In order to determine the risk, we evaluate the exposure and sensitivity of each identified element at risk to each material climate-related hazard, in two climate scenarios and three timeframes. Risks are assessed according to a two-dimensional heat map that estimates the sensitivity of assets (consequence of climate hazards on operating profit or brand/image) and the exposure (the likelihood of the risk materializing at the location).

In order to determine exposure, we have simulated the physical risks under different climate scenarios and time horizons. The simulations were conducted using two climate scenarios: RCP 4.5 (2-3°C), and RCP 8.5 (4°C), and across three time horizons: 2023 (current), 2050, and 2100. Scenario analysis is a methodology used to test the resilience of business plans under different assumptions of future developments.



Source: Intergovernmental Panel on Climate Change, Fifth Assessment Report (AR5), Climate Change: Action, Trends, and Implications for Business, Cambridge University Press, 2013.

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

The scenarios used (SSP2/RCP 4.5 and SSP5/RCP 8.5) provide two contrasting pathways of future climate conditions based on different assumptions about socio-economic trends and greenhouse gas emissions.

SSP2/RCP 4.5 represents a "middle of the road" scenario where socio-economic trends do not shift markedly from historical patterns and where average global temperatures are projected to rise by approximately 1.4°C to 2.6°C above pre-industrial levels by the end of the 21st century.

SSP5/RCP 8.5 envisions a "fossil-fueled development" pathway, characterized by high economic growth and low population growth, assuming a heavy reliance on fossil fuels, high energy usage, and limited adoption of more sustainable technologies, with a possible increase in global average temperatures of 2.6°C to 4.8°C above pre-industrial levels by 2100.

Understanding these scenarios is helping us assess the potential climate risks and plan appropriate adaptation strategies. We assessed and reported on short-term (current period) and long-term (more than 10 years) climate-related physical risks and opportunities. Exposure of assets to climate-related hazards in medium-term (up to 2030) was also analyzed.

For 2023 financial year, we have decided to adopt the option of a phased-in approach and, as such, we will not be reporting the specific financial implications of climate-related physical risks, and providing only a general assessment.

The outcome of the climate risk assessment will be used as a basis for further analysis around climate risk management with internal and external stakeholders (e.g. for future climate-related reporting).

Changes in mean temperature

Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	High	High	High	High

Changing precipitation patterns and types (rain, hail, snow/ice)

Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Medium	Medium	Medium

Heat Stress/heat wave

Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Medium	Medium	Medium

Heavy precipitation

Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Medium	Medium	Medium

Draught/Water stress

Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	High	High	High

Cold wave/frost

Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
High	Medium	Medium	Medium	Medium

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

Wildfire				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Medium	Medium	Medium

Soil erosion				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Medium	Medium	Medium	Medium	Medium

Extreme storms (including wind or hail or lightning)				
Current risk	2050		2100	
	RCP 4.5-optimistic	RCP 8.5-pessimistic	RCP 4.5-optimistic	RCP 8.5-pessimistic
Low	Low	Low	Low	Low

During the assessment, we have considered the following Romcarbon Group's identified elements at risk:

- ✓ Integrity of buildings and constructions (production and administrative buildings, warehouses, internal roads)
- ✓ Maintaining storing conditions of raw materials, products and waste
- ✓ Maintaining working and production conditions
- ✓ Integrity and proper functioning of equipment
- ✓ Availability and quality of supplies – Direct perimeter of rank 1 suppliers
- ✓ Availability and Quality of Transport Networks (Access to Site)
- ✓ Availability and quality of electricity supplies
- ✓ Availability and quality of water supplies to sites
- ✓ People

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

Driver	Risk	Time Frame	Area of financial impact	Financial Impact	Potential preventive action
Heat stress	Increased absenteeism	Current	Workforce	Moderate	Install and maintain air conditioning systems, provide hydration stations and regular breaks, conduct training on heat stress management
Heavy Precipitation	Infrastructure damage	2050	Infrastructure	High	Improve drainage systems, reinforce building structures, conduct regular maintenance checks, develop emergency response plans
Drought	Water scarcity affecting production	2100	Production efficiency	Significant	Install large water storage tanks to ensure a reliable supply during drought periods. We already have in place some water recycling and reuse systems to maximize available water and we plan to expand their capacity. Adopt water-efficient technologies and practices to reduce overall consumption. Conduct regular water usage audits
Heat Waves	Heat stress can disrupt logistics	2100	Raw materials- low quality and availability	High	Optimize logistics to reduce transit time and exposure to extreme heat, including night-time transportation when temperatures are lower. Collaborate with suppliers to implement stringent quality control measures for the storage and transportation of raw materials. Develop contingency plans for sourcing raw materials from alternative suppliers in case of quality issues with the primary supply chain.

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

Driver	Risk	Time Frame	Area of financial impact	Financial Impact	Potential preventive action
Wildfire	Structural damage to buildings and equipment; Increased vulnerability to fire- plastics are generally flammable	2050	Safety and storage; Increased insurance costs	Moderate	Use fire-resistant building materials and construction techniques. Maintain clear and defensible space around buildings by removing flammable materials. Install and regularly maintain fire suppression systems such as sprinklers and fire extinguishers. Develop and implement comprehensive emergency response plans, including evacuation routes and protocols.
Changes in mean temperature	Possible softening of HDPE and LDPE polymers	2050	Product quality; Lower product durability; Higher replacement costs	High	Maintaining controlled temperature environments; Use air conditioning, ventilation, and humidity control to prevent temperature fluctuations; UV protection films to windows in the storage facilities to prevent UV light from degrading materials; use opaque containers for storing; Air circulation to prevent hotspots and maintain uniform temperatures; Install temperature and humidity sensors; use automated alerts to notify staff of deviations from optimal conditions; Implement data logging systems to track conditions over time, allowing for trend analysis and proactive adjustments; Respect FIFO (first-in, first-out) inventory management to minimize the duration of materials and finished products stored and reduce the prolonged exposure; Insulated packaging for sensitive raw materials

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

6.3. Transition risks

Transition risks, such as regulatory changes and new taxes, are typically anticipated to arise prior to physical risks. The Group consistently monitors its plans to address potential future carbon regulations and increases in raw material costs, which could adversely affect operational expenses. Moreover, in the medium term, the risks associated with new political actions and taxes are expected to be greater than the risk of a shift in consumer demand away from plastic materials.

Driver	Risk	Time Frame	Area of financial impact	Financial Impact	Potential preventive action
Policy changes	CBAM	1-5 years	Additional costs on raw materials Compliance & reporting costs Strategic impact Producers may need to invest in greener technologies to reduce their carbon footprint, while purchasers might seek suppliers with lower carbon emissions to minimize CBAM-related costs High-carbon producers outside the EU will become less competitive in the EU market when the price of carbon is included in their exports. This could lead to shifts in trade patterns and sourcing strategies	High	Investments in decarbonization. Focus on EU suppliers when possible in order to avoid the CBAM effects.
Policy changes	Regulatory[1] progressive targets for minimum recycled content into plastic packaging	3-5 years	Increased costs for developing new products to accommodate the new regulations	Medium	We have already invested to develop products with recycled content and we will continue to work to increase the content percentage.

* New EU rules to reduce, reuse and recycle packaging | News | European Parliament (europa.eu)

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

Driver	Risk	Time Frame	Area of financial impact	Financial Impact	Potential preventive action
Policy changes	Certain single use plastic packaging types will be banned from 1 January 2030	3-6 years	Turnover as certain products will be obsolete.	Low-Medium	We are changing our strategic focus towards greener products.
Customer Demand	Customers and end-users are increasingly favoring products that come in sustainable packaging. This growing preference, combined with competitive market forces, is expected to drive up the cost of recyclable materials.	3-10 years	Costs and Revenues		Based on its strategy, Romcarbon is planning to transpose this threat into an opportunity and focus its development efforts towards developing greener products.
Technology	The technology to decarbonize industries exists but is expensive. Plastic processors will need to calculate the trade-off between the new levies and the cost of using greener technologies, which may require significant capital expenditure.	5-10 year	Capital Expenditure	High	We will include the level of emissions as a criterion in the analysis and selection of equipment offers
Supply chain	Suppy chain disruptions and delays	3-5 years	Material costs and Turnover	Medium	When possible, collaborate with local suppliers

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

6.4. Transition opportunities

Driver	Opportunity	Time Frame	Area of financial impact	Financial Impact	Actions to ensure leveraging the opportunities
Technology	Energy efficiency and producing energy from renewable resources	1-10 years	Decrease of Costs	Medium	We'll increase the capacity of regenerable energy production
Product Design	Designing products for longevity, reuse, and end-of-life recyclability can attract consumers looking for sustainable options and reduce the environmental impact Recycling infrastructure	1-5 years	Increase in Turnover	High	We have biggest part of our products 100% recyclable and we have capability to assure 100% recyclability for all Group products.
Supply Chain	Forming partnerships with other companies and stakeholders can lead to shared innovation, improved supply chain sustainability, and better waste management practices.	3-5 years		Low	We are looking in our existing and future collaboration ways to improve practices from ESG point of view.

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

6.5. Scenario analysis: two different scenarios

SCENARIO 1: IN LINE WITH PARIS AGREEMENT (UNDER +2°C) Rapid transition to lower-carbon society. The climate impact of this scenario is based on the IPCC's RCP 2.6 scenario.
The scenario is characterized by unification in international politics on transition and reducing between 40%-70%* from the total GHG emissions by 2050 is achieved successfully. Global warming limited to 2°C by 2100, which limits damage. Political decisions, taxes and regulations on
greenhouse gases are introduced. Large-scale renewable energy and technological improvements are introduced. Rapid transition
to community infrastructure takes place.

Risks	Opportunities	Financial Impacts
A gradual transition in society and negative changes in demand for products using fossil-based raw materials.		Customer behavior is potentially negative for demand and earnings. Transition required by materials supply chain towards non-virgin materials.
Romcarbon Group risks not being quick enough in adapting its portfolio to changed customer demand for recycled plastic packaging.	Romcarbon Group succeeds in improving its material communication about a higher share of recycled and bio-based materials, transitioning its offering and securing good market positions, in line with the transition in society.	Earnings are impacted by how quickly the company adapts to the transition in society.
New players in offer applications in competing products. **Or the customers will decrease using the plastic packaging and moving more towards sold in bulk (without packaging) in order to reduce plastic waste.**		Market share/sales may be threatened Capital investments needed to keep up with the market
Climate-related regulations, taxes and fees increase quickly.	Impact on society and customers yields a distinct increase in business opportunities for energy savings and bio based/ recycled products..	Capitalizing on new business opportunities is positive for income and earnings. Regulations and taxes drive up costs and clearly increase the overall cost profile, even indirectly: However, the risk profile is likely to be similar for competitors.

* The evidence is clear: the time for action is now. We can halve emissions by 2030. — IPCC

ROMCARBON since 1952

6. CLIMATE: RISKS, OPPORTUNITIES AND SCENARIOS

SCENARIO 2: CLEAR RISE IN GLOBAL WARMING (+4°C)

Slow transition in society. The climate impact of this scenario is based on the IPCC's RCP 8.5 scenario. The scenario is characterized by the moderate tempo of political climate initiatives and cooperation and with cooperative difficulties internationally. The business continues its dependency on fossil fuels. GHG emissions continue and result in a 4°C increase in the global temperature by 2100.

Periods of drought, a clear rise in sea levels, more fires and cases of extreme weather, such as flooding, cause problems in themselves and lead to refugees flows.

Risks	Opportunities	Financial Impacts
Physical effects: extreme weather causes supply chain disruptions, disrupts some operations (especially due to water scarcity) and causes damage.		Any such operational disruptions are negative for production and sales.
Temperatures or extreme weather make working and living difficult in the area (especially due to water scarcity), determining workforce unavailability.		It may be necessary to relocate some production or transport water from different regions involving an increase of capital to be invested and other costs.
Moderate tempo of transition for own energy-related infrastructure.		Investment requirements under control.
Customer demand changes, but at a predictable rate.	Romcarbon Group may succeed in transitioning its offering and securing good market positions, in line with the transition in society.	Capitalizing on new business opportunities is positive for earnings.
Regulations, taxes and fees increase but at a moderate tempo.	Gradual increase in business opportunities recycled plastic.	Regulations and taxes gradually increase the cost profile. Positive on income side.

07

CLIMATE CHANGE
[in preparation for ESRS E1]

7. CLIMATE CHANGE

The urgency of addressing climate change is undeniable. The goals set will guide us in reducing our impact on the environment and, on the other hand, make us more resilient to the physical and transition risks arising from climate change.

Being in the plastic processing industry, we are aware of the environmental repercussions, particularly in terms of its negative impact to climate change. For this reason, we are constantly working to increase the quantity of recycled plastic used in making our products, to reduce energy consumption and, implicitly, to reduce greenhouse gas emissions.

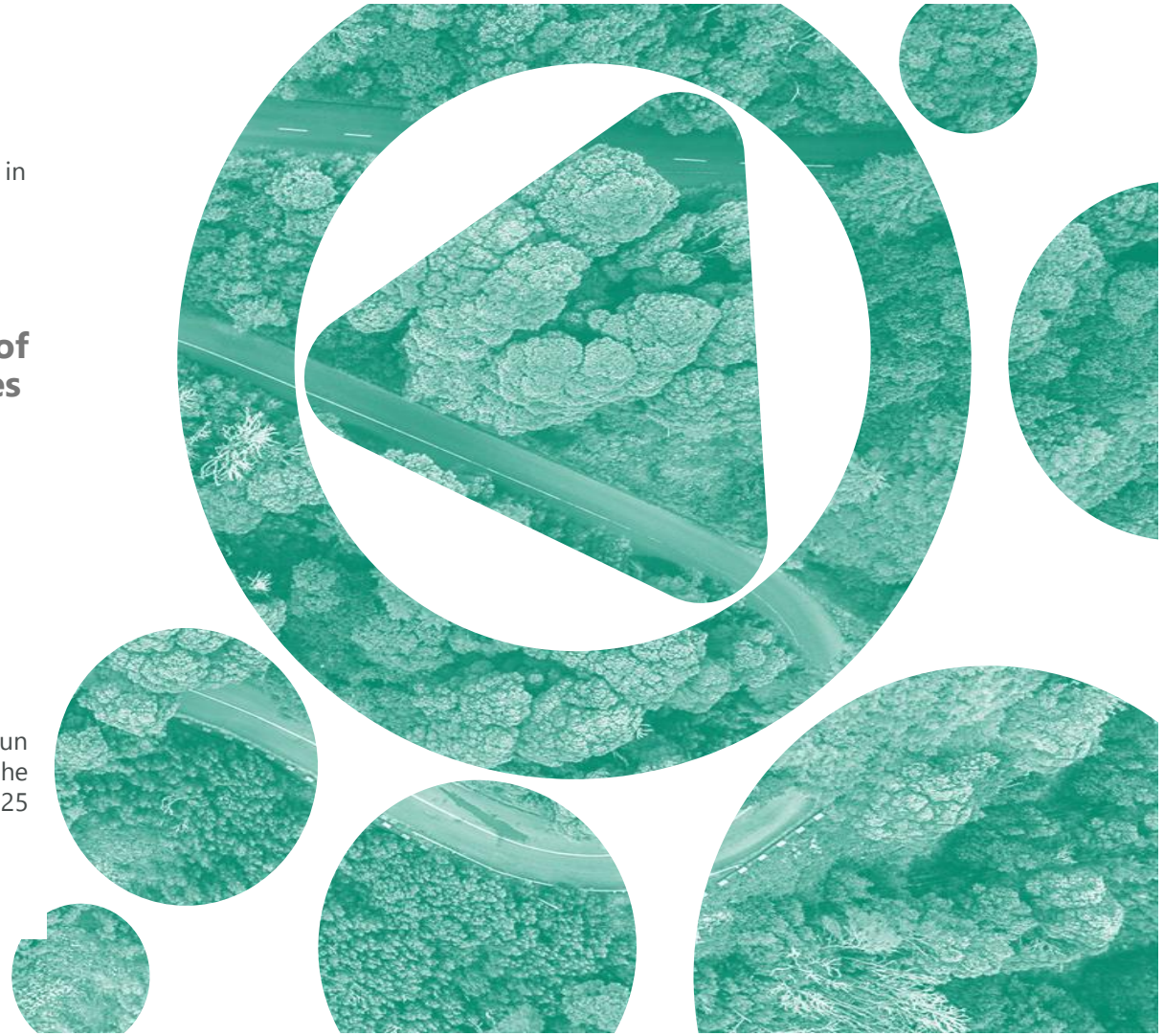
7.1. Climate-related considerations and the remuneration of members of the administrative, management and supervisory bodies

No climate objectives are considered within our Remuneration Policy. However, after finalizing the Transition Plan, we will start analyzing the feasibility of performing the necessary amendments.

Next steps

7.2. Transition Plan

Subsequent to identifying key issues through our recent materiality analysis, we have begun establishing goals and implementing measures. The Transition Plan is still in progress at the time of the present report. According to our current schedule, we anticipate its completion by the end of 2025 Financial Year.



7. CLIMATE CHANGE

7.3. Policies related to climate change mitigation and adaptation

Romcarbon adheres to a comprehensive "Environmental Policy" that includes among others the following general principle :

- ✓ **get involved in environmental protection by reducing the effects on the environment (emissions) and keeping processes under control.**

Our commitment aligns with the governance frameworks of ISO 14001- Environmental Management System and ISO 9001- Quality Management Systems standards, under which Group companies have been audited in 2023 for certification confirmation
Our Board of Directors (BoD) approves this policy, ensuring that any updates are promptly communicated to all employees. For transparency and stakeholder engagement, the policy is accessible to the public and can be reviewed here: https://www.romcarbon.com/wp-content/uploads/2022/06/POLITICA-DE-MEDIU-ENVIRONMENTAL-POLICY..pdf

Policies and procedures for energy management

Within our management program, energy efficiency is regarded as one of the major priorities, translated into medium and long-term objectives. According to the regulations in force, Romcarbon and Livingjumbo perform periodic - every 4 years - energy audits, through specialized and authorized companies in the field.

The energy audit reports contain clear solutions for reducing consumption of energy, these being subsequently monitored, with annual reporting of implementation progress (the measures established and monitored by the Management Program are sent annually to the Ministry of Energy, Energy Efficiency Directorate, including the declaration and the energy analysis questionnaire).

In 2023, energy audits were carried out, on the entire energy profile, in Romcarbon and Livingjumbo, indicating solutions of reduction of energy consumption: completely replace the lamps that do not have LED technology, with lamps with LEDs in the interior lighting installation; in case of replacing the existing transformers, to use transformers with improved parameters (reduced losses); to avoid the excess combustion air at the thermal power plants; to replace certain production equipment with more energy efficient ones.

Energy consumption is measured in the company's profit centers by meters installed in each production sector, on the main consumption places in production.

We have installed an intelligent monitoring system for energy consumption on the Romcarbon Platform which offers solutions for:

- control of how the main equipment, sections and technological processes use energy,
- accurate identification of electricity losses;
- identification of energy efficiency measures and the possibility of quantifying the impact of their application;
- increasing the visibility of the applied measures;
- good information at management level;
- correctly establishing the areas that require energy auditing;
- a substantiation of the investment requirement

The individual energy utilization measurement of machines with the highest production consumption and the advantage of being able to view in real time, at any moment and remotely the evolution of energy consumption correlated with the production cycle, have provided top production management with an effective monitoring tool and simplifies the decision-making process. In the coming years, we'll improve the metering and monitoring system, so we will have a comprehensive image of consumption on each production equipment

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Actions planned for 2024 regarding Policies:	Policies under evaluation:
Romcarbon Group will update its climate change policies and related procedures addressing each identified IRO, by including the followings: ✓ **a description of the scope of the policy, or of its exclusions, in terms of activities, upstream and/or downstream value chain, geographies and if relevant, affected stakeholder groups;** ✓ **the most senior level within Romcarbon Group that is accountable for the implementation of the policy;** ✓ **a description of the consideration given to the interests of key stakeholders in setting the policy;**	✓ Environmental Policy (existent) ✓ Acquisitions / Purchasing Policy (existent) ✓ Climate Change Procedure (new) ✓ Risk Management (existent)

7.4. Actions and resources in relation to climate change policies

Actions and resources have not yet been integrated into the Climate Change policies. These will be incorporated in the year 2025, subsequent to the completion of the Transition Plan.

Energy efficiency

I/R/O	Description of the I/R/O	Actions and resources in 2023
Impact -	Impact of energy consumption as a resource	In 2023, the replacement of classic lighting fixtures with LED fixtures continued in the Polyethylene sector. For the 5 months of operation of the new LEDs, an energy saving of 7.2 MWh was calculated. The intelligent system for monitoring electricity consumption at the main consumption points in the production sectors led to specific measures being applied to reduce consumption: installation/replacement of inverters, analysis of reactive energy on certain equipment (PP extruders) and measures to reduce it, avoiding idle operation of equipment, and shutting down high-consumption equipment (e.g., a group of weaving machines in the polypropylene sector, based on the analysis of the advantages and disadvantages of continuing their use, considering the new production structure).
Risk	Increase in the cost & availability of electricity	The Group secured the necessary electricity for the year 2023 by negotiating a price formula that maintained a balanced price throughout the year, given the conditions of the energy market. There were no interruptions in the electricity supply, with the provider ensuring a significant proportion of the electricity came from renewable sources, resulting in a lower emission footprint compared to the national average. Additionally, we produced 67 MWh of electricity from renewable sources (solar) for our own consumption.

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I/R/O	Description of the I/R/O	Actions and resources in 2023
Opportunity	The production of renewable electricity was started and there is still potential to increase capacity which will generate a decrease in energy expense.	In December 2023, Romcarbon signed the financing contract from the PNNR for the project to install a renewable electricity generation system with a capacity of 0.999 MW through photovoltaic panels mounted on its own buildings. The project, scheduled for completion in the summer of 2024, will produce approximately 1130 MWh/year, bringing an estimated reduction in CO2 emissions of about 87 tons/year (emission factor declared in the energy label of 2022 by the 2023 supplier). An additional project is under consideration for the installation of an additional capacity of approximately 0.4 MW, with available spaces for system expansion. In a constantly changing energy market, considering the significant electricity consumption of the Group, any installation of renewable energy production capacity reduces our costs, risks, and Scope 2 GHG emissions.

Green House Gas Emissions

I/R/O	Description of the I/R/O	Actions and resources in 2023
Impact -	Direct CO2e footprint impact	In 2023, the Group's gas consumption for heating decreased by 220 MWh (-5%) compared to 2022, while fuel consumption for mobility for Romcarbon and Livingjumbo companies decreased by 3649 liters (-4%). Regarding actions to reduce CO2 emissions, following the project initiated in 2023 for the installation of a 0.999 MW photovoltaic energy production capacity, we estimate an annual emission reduction of 87 tons. This calculation was made using the same coefficient from the 2022 electricity supplier's energy label (available at the time of this report's preparation). Even during 2023, we didn't receive specific requests from customers regarding the CO2 footprint of our products, we calculate Scope 1 and 2 emissions as the first step in the process of determining the CO2 footprint per product category. Additionally, for 2023, the Group's carbon footprint regarding the value chain (Scope 3) was calculated. A climate risk and vulnerability analysis was also conducted, identifying significant climate risks and adaptation solutions. In 2023, we conducted an analysis regarding solutions for water consumption efficiency aiming to mitigate water scarcity and drought risk.
Impact -	Indirect CO2e footprint impact (Scope 2 & Scope 3)	
Risk	Increase in the cost of fossil fuels	
Risk	customers to focus more and more on the CO2 footprint of the products that they buy	
Risk	Delays in deliveries of materials purchased from outside EU due to climate change effects (both effects in the suppliers' operations and in the logistics)	
Risk	Physical risk	
Risk	Transition risk	

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7.5. Targets related to climate change mitigation and adaptation

As a steppingstone for the Transition Plan, we have planned the following intermediary actions for the financial year 2024:

- installation of photovoltaic panels, for our own consumption
- adequate actions for implementing of energetic auditor recommendations
- preparation for investments for increase of recycling capacity and for equipment that can process recycled material in a larger proportion in our processing sectors
- we'll continue to improve the water supply network

The actions and targets will be reported in accordance with the Transition Plan, estimated to be finalized by the end of 2025. During the Transition Plan preparation process, the internal processes and Policies will be updated accordingly.

Target*	2023 stage	Comments
3% reduction in specific quantitative energy consumption starting in 2024 as a result of improved energy management (baseline 2022)	-4%	Average for production companies of Group, in terms of electricity intensity (MWh/ton of production): Romcarbon +3% ; Livingjumbo -14%
Obtaining a minimum of 1200 MWh/year of electricity from renewable sources	67 MWh	In 2023 we prepared the implementation of 0.999 MWh photovoltaic panels project (implementation in 2024)
Reduction of annual water consumption in relation to production achieved in a percentage of 2% until 2025 (baseline 2021)	-22%	Average for production companies of Group, in terms of intensity of water consumption(m3/ton of production); the important reduction is due to technological water recirculation and starting the program of replacing old pipes in distribution network, for loss reduction
Calculation of direct GHG emissions of Scope 1 until 2024 and determination of subsequent actions and investments to reduce GHG emissions		calculation of Scope 1 and 2 in 2023
Identifying and prioritizing by 2030 significant climate risks and vulnerabilities and strenghtening the capacity to respond to them		Under analysis

* the targets might be modified in next years, based on insights gained during the Transition Plan preparation process

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7.6.Energy consumption and mix

Total energy consumption at Romcarbon Group level:

Unit: MWh	2023 (comparative data not available)
Total energy consumption	34,974 MWh
Total fossil energy consumption	8,352.18 MWh
Fuel consumption from coal and coal products	0 MWh
Fuel consumption from crude oil and petroleum products	931 MWh
Fuel consumption from natural gas	3,906 MWh
Fuel consumption from other fossil sources	0 MWh
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	3,515 MWh
Share of fossil sources in total energy consumption	24%
Consumption from nuclear sources	676.58 MWh
Share of consumption from nuclear sources in total energy consumption	2%
Total renewable energy consumption	25,945.2 MWh
Fuel consumption from renewable sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	25,878.2 MWh
Consumption of self-generated non-fuel renewable energy	67 MWh
Share of renewable sources in total energy consumption	74%
Total energy consumption from activities in high climate impact sectors (related to Romcarbon SA and Livingjumbo Industry) The high-impact climate sector in which the Romcarbon Group operates is the C-Manufacturing sector.	34,703 MWh
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	648.6115 (Mwh/mil EUR)

The total energy consumption of the Romcarbon Group in 2023 was 34,974 MWh. The proportion of renewable sources in this consumption was 74% (25,945.2 MWh), coming partly from the in-house production of electricity through photovoltaic panels—67 MWh produced by the pilot PV system installed on one of the administrative buildings—and partly from purchased electricity.

The energy label for 2022 from the electricity supplier, available at the time of the report's preparation, shows a proportion of 86% from renewable sources and an additional 2.25% from nuclear sources

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Split at company level:

2023		Romcarbon SA	LivingJumbo Industry SA	RC Energo Install SRL	Info Tech Solutions SRL	TOTAL GRUP
Category	**UM**					
Fuel- vehicles	MWh	661	189	59	22	931
Electricity produced (photovoltaic panels)	MWh	67				67
Purchased electricity	MWh	30,206	7,736	23	5	30,206
Gas	MWh	3,906				3,906
Sold electricity	MWh	7,900				136 MWh (sold outsite the Group)
Purchased thermal energy	MWh		469	99	18	
Sold thermal energy	MWh	631				44 (sold outsite the Group)
Total	**MWh**	**26,309**	**8,394**	**181**	**45**	**34,974**

*Conversion factors used: 1 m^3 of gas = 10.8 kWh; 1 ton of diesel = 1.015 TOE; 1 TOE = 11.63 MWh

The total energy consumption of the Group in the year 2023 was 34,974 MWh.

The proportion of renewable sources in this consumption was 74% (25,945 MWh), derived, on one hand, from own electricity production through photovoltaic panels - 67 MWh generated by the photovoltaic pilot system installed on one of the administrative buildings, and, on the other hand, from purchased electricity

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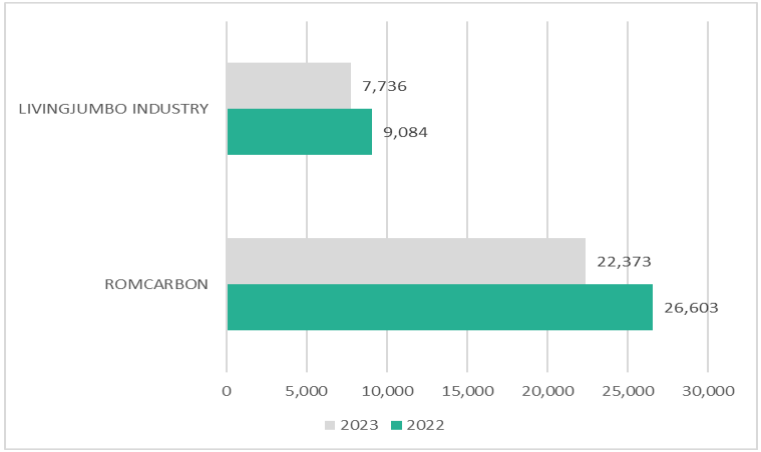
Own electricity consumption: (MWh)

Group Company	2022	2023
ROMCARBON S.A.	26,603	22,373
LIVINGJUMBO INDUSTRY	9,084	7,736
RC ENERGO INSTALL	Not available	23
INFO TECH	Not available	5
OTHERS	Not available	136
TOTAL		**30,273**



In 2023, the replacement of conventional lighting fixtures with LED counterparts continued in the Polyethylene sector. The new LEDs operated for five months and achieved an energy saving of 7.2 MWh. The implementation of an intelligent system for monitoring electricity consumption at the main consumption points in the production sectors led to targeted measures aimed at reducing consumption: installation/replacement of inverters, analysis of reactive energy on specific machinery (PP extruders) and measures to reduce it, avoidance of idle operation of equipment, and shutdown of certain high-consumption equipment (for example, a group of weaving looms in the polypropylene sector), based on a cost-benefit analysis considering the new production structure.

7.7. Electricity Consumption Intensity for Production Companies within the Group (Reported per Production Unit) - 2023 and Comparisons

	Internal/ Own electricity consumption(MWh)	Production (tonnes)	Electricity Consumption Intensity (MWh/to production)
ROMCARBON	22,373	16,278	1.37
LIVINGJUMBO INDUSTRY	7,736	11,546	0.67

	2020 (MWh electricity used/tons production)	2021 (MWh electricity used/tons production)	2022 (MWh electricity used/tons production)	2023 (MWh electricity used/tons production)
ROMCARBON	1.31	1.32	1.33	1.37
LIVINGJUMBO INDUSTRY	0.83	0.8	0.78	0.67

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Revenue*

Company	Energy consumption 2023	Net revenue 2023*		Electricity consumption intensity
	MWh	mil lei	mil. EUR	MWh/mil.EUR
ROMCARBON**	34,974	214.23	43.44	805.05
LIVINGJUMBO INDUSTRY	8,394	115.49	23.42	358.42
RC ENERGO INSTALL	181	20.39	4.14	43.77
INFO TECH SOLUTIONS	45	2.03	0.41	109.37
TOTAL GROUP***	**34,794**	**304.68**	**61.79**	**563.14**
Average BNR exchange rate for EUR in 2023		4.93127		

Only for production companies

Company	Energy consumption 2023	Net revenue 2023*		Electricity consumption intensity
	MWh	mil lei	mil. EUR	MWh/mil.EUR
ROMCARBON**	34,974	214.23	43.44	805.05
LIVINGJUMBO INDUSTRY	8,394	115.49	23.42	358.42

* Turnover (including utilities sales) https://www.romcarbon.com/wp-content/uploads/2024/04/ROCE-2023_Annual-report_EN.pdf#page=221

** Total energy purchased and produced by Romcarbon, including the quantity sold within the group and to third parties outside the group

***Total net energy consumption of the group, excluding energy sold to third parties (outside the group). Total revenues for the group (out of which are excluded 47,457.66 million lei, representing consolidation adjustments)

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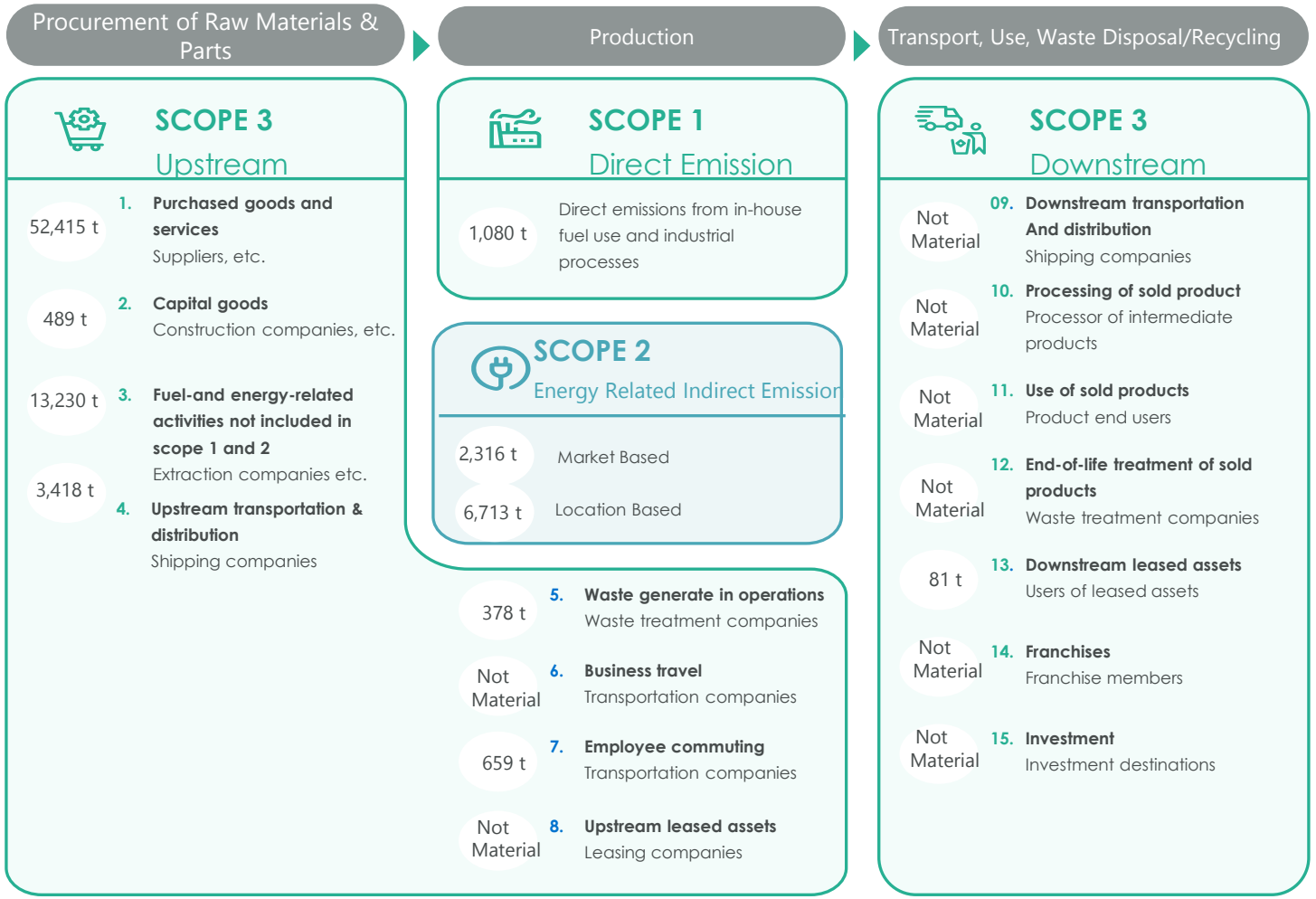
7.8. Gross Scopes 1, 2, 3 and Total GHG emissions

In 2023, we made important steps in understanding and managing our greenhouse gas (GHG) emissions. A detailed breakdown of our emissions highlights the extensive impact of our operations across own operations and value chain, both upstream and downstream.
The most substantial portion of our carbon footprint is attributed to Scope 3 emissions, representing approximately 90% of our total GHG emissions. This insight drives our commitment to engage more deeply with our suppliers and customers to implement effective GHG reduction strategies across our value chain. By focusing on reducing emissions at all levels, we aim to substantially lower our environmental impact and contribute to global sustainability efforts.

Classification	2023 GHG Emissions (Tons)
Scope 1	1,080.61
Scope 2 Location Based	6,713.00
Scope 2 Market Based	2,315.83
Scope 3	70,673.27
Total GHG Location Based	**78,466.88**
Total GHG Market Based	**74,069.71**



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7. CLIMATE CHANGE

Scope 1 and Scope 2 emissions

Calculation Methodology:

All emissions are calculated using the operational control consolidation approach, for the financial year 2023. The emissions were calculated separately for each of the 4 companies in the Group- Romcarbon SA, LivingJumbo Industry, Energo Install and Info Tech Solutions and then consolidate at Group level:

Scope 1 emissions :

- ✓ all energy burned (gas, fuel) at Romcarbon site and by Romcarbon's car fleet, as well as by the refrigerants consumed.
- ✓ combusted fuel type x emission factor per fuel type. For the combustion fuels, an emission factor is applied based on DEFRA factors. (anpm.ro)

Scope 2 emissions :

- ✓ electricity used as an energy source by Romcarbon Group.
- ✓ consumed kwh x emission factor applicable to Romanian territory for the location-based calculation and as consumed kwh x emission factor from the energy label provided by the supplier of energy (0.077016 kgCO2e/kg for the market-based calculation); https://eds.ro/wp-content/uploads/2023/05/Eticheta-EDS-2022.pdf

Restating the 2022 emissions

In the Sustainability Report for the 2022 financial year, the calculation of CO2 emissions was based on the energy label of the electricity supplier for 2021, which was available at the time the report was prepared. In this report, we have updated the calculation using the energy label of the electricity supplier for 2022.

The 2022 energy label of the electricity supplier, available at the time of preparing the report, shows that 86% of the energy comes from renewable sources and an additional 2.25% from nuclear sources.
In comparison, the energy label for the same supplier in 2021 showed 63.85% from renewable sources and 11.31% from nuclear sources. The difference of 8,352 MWh in our energy consumption was represented by fossil sources: fuel (diesel, gasoline) for owned/used vehicles - 931 MWh, natural gas for heating production and administrative spaces - 3,906 MWh, and the remaining from fossil sources for electricity - 3,515 MWh.
Comparing fossil energy consumption in 2023 to the previous year (2022), natural gas consumption for heating decreased by 5.3%.

Please see Appendix 1- **Restating the 2022 emissions**

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CO2 Emissions Calculation - SCOPE 1 and 2		2023									
	UM	ROMCARBON SA		LIVINGJUMBO INDUSTRY		ENERGO INSTALL		INFO TECH		TOTAL GROUP	
SCOPE 1		**Consumption**	**CO2 emissions (tons)**	**Consumption**	**CO2 emissions (tons)**	**Consumption**	**CO2 emissions (tons)**	**Consumption**	**CO2 emissions (tons)**	**Consumption**	**CO2 emissions (tons)**
Fuel for heating - gas	kwh	3,905,660	742.08							3,905,660	742.08
Total fuel for mobility (row 3+row 4), of which	liters	67,335	186.13	19,536	51.92	6,076	16.83	2,274	6.30	95,922	261.18
diesel	Liters	66,608	184.50	15,389	42.63	6,076	16.83	2,274	6.30	90,347	250.26
gasoline	Liters	727	1.63	4,147	9.29					4,874	10.92
Refrigerant (freon) R134a	Kg	59.5	77.35							59.5	77.35
Total Scope 1 (row 1+row 2+row 5)			**1,005.56**		**51.92**		**16.83**	**2,273.93**	**6.30**		**1,080.61**
SCOPE 2 Electricity (purchased from utility companies) - market-based method = 2022 energy label of the supplier	**Kwh**	**22,305,609**	**1,717.89**	**7,736,344**	**595.82**	**22,731**	**1.75**	**4,760**	**0.37**	**30,069,444**	**2,315.83**
SCOP 2 - Electricity (purchased from utility companies) - location-based method = national average energy label - 2022		**22,305,609**	**4,979.73**	**7,736,344**	**1,727.14**	**22,731**	**5.07**	**4,760**	**1.06**	**30,069,444**	**6,713.00**
TOTAL SCOPE 1 + SCOPE 2 (for electricity - market-based method = 2022 energy label of the supplier)	**tons emisions**		**2,723.45**		**647.74**		**18.58**		**6.67**		**3,396.43**
TOTAL SCOPE 1 + SCOPE 2 (for electricity - location-based method = national average energy label - 2022)	**tons emisions**		**5,985.29**		**1,779.06**		**21.91**		**7.36**		**7,793.61**
TOTAL SCOPE 1 + SCOPE 2 for production companies Romcarbon and LIVINGJUMBO INDUSTRY (for electricity - market-based method = 2022 energy label of the supplier)	tons emisions				3,371	for comparison with the CO2 emissions calculated for the year 2022 (calculation made only for the production companies within the Group)					
Production (in tons) for the production companies within the group (ROMCARBON and LIVINGJUMBO INDUSTRY)	tons		16,278		11,546						
CO2 Emissions Intensity Scope 1 and 2 for the production companies within the group (RCB and LJI) - market-based method - relative to production (tons CO2e/tons of production)	to CO2e/to production		0.17		0.06						0.12
revenues	mil lei		214.23		115.49		20.39		2.03		304.68
revenues	mil EUR		43.44		23.42		4.14		0.41		61.79
CO2 Emissions Intensity Scope 1 and 2 - market-based method - relative to revenues (tons CO2e/million EUR)	to CO2e/mil EUR		62.69		27.66		4.49		16.20		54.97
CO2 Emissions Intensity Scope 1 and 2 for the production companies within the group (RCB and LJI) - location-based method - relative to production (tons CO2e/tons of production)	to CO2e/to production		0.37		0.15						0.28
CO2 Emissions Intensity Scope 1 and 2 - location-based method - relative to revenues (tons CO2e/million EUR)	to CO2e/mil EUR		137.77		75.96		5.30		17.89		126.14

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Comparing the Scope 1 and 2 emissions calculated only for the production companies within the Group (2023 calculation vs. 2022 calculation, both using the coefficient from the 2022 energy label of the electricity supplier), there is a reduction of 409 tons CO2e (3,371 tons CO2e in 2023 vs. 3,780 tons CO2e in 2022).

Company	Scope1- 2023	Scope 2- 2023	Scope 1- 2022	Scope 2- 2022	Evolution (2023 vs 2022)
Romcarbon SA	1,005.56	1,717.89	985	2,049	-310.55
LivingJumbo Industry	51.92	595.82	47	700	-99.26

In 2023, Romcarbon produced 66.82 MWh of photovoltaic energy, replacing a similar amount that was previously purchased from the energy supplier. Applying the CO2 emissions coefficient declared by the supplier for 2022 (0.077016 kgCO2e/kWh), the production of green energy resulted in a reduction of 5.15 tons CO2e.
In absolute terms, calculated in tons of CO2 emissions for the total production companies, Scope 1 and 2 emissions decreased by 10.8% in 2023 compared to 2022, with different trends for the two companies: Romcarbon saw a reduction of 10.2%, and Livingjumbo Industry saw a reduction of 13.2%.
Analyzing the intensity of Scope 1 and 2 emissions for the two production companies, relative to tons of production, we observe an increase of 1.7% in 2023 compared to the previous year. At the company level, Romcarbon experienced an increase of 10.3%, while Livingjumbo Industry saw a decrease of 11.9%. The increase in Romcarbon is explained by the reduction in production compared to the previous year, due to a decline in market demand. The reduced demand translated into smaller order quantities, leading to fragmented production in smaller batches with more frequent type-size changes, resulting in increased electricity consumption

Scope 3 emissions

The calculation of Romcarbon's Scope 3 emissions follows the "Greenhouse Gas Protocol, a corporate accounting and reporting standard, Revised Edition" by the Greenhouse Gas Protocol Initiative, a partnership between the World Resources Institute and the World Business Council for Sustainable Development. The emissions are calculated by relevant category, adhering to the guidelines of the GHG Protocol Standard, ensuring at least the "minimum boundaries" are met.
For our Scope 3 GHG Inventory, the following documents have been used:

- "Corporate Value Chain (Scope 3) Accounting and Reporting Standard", GHG Protocol, 2011
- "Technical Guidance for Calculating Scope 3 Emissions (version 1.0)", GHG Protocol, 2013
- "Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain", wbcsd chemicals, 2013
- „Greenhouse gas emissions and natural capital implications of plastics (including biobased plastics)", Eionet Report – ETC/WMGE 2021/3
- DEFRA - UK Government GHG Conversion Factors for Company Reporting, full factor set 2023 Reporting period covered: Jan. 1, 2023 – Dec. 31, 2023 (herein called BEIS factors)
- US Environmentally Extended Input-Output (USEEIO) Technical Content, United States Environmental Protection Agency, 2023
- "Packaging waste statistics", Eurostat, 2023

7. CLIMATE CHANGE

Scope 3 emissions are reported for Romcarbon Group included in the Consolidated Financial Statements on a full or proportional basis, unless stated otherwise. The consolidation approach applied is the operational one.

The reporting period covered 01/01/2023 -31/12/2023

Relevant scope 3 emissions categories that are part of Romcarbon Group's emissions inventory are:

- Category 1: Purchased goods & services
- Category 2: Capital goods
- Category 3: Fuel- and energy-related activities (not incl. in Scope 1 or 2)
- Category 4: Upstream transportation and distribution
- Category 5: Waste in Operations
- Category 7- Employee commuting
- Category 13: Downstream Leased Assets

As this is the first time for Romcarbon Group calculating Scope 3 emissions, no previous base year for Scope 3 emissions was identified.

A detailed methodology, at class level is included in **Appendix 2 Description of methodologies applied and data used**

Significant scope 3 GHG emissions	2023 (t CO2e)*
Total Gross indirect (Scope 3) GHG emissions	70,673.27
1. Purchased goods and services	52,415.95
[optional sub-category] Cloud computing and data centre services	Not material
2. Capital goods	489.14
3. Fuel and energy-related activities	13,230.29
4. Upstream transportation and distribution	3,418.59
5. Waste generated in operations	378.28
6. Business travel	Not material
7. Employee commuting	659.72
8. Upstream leased assets	Not material
9. Downstream transportation	Not material
10. Processing of sold products	Not material
11. Use of sold products	Not material
12. End-of-life treatment of sold products	Not applicable
13 Downstream leased assets	81.30
14 Franchises	Not material
15 Investments	Not material

The 'Purchased Goods and Services' category significantly contributes to the Group's Scope 3 emissions throughout the entire value chain. Based on the 2023 analysis, it represents approximately 74% of the total Scope 3 emissions. The calculations are conservative, utilizing sector-specific emission factors, which may lead to an overestimation of emissions. Going forward, our goals are to:

- acquire supplier-specific emission factors.
- activelycollaborating with suppliers to develop plans and processes aimed at reducing their carbon emissions.

exploring alternative materials with lower carbon footprints or those that are entirely bio-based

*No comparatives, 2023 is the first year of calculation for Scope 3

7. CLIMATE CHANGE

7.9. Green EU Taxonomy

The Taxonomy Regulation establishes the framework for a common classification system to help define environmentally sustainable economic activities, by outlining four conditions that an economic activity must meet to qualify as environmentally sustainable:

1. Substantial Contribution: The activity must contribute substantially to one or more of the following 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

2. No Significant Harm (DNSH): The activity must do no significant harm to any of the other environmental objectives.
3. Minimum Safeguards: The activity must be carried out in compliance with minimum social safeguards.
4. Technical Screening Criteria: The activity must comply with technical screening criteria that have been established by Commission delegated Regulation (EU) 2021/2139.
The economic activities that can potentially be environmentally sustainable (taxonomy-eligible) and also are carried out as environmentally sustainable (taxonomy-aligned) are specified by the EU Commission through Delegated Acts.

To date, there is a Delegated Act on the environmental objectives "climate change mitigation" (Annex I of the Delegated Act) and "climate change adaptation" (Annex II of the Delegated Act), which was amended through Delegated Regulation (EU) 2023/2485 of 27 June 2023. The Environmental Delegated Act, introduced in June 2023, provides a description of the eligible and Taxonomy-aligned activities pertaining to sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and Protection and restoration of biodiversity and ecosystems.

In this context, all economic activities are to be classified in principle as taxonomy-eligible if they are described in the Delegated Acts.

As of the approval date of this report, the Commission has released several key delegated acts:
- The first delegated act (EU 2021/2139), and its subsequent amendment (EU 2023/2485), establish criteria for climate mitigation and adaptation objectives. This act now encompasses 14 economic sectors and activities that potentially contribute to climate mitigation or adaptation goals. Initially, the 2021 act focused on sectors with significant Scope 1 emissions and those critical to the energy transition, covering 64% of the EU's greenhouse gas emissions according to 2021 Eurostat data.
- Another delegated act (EU 2021/2178), later modified by EU 2023/2485, defines disclosure norms regarding content, methodology, and presentation for enterprises mandated to compile an annual non-financial (Sustainability) Report. These entities must disclose the turnover, operating expenses (OpEx), and capital expenditures (CapEx) associated with eligible economic activities that conform to the taxonomy's criteria, DNSH principle, and minimum safeguards as stipulated by the Commission.
- Additional provisions were made in the delegated act (EU 2022/1214), which incorporated specific activities related to nuclear energy and fossil gas production into the list of eligible economic activities by setting out the technical screening criteria for these sectors.
- The delegated act on the sustainable management and conservation of water and marine resources, advancement of a circular economy, pollution prevention and control, and the restoration and protection of biodiversity and ecosystems (EU 2023/2486) includes 8 economic sectors and 35 activities that support the fulfillment of the Regulation's four environmental objectives.

7. CLIMATE CHANGE

7.9.1 Our process for identifying and assessing EU Taxonomy activities

a) EU Taxonomy eligibility assessment

The assessment of eligible activities and services at the company level was conducted through an interdisciplinary project, utilizing both bottom-up and top-down approaches.

A series of internal meetings and workshops with management and experts was held in order to:

- give Romcarbon Group' senior management an introduction to the updated EU Taxonomy and disclosure requirements.
- to ensure identification of eligible activities, assets, processes, projects and related eligible CapEx/OpEx/ turnover by involving in scope department representatives.

The proportion of taxonomy-eligible economic activities in the sales revenues, CapEx, and OpEx (the "eligibility ratio") has been calculated as the part of sales revenues, CapEx, and OpEx derived from services and projects associated with taxonomy-eligible economic activities (numerator) divided by the total sales revenues, CapEx, and OpEx (denominator), calculated by applying the EU Taxonomy requirements.

We have identified our taxonomy-eligible activities by screening the economic activities in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

We initially conducted a preliminary analysis of the Group's activities in relation to the four new environmental objectives to evaluate their eligibility. Special attention was given to identifying overlaps between definitions of eligible activities that might contribute to multiple objectives. This preliminary mapping identified eligible activities from different Group companies that might substantially contribute to climate change mitigation or to circular economy. The alignment of these activities with the technical criteria was then assessed.

Eight activities in the Delegated Acts have been identified as eligible for climate change mitigation. Five of these, highlighted in bold, are considered to be both Taxonomy-eligible and Taxonomy-aligned. We have identified the eligible activities based on their description and associated Standard Classification of Economic Activities in the European Community (NACE) system codes and sectors. The use of NACE codes and sectors is for indicative purposes only and does not prevail over the activity description nor should it be interpreted as otherwise affecting the scope of reporting.

- **Material recovery from non-hazardous waste (5.9)**
- **Installation, maintenance and repair of renewable energy technologies (7.6)**
- **Construction, extension and operation of water collection, treatment and supply systems (5.1)**
- **Construction, extension and operation of waste water collection and treatment (5.3)**
- Acquisition and ownership of buildings (7.7)
- Renovation of existing buildings (7.2)
- **Operation of personal mobility devices, cycle logistics (6.4)**
- Transport by motorbikes, passenger cars and light commercial vehicles (6.5)

For the objective of circular economy, 2 activities were identified as eligible:

- Manufacture of plastic packaging goods (1.1)
- Sorting and material recovery of non-hazardous waste (2.7)

7. CLIMATE CHANGE

Eligibility for climate change adaptation objective

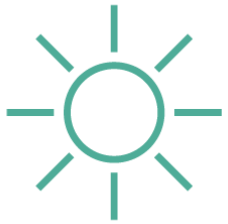
According to the Climate Delegated Act and considering Commission Notice C/2023/305 on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act (second Commission Notice), the contribution of a given activity to climate change mitigation or climate change adaptation should be assessed based on the nature of that activity. Regarding the turnover KPI, it can only be counted under climate change adaptation if the activity is enabling climate change adaptation. Since none of the identified eligible activities are classified as enabling for climate change adaption, the environmental objective to which they make a substantial contribution, and for which we will calculate the KPIs, is climate change mitigation.
As for the CapEx and OpEx KPI, the choice between contribution to climate change mitigation or climate change adaptation is made based on the intent of the expense.
It is necessary to differentiate between CapEx for activities substantially contributing to climate change mitigation (CCM) and CapEx for climate change adaptation (CCA). According to the guidance given in FAQ 8 of the Commission Notice C/2023/305, all our eligible activities are substantially contributing only to climate change mitigation and circular economy.

b) EU Taxonomy alignment assessment

For the financial year 2023, Romcarbon is solely required to assess alignment for the economic activities substantially contributing to 'Climate change mitigation' and 'Climate change adaptation', pursuant to the Climate Delegated Act (EU) 2021/2139 and the Complimentary Delegated Act (EU) 2022/1214.

After identifying the eligible activities within the Group's portfolio, the Group's management and technical representatives were consulted to ensure compliance with the technical screening criteria and the DNSH requirements outlined in the Regulation. To verify adherence to the technical criteria related to climate change mitigation, support was required from the Quality, Safety, and Environmental Management teams, as well as the legal team to obtain the necessary proofs.

Focus on substantial contribution criteria



7.6 Installation, maintenance and repair of renewable energy technologies

The activity complies with the substantial contribution criteria regarding the on-site installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment. In 2023, in order to reduce our energy consumption and greenhouse gas emissions, we have installed solar panels on the Romcarbon Platform.

There is eligible and aligned CapEx and OpEx in relation to this economic activity.

5.1 Construction, extension and operation of water collection, treatment and supply systems

The water supply system meets the criteria outlined, as the average net energy consumption for water capture and treatment is 0.29 kWh per cubic meter, well below the threshold of 0.5 kWh per cubic meter. This calculation was based on a total water capture of 198,601 m^3 in 2023, with energy usage recorded at 57.728 kWh for the capture pumps. Therefore, the activity satisfies the substantial contribution requirement.

7. CLIMATE CHANGE

5.3 Construction, extension and operation of waste -water collection and treatment

The wastewater treatment plant at ROMCARBON is industrial, and its capacity is not typically measured in equivalent inhabitants, as with municipal plants. However, for standardization, we used the 'equivalent inhabitant' unit. Based on a biochemical oxygen demand (BOD5) of 250 mg O2/liter and an average daily flow of 1286.16 m^3/day calculated in our water management permit, we calculated the value for equivalent inhabitants, which is 5359. To meet the substantial contribution criterion, the plant's energy consumption must be below 187,565 kWh/year. The actual energy consumption of the plant was 85,380 kWh/year, which is well within the required limit. Therefore, the plant meets the substantial contribution criterion for energy consumption.

5.9 Material recovery from non-hazardous waste

We transform more than 50% by weight, of the separately collected non-hazardous waste into secondary raw materials. These secondary raw materials are suitable for replacing virgin raw materials in production processes, thereby contributing significantly to resource efficiency and sustainability. By converting a substantial portion of waste into valuable secondary materials, the activity supports the circular economy and reduces the dependency on virgin resources, promoting environmental conservation and sustainable production practices.

7.7 Acquisition and ownership of buildings

In 2023, we built an industrial warehouse. The substantial contribution criteria require that, in case of building constructed after 31 December 2020, the building complies with the criteria defined for activity 7.1 (which states that the primary energy demand (PED) must be at least 10% lower than the threshold for nearly zero-energy buildings (NZEB) as set in national implementation measures of Directive 2010/31/EU of the European Parliament and the Council).
The energy performance is accredited through an energy performance certificate (EPC). Specific NZEB requirements are based on building category and climatic zone, specifying maximum allowable primary energy consumption values expressed in kWh/m^2/year.
Romcarbon holds an energy performance certificate for the newly constructed building, with a specific annual primary energy consumption of 74.4 kWh/m^2/year, below the NZEB threshold for office buildings, despite being a hall. The energy performance is A+. However, since the construction is a type of building with a different purpose than the categories defined by Romanian law and cannot be assimilated to those described in the normative, even with an energy performance certificate, we took a conservative approach and considered the activity as not aligned.

7.2 Renovation of existing buildings

The renovations represent improvements to old buildings from the 1950s, with an initially low value. Lacking a re-evaluation, the criterion cannot be demonstrated, rendering the activity not aligned.

7. CLIMATE CHANGE

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

The substantial contribution criteria for passenger vehicles is to generate emissions of less than 50 g CO2/km. Because our fleet is comprised of conventional cars, there are no electric or hybrid vehicles that can demonstrate the criterion. Thus, the activity is not aligned.

6.4 Operation of personal mobility devices, cycle logistics

The activity relates to the purchase (CapEx KPI) of an electric tricycle, which meets the criteria for the propulsion from a zero-emissions engine. The tricycle is allowed to circulate on the same public infrastructure used by bicycles or pedestrians. The activity is aligned.

Focus on DNSH Principles

Adaptation to Climate Change

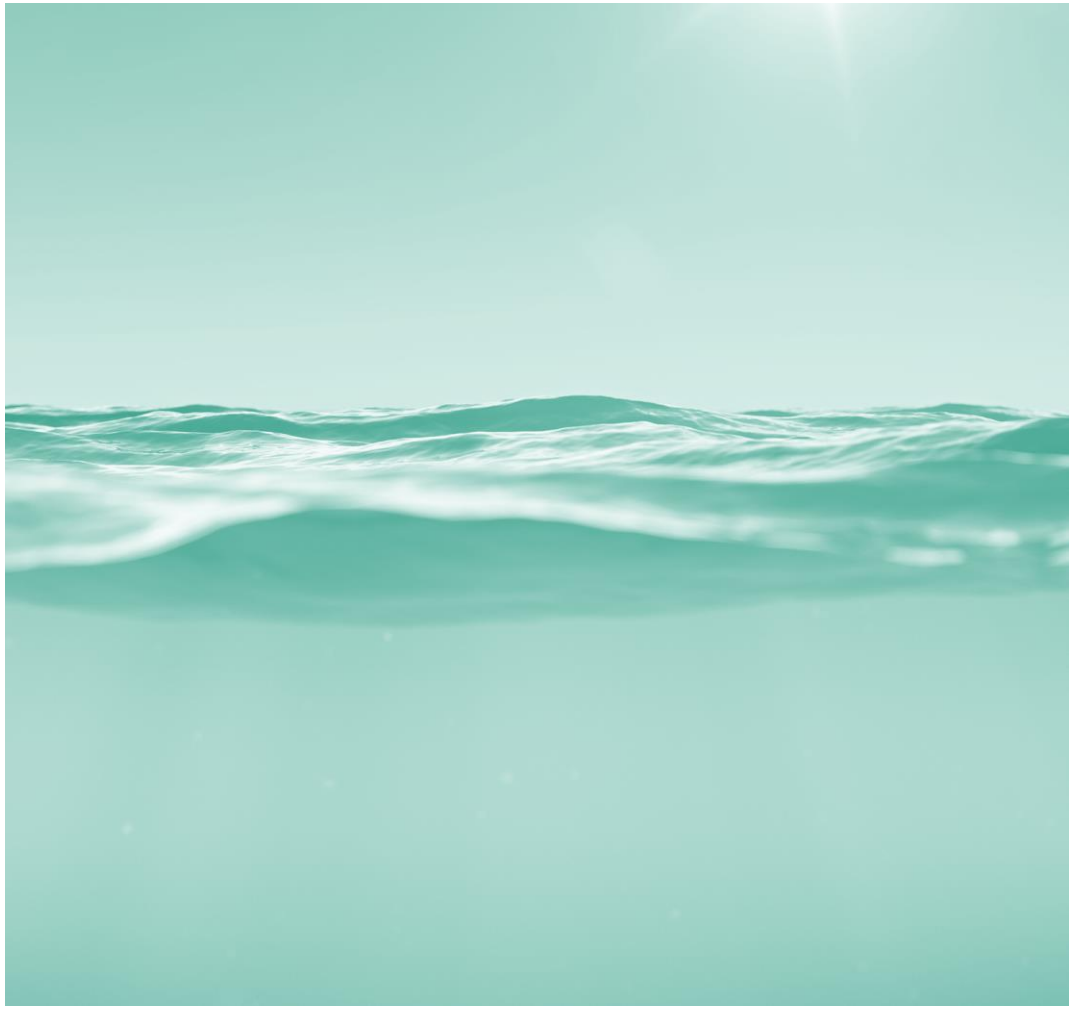
In 2023, The Group initiated a systematic analysis of climate risks and opportunities, guided by the Taxonomy recommendations. This analysis aims to identify vulnerabilities and improve asset resilience through mitigation actions across 3 time horizons. The Group is enhancing its climate resilience by integrating and increasing adaptation solutions to material climate-related risks.

Pollution prevention

For activity 5.3, the DNSH principle for pollution prevention requires that discharges to receiving waters meet the requirements laid down in Council Directive 91/271/EEC or as required by national provisions stating maximum permissible pollutant levels from discharges to receiving waters.

Before discharge, wastewater is treated to comply with legal limits. A perimeter collection system for rainwater is in place and contracts are established for the management of sludge waste.

7. CLIMATE CHANGE



Sustainable Use and Protection of Water and Marine Resources

A detailed analysis was conducted to identify potential environmental degradation risks associated with plastic recycling activities. This was carried out through stakeholder consultations as part of the double materiality analysis. Water-related risks are identified in the "Register of Relevant Risks" for Romcarbon Group companies.
These risks include:

- Water pollution from leaks
- Excessive use of water resources in a water-stressed area:

There have been no actual impacts on water bodies.
Measures are taken to prevent risks to water bodies:

- Monitoring activities to ensure compliance with work procedures
- Training, awareness, and testing of personnel on handling, transporting, storing, and using substances according to MSDS (Material Safety Data Sheet)
- Continuous inspection of pipelines along their entire route to prevent leaks from defects or cracks
- Monitoring the parameters of water discharged into the Buzau River

Water protection measures are implemented:

- Practices to minimize water consumption through water recirculation
- Wastewater treatment systems

The eligible activities were not subject to an Environmental Impact Assessment (EIA) according to Directive 2011/92. Moreover, the water body into which rainwater and conventionally clean cooling water are discharged, BUZAU_AC. CANDESTI_BUZAU RORW12-1-82_B4, has good chemical status and ecological potential without a tendency for deterioration, according to the Buzau Ialomita Basin Management Plan. The groundwater body, RO AG 12-EASTERN VALAHIAN DEPRESSION, is a deep aquifer with no risk of contamination.

We have established a plan for the prevention and control of accidental pollution, as provided in the Water Framework Directive and Water Law 107/1996, which transposes it.

7. CLIMATE CHANGE

Circular economy

Even if for activity 7.2 we cannot demonstrate the substantial contribution criteria, we still analysed the DNSH criteria for this activity. In what concerns circular economy, to demonstrate compliance with the DNSH for activity 7.2, we ensure that at least 70% (by weight) of non-hazardous construction and demolition waste is prepared for reuse, recycling, and other recovery operations, as mandated by the EU Construction and Demolition Waste Management Protocol. This is achieved through contracts with authorized operators for waste collection and the proper handling of 100% of construction and demolition waste (code 17) under code R12 for recovery. These actions demonstrate our adherence to the best available techniques, selective demolition practices, and high-quality recycling processes and ensuring resource efficiency.

Protection and Restoration of Biodiversity and Ecosystems

All activities adhere to Romanian and European environmental regulations. Environmental Impact Assessments (EIA) are conducted where required, with mitigation measures implemented to reduce impacts, ensuring compliance with Legislative Decree 152/2006 and subsequent amendments.
According to EU law, an Environmental Impact Assessment (EIA) is not mandatory for all activities. As per FAQ 182 regarding the Taxonomy, an EIA is not required in all cases. The requirement within the criteria is to undergo a process to determine if an EIA is necessary: "An environmental impact assessment has been completed or a screening determination has been made [...] in accordance with Directive 2011/92/EU [...]." If the screening concludes that an EIA is not necessary, this part of the requirement is considered fulfilled.
Romcarbon operates near the "Lunca Buzaului" site within Natura 2000 (at a distance of 1300 meters). Following the enactment of Law 292/2018 on environmental impact assessment for certain public and private projects, Romcarbon initiated several projects for which APM Buzau issued screening decisions, determining that the projects are not subject to environmental impact assessment, appropriate assessment, or water body impact assessment. Therefore, this DNSH criterion is met.

Minimum Social Safeguards

Verification of the Minimum Social Safeguard requirement has been conducted at the company level. This includes adherence to international conventions and regulations on health and safety, corruption, tax, fair competition, and human rights, such as the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights (UNGPs), ILO core conventions, and the International Bill of Human Rights. The Group has adopted relevant guidelines and processes to a degree that allows for compliance. Additionally, an assessment of Group's liability concerning breaches of any of these aspects has been performed

7. CLIMATE CHANGE

7.9.2. Regulatory Templates

The regulatory templates as per Annex II of the Delegated Acts for eligible and aligned turnover, CapEx and OpEx are included in Appendix 3.
Comparative data for 2022 is not available because last year the Taxonomy KPIs were calculated exclusively for the companies within the reporting scope (Romcarbon and Livingjumbo). For 2023, we report the KPI figures at Group level.

Definition of Key Performance Indicators (KPIs)

The key performance indicators relevant under EU taxonomy are turnover, CapEx and OpEx. For the purpose of the calculation of eligible activities, the following financial information has been derived from Romcarbon's Consolidated financial statements:

- Turnover for the denominator under EU taxonomy is equal to consolidated external revenues as reported in our Consolidated statement of income, amounting to 304,683,985 RON.
- CapEx eligible under EU taxonomy is the sum of additions in property, plant and equipment, intangible assets and right-of-use assets from both investments and acquisitions resulting from business combinations, amounting to 5,617,797 RON. CapEx denominator is reflected in the Consolidated financial statements from the Annual Report
- OpEx is calculated in accordance with the EU taxonomy as direct non-capitalized costs incurred for the day-to-day servicing of assets, consisting of research and development costs, short-term leases, maintenance and repair costs and other similar costs, amounting to 12,376,803 RON.
- This definition differs from OpEx as included in our Consolidated statement of income.
- To avoid double counting in the numerator, economic activities are attributed to the Group's business activities that are presented separately. Eligible or aligned turnover, CapEX and OpEx from economic activities that contribute to specific environmental objectives are presented separately. Economic activities are verified against their contribution to climate change mitigation or to circular economy.

Turnover

Romcarbon produces regranulated polymers from plastic waste.

The denominator of the turnover KPI (the key performance indicator for net sales) covers Romcarbon's total turnover, which is recognised in line with IFRS 15. The numerator of the turnover KPI is the turnover from products or services related to taxonomy-eligible or taxonomy-aligned economic activities, including intangible assets, presented by taxonomy class. The intra-Group revenues were eliminated from the calculations.

Aligned turnover (numerator) includes Eligible turnover from economic activities attributed to assets that meet technical screening criteria including Substantial Contribution Criteria, Do Not Significantly Harm Criteria and Minimum Social Safeguards

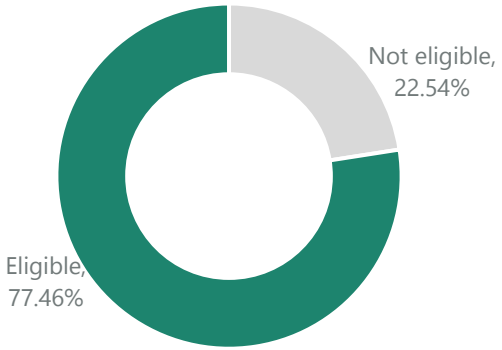
Our taxonomy-eligible share of revenue in 2023 was 77.46%, while our Taxonomy-aligned share of revenue is 12.71%.

A change compared with the previous period is that a new activity has been added to the Taxonomy guidelines regarding Manufacture of plastic packaging goods. This significantly increases the proportion of Romcarbon's activities that are Taxonomy-eligible.

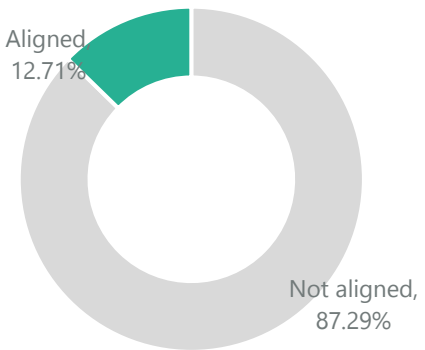
7. CLIMATE CHANGE

Turnover

Eligible turnover



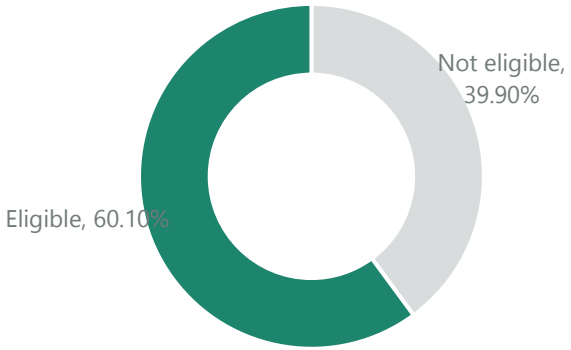
Aligned turnover



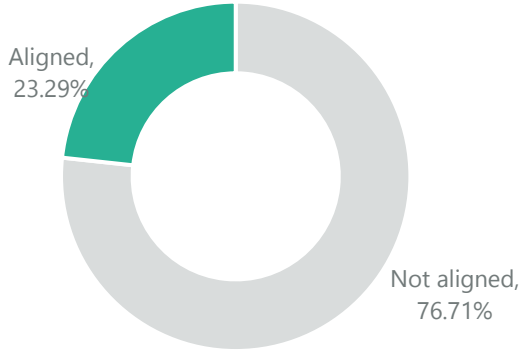
CapEx

Aligned CapEx (numerator) includes Eligible CapEx from economic activities attributed to assets that meet technical screening criteria including Substantial Contribution Criteria, Do Not Significantly Harm Criteria and Minimum Social Safeguards

Eligible CapEx



Aligned CapEx

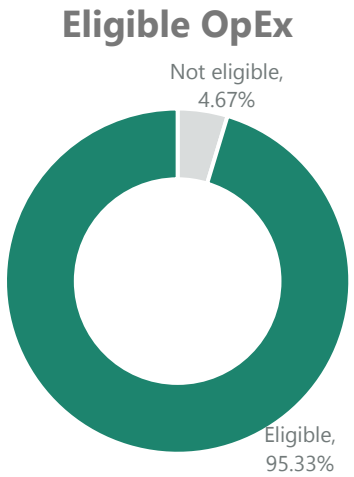


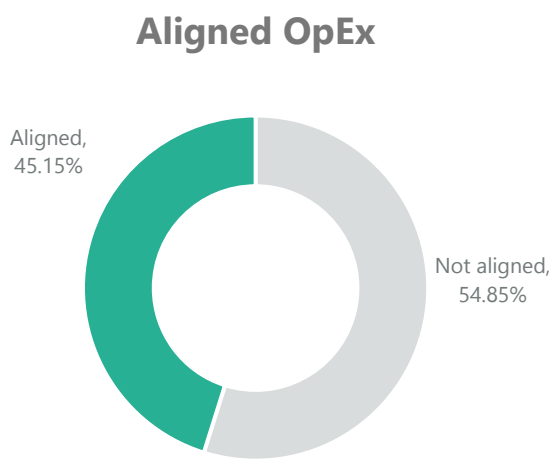
7. CLIMATE CHANGE

OpEx

The EU Delegated Act specifies items to be considered as OpEx, including research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures related to the day-to-day servicing of property, plant, and equipment by the undertaking or outsourced third parties, necessary to ensure the continued and effective functioning of such assets. Consequently, the calculation is not based on the consolidated Financial Statements. Instead, a bottom-up approach has been used, with OpEx extracted from using allocations for third-party repair expenses, spare parts costs, expenses for auxiliary materials and expenses with the staff involved in maintenance and repairs.

The OpEx indicator includes repair expenses from Group companies in the amount of 293,544 RON. In the Consolidated Financial Statements these intra-goup expenses are eliminated, in accordance with the Consolidation Accounting Principles.
However, we considered appropriate to include this amount of 293,544 RON in the calculation of the indicator for Taxonomy, based on the reasoning that these expenses were necessary and if they had not been provided intragroup they would have been provided by a third party, in similar conditions.





08

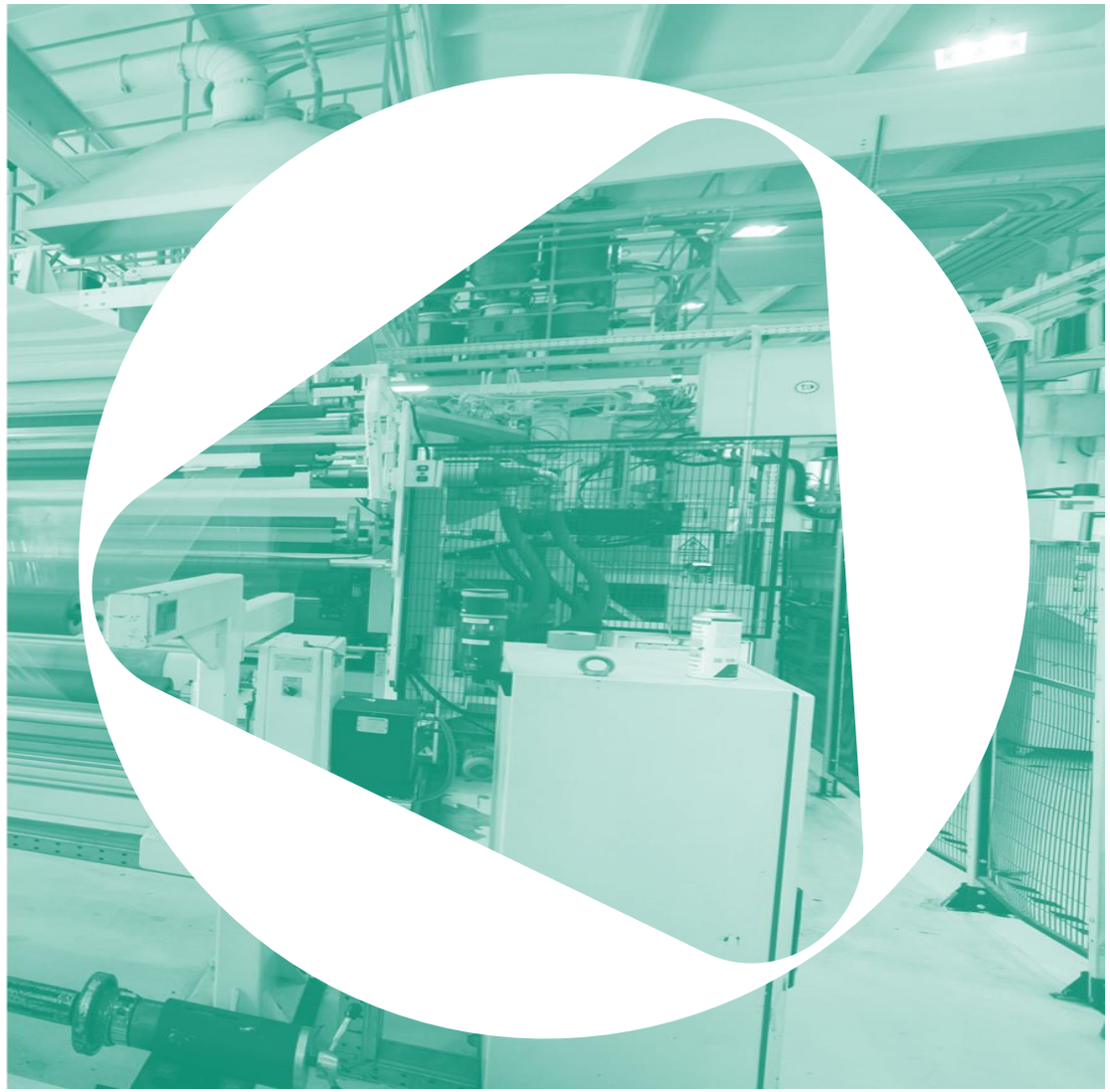
POLLUTION
[in preparation for ESRS E2]

8. POLLUTION

8.1. Description of processes to identify and assess material pollution-related impacts, risks and opportunities.

The Group has conducted a thorough materiality analysis of its business operations, pinpointing potential and actual pollution-related impacts and risks (IROs) within its own activities and throughout the supply chain. These IROs were then evaluated to determine their significance, employing a methodology akin to the LEAP framework. This involved pinpointing the sources of pollution, evaluating dependencies and impacts, and assessing associated risks and opportunities.
The location for monitoring pollution risk is the area where Romcarbon Group facilities are situated: Strada Transilvaniei No. 132, Buzau, Romania.
(For additional details, please consult the Materiality Analysis section of this report.)
Romcarbon Group's material potential impacts on the environment and people in the area of pollution are related to water and soil pollution, as well as to the use of substances of concern. The main raw materials in Romcarbon Group's industrial processes are plastic polymers, as well as additives, fillers, s.o. It is primarily the handling of hazardous substances that can potentially give rise to soil and groundwater contamination.
There are no actual pollution impacts on the environmental factors and no remediation of contamination required by the competent Environmental Authorities- Buzau Environmental Protection Agency.
Romcarbon Group works continuously to ensure that it strictly complies with relevant environmental laws and regulations. In accordance with our Environmental Policy, our goal is to permanently improve the Environmental Management Systems (ISO 14001:2015).

In what concerns the value chain, the production of suppliers could potentially be responsible for environmental pollution, for example, in connection with the chemical process of producing virgin plastic resins from fossil feedstock.
Additionally, pollutants such as nitrogen oxides (NOx), sulfur oxides (SOx), non-methane volatile organic compounds (NMVOC), and particulates are emitted into the atmosphere due to the combustion of fossil fuels by our road transportation suppliers. This is particularly significant as we purchase raw materials such as polymers that are transported over long distances. The release of these pollutants contributes to air quality degradation and represents a systemic, negative impact within our value chain, inherent to the transportation sector.



8. POLLUTION

8.2. Policies related to pollution

Romcarbon's current Environmental Policy as a parent company outlines the Group's approach to managing environmental performance. This policy ensures compliance with all relevant laws, regulations, and legislation pertaining to air and water quality, responsible chemical handling, sustainable resource management, and waste reduction. This policy lists the general principles to which Romcarbon is committed to follow; one of the principles is related to "caution, prevention, correction at the source of pollution" (https://www.romcarbon.com/wp-content/uploads/2022/06/POLITICA-DE-MEDIU-ENVIRONMENTAL-POLICY..pdf).
This policy is mandatory for all employees. Additionally, all employees undergo compulsory training on the Environmental Policy to familiarize themselves with its content, company initiatives, targets, and our global responsibilities. The policy is approved by the Board of Directors/Director and applicable to all Romcarbon Group's activities. All pollution-related incidents are registered and analysed. The Group is committed to collaborate with authorities and stakeholders to report and resolve any environmental issues and implement a sound environmental policy.

We plan to update our Environmental Policy in order to address all the environmental impacts deemed material in 2024 double materiality assessment. The next table outlines the planned updates for our Environmental Policy, which includes detailed actions to address pollution, stakeholder interests and emergency response, aiming to mitigate environmental impacts and enhance risk management.

Actions planned for 2024 regarding Policies:	Policies under evaluation:
The Group will update its Pollution policies and related procedures addressing each identified IRO, by including the followings: ✓ **a description of the scope of the policy, or of its exclusions, in terms of activities, upstream and/or downstream value chain, geographies and if relevant, affected stakeholder groups;** ✓ **the most senior level within Romcarbon Group that is accountable for the implementation of the policy;** ✓ **a description of the consideration given to the interests of key stakeholders in setting the policy;** ✓ **whether and how for the material topics, the Group addresses mitigating impacts** ✓ **details on how the Group addresses the substitution and minimization of the use of substances of concern** ✓ **indicate which are the pollutants/substances of concern involved** ✓ **details on how each Group's Company avoids incidents and emergency situations and what are the steps taken to limit the impact on people and environment when they occur;**	✓ Environmental Policy (existent) ✓ Risk Management (existent) ✓ Prevention/Intervention Plan

8. POLLUTION

8.3. Targets, Actions and resources related to pollution

Romcarbon Group's industrial processes carry an inherent risk of pollution due to accidental spills or leakages. If not properly managed, these emissions can negatively impact the local environment and communities. Romcarbon Group's activities are regulated by local emission permits and regional and international emission regulations. Incidents involving spills, leakages, or non-compliance with environmental regulations can result in fines and remediation costs, impacting Romcarbon's financial performance. Actual or perceived pollution impacts on local communities can lead to operational shutdowns, legal disputes, and reputational damage, materially affecting cash flow and financial results.

I/R/O	Description	Yearly targets	Fulfilled (Yes/NO)	Actions in 2023
Impact -	Water contamination through mistreatment of raw materials and products (potential impact)	*zero situations of exceeding discharged water quality indicators	No	In order to prevent situations where some of the monitored discharged water quality indicators are exceeded, we intensified internal controls, strengthened discipline in the production sectors and increased the frequency of sampling for analysis.
Risk	In case of accidental spillage, image risk and risk to receive fines			
Impact -	Soil contamination due to improper storage of raw materials or cracking of tanks at the treatment plant (potential impact)	*100% assessed suppliers/ *zero incidents/fines	No	In 2023, we developed and sent to 92 relevant suppliers the ESG supplier evaluation questionnaire. The questionnaire also evaluates the management of environmental aspects. In 2023, an extensive cleaning and inspection of the basins at the recycling sector's treatment station was carried out, and a specialized company was hired for this purpose. Measures have been taken to ensure that all types of waste generated by the Group are stored and treated in safe conditions for the environment.
Impact -	Soil contamination due to improper treatment of waste, especially on refurbishment and IT waste (potential impact)		Yes	

8. POLLUTION

I/R/O	Description	Yearly targets	Fulfilled (Yes/NO)	Actions in 2023
Impact -	Pollution with substances of concern due to accidental spills or mishandling (for example mineral oils, etc.)	*100% trained personnel *zero incidents/fines	Yes	The hazardous substances utilized within the Group have a special regime from the moment of acquisition, being stored in separate spaces, handled, and introduced into the process by trained employees. In 2023, the list of hazardous substances was updated and sent to the authorities (ITM, Police - Department of Weapons, Explosives, and Hazardous Substances). The Hazardous Substances Storage Plan was updated, with a copy of this plan, along with the Safety Data Sheets, being available at the main access gate for possible interventions. A copy of the Safety Data Sheets is kept in the warehouses and in the production area using these substances, with all employees involved in the storage, handling, and use of hazardous substances being accordingly trained.
Risk	Risk that suppliers may face operational shutdowns or insolvency (due to fines) if their operating licenses are revoked. This can negatively affect the internal processes.			The preliminary verification of suppliers to ensure they hold the necessary authorizations and operating licenses, in accordance with the specific legislation in force.
Risk	Image Risk, increase in the value of fines received and increase in the cleaning expenses			No incidents/fines in 2023.
Impact -	During the production of plastic materials, small plastic particles can be spilled or released into the environment through handling, transportation, and processing activities at production facilities.	*zero incidents/fines	Yes	The dust/powder generated in the sorting and grinding processes in the recycling sector is collected and periodically handed over to specialized companies for energy recovery. Until it is handed over, it is stored in big bags on a concrete platform, ensuring the integrity of the packaging and avoiding losses..

Regarding the resources, pollution management is a well established process, part of the standard internal procedures and daily tasks of the Romcarbon Group employees.
We consistently conduct due diligence to identify pollution-related risks and opportunities, and we are dedicated to mitigating any actual impacts. These impacts and risks are identified through regular site screenings and the periodic updating of our operational risk assessments, which cover water and soil impacts, as well as the use of substances of concern.

With respect to managing pollution risk from accidental spills, leakages, or other unplanned events, Romcarbon Group's companies performed risk assessments and developed plans for prevention and attenuation of accidental pollution. The Group established action plans and controls to manage the risk, such as spill kits and absorption materials.
As there were no significant pollution incidents recorded in the reporting period, there were no financial resources allocated to provide remedy.

8. POLLUTION

8.4.Pollution of water and soil – general

Through its operations, Romcarbon Group does not generate in air, water, or soil pollutants listed in Annex II of Regulation (EC) No 166/2006 (E-PRTR) that exceed the applicable thresholds. Consequently, for the finacial year 2023 we consider these specific pollutants quantities as not material to be reported.

Emissions to air, water and soil are generally monitored depending on the nature of emission and source. At a minimum, a site's environmental permit will dictate the monitoring locations, frequency,methodology and legal reporting requirements. The Group is not generating in air, water or soil pollutants listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (E-PRTR European Pollutant Release and Transfer Register Regulation") that surpass the applicable threshold values specified in Annex II. Moreover, in our environmental permit, there are no obligations listed in connection to E-PRTR.

Romcarbon Group employs well established available techniques in production and continuously monitors compliance with the environmental permit. Any deviations and related corrective actions are promptly reported to the authorities. Production processes are designed with a focus on continuous improvement and meeting established targets. Environmental risks, emissions, and impacts are assessed in all process change projects.
Most of the air emissions generated by the production companies (other than greenhouse gases) originate from the fugitive emissions of volatile organic compounds.

Wastewater discharges mainly consist of ammonium, iron, phosphorous, organic substances measured as chemical and biological oxygen demand, and suspended solids.

Emissions to water are reduced through decreased water usage, more efficient processes, and effective abatement technology. Wastewater quality is monitored through laboratory measurements and is treated in a separate chapter (Water-related).
The Group is keeping records of the balance of VOCs (volatile organic compounds), as specified by Law 278/2013, annex 7, in order to identify the fields of activity where solvents are used and to report the VOC emissions.

Annual measurements are conducted for:

- Emissions: Protective materials sector – degreasing/painting/drying oven workshop (VOCs)
- Imissions: Access gates and in the Activated Carbon area (Phenol, CO, Dust)
- Workplace pollutants: PP/PE printing (ethyl acetate, ethyl alcohol); Production halls in the recycling sector (dust); Wastewater treatment plant in the recycling sector (methane, hydrogen sulfide, carbon monoxide); PVC supports workshop (vinyl chloride); Production halls in the PS processing sector (styrene, methane, butane); Filter production sector (phenol, isopropyl alcohol)

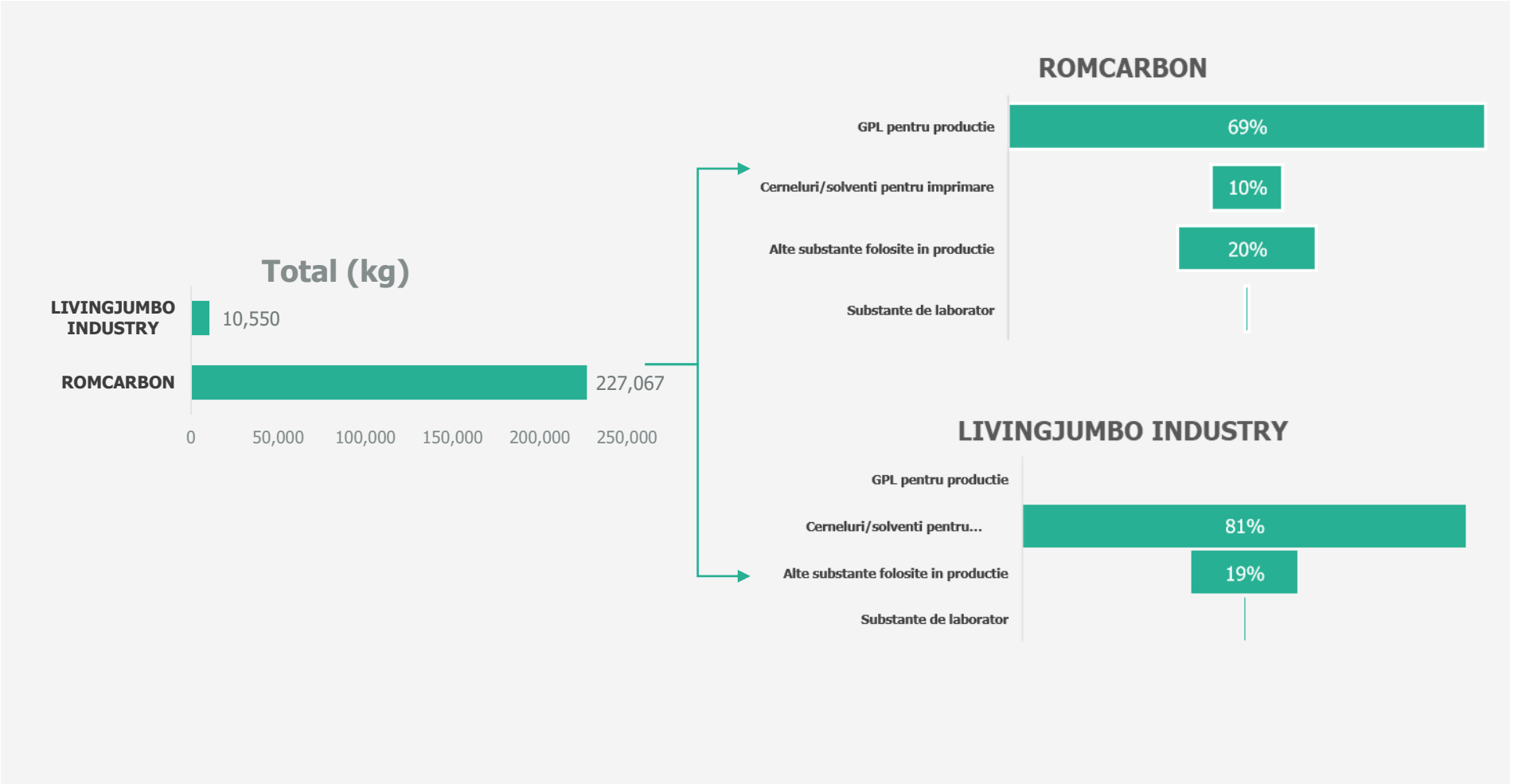
Regarding VOCs, the balance for the degreasing activity (activity in the Filters & Protective Materials sector) carried out for 2023 demonstrated that the value of fugitive emissions (282.57 kg/year) was 10.51%, not exceeding the permissible emission limit value, according to current regulations (L278/2023, annex 7, point 5).

All measurements carried out in 2023 indicated values below the permissible limits.

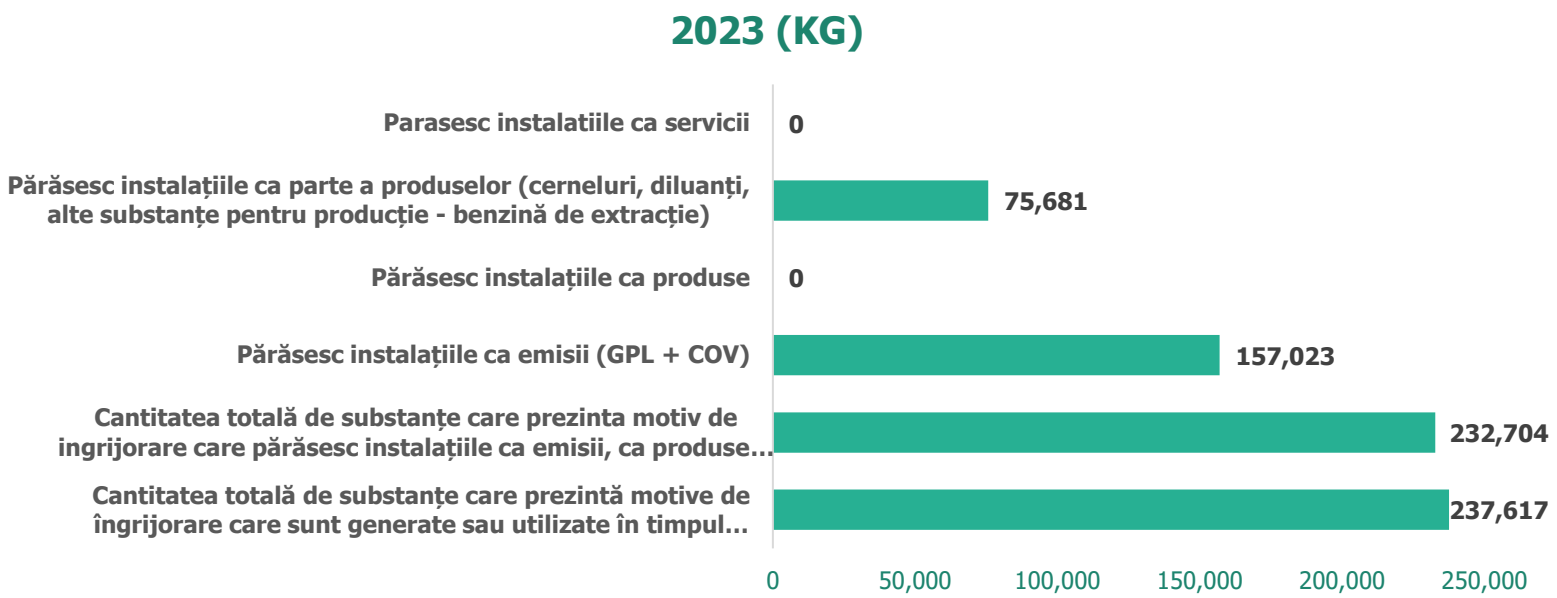
8. POLLUTION

8.5. Substances of concern

In 2023, Romcarbon and Livingjumbo Industry used the following types of hazardous substances, highlighting their varied usage across different production processes. The Group uses hazardous substances in the production process and/or laboratory tests. Romcarbon's total usage of hazardous substances amounted to 227,067 kg, with the majority (69%) being liquefied petroleum gas (LPG) for production purposes. Additionally, 10.3% of the consumed substances were inks and solvents, 20.07% were other substances utilized in production, and a minimal 0.58% were laboratory substances.
Livingjumbo Industry, on the other hand, consumed a total of 10,550 kg of hazardous substances. A substantial 80.55% of this was composed of inks and solvents, 19.43% consisted of other substances used in production, and a negligible 0.02% were laboratory substances. This breakdown underscores the different focus areas in the use of hazardous materials between the two companies, with Romcarbon heavily relying on LPG and Livingjumbo Industry predominantly using inks and solvents.



8. POLLUTION



The difference of 4,913 kg is represented by laboratory substances + extraction gasoline – VOCs, which are not incorporated into products (they become waste after use).

8.6. Microplastic

The amount of microplastic resulting from the processing of plastic waste in Romcarbon Recycling Sector was 729.6 tons, calculated based on quantitative records (kg) for non-recoverable technological waste in the form of "fan dust" and "vibroseparator plastic." This represents 7.5% of the waste processed in 2023. This non-recoverable waste is handed over to specialized companies for disposal (incineration). Currently, we do not have a methodology for measuring any microplastics present in the water discharged from the Romcarbon platform. Periodic quantitative measurements of the "Total Suspended Solids" indicator are conducted on the discharged water, but not qualitative ones; therefore, at this moment, we cannot specify whether microplastics are present in these suspensions and their possible proportion.

09

WATER AND MARINE RESOURCES

[in preparation for ESRS E3]

9. WATER AND MARINE RESOURCES

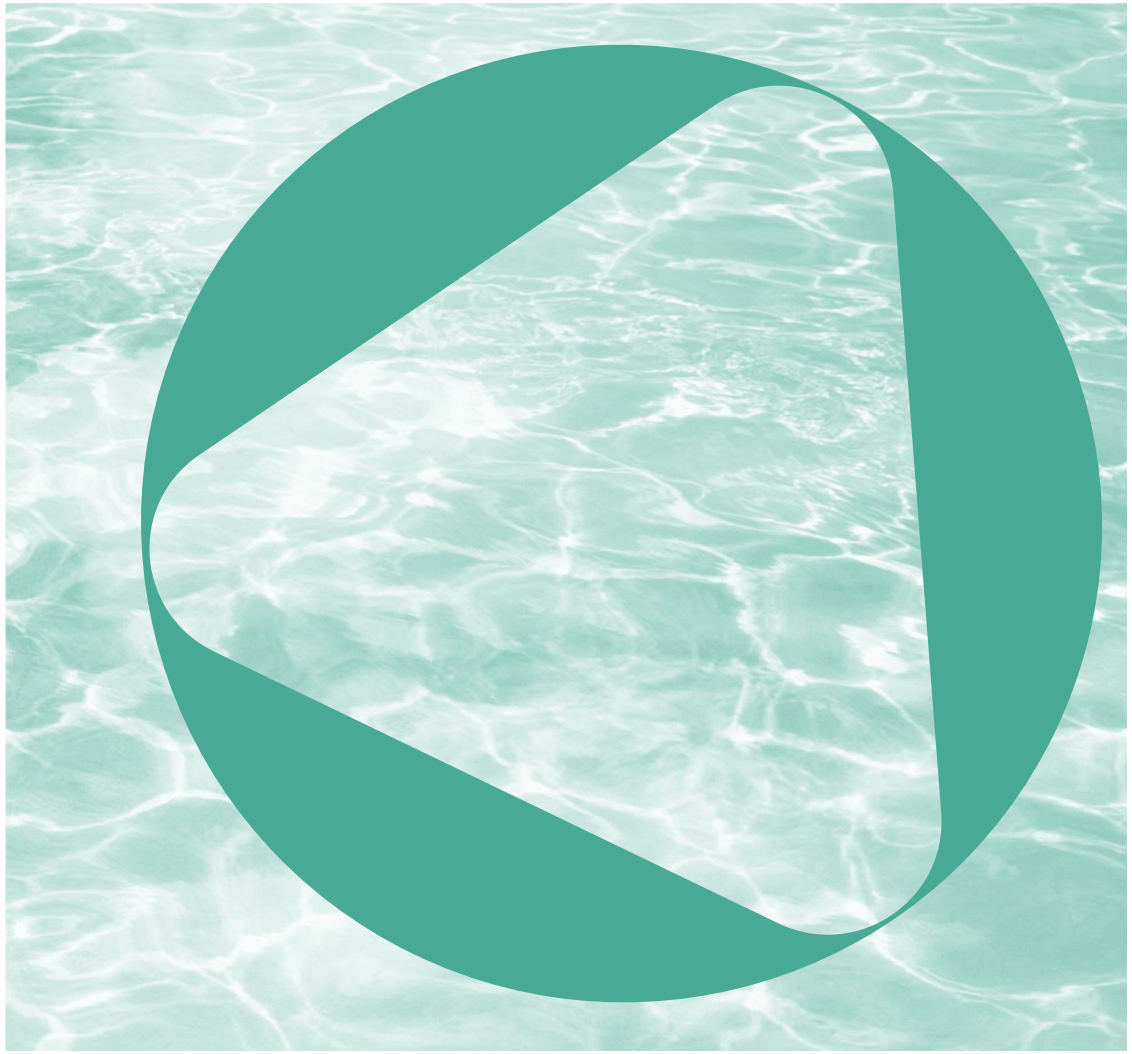
9.1. Description of processes to identify and assess material water-related impacts, risks and opportunities.

As our operations are intrinsically linked to water as a natural resource and we also operate in an area with water stress, we take our responsibility for water stewardship very seriously and actively work towards reducing our water usage.
Romcarbon is supplied with water from underground sources: three drilled wells with its own pumping station with a volume of 1,280 thousand m3 annually, which transport water into two underground tanks of reinforced concrete with a volume of 500 m3 each and a water castle with a volume of 100 m3, from where it is distributed to consumption points. Distribution is achieved by gravity and pumping. Before entering the storage tanks, a water chlorination station is provided, authorized by the Buzău Public Health Directorate.

Groundwater withdrawal - water consumption
In the processing sectors, extracted water is used, in particular, for the technological cooling of machines. We also use water in the process of washing plastic material waste in Romcarbon Recycling sector, which is equipped with its own water treatment station, in order to recirculate and reuse the water. Water consumption for employees (lunch - rooms, social/sanitary groups) is added.
Romcarbon supplies the water needed for production and employees, but also to companies located on the Romcarbon Platform and to "Costin Nenițescu" Technological High School Buzău.

Wastewater

Wastewater collection on Romcarbon platform is carried out via three sewer networks:
- The collection network for household wastewater and technological water that requires purification;
- The technological water collection network used for cooling, which does not require purification;
- Rainwater collection network



9. WATER AND MARINE RESOURCES

Livingjumbo evacuates household wastewater to the sewerage network of the Municipality of Buzău through Romcarbon's internal collection network. The technological waters from its activity are recirculated.
Romcarbon, as a sole owner of the sewerage networks, takes all possible measures to comply with the maximum admissible limits of wastewater quality indicators provided in normative acts, authorizations, connection agreements and contracts.

Domestic and technological wastewater that requires purification is discharged into the sewerage network of Buzau Municipality, based on the contract signed with the Water Company and the Connection Agreement.
The indicators and maximum quality limits are provided in the service contract and the Connection Agreement, concluded with Buzau Water Company, in compliance with Order no. 31/2006 and GD 352/2005 with subsequent amendments and additions, as well as NTPA 002. The indicators are: pH - 6.5 - 8.5 pH units; Suspended matter - 200 mg/dmc; Biochemical oxygen consumption (CBO5) - 250 mgO2/dmc; Chemical oxygen consumption - CCO Cr - 400 mgO2/dmc; Ammonium - 30 mg/dmc; Iron - 5 mg/dmc; Total phosphorus - 5 mg/dmc; Zinc - 1 mg/dmc; Total chromium - 0.1 mg/dmc; Aluminum - 5 mg/dmc; Synthetic detergents - 20 mg/dmc; Extractable substances - 30 mg/dmc; Residue filtered at 105 °C - 2000 mg/dmc.
Romcarbon has the obligation to self-monitor the indicators mentioned above with quarterly frequency, annually analyzing polycyclic aromatic hydrocarbons (PAH-Naphthalene, Acenaphthene, Fluorene, Phenanthrene, Anthracene, Fluoranthene, Pyrene, Benz-a-anthracene, Chrisene, Benz-b-fluoranthene, Benz-k-fluomnten, Benz-a-pyrene, Dibenzo-a, h-anthracene, Benz-gy-perylene, Indeno-1,2,3 -c, d-pyrene).
The wastewater that does not require purification (resulting from the process of machinery cooling), together with the rainwater collected from the site, is discharged into the Buzau River through a pipeline, based on the authorization issued by N.A. ROMANIAN WATERS – Buzău-Ialomița Water Basin Administration.
For technological waters that do not require purification and meteoric waters, the maximum quality indicators and limits are provided by the Water Management Authorization issued by A.N. ROMANIAN WATERS, issued by the Buzău-Ialomita Water Basin Administration: Temperature - 35 °C; pH - 6.5-8.5 pH units; Suspended matter - 60 mg/dmc; Biochemical oxygen consumption (CBO5) – 25 mgO2/dmc;
Chemical oxygen consumption (CCO.Cr) -125 mgO2/dmc; Petroleum products – 5.0 mg/dmc; Residue filtered at 105 degrees C – 2000 mg/dmc; Ammonium – 3.0 mg/dmc; Detergents – 0.5 mg/dmc.

Romcarbon has the obligation to self-monitor the quality of discharged wastewater, according to GD no. 188/2002 amended and supplemented by GD no. 352/2005 and NTPA-001. The frequency of determination of wastewater quality indicators is quarterly, the determination of quality indicators being carried out in its own or third-party laboratory. DEHp-Di (2-ethylhexyl) phthalate, trichlorobenzene, tetrachlorobenzene, benzenes, 1,2 dichloroethane, chloroform and dichloromethane are also monitored with a semi-annual frequency.

The wastewater resulting from the technological process is collected in a neutralization basin, the neutralization process being carried out under the strict monitoring of our own laboratory, the discharge into the sewage network of the Municipality of Buzău being made only under the conditions in which their quality complies with the monitored indicators.

The wastewater resulting from the process of washing plastics is pre-purified in a pre-purification station composed of :
• mechanical purification stage (pre-filter installation and equalization basin);
• the physico-chemical purification step (flotation system and automatic chemical treatment plant);
• biological treatment stage (contact basin and aeration basin);
• dewatering the sludge.

The purified water in this installation is reintroduced in the process of washing the plastics.

Through process monitoring and periodic measurements, we aim not to exceed the permitted limits of the monitored indicators. In the year 2023 there were certain exceedances for some indicators on the route of the collecting channel. We intensified the monitoring of indicators of water in the last manholes of Romcarbon platform, to identify any possible inside contamination and, also, we intensified the controls in sectors.
Romcarbon relies heavily on water as an essential resource, withdrawing significant volumes for various operations.

9. WATER AND MARINE RESOURCES

The primary water-related risks for Romcarbon include not being able to extract water needed in the production process, a risk that derives from the physical risks related to climate change, like changes in freshwater availability and quality, as well as natural hazards such as flooding. Climate change can amplify these risks, leading to more frequent heavy rainfall events or on the contrary, to drought. Seasonal droughts pose another risk, potentially disrupting water availability for operations and logistics within Romcarbon's value chain. Environmental management and continued environmental performance are guided by the requirements of the Group's certified quality and environmental management systems.

During the double-materiality assessment, The Group identified water-related impacts, risks and opportunities both in own operations and in the value chain, by conducting consultation with various stakeholders, through the distributed questionnaires. The impacts, risks and opportunities identified are related only to sub-topic "water". Because we only operate on land, the sub-topic "marine resources" is not material. We are particularly concerned with and take great care of key areas such as water consumption, water withdrawals, and water discharges (wastewater management). In screening our activities and processes to identify water-related impacts, risk and opportunities, we used a methodology similar to the LEAP approach. This involved identifying the locations where the water related IROs can occur, evaluating dependencies and impacts, and assessing associated risks and opportunities.
The location where „water" is a material topic is the area where Romcarbon Group factories are situated: 132 Transilvaniei street, Buzau, Romania.

The business activities associated with water-material impacts, risks and opportunities are polymer recycling and compounds (essential) and plastic processing (important).

More details included in the Double Materiality section of this report.

Next steps

9.2.Policies related to water management

Water management is carried out in accordance with Water Management Authorization no. 107/10.06.2022, issued by the "APELE ROMANE" National Administration, the Buzău-Ialomița Basin Administration, regarding "Water supply and wastewater disposal at Romcarbon SA".
As of now, Romcarbon Group does not have a separate Water management policy in place, the aspects in domain being included in Environment Policy, however, it is actively working on updating Environment Policy by 2024.

Actions planned for 2024 regarding Policies:	Policies under evaluation:
The Group will update the Environment Policy, developing Water Management chapter and related procedures addressing each identified IRO, by including the followings: • **a description of the scope of the policy, or of its exclusions, in terms of activities, upstream and/or downstream value chain, geographies and if relevant, affected stakeholder groups;** • **the most senior level within Romcarbon Group that is accountable for the implementation of the policy;** • **a description of the consideration given to the interests of key stakeholders in setting the policy;** • **whether and how the policy addresses water management material IROs:, including the use and sourcing of water in own operations, water treatment as a step towards more sustainable sourcing of water and the prevention and abatement of water pollution resulting from our activities** • **details on how the policy addresses product and service design in view of addressing water-related issues** • **Commitment to reduce material water consumption in areas at water risk in own operations and along the value chain**	✓ Environmental Policy (existent)

9. WATER AND MARINE RESOURCES

9.3.Targets, Actions and resources related to water management

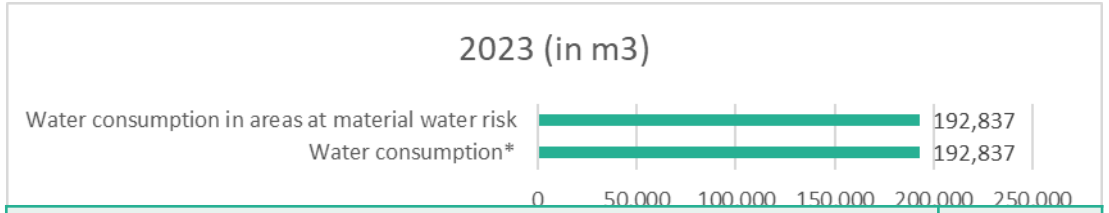
Monitoring of water consumption is done at the central level, but also for each sector, based on the metering and information sent by the Administrative Service. In order to reduce consumption, during the year 2023 an extensive action was carried out to ensure the recirculation of technological cooling water for machines in all production sectors.

I/R/O	Description	Targets	Actions in 2023
Impact -	Water consumption in a water stress area. The water stress in the region will increase as estimated through the vulnerability scenarios	Reducing water consumption by 15% by 2030 (estimate based on the evolution of consumption over the last 2 years and investment plans for the rehabilitation/renewal of the water distribution network) Analysis of main raw material suppliers (polymers) regarding water consumption Ensuring the water supply necessary for carrying out activities under optimal conditions 100% trained personnel zero interruptions in activity due to water shortages	Continuing the monitoring of water consumption at the Group level. By monitoring daily water consumption, we can identify any water losses, with any consumption exceeding the daily average serving as an alert. In such cases, an immediate check of the supply network is conducted, and measures are taken for remediation if necessary. The ESG Supplier Assessment Questionnaire includes aspects related to commitments, objectives, and targets addressing water consumption. We will update the questionnaire, including requests for information regarding water consumption intensity. **Investments for the modernization of the internal water supply and wastewater and stormwater drainage networks.** In 2023, a new general water pumping structure was installed, including an emergency pumping station in case of fire, to ensure the necessary pressure in the hydrant network (work started in the second half of 2023, with commissioning in Q1-2024). We replaced approximately 500 meters of main water supply pipes, as the old ones were at high risk of bursting, causing associated losses. **Solutions for storing rainwater and using it for production and sanitary groups.** In the feasibility study initiated in 2023, we identified solutions for collecting rainwater from the roofs of production halls and administrative buildings and storing it in underground/aboveground reservoirs. These reservoirs will be equipped with automatic pump systems, and the water will be used as a cooling agent in production, for cleaning the spaces, in sanitary groups, and for irrigating green areas. **Raising awareness among staff for efficient water use and waste reduction by placing alert messages at consumption points**. Increasing the degree of technological water recirculation. In 2023, in the processing sectors, several pieces of equipment were integrated into the cooling water recirculation system by connecting them to chillers.
Impact -	Romcarbon Group' suppliers could use a significant quantity of water to produce our needed raw materials		
Risk	Not able to extract the water needed in the production process. The alternative being the need to connect to and purchase water from the city's network if available.		

9. WATER AND MARINE RESOURCES

I/R/O	Description	Targets	Actions in 2023
Impact -	Discharge of contaminated water into Buzau river due to mishandling due to the cracking of tanks at the wastewater treatment plant.	No instances of exceeding the water quality discharge criteria.	Monitoring of quality indicators for discharged wastewater in accordance with current permits; periodic analysis reports for discharged water. Through process monitoring and periodic measurements, we aim to ensure that we do not exceed the permitted limits for monitored indicators in discharged water. In 2023, there were certain exceedances for some indicators in the collecting channel route. We have intensified monitoring of water indicators at the last manholes of the Romcarbon platform and increased controls in sectors to detect and eliminate any potential contamination.
Risk	Reputational and legal/ fines risk in cased of discharging contaminated waste water (above legal limits)		Proper maintenance of the water basins at the treatment plant. In 2023, a thorough cleaning and inspection of the basins at the recycling sector treatment plant were conducted, with a specialized company hired for this purpose.

9.4. Water consumption



Water intensity ratio (m3/mil.EUR)	**3,121.04**
Water sold (m3)	5,764

According to Aqueduct, Buzau is in a area of water risk and high-water stress. Moreover, according to the climate risk assessment performed, the drought stress has a potential of becoming high in 2100 in the worst climate scenario (RCP 8.5), judging by the Drought Stress Index based on SPEI (Standardised Precipitation-Evapotranspiration Index).

For Romcarbon Group, the water consumption in areas at water risk is the same as the total water consumption.

*The total net consumption of the Group is considered, excluding water sold to third parties (outside the Group).

** SPEI is a multi-scalar drought index that is used to determine the onset, duration and magnitude of drought conditions in relation to normal conditions, where the climatic water balance over the second half of the 20th century is considered as reference conditions

9. WATER AND MARINE RESOURCES

Company	2021 (m3)	Water Consumption 2022 (m3)	Water Consumption 2023 (m3)
ROMCARBON	322,660	274,560	181,927
LIVINGJUMBO INDUSTRY	6,520	6,940	10,362
RC ENERGO INSTALL	Not available	Not available	492
INFO TECH	Not available	Not available	56
THIRD PARTIES	Not available	Not available	5,764
TOTAL water captured by the Group	**Not available**	**Not available**	**198,601**

In 2023, there was a 30.7% reduction in the amount of groundwater extracted/consumed compared to 2022. Regarding the treatment and recirculation of water, the treatment station in Romcarbon recycling sector has a capacity of 150 m3/day (water is recirculated after treatment). Considering 300 working days per year, it can be estimated that recirculation provides a reduction of approximately 45,000 m3/year compared to using water from the general water supply systen. We approximate that 30% of the consumption reduction compared to 2022 was due to the expansion of technological water recirculation.

Regarding water storage, in 2023 the following volumes of water were stored:

- ✓ 1000 m3 in two reinforced concrete underground reservoirs, each with a capacity of 500 m3, initially storing groundwater extracted and transported via pipeline to the entrance of the Romcarbon Platform. Subsequently, depending on consumption, the water reserve is continuously replenished through the pumping system.
- ✓ 100 m3 in the water tower (intermediate between storage reservoirs and the internal water distribution network). 2023 was the last year the water tower was used. Starting in 2024, a new automated pumping group was installed, rendering the water tower unnecessary.
- ✓ 500 m3 in an underground reinforced concrete reservoir, serving as the intangible fire reserve.

9.4. Discharged water

Company	Volume Discharged water 2021 (m3)	Volume Discharged water 2022 (m3)	Volume Discharged water 2023 (m3)
ROMCARBON	335,660	273,503	185,065
LIVINGJUMBO INDUSTRY	6,520	6,940	10,272
RC ENERGO INSTALL	Not available	Not available	475
INFO TECH	Not available	Not available	56
THIRD PARTIES	Not available	Not available	5,801
TOTAL	**Not available**	**Not available**	**201,669**

*The total net consumption of the Group is considered, excluding water sold to third parties (outside the Group).

** SPEI is a multi-scalar drought index that is used to determine the onset, duration and magnitude of drought conditions in relation to normal conditions, where the climatic water balance over the second half of the 20th century is considered as reference conditions

9. WATER AND MARINE RESOURCES

9.5. Water consumption intensity

Company	Water Consumption 2023	Net income from own operations 2023*		Water consumption intensity
	m3	mil lei	mil. EUR	m3/mil.EUR
ROMCARBON**	198,601	214.23	43.44	4,571.49
LIVINGJUMBO INDUSTRY	10,362	115.49	23.42	442.45
RC ENERGO INSTALL	492	20.39	4.14	118.97
INFO TECH SOLUTIONS	56	2.03	0.41	136.10
TOTAL GROUP* **	**192,837**	**304.68**	**61.79**	**3,121.04**
Average BNR exchange rate for EUR in 2023		4.93127		
*** Turnover (includes utility sales)**				
**** Water extracted is considered, including the quantity sold within the group and to third parties outside the group.**				
***** Total net consumption of the Group is considered, excluding water sold to third parties (outside the group)**				
****** Total net revenues for the Group exclude 47,457.66 million lei, representing consolidation adjustments**				

** SPEI is a multi-scalar drought index that is used to determine the onset, duration and magnitude of drought conditions in relation to normal conditions, where the climatic water balance over the second half of the 20th century is considered as reference conditions

10

CIRCULAR ECONOMY
[in preparation for ESRS E5]

ROMCARBON since 1952

10. CIRCULAR ECONOMY

As a plastic materials processor, from the very beginning we have considered recy
a duty to society and the environment, being a promoter of the circular economy. The impact our activity and products can have on the environment is controlled and reduced by our involvement in waste management, by our actions as a recycler and by using a significant proportion of recycled material in our products.
We are committed to identifying practical solutions that can contribute to improving our waste management performance, but also to reducing the impact that plastic products have on the environment.

10.1. Description of processes to identify and assess material circular economy-related impacts, risks and opportunities

The Group has conducted a thorough materiality analysis of its business operations, pinpointing potential and actual circular economy-related impacts and risks (IROs) within its own activities and throughout the supply chain. Through the survey that we conducted, we gained insights from various stakeholders, including the affected communities; in this way, the interested stakeholders were consulted (had the opportunity to respond to the questions). These IROs were then evaluated to determine their significance, employing a methodology similar to the LEAP framework. This involved evaluating dependencies and impacts, and assessing associated risks and opportunities.

10. CIRCULAR ECONOMY

10.2. Policies related to resource use and circular economy

In accordance with the legal regulations in the field of waste, implementation of waste management is a mature part of the Romcarbon Group's activity, internally regulated by specific procedures. Each sector has clear responsibilities for tracking the generated waste, for recording and reporting it internally, for sorting and directing it to its own specific storage places.

Our circular economy focus is also addressed through the Environmental Policy principles:

- ✓ to get involved in environmental protection by reducing the effects on the environment (emissions, waste) and through separate collection and recovery in conditions of maximum safety of residual waste.
- ✓ separate collection and recovery of residual waste
- ✓ the efficient use of raw materials and energy resources
- ✓ reduce the impact on the environment by developing the recycling sector and of bio-compact and compostable products

Purchases of waste for recycling are made in compliance with the traceability rules established by the authorities in the field of waste purchases and transport from internal and external sources, Romcarbon being registered in the SIATD system (Informative System for Waste Traceability Assurance). Through internal and external audits, we ensure that waste management policy and procedures are properly followed and implemented.

10. CIRCULAR ECONOMY

We evaluate, through internal audits:

- The manner of fulfilling the obligations resulting from the Integrated Management System (according to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2023) in terms of its effectiveness and compliance with the requirements of the reference standards transposed in the implemented documented procedures;
- whether the Integrated Management System still meets the applicable legal, regulatory and contractual requirements;
- continuity of operational control.

External audits are carried out by certification authorities, customers and public authorities. The audits are carried out by certification authorities SRAC Romania for Romcarbon and RINA SIMTEX for Livingjumbo Industry and have the following objectives:

- assessment of the compliance and effectiveness of the Integrated Management System with the requirements of the reference standards;
- identifying areas for potential improvement of the Integrated Management System.

Following the audits/controls, programs of measures with actions, responsible persons and deadlines are established.
Following the audits/controls carried out in 2023 by SRAC Romania and RINA SIMTEX, no non-conformities or opportunities for improvement on environmental aspects were reported.

Waste management is carried out in accordance with the Environmental Management System implemented in the Group's companies, through the internal policy and procedures in the field, in accordance with the legislation in force, with the provisions of the environmental authorization and with our strategy.

In our applied waste policy, we consider REDUCTION and INTERNAL REUSE to be of major importance.
Romcarbon and Livingjumbo Industry have implemented a "Program for prevention and reduction of generated waste", according to law requirements. The Program translates policies into actionable items, detailing specific steps, resources and responsibilities.

✓ Transfer of Responsibility

In order to achieve the targets provided by law regarding the recycling and market, Romcarbon and Livingjumbo Industry have transferred the responsibility of collection and recycling for the packaging introduced on the market to organizations OIREP (Organizations for implementing the Obligations regarding the Extended Responsibility of Producers). The responsibility refers to all types of packaging: Plastic/PET, paper/cardboard, metal and wood, and at the end of each year we receive the report on the achievement of the objectives. In this respect, the recovery target set by Law 249/2015 of 65% has been met through organizations implementing extended producer responsibility (OIREP). Energo Install, beside packaging, transferred to OIREP the responsibility for WEEE - Waste electrical and electronic equipment

Recycled plastic materials and objects intended to come in contact with food

In accordance with EU Comission Regulation 2022/1616 of September 15, 2022, on recycled plastic materials and objects intended to come in contact with food, the economic operators who place them on the market must comply with appropriate recycling technologies.

To this end, in October 2022, Livingjumbo Industry become a member of PETCORE EUROPE, the non-profit association through which steps are taken to establish the technologies to obtain films and casseroles from PET that use functional barrier with inner recycled content as suitable for use in contact with food.
Livingjumbo Industry is part of the "Functional Barrier Task Force", taking the following necessary steps in the first quarter of 2023: at the individual level - registration as a recycler using this technology in the European Union Register and at the national level - registration at the National Institute of Public Health, and notification to EFSA (European Food Safety Authority), through PETCORE EUROPE.

Biodegradable products
Romcarbon produces bags from biodegradable materials, providing part of the domestic market's consumption of such packaging. Our products are certified "OK Compost Home" and "OK Compost Industrial", according to EN 13432, by TUV Austria.

10. CIRCULAR ECONOMY

Romcarbon Group will update its circular economy related policies and procedures, as follows:

Next steps

Actions planned for 2024 regarding Policies:	Policies under evaluation:
The Group will update its Environmental Management Policy and related procedures addressing each identified IRO, by including the followings: ✓ **a description of the scope of the policy, or of its exclusions, in terms of activities, upstream and/or downstream value chain, geographies and if relevant, affected stakeholder groups;** ✓ **the most senior level within Romcarbon Group that is accountable for the implementation of the policy;** ✓ **a description of the consideration given to the interests of key stakeholders in setting the policy;** ✓ **Include the process of monitoring** ✓ **Describe the sustainable sourcing process**	✓ Environmental Policy (existent) ✓ Purchasing Policy

10.3. Actions and resources related to resource use and circular economy

Our progress to 2022-2030 Sustainabiliy strategy:

Target	2022 Stage	2023 Stage
Increasing the degree of recycled materials* use in the traditional plastic processing activity until 2030 - to reach 35% of the total raw materials).	Romcarbon = 35% Livingjumbo Industry= 21%	Romcarbon = 37% Livingjumbo Industry= 22%
15% increase in the production of recycled polymers by 2025 (basis 2021)	Romcarbon = -12%	Romcarbon = -26%
Reduction of the amount of technologic waste generated/total amount of production obtained (in tons) = 2%	Romcarbon = -2,06% Livingjumbo Industry= -9,5%	Romcarbon = +10.2% Livingjumbo Industry= +2.9%
At least 2 partnerships established to promote the circular economy in the value chain	In progress	In progress

* Recycled materials: own technological waste, regranulated material in the own recycling sector from post-industrial and post-consumer waste purchased from the market, recycled material (flakes, regranulated) purchased from the market

10. CIRCULAR ECONOMY

In relation to the newly identified impacts, risks and opportunities, we have performed the following actions:

I/R/O	Description	Actions during 2023
Impact+	The Romcarbon Group uses waste (post-consumer waste and its own technological waste) as raw material. Solutions are being studied to integrate a larger quantity of recycled materials. Through activities of recycling plastic waste (including plastic packaging), we reduce the amounts of virgin plastic pellets used in the production of finished products.	In 2023, a new polyolefin (PP/LDPE) recycling line with a processing capacity of approximately 5000 tons/year was added to the sector Recycled polymers & Compounds. In the short and medium-term plan, we have an investment of over 9 million EUR planned, which will integrate recycling-packaging production activities, specifically aiming to adapt to new European regulations in the field.
Opportunity	Increase the percentage of recycled waste. Implement cost synergies throughout the entire Group	
Opportunity	Opportunity to obtain a lower cost of financing for specific circular economy projects	To be defined

10.4. Targets related to resource use and circular economy

Our targets refer to the increase of circular material use, the minimization of virgin raw materials and the waste management. By establishing such targets, we make a commitment to specific improvements in product design that help reduce resources inflows (by reducing the need for new polymers) and minimize resource outflows (by reducing waste). Romcabon is effectively reducing the need for virgin polymers derived from non-renewable resources such as crude oil; this shift means that for each unit of recycled polymer production, there is a corresponding reduction in the amount of primary raw materials.

Through conservation of resources (the process of recycling polymers consumes less energy and fewer resources compared to the extraction and processing of new materials) and through waste diversion (increasing production of recycled polymers contributes to greater diversion of plastic waste from landfills), our targets are important in transitioning to a circular economy model.

Moreover, the target of "Reduction the quantity of generated waste by 10% until 2030" relates to waste management by aiming to decrease the waste output per unit of production. This target is a clear indicator of efficiency improvements in production process and waste management practices.

10. CIRCULAR ECONOMY

Target	Basis for setting the target	Actions	Metrics
Replacing virgin raw materials with recycled material to the greatest extent possible ➢ At least 35% (by 2030) and at least 65% (by 2040) of recycled content recovered from post-consumer plastic waste in plastic packaging produced within the Grou	Obligations in accordance with the EU Regulation amending EU Regulation 2019/1020 and EU Directive 2019/904 regarding packaging and packaging waste	✓ Ensuring a high proportion of recycled material for internal production (within the country) ✓ Identifying European sources to secure sufficient and high-quality post-consumer recycled materials for the products/sectors within the Group where internal supply is insufficient ✓ Investing in equipment and machinery that allow for the incorporation of a higher proportion of recycled material, where applicable ✓ Attracting funding dedicated to the circular economy	• Percentage (%) of recycled content from post-consumer waste in raw materials consumed for packaging production • Percentage (%) of recyclable plastic products in total group production (tons)
100% recyclability for plastic packaging produced within the group			
10% reduction in the amount of waste by 2030 (compared to 2023)	Analysis of the evolution of the quantity of waste generated in the last 3 years	✓ Reduction of non-recoverable technological waste ✓ Acquisition of equipment that can process a higher proportion of recycled material ✓ Reuse of technological waste in the process ✓ Refurbishing wooden pallets for reuse ✓ Identifying efficient solutions to recover clean plastic packaging from customers for delivered products	• % of waste generated in the reporting year / waste generated in the reference year (for plastic)

The European Union sets ambitious targets for the content of recycled plastic waste in plastic packaging: a minimum of 35% by 2030 and 65% by 2040. It stipulates that the recovery must come from waste collected and recycled within the EU or in other countries adhering to applicable EU directives.

The origin of recycled material (post-consumer/post-industrial) must be clearly identified and implementing a transparent traceability system from collection(through recycling to use) and transformation into finished products (packaging) is necessary.

This will be challenging for all plastic packaging producers, both in terms of sourcing and the quality of recycled material, as well as in processing each type of packaging with a high recycled content. We will adapt to these new requirements while following up for the publishing of implementation norms for the new regulations. The advantage of having a developed recycling sector within the Group is obvious, and we continue to work on increasing the integration capacity of a higher proportion of recycled material into our products, while simultaneously developing procurement sources in the market for post-consumer waste/recycled materials.

10. CIRCULAR ECONOMY

Weight of recycled input materials used in the production process, in the plastic processing sectors of the manufacturing companies within the Group.		
	2022 (%)	2023 (%)
ROMCARBON total, out of which:	35%	36.90%
Sector Processing of Polyethylene	57.17%	59.80%
Sector Processing of Polypropylene	1.06%	1.40%
Sector Processing of Polystyrene	29.44%	31.15%
Sector PVC Supports	100%	100%
LIVINGJUMBO INDUSTRY total, out of which:	21.10%	21.70%
Sector Processing of Polypropylene	2.90%	2.50%
Sector Processing of PET	34.10%	36%
Recycled materials: own technological waste, regranulated material from our own sector for recycling post-industrial and post-consumer waste purchased from the market, recycled material (flakes, regranulated) purchased from the market.		

We specify that these proportions refer to recycled material derived from our own technological waste (recycled material obtained in our own sectors), from post-industrial and post-consumer waste purchased from the market, or recycled material (flakes, regranulated) purchased from other recyclers. The proportion varies depending on the sector, types of products manufactured, and the capacity of existing equipment to produce high-quality finished products from a mix of virgin and recycled materials.

The need to replace some extruders is evident and is part of our short and medium-term investment plans. Additionally, we are investing in the recycling sector to increase both the quantitative and qualitative capacity for sorting and processing.

Regarding recyclability, all plastic products manufactured by Romcarbon are 100% recyclable. These products are made from plastic, collected for recycling, sorted, and aggregated into defined streams for recycling processes. They can be processed and recovered/recycled through commercial recycling processes. Recycled plastic becomes a raw material used in the production of new products.

Similarly, at Livingjumbo Industry, for products made from PP and PE, with separate mention for PET multi-material products (recyclability >80%) and multi-layer barrier films (recyclability >70%), efforts are underway to ensure recyclability. In these cases, recycled plastic can become a raw material used in the production of new products, depending on technological developments at the European level, including the use of compatibilizers or chemical recycling. Solutions are being identified at Livingjumbo Industry to ensure 100% recyclability for these product groups as well.

10. CIRCULAR ECONOMY

10.5. Resource inflows

Our concern for replacing as much virgin raw materials as possible translates into the search for solutions to increase the equipment capacity and products to incorporate recycled material, to expand the sources of purchasing waste and recycled granules, in testing and assimilation in production of materials from several suppliers.
In the sectors where the capacity to absorb recycled material is reduced - for objective reasons, primarily related to the production equipment - we have investment plans to renew the extrusion capacity with new machines, designed specifically for this purpose. These are complex projects that will maximize the advantage of the simultaneous presence in our group of the recycling and plastic processing sectors.

Another way to participate in the development of the circular economy is through Romcarbon products that are directly addressed to the field of separate collection of waste from individual households, especially through "yellow" bags (associated with plastic-metal collection), "blue" bags (associated with paper- cardboard) and "green" bags (associated with glass collection) delivered either directly to sanitation companies, or through Intercommunity Development Associations.
More than 20 million such bags delivered in 2023, an increase of more than 66% compared to the previous year, bring an advantage both in terms of the increase in turnover, but also as evidence of the increase in concern regarding waste separation at the national level.

In the polypropylene processing sectors, both in Romcarbon and in Livingjumbo Industry, we are studying solutions for integrating a higher quantity of recycled material into the finished product, without affecting the quality and strength of the yarn and of fabric, the basic characteristics that give the bag strength.

In PET sector of Livinjumbo Industry, we produce PET rigid films and casseroles, and flexible barrier films for food packaging, assuring a high safety level for packaged products and extension of shelf life, conditions for reduction of food waste and, implicitly, of resources.
The equipment for production of 3-layers coextruded rigid PET film are designed to work on the middle layer predominantly with recycled material – flakes and grinded PET – protected by external layers of virgin PET and, for a part of casseroles thermoformed from the respective foil, by lamination film.

Biodegradable products are made entirely from biodegradable raw materials, certified accordingly. In 2023, the proportion of products made from biodegradable material in Romcarbon's production and sales decreased. Thus, biodegradable raw materials accounted for 0.17% of the total raw materials and materials processed in the polyethylene processing sector.

Materials used for the production and packaging of products and services				
Materials used (t)	**2020**	**2021**	**2022**	**2023**
ROMCARBON	24,202	27,367	25,800	22,369
LIVINGJUMBO INDUSTRY	13,457	14,174	13,682	10,654
TOTAL FIRME PRODUCTIE	37,659	41,541	39,482	33,023
RC ENERGO INSTALL*				9.34
INFO TECH SOLUTIONS **				
*For RC Energo Install, construction materials are identified and purchased in kg. Other materials are purchased in different units (units, boxes, crates, etc.), and there is no recorded information regarding their weight.				
** For Info Tech Solutions, all materials are recorded per unit, and there is no recorded information regarding their weight.				

10. CIRCULAR ECONOMY

Recycled input materials used in the production process, in plastic processing sectors of the manufacturing companies within the Group				
ROMCARBON	**2020**	**2021**	**2022**	**2023**
%	*28%*	*31%*	*35%*	*37%*
Tones	3,786.6	4,241.8	4,431.7	3,775.3
LIVINGJUMBO INDUSTRY				
%	*31%*	*17%*	*21%*	*22%*
Tones	4,159.1	2,419.1	2,880.6	2,315.1

The weight, in both absolute value and percentage, of secondary recycled components used to manufacture Romcarbon's products, in the sectors of Recycled Polymers and Compounds				
ROMCARBON	**2020**	**2021**	**2022**	**2023**
%	*97%*	*97%*	*93%*	*96%*
Tones	10,214.27	13,087.77	12,451.15	9,653.52

10. CIRCULAR ECONOMY

10.6. Resource outflows

Description of the key products and materialis that come out of production process and that are designed along circular principles including recyclability and durability details

Products	Recyclability (%)		Observations	Estimated durability depending on composition and conditions of use
Romcarbon				
Plastic materials				
Products processed from polyethylene	100%		The products are made from plastic, collected for recycling, sorted and aggregated into defined streams for recycling processes. They can be processed and recovered/recycled through commercial recycling processes. Recycled plastic becomes a raw material used in the production of new products.	max. 2 years
Products processed from polystyren	100%			max. 2 years
Products processed from polypropylene (small bags)	100%			max.1 year
PVC supports	100%			max. 5 years
Other products				
Auto and industrial filters	100%			max. 1 year
Respiratory protection materials	100%			max. 10 years
LivingJumbo Industry*				
Plastic Materials				
Products processed from polypropylene (big bags)	100%		The products are made from plastic, collected for recycling; sorted and aggregated into defined streams for recycling processes; can be processed and recovered/recycled through commercial recycling processes; recycled plastic becomes a raw material used in the production of new products.	max. 1 year
Single-layer polyethylene films	100%			max. 2 years
Products processed from PET (PET film and containers)	mono-material: 100%	multi-material: > 80%	The products are made from plastic, collected for recycling; sorted and aggregated into defined streams for recycling processes; can be processed and recovered/recycled through commercial recycling processes; recycled plastic becomes a raw material used in the production of new products.	max. 2 years
Multi-layer barrier films	multi-material: >70%		The products are made from plastic; they can be processed and recovered/recycled through commercial recycling processes. Recycled plastic can become a raw material used in the production of new products depending on technological developments at the European level, including the use of compatibilizers or chemical recycling.	max. 3 years

*In Livingjumbo Industry, in the Polypropylene sector, we produce one of the most efficient types of packaging: flexible "big-bags" (FIBC), used for packaging of bulk products, in large quantities, up to 2 tons of material/bag weighing between 1 and 3.5 kg. They are widely used in the world, being intended for agriculture (cereal packaging), chemical industries (especially fertilizers), food (sugar, salt, etc.), recycling (construction waste, glass waste, etc.), the waste being recyclable.

10. CIRCULAR ECONOMY

Composition of waste

ROMCARBON GROUP	2022	2023
Waste generated	5,709.49	5,225.37
Hazardous waste diverted from disposal	10.85	7.3
Hazardous waste diverted from disposal due to preparation for reuse	0	0
Hazardous waste diverted from disposal due to recycling	0	0.29
Hazardous waste diverted from disposal due to other recovery operations	10.85	7.01
Non-hazardous waste diverted from disposal	5,263.50	4,722.72
Non-hazardous waste diverted from disposal due to preparation for reuse	48.35	72.75
Non-hazardous waste diverted from disposal due to recycling	991.60	493.89
Non-hazardous waste diverted from disposal due to other recovery operations	4,223.56	4,156.08
Hazardous waste directed to disposal	0.19	2.13
Hazardous waste directed to disposal by incineration	0	0
Hazardous waste directed to disposal by landfilling	0	0
Hazardous waste directed to disposal by other disposal operations	0.19	2.13
Non-hazardous waste directed to disposal	5,17.03	486.79
Non-hazardous waste directed to disposal by incineration	0	0
Non-hazardous waste directed to disposal by landfilling	517.03	486.79
Non-hazardous waste directed to disposal by other disposal operations	0	0
Non-recycled waste	2,218.25	1,904.93
Percentage of non-recycled waste	66%	62%

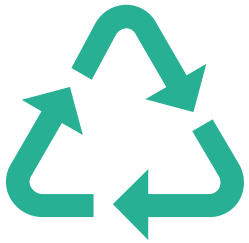
Generated Waste in 2023

ROMCARBON GROUP	ROMCARBON (to)	LIVINGJUMBO INDUSTRY (to)	RC ENERGO INSTALL (to)	INFO TECH SOLUTIONS (to)	TOTAL GRUP (to)
Total generated waste, out of which:	**3,077.76**	**2,142.03**	**4.26**	**1.32**	**5,225.37**
Non-hazardous waste, out of which:	**3,072.49**	**2,137.97**	**4.26**	**1.32**	**5,216.04**
Plastic materials	1,054.75	1,974.96			3,029.71
Paper-cardboard	41.82	46.92			88.74
Metals-Nonmetals	132.76	5.38	1.62		139.76
Wood	237.9	16.4			254.3
Other categories	1,412.61	0			1,412.61
Municipal waste	192.65	94.31	2.64	1.32	290.92
Hazardous waste	**5.27**	**4.06**			**9.33**

10. CIRCULAR ECONOMY

Waste diverted from disposal

Waste diverted from disposal, Romcarbon Group, 2023							
Waste diverted from disposal, 2023*	Recovery operation						
	Preparation for reuse		Recycling		Other recovery options		TOTAL
	code	Quantity (to)	code	Quantity (to)	code	Quantity (to)**	Quantity(to)
Non-hazardous waste	R3 (wood)	72.75	R3 (other)	493.89	R1,R12	4,156.08	**4,722.72**
Hazardous waste			R3 (other)	0.29	R1,R9,R12	7.01	**7.3**
TOTAL		**72.75**		**494.18**		**4,163.09**	**4,730.02**
*for Romcarbon, the calculation excludes the recovery of waste purchased from the market for recycling = 9,681 tons)							
**In "Other recovery options" it is also included the recovery by co-incineration for energy purposes = R1 = 1,364.51 tons (non-hazardous, Romcarbon) + 48.48 tons (non-hazardous, LivingJumbo Industry) + 2.92 tons (hazardous, Romcarbon)							



Waste directed to disposal

Waste directed to disposal, Romcarbon Group, 2023							
Waste directed to disposal, 2023	Waste treatment types						
	Incineration		Landfill		Other disposal operations		TOTAL
	code	Quantity (to)	code	Quantity (to)	code	Quantity (to)**	Quantity(to)
Non-hazardous waste			D5,15	486.79			**486.79**
Hazardous waste					D9, D15	2.13	**2.13**
TOTAL				**486.79**		**2.13**	**488.92**

Total amount and percentage of non-recycled waste

Non-recycled waste		
Total non-recycled waste (to)	1,904.93	includes disposed waste + waste recovered by co-incineration for energy purposes (1,364.52 non-hazardous tons Romcarbon + 48.58 non-hazardous tons Livingjumbo Industry + 2.92 hazardous tons Romcarbon)
% non-recycled waste	62%	Total non-recycled waste/ total generated waste

10. CIRCULAR ECONOMY

Quantity of own waste processed internally for reuse in own production

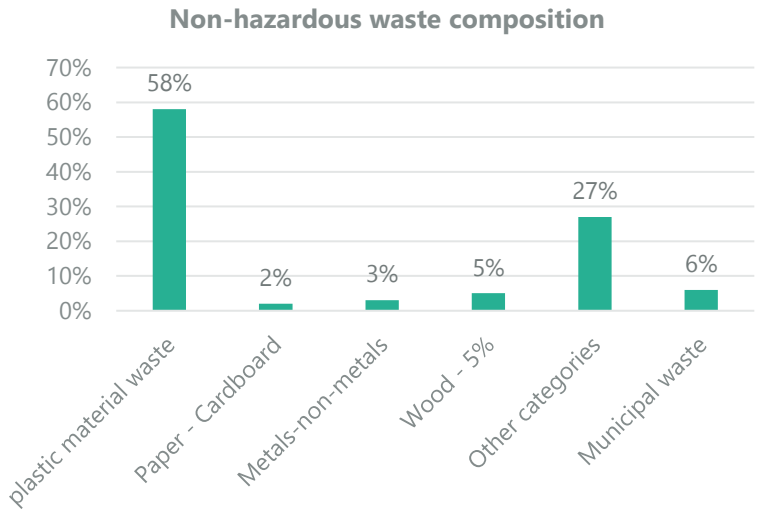
	ROMCARBON	LIVINGJUMBO INDUSTRY
PE	238.64	112.69
PP	151.55	-
PS	1,137.81	-
PVC	4.90	-
PET	-	1,023.65
TOTAL	**1,532.90**	**1,136.34**

In 2023, Romcarbon purchased from the market approximately 9,500 tons of plastic waste, of which 59% was packaging waste. These were processed in the recycling sector, and the resulting material was either used as a substitute for raw material in the processing sectors of the Group, or was sold to other users.

At this moment, we do not have the mechanism to clearly identify post-industrial waste from post-consumer waste in purchases from collectors. In the future, this mechanism will have to be implemented in the market and also internally, in order to meet the new requirements regarding the measurement of the recycled content recovered from post-consumer plastic waste in the produced packaging.

In the two major sectors of activity - plastic materials processing and recycling - Romcarbon generates the following types of waste: technological and sorting waste, along with packaging waste, waste resulting from the use of forklifts, equipment maintenance, disassembly, etc. Traceability and reporting to authority is assured for each type of waste. The group companies recover on site, in the recycling sector, a large part of the plastic waste, meaning the waste from the packaging of the supplied raw materials and the technological plastic waste from our production.

For wood waste, recovery is done by a specific pallet repair/refurbishment workshop, trying to reduce this type of waste as much as possible.



Other categories are comprised of sorting mixtures and sludge from washing from recycling sector.

In 2023, the Group generated 5225.37 tons of waste, of which 99.8% was non-hazardous.

The main generators in the Group were the 2 production companies, Romcarbon - 58.9% and Livingjumbo Industry with 41%.

10. CIRCULAR ECONOMY

Taking into account also municipal waste from 2022, for correct comparability, the 2 production companies generated 8.55% less non-hazardous waste in 2023 compared to 2022.

Quantitative reductions for each were:

- Romcarbon: 8.11% less non-hazardous waste compared to 2022
- Livingjumbo Industry: 9.15% less non-hazardous waste compared to 2022.

The other 2 companies - Energo Install and Info Tech Solutions generated 0.1% of non-hazardous waste, meaning metal waste and municipal household waste.

Regarding the technological waste generated in production, there was an increase of 12.3% compared to the previous year in the amount of waste generated per ton of production in Romcarbon. The increase was due to the reduction in demand, the fragmentation of orders and the more frequent type-dimensional changes.

In the recycling sector, a factor in the growth of production waste was related to the installation and testing of the new polyolefin recycling line. Likewise, in Livingjumbo Industry, the amount of technological waste per ton of production increased (by 2.9% compared to the previous year). The presence of the recycling sector in the Group has shown its advantage, ensuring the recycling of a large proportion of this waste, with the possibility of re-use in its own sectors (over 2600 tons), so that, in the end, the amount of plastic waste generated by the Group (which could no longer be consumed in its own sectors) was reduced compared to the previous year by 11.8%. Of course, the reduction of technological waste is a permanent target, constantly monitoring the level, process control and the training of staff. In addition to plastic, we also consider reducing wood waste as much as possible. In Romcarbon, there is a wooden pallets reconditioning workshop for reuse in the company. In 2023, 3,670 wooden pallets were reconditioned, 51% more than the previous year.

11

OWN WORKFORCE

[in preparation for ESRS S1]

11. OWN WORKFORCE

11.1. Interests and views of own employees

Our employees are integral to Romcarbon Group's operations and represent an essential stakeholder group. We actively encourage them to share their ideas for the betterment of the work environment.

For the year 2023 Romcarbon Group’s employee satisfaction was evaluated in regard to work environment and conditions, employee benefits, career enhancement plan, equal opportunities, communication with superiors and coworkers. A number of 905 employees voluntarily and anonymously filled in a satisfaction questionnaire as part of our policy on Human Resources.

To effectively gather our employees' interests and views, Romcarbon Group’s managers uphold an Open-Door policy. This policy ensures that managers remain approachable, take legal and ethical concerns seriously, and are knowledgeable about the process for escalating issues regarding the own workforce. It is important that Romcarbon Group’ s employees and other interested parties understand that their concerns will be addressed.

We emphasize the importance of raising, reviewing, and promptly assigning concerns for resolution. To ensure that any complaints are heard at the highest levels, Romcarbon Group has introduced a grievance mechanism, detailed in the Governance section of this report.

We implemented in 2023 the whistleblowing reporting channel that includes the reporting procedure and reporting notification form. This is available at https://whistleblowing.romcarbon.com/ and https://whistleblowing.livingjumbo.ro/. Reports can be also made directly to the Human Resources Service.

11. OWN WORKFORCE

11.2 Material impacts, risks and opportunities and their interaction with strategy and business model

At Romcarbon Group, we recognize that the well-being and productivity of our workforce are integral to our overall strategy and business model. To systematically evaluate the factors that might affect our employees, we employed a robust process for identifying and assessing material impacts, risks, and opportunities (IROs).
This process, outlined in detail in the "Double Materiality assessment (DMA)" Chapter, involves comprehensive assessments and stakeholder engagements to ensure all potential workforce-related issues are considered.
Our approach began with identifying and evaluating the material IROs that directly impact our workforce.

This evaluation is crucial as it helps align our strategic objectives with the needs and expectations of our employees.

For example, our 2022-2030 Strategy includes the objective of "Ensuring a healthy and safe working environment for our employees, contractors, and visitors." This objective is directly linked to the impacts on our workforce, reinforcing our commitment to maintaining high standards of health and safety.

The connection between workforce impacts and Romcarbon Group's strategy is further strengthened by our proactive feedback loop. For instance, any potential negative impacts related to health and safety lead us to reassess and enhance our health and safety policies. This continuous improvement cycle ensures that our strategy evolves in response to the real-time needs and conditions of our workforce.

Our workforce presents both risks and opportunities that shape our strategic approach. On the positive side, our business model fosters employee well-being, satisfaction, and productivity through initiatives like health and safety programs and fair compensation practices. Our dependency on skilled workforce deeply influences our approach to training and development.

Romcarbon Group views employee recruitment and development both as a risk and an opportunity. Effective career development programs, along with strong employee engagement and satisfaction initiatives, provide opportunities to attract and retain talent. Conversely, inadequate management of these areas can pose a risk of unfilled vacancies.

By integrating this information into our strategy, we ensure that the impacts, risks and opportunities related to our employees contribute to the improvement of operational activities. This dynamic process highlights our dedication to promoting an optimal work environment.

Following our recent double materiality assessment, three material topics related to Romcarbon Group's own workforce have been identified:

- ✓ working conditions (secure employment, work-life balance, social dialogue and collective agreements, employee health and safety)
- ✓ equal treatment and opportunities for all (gender equality and equal pay, training and skills development, combating discrimination, violence and harassment in the workplace)
- ✓ other work-related rights (privacy)

11. OWN WORKFORCE

Romcarbon Group evaluates the impacts, risks, and opportunities for all employee categories. Specifically, we assess health and safety risks within our operations, including those related to third-party contractors working on our premises. These risks are especially significant for a manufacturing company like ours, where poor safety management can significantly increase the likelihood of on-site injuries.

We did not identify any actual negative impacts on our workforce. The potential negative impacts we identified relate to lost time injuries for both employees and non-employees. These are linked to isolated incidents and do not indicate systemic risks.

In our materiality assessment, several activities have been identified that result in positive impacts on our workforce. They are related to employment stability and opportunities, inclusive decision-making through workers' representatives, health and safety policies, training and competence development, gender equality and equal opportunities.

Currently, no material people-related impacts from climate change transition plans have been identified .

In terms of risks and opportunities deriving from dependency on our workforce, the migration of Romanian employees to the European labor market has led to a local labor shortage, particularly in the industrial, construction and service sectors. To address this shortage and manage market volatility, we, along with many other Romanian employers, have turned to hiring non-EU workers.
Romcarbon Group complies with all relevant health, safety, and labor laws. We have not identified any areas within our operations or in the region in which we operate that are at risk of child, forced, or compulsory labor. On the contrary, through our code of conduct and internal procedures, we bring a positive impact on this matter.

As we continue to enhance our workforce policies and strategies, it is essential to identify and address the segments of our workforce that may be negatively impacted or at greater risk of harm. By understanding these risks, we can implement targeted measures to ensure the safety and well-being of all employees.

- ✓ **Workers in Manufacturing Roles:** Employees in manufacturing roles are at an increased risk of physical injury due to the nature of their work, which often involves handling hazardous materials and operating heavy machinery. Ensuring proper safety measures, comprehensive training and providing appropriate safety equipment are crucial steps to mitigate these risks.
- ✓ **Women:** women might face additional challenges and risks. Romcarbon Group is committed to promoting gender equality and ensuring a fair working environment. This includes implementing and enforcing anti-discrimination policies and ensuring equal opportunities for career advancement.
- ✓ **Migrant Workers**: We hired citizens from Taiwan, Sri Lanka and Malaysia, who were integrated into the sector Recycled Polymers & Compounds, as unskilled workers (Sri Lanka). To protect these employees, Romcarbon Group will strengthen its oversight and ensure compliance with labor laws, providing a safe and fair working environment. For the proper integration of foreign employees, all instructions, regulations and work procedures were translated into English language and presented to them during the adaptation period to the new job.

By recognizing these specific workforce characteristics and contexts, we can develop and implement strategies to mitigate the identified risks. Our goal is to create a safe, inclusive, and supportive workplace for all employees, aligning with our broader strategic objectives and ethical commitments.

11. OWN WORKFORCE

11.3 Policies related to own workforce

Our employees are an essential resource to ensure the long-term development of Romcarbon Group. We are strongly committed to ensuring a safe and healthy working environment for our employees, the necessary tools to carry out their activities and equal opportunities for career development.

Romcarbon Group is committed to respecting and upholding human rights within its operations, particularly concerning its workforce. These commitments are demonstrated through actions that align with global standards such as the UN Declaration of Human rights; Declaration of the International Labor organization (ILO); United Nations Global Compact in the "Human Rights Policy".

Human Resources Policy

The Human Resources Service is responsible within Romcarbon Group for the recruitment of competent and motivated employees for the organization, to ensure the human resource necessary for the efficient achievement of organizational objectives and the increase of performance.
In terms of human resources, we are considering defining the recruitment requirements based on the duties and responsibilities for the core activities detailed in the job descriptions, identifying and removing any restrictive limits regarding the availability of human resources that, by their nature, could affect the implementation and development of ongoing projects.

The objective of our Human Resources Policy is to ensure the necessary workforce in correlation with the company's development objectives, anticipating possible fluctuations in the deficit or surplus of employees.
The main directions of action are:

- ✓ attracting human resources, professional training within professional development plans and maintaining qualified personnel with the necessary skills, specialized knowledge and expertise;
- ✓ reducing reliance on external recruitment, when there is a shortage of qualified personnel in a sector, by running employee training programs;
- ✓ the development by operational managers, using mentoring principles and programs, of well-prepared and flexible teams, teams capable of adapting to a dynamic, constantly changing environment;
- ✓ promoting constructive discussions and the exchange of knowledge and information related to the activities carried out in all sectors, in order to increase solidarity within the company;
- ✓ streamlining the use of human resources by introducing flexible organizational models.

Romcarbon Group's Human Resources Policy can be consulted here: https://www.romcarbon.com/wp-content/uploads/2023/06/Politica-de-resurse-umane-2023.pdf. It focuses on maintaining a quality work environment in compliance with legal and regulatory requirements, promoting equal treatment, and eliminating discrimination. The policy emphasizes the importance of respecting human rights, including favorable working conditions and fair wages. It strictly prohibits forced labor, child labor, and any form of discrimination or harassment. Additionally, it highlights the importance of respecting the privacy of employees' personal data and implementing GDPR procedures. The policy also encourages the reporting of legal and ethical concerns without fear of retaliation and supports an open-door policy for addressing issues. Finally, the Group reserves the right to modify the policy as needed, with any changes communicated through official channels and approved by the board.

11. OWN WORKFORCE

11.3 Policies related to own workforce

Human Rights Policy

Our Human Rights Policy is rooted in international human rights declarations, including the Universal Declaration of Human Rights, ILO principles, and the UN Global Compact. It can be consulted here: https://www.romcarbon.com/wp-content/uploads/2023/06/Politica-de-resurse-umane-2023.pdf. It outlines the company's commitment to respecting and promoting human rights in all interactions, ensuring these principles are integrated into our operations and business relationships. The policy applies to all employees, subcontractors, and security personnel. It covers a wide range of rights, including dignity, life, security, fair wages, collective bargaining, and protection against discrimination and forced labor. We are committed to training our employees to be aware of the human rights and to respect them. With our business partner, we seek to respect human rights through commitments, monitoring and contractual provisions. In the local communities where we operate, we strive to respect human rights by developing an open dialogue with people who may be affected by our operations. Our policy emphasizes non-discrimination, privacy protection, and a proactive approach to addressing potential human rights issues, with periodic reviews and updates to ensure ongoing relevance and compliance.

Occupational Health and Safety Policy

Health and safety are integral components of Romcarbon Group's "Health and safety Policy", which outlines the expected behavior of the company's employees. The current policy can be consulted https://www.romcarbon.com/wp-content/uploads/2023/06/Politica-de-resurse-umane-2023.pdf. We are dedicated to providing a safe working environment for all our employees, visitors, suppliers, and other stakeholders. Our health and safety policy ensures the allocation of adequate resources to promote and maintain excellent health and safety practices. This includes preventing occupational accidents and illnesses, continuously improving health and safety systems, and complying with all relevant legal and other requirements.

Management plays a crucial role in enhancing working conditions, identifying hazards, conducting risk assessments, and ensuring safe working conditions by improving work organization. They are responsible for providing employees with adequate information, instructions, training, and monitoring to ensure health and safety at work. Employees are actively involved through the appointment of Workers' Representatives who assure communication between employees and management. Cooperation in complying with legal requirements and occupational safety and health (OSH) policies is strongly encouraged.

Our "Health and safety" policy includes specific objectives such as regular training and monitoring of staff, raising safety awareness, eliminating serious work accidents by applying documented procedures, and maintaining and improving the occupational health and safety management system. Continuous compliance monitoring and regular evaluations ensure adherence to health and safety regulations.

The policy is made accessible to all employees, displayed in designated areas, and communicated to contractors, customers, and visitors. It is regularly reviewed and updated based on legislative changes and organizational needs.

The Management, along with the Internal Prevention and Protection Service (SIPP), is responsible for implementing and maintaining the OSH policies and ensuring compliance. Employees are expected to report unsafe conditions immediately and avoid risky actions that could endanger themselves or others.

11. OWN WORKFORCE

ROMCARBON GROUP's commitment to a safe and healthy work environment is integral to our operations, placing health and safety on par with other business objectives.
In 2024, Romcarbon Group will update its workforce-related policies and connected procedures addressing each identified impact, risk and opportunity, by including the following:

Actions planned for 2024 regarding Policies:	Policies under evaluation:
✓ **a description of the key contents of the policy, including which material IROs the policy relates to and the process of monitoring**	✓ Human Resources Policy
✓ **a description of the scope of the policy, or of its exclusions, in terms of activities, upstream and/or downstream value chain, geographies and if relevant, affected stakeholder groups;**	✓ Human Rights Policy
✓ **the most senior level within Romcarbon Group Group that is accountable for the implementation of the policy;**	✓ Occupational Health and Safety Policy
✓ **a description of the consideration given to the interests of key stakeholders in setting the policy;**	✓ The Guide Regarding the Prevention and Combating of Harassment
✓ **whether and how the policy addresses processes and mechanisms to monitor compliance with the United Nations Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises**	
✓ **measures to provide and/or enable remedy for human rights impacts**	
✓ **whether Romcarbon Group has specific policy commitments related to inclusion or positive action for people from groups at particular risk of vulnerability and, if so, what these commitments are**	
✓ **whether and how these policies are implemented through specific procedures to ensure discrimination is prevented, mitigated and acted upon once detected, as well as to advance diversity and inclusion in general.**	

11. OWN WORKFORCE

11.4. Processes for engaging with own workers and workers' representatives about impacts

At the level of Romcarbon Group, we developed processes for engaging with our workforce and their representatives about the impacts.

We conduct regular consultations with the interested parties. Employee representatives are regularly consulted, at least once every two years, when, for the negotiation of the Collective Labor Agreement, topics of common interest are also discussed, with the aim of improving the performance of employees, labor relations, the working environment, of employee protection measures, etc. This engagement aims to understand workers' perspective and integrate their views into our decision-making process.

In our evaluation of stakeholder groups, employees were identified as the most critical stakeholder category for Romcarbon Group.

In the course of conducting materiality assessment, own workforce stood as the predominant group participating in the survey; their engagement and responses have been pivotal in shaping our understanding of material impacts, risks and opportunities and setting sustainability priorities. Our approach to materiality, including the engagement on impacts, risks and opportunities, is described in "Double Materiality Assessment (DMA)" chapter .

For DMA we applied a 15 % random sampling rate on all employee categories. The entire consulting process was on-line and for those employees with no/limited access to IT devices/internet, the Group organised the logistics (access to computer and internet) for them to express their opinion.

As of the publication of this report, Romcarbon Group does not have a formalized process or Global Framework Agreement for engaging with its workforce regarding negative impacts. Engagement occurs either on an ad hoc basis during manager-employee meetings or through workers' representatives. The whistleblowing program ensures that employees concerns are recorded, monitored and addressed .

The employee satisfaction feedback was centralised and analysed by HR Service and presented in a report to Group companies management. This feedback is the basis for improving the Group policies and conditions for all employees.

11.5. Processes to remediate negative impacts and channels for own workforce to raise concerns

Romcarbon Group provides its employees with multiple, layered channels to raise concerns about negative impacts. These include:

- The appropriate supervisor
- The Human resources department
- The Legal Office
- An anonymous grievance channel (https://whistleblowing.romcarbon.com/)

Both the reporter and the receiver must adhere to the procedures outlined in the Anti-Retaliation Policy. All employees are informed of the existence of the whistleblower channels, as they are also described in the Policies offered at employment (or orientation sessions for new hires, ongoing training programs) or communicated at any changes.

The Whistleblowing procedure regulates the methods of receiving, examining, and resolving reports, the rights and obligations of persons who make reports or publicly disclose information regarding violations of the law, their protection measures, the rights of the persons concerned as well as Romcarbon's obligations during the procedure. The procedure and the mechanism can be accessed here : https://www.romcarbon.com/integrity/

Any other grievances/concerns received outside the whistleblowing procedure are treated according to rules established by the internal regulation/specific procedure/policy as approved by the competent bodies.

No matter the concern raised by the employee, they have the guarantee of an objective treatment and receiving a proper remedy in a reasonable time framework with no retaliation actions. In any of these proceedings the employee can be assisted by the employee representatives or by third parties.

11. OWN WORKFORCE

11.6. Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

I/R/O	Description	Targets	Actions	Achieved in 2023
Impact+	As a general rule, all employees have employment contracts and salaries are paid on time. The Group offers employment opportunities, including for low-skilled individuals who would otherwise have few chances to support themselves through work.	*95% of own labor force covered by individual permanent employment contract, until 2030	Signing individual permanet employment contracts	At the end of 2023, out of the group's total of 1,388 employees, 92.43% had individual employment contracts for an undetermined period. No collective layoffs were organized and we had no appeals/complaints for abusive individual layoffs. There were no delays in the payment of salaries.
Impact +	Any additional time worked by operational employees is paid/compensated with time off.	*100% of employees are entitled to receive family-leave *Reduction by 10% of the days of leave not taken, out of the total days of leave available according to the individual employment contract	Creation and approval of work schedules related to each sector with a continuous flow of activity.	In 2023 all requests received from employees regarding family leave have been positively resolved. The percentage of days of leave not taken in 2023 was of 24%. In 2023 the number of days of leave not taken in the two production companies of the Group decreased by 10% as compared to 2022.
Impact+	Workers' Representatives are elected, and management discusses with them the context of corporate decisions in order to understand the underlying causes. Then, the Workers' Representatives convey the message to the rest of the employees. This involvement helps workers understand the overall situation of the company and allows them to feel included.	*100% employees covered by CCM (collective labour contract) *100% employees represented *Minimum one annual consultation between employers and employee representatives	Encouraging all employees to appoint their representatives Informing the employees, through the designated representatives, about the important topics in the company's activity Ensuring adequate free time for workers' representatives to carry out their duties and protection against layoffs	In 2023 the employees elected their representatives for the next 2 year period, and new collective labor agreements were negotiated and signed. During the negotiations the employees were informed, through the designated representatives, regarding relevant topics about Group company activity. The rights of the employees representatives are always respected.

11. OWN WORKFORCE

I/R/O	Description	Targets	Actions	Achieved in 2023
Impact+	The Romcarbon Group has implemented robust health and safety policies to minimize accidents and occupational illnesses.	*100% employees covered by Occupational Health and Security (OHS) Policy *0 (zero) fatal work accidents or resulting in permanent disability *0 (zero) illnesses and deaths due to work-related illnesses	Measures to increase awareness among employees of the importance of complying with OHS*. Training programs provided to employees to enhance their knowledge of health and safety related to their workplace and/or to improve their ability to perform their duties safely Planning annual health checks to allow early detection of occupational diseases, to ensure that employees remain fit for work and to help the organization assess whether existing control measures are effective Additional actions**	In 2023 the Occupational Health and Security training program proceeded according to the schedule. In 2023 we implemented the standard ISO 45001:2023 in Livingjumbo Industry. In 2023 no fatal injuries and no work related illnesses. In 2023 were registered 9 work accidents. Permanently observed.

* Measures to increase awareness among employees:
✓systematic identification and assessment of the potential impact of tasks or operational conditions on the health and safety of employees
✓maintaining operational instructions and processes to ensure that health and safety risks and hazards are properly controlled when changes are made to facilities or processes
✓maintaining operational instructions and processes that enable operators to handle chemicals or hazardous substances safely and to protect themselves from exposure to those substances
✓maintaining a health and safety committee with both employer and employee representatives
✓training, equipping with protective equipment, measuring and monitoring employees' exposure to stress and noise

** We provide work and personal protective equipment for each employee, depending on the requirements of the job, keeping records and renewing the equipment periodically. We provide antidote (milk) for employees who work in conditions for which this measure is necessary.
The periodic maintenance of the machinery is carried out according to the maintenance plan, in compliance with legal requirements, so that the machinery does not constitute a danger to the health and safety of the performing personnel.
The operation status of the alarm, warning, emergency signalling systems, as well as the safety systems is checked.
The areas requiring safety signage and the types of signage required for each area are determined based on the hazards identified. We monitor the work environment, checking the level of exposure to noise and pollution.

11. OWN WORKFORCE

I/R/O	Description	Targets	Actions	Achieved in 2023
Impact+	Trainings for competences development for all employees	*100% of employees participated in periodic evaluations of performance and career development	Identifying the topics of interest and the corresponding trainers	Yes
		*30 average hours of training / employee / year		Average of 37.8 hours of training/employee/year
Risk	Productivity loss	*100% employees trained according to their job requirements		In 2023 a number of 26 employees received external training for operating plastic processing equipment and became skilled operators and a number of 50 employees were externally trained for operating lifting equipment. At the same time, all new employees received internal training adapting to their job requirements;
Impact+	Gender equality promoted by internal policies and follow up through equal pay calculations	*0 (zero) claims /complaints/reports	Implementation of the guide on preventing and combating harassment based on sex, as well as moral harassment at the workplace.	The employees benefits were increased. All group employees were trained with the provisions of the internal regulations and of the specific guide regarding preventing and combating harassment based on sex, as well as moral harassment at the workplace
		*100% gender equality in terms of remuneration until 2030	Creation of a salary scale for positions and skill levels applicable regardless of gender.	In 2023 the increase in benefits for the group employees was made regardless of gender.

11. OWN WORKFORCE

I/R/O	Description	Targets	Actions	Achieved in 2023
Impact+	Gender equality promoted by internal policies and follow up through equal pay calculations	*50% women in senior and middle management positions until 2030	Non-discriminatory information to employees regarding management positions Ensuring objective and non-discriminatory evaluation criteria for candidates	No management position open in 2023
Impact+	Positive impact through the implementation of our Code of Conduct			
Impact+	Positive impact through securing employee data based on the internal personal data protection program.	*0 claims/complaints/reports	Training employees regarding compliance with the privacy policy and the GDPR regulation; GDPR audit every 3 years	Annual training

Note: where there is no target year assigned to the target, it means that we consider that target to be permanent. The baseline year of the targets is 2023.

The method used for determining the target is based on historical data and projections for the upcoming period.

In shaping and informing our targets related to own workforce, we engage with our employees on matters related to Occupational Health and Safety (OHS). Worker representatives are actively consulted, ensuring their concerns and suggestions are integrated into our decision-making processes. We conduct consultations through surveys, such as the materiality assessment survey, to gather valuable input on the issues that matter most to our employees. Additionally, we maintain an accessible feedback mechanism through our online tool where employees can address complaints and suggestions.

Feedback collected through these channels directly influences our target-setting process. For example, when employees express a need for more training and development opportunities, we integrate this feedback into our employee growth targets.

11. OWN WORKFORCE

Actions to provide or enable remedy in relation to an actual material impact

In the case of actual negative impacts on health and safety, we report all work accidents to the Territorial Labor Inspectorate, appointing an internal Commission of Inquiry to investigate the causes and responsibilities and to propose measures. The investigation of work accidents with serious consequences is taken over by the Territorial Labor Inspectorate, the measures imposed being mandatory.

Any work accident is immediately communicated to the employer by the manager of the workplace or by any other person who has knowledge of its occurrence. The employer, represented by the Head of IPP & Environment Service, immediately communicates the event to: the Territorial Labor Inspectorate, the insurer for the employees insured against accidents at work and occupational diseases; criminal investigation bodies, as the case may be.

We comply with the obligation to take the necessary measures not to change the state of facts resulting from the occurrence of the event, until receiving the agreement from the bodies that carry out the research, except in cases where maintaining this state would generate the occurrence of other events, would worsen the condition of the injured or would endanger the lives of workers and other participants in the work process. In such cases, as far as possible, sketches or photographs of the place where it occurred are made, any objects containing or bearing a trace of the event are identified and picked up. The objects are handed over to the bodies that carry out the research. These constitute evidence in the investigation of the event.

The purpose of investigating the events is to establish the circumstances and causes that led to the occurrence of the accident, the legal regulations violated, the responsibilities and the measures that must be taken to prevent the occurrence of other similar cases and, respectively, to determine the nature of the accident.

The persons appointed by the employer in the commission to investigate the event must have appropriate technical training, must not be involved in the organization and management of the workplace where the event took place, and must not have had a responsibility in producing the event. If victims with different employers are involved in the event, persons appointed by written decision by the other employers are also nominated in the research commission appointed by the employer where the event occurred (this was not the case in 2023).

11. OWN WORKFORCE

Actions to provide or enable remedy in relation to an actual material impact

The persons authorized by law to investigate the events have the right to take written statements, to collect or request the collection of evidence necessary for the investigation, to request or consult any acts or documents of the employee, and the employer is obliged to make them available under the conditions of laws. The expenses necessary for the collection and analysis of the samples in order to investigate the events are borne by the employer where the event took place.

The investigation of the accident followed by incapacity for work is completed in no more than 5 working days from the date of occurrence. Exceptions are made in cases where expertise is required, the taking of samples, for which a request is made in writing, with reasons and within the deadline, to the Territorial Labor Inspectorate for extension of the research term. The investigation file, drawn up by the commission appointed by the employer, is forwarded for verification and approval to the Territorial Labor Inspectorate within the scope of which the event occurred, within 5 working days from the completion of the investigation.

The Territorial Labor Inspectorate analyses the file, approves it and returns the file within no more than 7 working days from the date of receipt. The file will be accompanied by the opinion of the Territorial Labor Inspectorate.

If the Territorial Labor Inspectorate finds that the investigation was not done properly, it can order the file to be completed and/or the investigation minutes to be redone, as the case may be.

The research commission will complete the file and draw up the research report within 5 working days of receiving it.

After a work accident we revaluate the risks coresponding to that work place, we review the prevention and protection plan, we update if necessary the work instructions and OHS instructions. All the employees from that work place and/or from similar work places are trained with the conclusions and measures of the investigation.

11. OWN WORKFORCE

11.7 Characteristics of our workforce

Romcarbon Group is one of the main employers in Buzau County. The total number of employees (headcount) at the end of 2023 is 1,388, out of which 743 are females.
The company employs both permanent and temporary staff, including full-time and part-time workers, and also collaborates with contractors to support its business operations. Romcarbon Group's workforce primarily comprises direct employees in production, indirect employees in production and employees in supporting departments.
The reported data is collected through the Romcarbon Group's HR system.
The methdology used for disclosing the metrics in this chapter is based on head count of employees at the end of the reporting period.

Table 1: Information on employee headcount by gender

Gender	2022	2023
Female		**743**
Romcarbon	373	379
Livingjumbo Industry	379	356
Energo Install	not reported	5
Info Tech Solutions	not reported	3
Male		**645**
Romcarbon	405	400
Livingjumbo Industry	195	185
Energo Install	not reported	55
Info Tech Solutions	not reported	5
Other	**0**	**0**
Not reported	**0**	**0**
Total	**1,414 (*)**	**1,388**

(*) Note: including the employees of RC Energo Install and Info Tech Solutions that are part of Romcarbon Group.

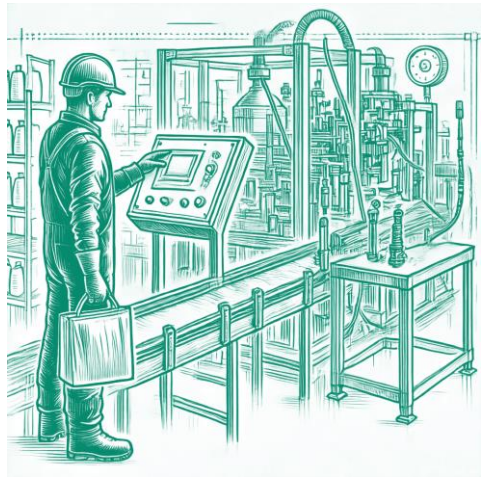


Table 2: Information on employee by nationality

Country	Number of employees (head count) in 2023
Sri Lanka	19
Taiwan	3
Republica Moldova	1
Malaesia	1
Romania	1,364
Total	**1,388**

11. OWN WORKFORCE

For comparison reasons we present below the information for 2022 and 2023 for major companies : **Romcarbon** and **Livingjumbo Industry** (for 2022 the information for RC Energo Install and Info Tech Solutions weren't reported)

Table 3: Information on employees by contract type, broken down by gender (headcount)

	Female		Male		Other*		Not disclosed		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	**2022**	**2023**
Number of employees	752	735	609	585	0	0	0	0	**1,361**	**1,320**
Number of permanent employees	716	675	550	543	0	0	0	0	**1,266**	**1,218**
Number of temporary employees	36	60	59	42	0	0	0	0	**95**	**102**
Number of non-guaranteed hours employees	0	0	0	0	0	0	0	0	**0**	**0**
Number of full-time employees	735	717	589	567	0	0	0	0	**1,324**	**1,284**
Number of part-time employees	17	18	20	18	0	0	0	0	**37**	**36**

*Gender specified by the employees

There is no data disclosed for employees categorized as "Other" or "Not disclosed" genders. This is because there were no employees who identified as a gender other than female or male, making this category not applicable for the reported period.

11. OWN WORKFORCE

In 2023, Romcarbon Group hired 259 new collegues.

Table 4: Information on newly hired employees in 2023, Romcarbon Group

	Male			Females		
Age category	**<30**	**30-50**	**>50**	**<30**	**30-50**	**>50**
Number of employees	46	59	39	23	59	33

For comparison reasons we present below the information for 2022 and 2023 for major companies : **Romcarbon** and **Livingjumbo Industry** (for 2022 the information for RC Energo Install and Info Tech Solutions weren't reported).

2022	Male			Females		
Age category	**<30**	**30-50**	**>50**	**<30**	**30-50**	**>50**
Number of employees	56	60	45	24	57	18

2023	Male			Females		
Age category	**<30**	**30-50**	**>50**	**<30**	**30-50**	**>50**
Number of employees	43	56	38	23	59	33

Total number of employees who left Romcarbon Group in 2023 is 299. Percentage of employee turnover is 21.27%.

Table 5: Information on employee departure in 2023, Romcarbon Group

Number of departures	Number of employees at 01.01.2023	Number of employees at 31.12.2023	Turnover Rate
299	1,425	1,388	21.27 %

The turnover rate was determined as the ratio between the total number of departures (voluntarily or due to dismissal or retirement) and the average number of employees at the beginning and end of the reporting period.

The turnover rate is influenced by the local labor market's conditions and by the migration of workforce to western european countries in macroeconomic context.

For comparison reasons we present below the information for 2022 and 2023 for major companies : **Romcarbon** and **Livingjumbo Industry** (for 2022 the information for RC Energo Install and Info Tech Solutions weren't reported).

Number of departures	Number of employees at 01.01.2022	Number of employees at 31.12.2022	Turnover Rate
371	1,463	1,354	26.34%

Number of departures	Number of employees at 01.01.2023	Number of employees at 31.12.2023	Turnover Rate
284	1,351	1,320	21.27%

11. OWN WORKFORCE

Table 6: Workers under the control of the organization who are not employees

Workers under the control of the organization who are not employees		
	2022	**2023**
Security services (external contractor)	20	18
Services of exploitation of TRAFO station and water plant (intragroup contractor)	16	n/a
IT services (intragroup contractor)	3	n/a
Legal services (external contractor)	1	1
	40	**19**

Romcarbon activities outsourced in 2005. The companies RC Energo Install and Info Tech Solutions are part of the Romcarbon Group but for 2022 were not the subject of the sustainability report. For 2023 these subsidiaries are part of the present report.

11.8 Collective bargaining coverage and social dialogue

In Romcarbon Grup the percentage of employees covered by collective bargaining and social dialogue is 100%.

11.9 Diversity metrics

At Group level, we understand the value of diversity. Our employees, customers, business partners, suppliers and all other interested third parties are citizens who come from different countries, with many different nationalities, faiths, religions, beliefs, cultures and social backgrounds.

In this sense, we support cultural diversity, the creation of an international team and a business community. We are committed to prohibiting and preventing discrimination of any kind, such as, but not limited to, discrimination based on race, colour, sex, age, language, religion, political or other opinion, ethnic, national or social origin, property, birth, sexual orientation or any other criteria including marital status or parental status.

We are also devoted to the idea of providing equal opportunities to all individuals based on individual qualities and professional ability.

Recruitment, employee evaluation are carried out only on criteria of professional competence and adaptation, integration at the workplace.

In preparing the disclosure on gender at top management, we have used the definition of top management as one and two levels below the administrative and supervisory bodies.

11. OWN WORKFORCE

11.9 Diversity metrics

Table 7: Information on diversity metrics at top management, Romcarbon Group

	Total	Female	Male
Total	**18**	5	13
Percentage		28%	72%

For comparison reasons we present below the information for 2022 and 2023 for major companies : **Romcarbon** and **Livingjumbo Industry** (for 2022 the information for RC Energo Install and Info Tech Solutions weren't reported).

	2022			2023		
	Total	Female	Male	**Total**	Female	Male
Total	**14**	5	9	**13**	5	8
Percentage		35.71%	64.29%		38.46%	61.53%

Information on diversity metrics at middle management, Romcarbon Group

	Total	Female	Male
Total	**43**	22	21
Percentage		51%	49%

For comparison reasons we present below the information for 2022 and 2023 for major companies : **Romcarbon** and **Livingjumbo Industry** (for 2022 the information for RC Energo Install and Info Tech Solutions weren't reported).

	2022			2023		
	Total	Female	Male	**Total**	Female	Male
Total	**46**	22	24	**43**	22	21
Percentage		47.82%	52.17%		51.16%	48.83%

Table 8: Information on Information on distribution of employees by age group

Age	<30	30-50	>50
Total	90	648	650

For comparison reasons we present below the information for 2022 and 2023 for major companies : **Romcarbon** and **Livingjumbo Industry** (for 2022 the information for RC Energo Install and Info Tech Solutions weren't reported).

	2022			2023		
Age	**<30**	**30-50**	**>50**	**<30**	**30-50**	**>50**
Total	123	621	608	87	623	610

11. OWN WORKFORCE

11.10 Adequate Wages

Romcarbon Group pays all its employees no less than the minimum gross wages set by the national law.

11.11 Social Protection

All employees of our organization are covered by comprehensive social protection, either through public programs or through benefits provided by the company. This coverage protects against loss of income due to the following major life events:

- ✓ Sickness
- ✓ Unemployment, starting from when the employee begins working for the company
- ✓ Employment injury and acquired disability
- ✓ Parental leave
- ✓ Retirement

This ensures that our workforce is well-protected and supported throughout various stages of their lives.

11.12 Persons with disabilities

Table 9: Information on persons with disabilities, Romcarbon Group

	Number of persons with disabilities		Number of employees		
	Females	Males	Females	Males	**Total**
Total	2	3	743	645	**1,388**
Percentage			0.27%	0.47%	**0.36%**

11.13 Training and skills development metrics

Within Romcarbon Group, all employees benefit of regular internal training regarding work instructions, occupational health and safety rules, as well as instructions for emergency situations. The employees from support sectors attend external conferences and training courses related to changes in our field of activity.

Professional training of employees is carried out on the basis of annual training programs. The main objective of these programs is to enhance the professional skills of all, in line with the specific activities developed, in order to improve their individual and team performances.

In order to increase the level of employees training, from 2021 onwards, opportunities have been identified for qualification in jobs such as plastics processing operator or sewing machine operator, so that approximately 10% of unskilled employees have obtained qualifications in these jobs.

In 2023, we provided a total of 52,512 training hours to employees, equipping them with skills and knowledge necessary to excel in their roles and contribute to the success of our organization. We believe that investing in our employees is essential for our continued growth and success. We are proud to offer comprehensive training and development opportunities to our teams.

On average, employees received 37.8 hours of training, with women receiving 39.43 hours and men 35.99 hours.

Female:

39.43 hours of training

Male:

35.99 hours of training

11. OWN WORKFORCE

Table 10: Average number of training hours, split by gender

	Female		Male	
	Number of training hours	Number of employees	Number of training hours	Number of employees
Total	29,300	743	23,212	645
Average number of training hours	**39.43**		**35.99**	

The table below provides an overview of the training hours and number of employees across three management levels: Top Management, Middle Management, and Execution Personnel.

This data highlights the distribution and average of training hours dedicated to different tiers of management within our organization, with execution personnel having collectively completed the highest number of training hours, totaling 50,624 hours, and averaging 38.15 hours per employee.

Table 11: Average number of training hours, split by functions within organization

	Top management		Middle management		Execution personnel	
	Number of training hours	Number of employees	Number of training hours	Number of employees	Number of training hours	Number of employees
Total	504	18	1384	43	50,624	1,327
Average number of training hours	**28**		**32.19**		**38.15**	

The performance of employees is evaluated annually, for 100% of the employees in the Group. An additional assessment is applied, in case of change of job, for the employees in question.

The evaluation is done by the practical testing of employee, by checking the quality of the activity/work done and by completing the Observation and Evaluation Sheet by two evaluators: the direct hierarchical superior and the director/manager.

The evaluation forms contain the evaluation criteria, which consider:
- ✓ professional competency;
- ✓ work discipline;
- ✓ skills and qualities adjacent to the work tasks

Depending on the evolution of the employee during the evaluated period, grades from 1-5 are given and the total score is established by applying the weight of the importance given to the evaluated criterion.

The grades that can be awarded, depending on the score obtained, can be from "very good" to "unsatisfactory". On the occasion of the evaluation, recommendations are also made to improve performance, where appropriate.

The performance evaluation of the new employees is done during the trial period in the case of labor contracts for an undetermined period or at the end of the period related to the labor contracts for a fixed period. In the case of new employees, who are in the trial period, the evaluation is made by the head of the sector in which they work, taking into account both the theoretical and practical knowledge accumulated as well as the aspects of work discipline and compliance with internal rules, followed by the presentation to the director or the sector manager of the proposal to continue or stop the activity.

11. OWN WORKFORCE

11.14 Health and safety metrics

Romcarbon Group ensures comprehensive health and safety measures for its employees. Therefore, **100% of our workforce** is covered by our health and safety management system. This coverage is in accordance with legal requirements and recognized standards or guidelines, ensuring the well-being and safety of all our employees.

The OSH management system is implemented throughout the entire organization, according to the ISO 45001/2018 standard, the Romcarbon Group company being ISO 45001/2018 certified for the production sector "Individual respiratory protection equipment". At the Group level, the requirements deriving from the legislation in force in the field of work health and safety are respected, respectively the Law of health and safety at work - no. 319/2006 and Government Decision no. 1425/ 2006 for the approval of the methodological norms for the application of the provisions of the Health and Safety at Work Law no. 319/2006 (with subsequent amendments and additions). The internal prevention and protection service – IPP & Environment Service, subordinated to the Administrative Deputy General Manager/ Deputy General Manager– ensures specific activities and collaborates with all departments to implement legal and system requirements, reporting directly to the company's management.

Our core business is manufacturing. The rules and procedures imposed in the organization must be known, understood and applied at every level in the organization in order to minimize the occurrence of occupational accident events and to protect the health and safety of employees. The management of the company is involved in fulfilling its legal obligations in the field to ensure the safety and health of the employees in all aspects related to work, consulting, informing and training the employees, ensuring the technical and organizational framework.

Considering the specifics of the work and the equipment involved, the main risks in generating work accidents in 2023 were: trapping a part of the body between moving machine parts, malfunction of an equipment, cutting with sharp objects used in carrying out the tasks.

Table 12: Work-related injuries

	2023
Percentage of people in own workforce who are covered by health and safety management system	100%
Number of fatalities in own workforce as result of work-related ill health	0
Number of recorded work-related accidents	9
Number of days lost to work-related injuries and fatalities from work-related accidents	351
Total hours worked	2,472,647
Rate of recorded work-related accidents (LTI)	3.640
The injury severity rate (LTI)	0.1420

The rate of recorded work-related accidents (lost-time injuries) is 3.64, calculated by dividing the number of recorded injuries by the total number of hours worked, and then multiplying by one million. This metric helps us monitor and improve workplace safety.

The days lost were counted as to include the first full day and lost day of absence. Calendar days were considered for the calculation.

The injury severity rate is 0.1420, calculated as total number of lost days of absence divided by total number of worked hours multiplied by 1.000.

11. OWN WORKFORCE

11.14 Health and safety metrics

In 2023, there were no fatalities as a result of work-related injuries and work-related ill health for other workers working on our site.
The comparison only for Romcarbon and Livingjumbo Industry SA for 2023 and 2022 are presented below.

	2022	2023
Percentage of people in own workforce who are covered by health and safety management system	100%	100%
Number of fatalities in own workforce as result of work-related ill health	0	0
Number of recordable work-related accidents	5	9
Number of days lost to work-related injuries and fatalities from work-related accidents	413	351
Total hours worked	2,659,372	2,364,645
Rate of recordable work-related accidents	1.880	3.806
The injury severity rate	0.1553	0.1484

Risks related to health and safety at work are identified and evaluated applying the method of the National Research-Development Institute for Labor Protection.

The risk assessment for jobs is carried out, according to legal requirements, when a job is initially created, to be updated when working conditions change or following the occurrence of accidents, the frequency of the reassessment being also correlated with the established measures programs after evaluating the effectiveness of the actions taken.

The risk assessment is carried out by qualified internal employees, who have completed an accredited course in the field, in collaboration with the sectors managers, the occupational medicine doctor and the employee representatives. In the identification and assessment of risks, the legal requirements and practices in the field, the concrete working conditions, the observations of our employees resulting from the accumulated experience and previous work accidents are taken into account. The level of risk is determined according to the maximum foreseeable consequences, the level of severity and the probability of occurrence. We take into account the opinions of the occupational medicine doctor and collaborate with the Territorial Labor Inspectorate in the better understanding of any aspect in the field.

Based on the risk assessment, the own instructions (ISSM) are developed, updated and disseminated for all workplaces and activities carried out, taking into account their particularities. Responsibilities in the field of occupational health and safety are established for all personnel in the organization, both management and executive, the general and specific responsibilities being mentioned in the job descriptions assumed by the employees. After each occupational accident, the reassessment of the risks at the workplace in question is initiated, the risk assessment sheets are revised, supplemented if is necessary with new risks, and the OSH instructions are also revised.

11. OWN WORKFORCE

Training on occupational health and safety

Employees training follows the logical steps established in legislation and internal procedures: initial general training at the time of employment, initial and periodic training at the workplace based on specific work instructions, retraining following work accidents, training on general and specific topics related to health and safety at work.

The periodicity of the training is quarterly for the operating staff and annually for the TESA staff.

Training at the workplace consists of: presentation of the OSH instruction for the actual workplace, the hazards and risks identified at the workplace according to their assessment, the legal requirements that must be respected, the implementation of practical training at the workplace, the presentation of dangerous places (with danger occupational injury/disease), how to use individual protective equipment.

For the entire productive personnel, the periodic retraining program on OSH topics was carried out, at intervals of 3 months, specific instructions, documents regulating the activity and any other aspects related to this field being processed. In the sectors that handle and use dangerous substances, training was done based on the updated Technical Safety Data Sheets of these substances. After each work accident, the personnel in the respective sector were retrained, taking into account the conclusions of the research.

In all cases of work-related accidents that occurred in 2023, the employees concerned were trained in OSH, as evidenced by the completion and signing of individual training forms. The training of the staff of the own central laboratory was carried out regarding the technical safety data sheets of the hazardous substances used.

The execution of works and/or the provision of services on the Romcarbon Group Platform is preceded by the signing of OSH/Environment/Emergency Situations conventions, to inform and assume the responsibility of third-party providers/executors regarding the OSH rules applicable within our company.

11.15 Work-life balance metrics

100% of our employees are entitled to take family-related leave when needed. This entitlement ensures that all employees have the opportunity to balance their professional and personal responsibilities, fostering a supportive and inclusive work environment. Out of all our employees, in 2023, 1.66% took family-related leave (9 men and 14 women).

Table 13: Employees who took family-related leave

	2022	2023
Female	15	14
Male	1	9

In 2023, the share of unused leave days in the total number of leave days due in accordance with individual employment contracts was 23.77%, mostly from Technical, Economic and Socio-Administrative (TESA) staff. The period of the pandemic was characterised by the request of many medical leaves, which delayed vacation leaves, and a period is needed to regularize the situation.

Table 14: The situation of unused leave days

	Number of days of leave according to the entitlement of employees	Number of days of leave taken	Number of days of leave not taken
Total	39,124	29,825	9,299

The percentage of unused vacation leave is **23.77%.**

11. OWN WORKFORCE

11.16 Remuneration metrics (pay gap and total remuneration)

The gender pay gap is -18%, calculated as the difference between average pay level of females and male employees and expressed as a percentage of the average pay level of male employees. This percentage is an average of a various working positions of different types of activities. An additional influence in this average is due to the specific activities of RC Energo Install and Info Tech Solutions, respectively construction and IT.

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) is 5.65. The calculation base included all employees and considered the benefits in cash.

Table 15: Ratio of females to males average renumeration on category of Group's employees

	Direct employees in production	Indirect employees in production	Employees in the supporting departments	Average on group
Ratio of female to male average renumeration	-22%	4%	-11%	-12%

11.17 Incidents, complaints and severe human rights impacts

During the reporting period, no cases of discrimination were registered. Moreover, there were no complaints filed through the available channels for our workforce to raise concerns.

No severe human rights incidents connected to own workforce have occured and no fines and compensation were paid for incidents.

11. OWN WORKFORCE

11.18 Our People. The colorful side of us.

We encourage and support the extra-professional activities of our employees. We are happy to support the activity of Mr. Gabriel Constantinescu, a model rocket enthusiast, within his club C.S. Chimia. C.S. Chimia club is the oldest rocket modelling club in the country and one of the oldest professional clubs in the country established as a sports structure. The Aeromodelling section of the club has an uninterrupted activity of 68 years in attracting young people to engineering by practicing aeromodelling, naval modelling, and rocket modelling.

Over time the C.S. Chimia club has won numerous awards at national and international profile competitions.

In 2023, with the support of Romcarbon, among others, CS Chimia Team, 2 juniors and 2 seniors, participated in 2023 FAI World Championships for Space Models for Juniors and Seniors, held in Austin Texas, July 1- 8.

CS Chimia`s 4 competitors were among the protagonists of the competition, although was a difficult journey, full of worries concerning rockets models integrity during air transport, followed by a short preparation and familiarization period with competition conditions.

Thus, after a week`s intense effort, they could count no less than 19 medals, 7 gold, 6 silver and 6 bronze. 12 of the medals were obtained by team`s 2 juniors, of only 13 years old, proving, once again, the competence and dedication of their coach, Mr. Gabriel Constantinescu, our colleague.

The team confronted not only their opponents but also Texas heatwave, of 40 degrees Celsius and a humidity above 60%.

The best performances were achieved in the models' class (the most difficult and spectacular rocket model class), in altitude and altitude model class, but also in the gyrocopter duration class.

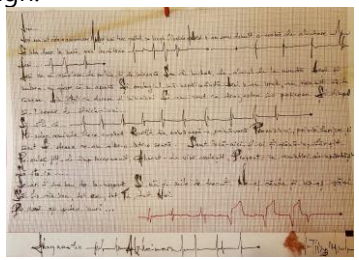
We are all the prouder, that CS Chimia 4 competitors brought home more than half of the total medals won by Romania `s 14 members national team.

Supporting their dream and Romania`s presence in this competition it`s an honor for us.

11. OWN WORKFORCE

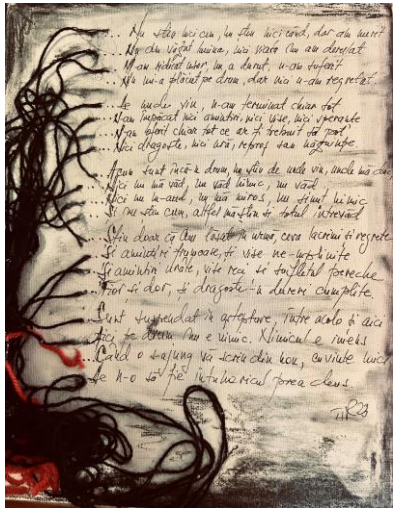
We care about our employee well being and support their success at the job and outside the job.

One remarkable example of successfully balancing work – life – hobby trilogy of happy existence is our colleague, Mr. Eugen Duca. He is an executive director of RC Energo Install and besides being a successful engineer, he excels in several artistic fields such as poetry writing, painting, design of lighting installations and interior/exterior design.



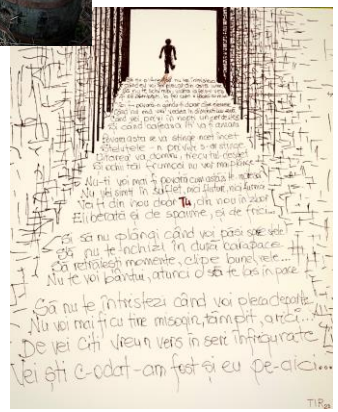
He has been with Romcarbon Group for the past 29 years and his experience is valuable for our team.

The love for writing started with journalism to be refined over the years to poetry, culminating with the publication of the lyrics' books "File de pește" and "Octombrie plin de amintiri".



Professionally Mr. Duca likes the challenge and two years ago he received the AGIR (Romanian Engineers Association) award for a unique project, first "circularly school" in Romania, which was imagined, designed and executed together with his colleagues from RC Energo Install.

His artistic side and love for beauty found expression in paintings on different materials and textures, starting from wood, to glass, to the most inedited support, such as barrel circles. He finds inspiration in nature from the woods to the seaside.



Together with his team in RC Energo Install they installed the tallest artificial Christmas tree in Romania made entirely of Christmas lights.

Romcarbon Group aims for its organizational culture to align with employees' interests, for this way they are likely to feel valued and, in turn, proceed to bring their bests to the table. In addition, when there is effective communication between team members, there is always healthy room for development.

11. OWN WORKFORCE

11.19 Community Development

Romcarbon Group understands community involvement can be one rewarding aspect of a business activity. Whether by sponsoring community organizations, offering scholarships or scholastic visits on the Group platform, for community schools, its contributions can make a powerful difference.

We are not questioning whether we are big enough in size or have sufficient resources to contribute, we just find a way to give back to the community and when doing so we build our corporate culture, promote networking and offer employees a platform to positively impact the community.

When involved in our local community we embrace our core values and mission, and this allows employees who witness their company investing in their community to develop a stronger sense of belonging and pride in their organizations.

Community involvement and development for us means also offering stable jobs to the locals, the Group maintaining an average number of 1,388 jobs active in 2023 and honouring all taxes and duties due to the local and central budget.

We also contribute to the sustainable development of small and medium size local business by delivering local entrepreneurs our products and services that directly contribute to meeting the needs of their business

11. OWN WORKFORCE

The year 2023 was the year in which books and reading were brought back to the fore, thus, at the initiative of some colleagues, starting with July 2023, the « Bookshelf. With a book closer to the others » project took place. Romcarbon supported and financed the purchase of new books to increase the available fund so that the employees who are passionate about reading can satisfy this pleasure and the others can discover it.

In 2023 we decided the celebration of winter holidays to be about Books and Reading and so we helped repopulate Potoceni Primary School Library with children's books, for ages 5 to 14. Romcarbon Group contributed to the local communitv by donating to the Secondary School in Potoceni Village, a number of 406 books. Out of them 106 were new volumes, sponsored by the Group and 300 were the contribution of the companies employees who responded positively and in large numbers to the initiative of contributing to the repopulation of Potoceni e School Library, with new and attractive titles for the children of the current generations

In addition to this initiative, the Group also contributed to the endowment of the folk ensemble FLOARE DE BUJOR, of the Potoceni Secondary School, newly founded in the fall of 2023, with traditional Romanian shoes, so that all the children, members of the ensemble, could complete their traditional Romanian outfit with this important accessory, a very important part of the traditional Romanian cultural identity

During the winter holidays, we gave the children from the schools and kindergartens that operate within the Maracineni Commune, Buzau county, a number of 240 packages with sweets specific to the Christmas season and thus brought the spirit of the holidays into the hearts of the little ones

At the same time, in 2023 our Group social involvement actions aimed to contributing to the development of the local community, by sponsoring various events, promoting culture and reading among young people and children.

11. OWN WORKFORCE

Thus, in 2023 Romcarbon was among the sponsors that supported the organization in Buzau of the 35th edition of the Rock Festival for young people «TOP T», the oldest rock festival in Romania. We are proud to have participated in keeping the rock spirit alive in Buzau, by actively participating in supporting this original and valuable artistic creation in the field of rock music, in educating the young people of Buzau in the spirit of raising awareness of true cultural values, promoting real talents and fighting kitsch and copied music, promoting live performances and fighting playback, as well as raising awareness of the importance of music in educating the population by organizing art exhibitions alongside recitals photography, musical instruments, magazines and specialized books.

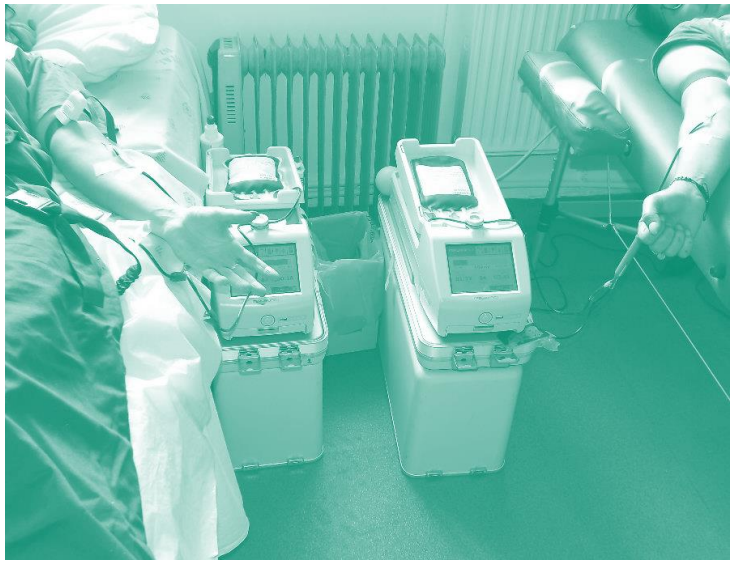
We also gave our support by sponsoring the organisation of the launch event for the first English language auxiliary manual written by the students of no. 11 Secondary School in Buzau, entitled "A Christmas Wish" through which the children while supporting other children to develop their communication skills in English, practiced their writing skills, enhanced their artistic literary skills and shaped their public speaking abilities.

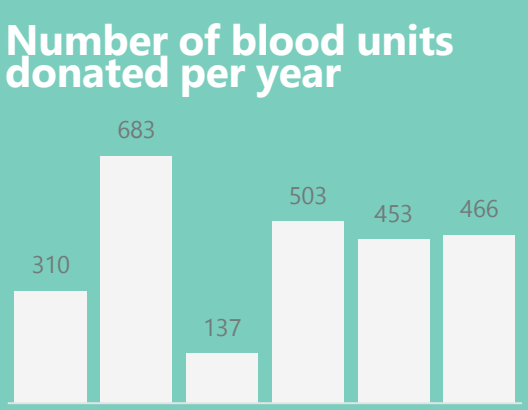
11. OWN WORKFORCE

Blood donation campaigns

In 2023, we continued to show the same care and respect for the protection of life. In the spirit of the same principles of respect and protection of life, Romcarbon Group organizes together with Buzău Blood Transfusion Center, since 2018, blood donation campaigns at the company headquarters. Thus, every three months, Romcarbon ensures the necessary conditions for the installation of a mobile blood donation center at the headquarters, where all employees of the Group who want to donate blood can do so safely. We thought of these quarterly blood donation campaigns because we know that in ROMANIA more than 500,000 units of blood are needed every year and yet only 2% of the eligible population donates blood, Romania recording one of the lowest donation rates among EU countries.

Blood donation campaigns were motivated by concrete data. Thus, knowing that each unit of blood can save up to 3 LIVES, that during the summer the need for blood is greater and that 60% of the population may need a blood transfusion at some point in their lives, we were motivated to get involved in these campaigns and to encourage the Group's employees to donate blood, making awareness campaigns in this regard among our colleagues.





These were reasons enough to get involved in these campaigns and to encourage the Group's employees to donate blood, conducting awareness campaigns in this regard among our colleagues. So far, our colleagues have donated more than 2,500 units of blood.

In December 2023, we organized the 17th blood donation drive at our headquarters.

12

GOVERNANCE
[in preparation for ESRS G1]

12. GOVERNANCE

12.1. Description of processes to identify and assess material governance-related impacts, risks and opportunities.

The Group has conducted a detailed materiality analysis of its business operations, pinpointing potential governance-related impacts and risks (IROs) within its own activities and throughout the supply chain. These IROs were then evaluated to determine their significance. This involved evaluating dependencies, impacts and assessing associated risks and opportunities.

12.2. Business conduct policies and corporate culture

Business ethics

All our actions, as a leader in our sector of activity, are guided by the set of principles, values and rules of conduct set out in the "**Code of Professional Ethics and Business Conduct**". All this represents a reference in the activities that the directors, executive management and employees within all departments perform by. The Code is a pillar of our business ethics fundamentals and governs the decision-making process and operational approach of the Group and our workforce in the interests of our stakeholders. Through the code we want to promote social responsibility, the culture of quality that contributes to achieving superior performance and is a way to solve business ethics issues.

It aims to prevent the occurrence of illegal and illicit acts that may occur in the course of our activities.

Specific measures are implemented at the company level to ensure that all employees know and adhere to the Code of Professional Ethics and Business Conduct. In all companies in which Romcarbon owns shares/stocks, sustained efforts are made to ensure that our ethical standards or equivalent policies are adopted.

12. GOVERNANCE

We also request that all relevant suppliers, contractors, distributors, partners with whom we have contracts or who are sponsored or endorsed by us, and other interested parties act in accordance with this Code.

The Code of Ethics and Business Conduct is available in both Romanian and English, being published for consultation by customers, suppliers, contractors, agents, intermediaries, competitors, political and governmental factors, local communities, non-governmental organizations, etc. on the Romcarbon's website: https://www.romcarbon.com/wp-content/uploads/2021/01/ROCE-2019-Professional-Ethics-code.pdf

Another very important tool that guides us and is part of our internal policies is the Internal Regulation. This regulation defines the rules that govern the conduct of labor relations, the company's operating rules from the point of view of professional and disciplinary aspects, constitutes a means of communication between the company as an employer and employees and establishes the rules of employee discipline, as well as their protection measures/means.

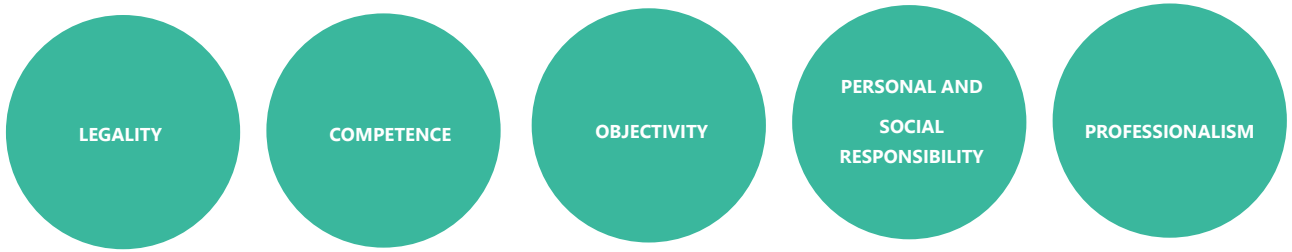
Counselling on ethical issues

The mechanisms for providing advice regarding the application of ethical principles as well as rules of conduct, including compliance with legal provisions, are internalized. Within Romcarbon Group's companies, there are several specialized structures such as the Legal Office, the Human Resources Service, the Internal Prevention and Protection & Environment Service, the Private Service for Emergency Situations, the Quality and Environmental Management Office, which, as the case may be, either individually or in collaboration, analyze and issue advisory opinions addressed to the management of the company with the aim of supporting decision-making in various situations involving the application of ethical principles, as well as rules of conduct, respectively compliance with legal provisions.

Also, the Internal Regulation includes rules of conduct regarding notification/reporting of situations of unethical or illegal behavior or that affect organizational integrity. Reporting issues or concerns helps us protect the culture of integrity and ethics, the reputation and financial health of our company and our business partners, and ultimately protects the jobs of our employees and the well-being of our communities operating rules from the point of view of professional and disciplinary aspects, constitutes a means of communication between the company as an employer and employees and establishes the rules of employee discipline, as well as their protection measures/means.

According to the sustainability strategy for the years 2022 – 2030, we will organize at least 1 training program on issues related to ethics, anti-corruption, respect for human rights, diversity and equal opportunities implemented annually for all employees. In 2023, we organized the training of the group's employees with the theme "Principles of ethics in Romcarbon group", based on the Codes of Ethics and Human Resources Policies.

OUR VALUES



12. GOVERNANCE

How we promote the corporate culture

ROMCARBON as a parent company operating on the principles of Integrated Management Systems (according to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2023 standards) , has conceived and implemented policies and guides which contain guidelines regarding the need to respect the legal framework, human rights and ethics, as well as our commitment to an ethical and socially responsible business environment.

We use corporate, social and environmental responsibility as synonyms for sustainability. For us, sustainability is a corporate commitment for the balanced integration of economic, environmental and social factors into daily activities.

We strive to create economic value while achieving important social goals such as strengthening the well-being of the local community through good jobs and quality education, improving safety and environmental protection performance and reducing inequalities, poverty or other human rights violations.

We believe that our responsibility should extend to all our activities and to all our partners.

Remuneration Policy

Romcarbon adopted the Remuneration Policy based on the following objectives:

- ✓ contributing to the long-term sustainability of the company;
- ✓ maintaining the company's competitiveness on the labor market;
- ✓ ensuring the appropriate conditions for attracting managers/employees with skills necessary and useful for the fulfilment of the company's purpose.
- ✓ creating a satisfactory level of retention of managers/employees;
- ✓ supporting/facilitating the successful implementation/development of the company's strategy in the short, medium and long term;
- ✓ providing tools to reward exceptional performance/achievements.

Also, the Remuneration Policy respects the following principles:

- ✓ **The principle of remuneration matching the company's activity profile** according to which the company's Remuneration Policy is designed to correspond to the principles applied in the administration/management of the company's activities, namely prudence, diligence, solid/sustainable development and effective risk management, without encouraging the assumption of risks incompatible with the activity profile, with the company's internal rules or Articles of Incorporation.
- ✓ **The principle of proportionality of remuneration**, according to which the Remuneration Policy is developed to comply with the provisions of the labor legislation and those agreed by the collective labor contract applicable at the company level, which will always respect the remuneration principles established by the legal regulations in the matter of labor remuneration, in an appropriate way according to its size, internal organization, respectively the nature and complexity of its activities.
- ✓ **The principles regarding the recovery of the variable remuneration (component) of the adjustment type (malus) and of the restitution type (claw – back),** according to which the company has the right, and not the obligation, to recover the variable remuneration (component), already assigned, in certain situations.

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The Remuneration Policy establishes the way in which the remuneration is determined for the members of the Board of Directors, for the General Manager, for deputy general managers/managers and for the company's employees.

The internal structures that have responsibilities in setting/implementing remuneration are the Board of Directors and the Human Resources Service. At Group level, a Remuneration Committee has not been established up to this point.

More information on the Remuneration Policy can be accessed at the following link: https://www.romcarbon.com/wp-content/uploads/2021/04/ROCE_Remuneration-policy_EN.pdf

Anti-Retaliation Policy

As laid down in our Anti-Retaliation Policy , we treat people with dignity and respect, and we support diversity and inclusion. We don't harass or discriminate, whether through culture, nationality, race, religion, gender, disability, association, sexual orientation or age. We foster a culture where legal and ethical concerns can be raised without fear of retaliation.

Romcarbon provides multiple channels for employees and other stakeholders to report concerns and prohibits any form of retaliation against those who do so in good faith. This includes protecting against actions such as changes in duties or working hours without consent, physical or verbal abuse, threats, termination, and non-promotion.

Within the Romcarbon Group, behaviour that may lead to discrimination against workforce and other categories of stakeholders is not acceptable. We are fully committed to combating discrimination in all areas of the workplace, throughout the supply chain and in society as a whole.

At Group level, we understand the value of diversity. Our employees, customers, business partners, suppliers and all other interested third parties are citizens who come from different countries, with many different nationalities, faiths, religions, beliefs, cultures and social backgrounds. In this sense, we support cultural diversity, the creation of an international team and a business community.

We are also devoted to the idea of providing equal opportunities to all individuals based on individual qualities and professional ability. Recruitment, employee evaluation are carried out only on criteria of professional competence and adaptation, integration at the workplace.

Governance of the Policies and strategies within the Group

The policies, codes and strategies within each company in the Group are adopted by the Boards of Directors/Directors, which are the highest corporate governance body.

We have developed policies and commitments, both in terms of human rights, environmental policy and occupational health and safety. These were proposed by the General Manager/Managers of the Group' companies for approval by the Board of Directors/Directors.

The policies, codes and strategies mention the commitments undertaken and the actions, the tools developed to comply with them. They are drawn up also taking into account the principle of prudence, as well as the principle of respect for human rights.

The commitments regarding the activities and business relationships are also transposed in the Supplier Code of Ethics and Conduct, which can be consulted by accessing this link.

The Group's policies and strategies are developed in accordance with the recommendations and guidelines published by international bodies, respectively in accordance with the OECD Guidelines for Multinational Enterprises, the Specific OECD Guidelines on Due Diligence for Responsible Business Conduct, the Guiding Principles on Business and Human Rights in application of the United Nations "Protect, Respect and Remedy" framework and in accordance with the ILO's core conventions.

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The adopted policies, codes and strategies are disseminated in the Group according to the organizational charts, on the hierarchical structure, being appropriated by the management at all levels who are responsible for their application.

Also, to be brought to the attention of all employees, they were included in the Annual Training Plan and are posted on the parent company's website, thus being available to all interested parties: https://www.romcarbon.com/wp-content/uploads/2023/06/Politica-privind-drepturile-omului-iunie-2023-.pdf

https://www.romcarbon.com/wp-content/uploads/2023/06/Politica-anti-represalii-iunie-2023-.pdf

The Group has developed mechanisms to analyze and resolve/remediate the various types of complaints, referrals, received from interested parties.

We are open to a constant communication with interested parties, including to advice request or express concerns related to the impact of our activities.

https://www.romcarbon.com/contact/

However, Romcarbon Group will update its governance related policies and procedures, as follows:

Next steps

Actions planned for 2024 regarding Policies:	Policies under evaluation:
The Group will update its governance policies addressing each identified IRO, by including the followings: ✓ **a description of the scope of the policy, or of its exclusions, in terms of activities, upstream and/or downstream value chain, geographies and if relevant, affected stakeholder groups;** ✓ **the most senior level within Romcarbon Group that is accountable for the implementation of the policy;** ✓ **a description of the consideration given to the interests of key stakeholders in setting the policy;** ✓ **Include the process of monitoring**	✓ Anti-retaliation policy; ✓ Whistleblower procedure ✓ Purchasing Policy and procedures; ✓ Supplier evaluation procedure ✓ The code of ethics and business conduct ✓ The suppliers' ethics and Code of Conduct

12. GOVERNANCE

12.3. Actions and resources in relation to governance

I/R/O	Description	Targets	Actions in 2023
Impact+	Whistleblowers' protection through the implementation of the internal policy	*0 claims/complaints/reports *100% trained/informed staff	Ensuring the whistleblower's confidentiality and taking the necessary measures to ensure his/her protection. Informing the employees, including by displaying on the bulletin boards within the departments, regarding the mechanism of the whistleblower program.
Impact+	Working with local suppliers whenever possible Standard payment terms	*0 claims/complaints/notifications regarding discriminatory treatment towards the supplier/regarding payment delays	Updating the Purchasing Procedures
Impact+	Ensuring compliance through the implementation of the Group Code of Conduct and the Code of Conduct for suppliers.	Objectives to be achieved by 2030: *100% adherence of the relevant suppliers to the Group's Code of ethics and conduct of suppliers *0 confirmed incidents of corruption *0 confirmed incidents in which own workers were fired/were subject to disciplinary procedures for incidents of corruption or giving/taking bribes *0 confirmed incidents related to contracts with partners that were terminated/not renewed due to corruption and/or bribery violations *0 corruption or bribery litigation in which the company/own workers are involved	Expanding the number of suppliers that adhere to the Suppliers' Ethics and Code of Conduct

In 2023 we didn't receive any complaints from employees or third parties regarding the above-mentioned aspects.

12. GOVERNANCE

12.4. Management of relationships with suppliers

Our relationship with suppliers is guided by robust and forward-thinking policies designed to promote shared values and ethical principles:

Supplier's Ethics and Code of Conduct

To ensure our suppliers align with the values and ethical principles fundamental to our operations, we have established the Supplier Ethics and Code of Conduct. This code sets non-negotiable minimum requirements and expectations for all current and future suppliers, including subcontractors and consultants. We are committed to fostering a partnership where suppliers understand, share, and adhere to these ethical standards, promoting a responsible and sustainable supply chain.

The **Purchasing Policy** and procedures of Romcarbon Group companies are regulated by the quality (SR EN ISO 9001), environment (SR EN ISO 14001, except Info Tech Solutions) and occupational health and safety (SR EN ISO 45001: 2023, except Info Tech Solutions) standards, which set the general principles for the evaluation of all suppliers, ensuring the quality of purchased products and services, the conformation of products and services in legal regulations and standards, their safety in use for employees, customers, the environment. Through these measures, we continuously strive to enhance our sustainability practices and uphold high standards in every aspect of our supply chain.

12.5. Prevention and detection of corruption or bribery

Anticorruption & antibribery

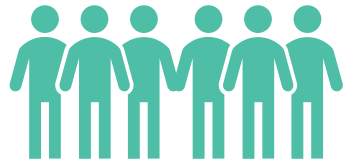
Romcarbon Group does not tolerate corruption in any form (including bribery, payments to facilitate certain services, financial support, blackmail, abuse of power for personal interest, improper use of conferred powers, receiving or giving gifts with the intention of influencing), regardless of whether it takes place in the public or private sector and regardless of its size. We maintain this view even if our commitments to this policy place the companies in an uncompetitive business position or if speaking out against these activities results in lost business.

Across our entire value chain, including community involvement, charities and sponsorships, we are committed to a zero-tolerance policy on corruption and bribery. Fraud, including falsifying financial or non-financial information records, money laundering and insider trading are prohibited.

Romcarbon Group fights against fraud and does not tolerate fraudulent practices. To protect the Group's values, assets and reputation, each of us is personally responsible for acting in good faith, in accordance with relevant rules and regulations, and for being alert to any signs of fraud. Even ignoring suspected fraud can result in companies and individual liability.

Romcarbon Group's Code of Professional Ethics and Business Conduct is the tool we rely on for the early identification and timely removal of the premises for the occurrence of corruption acts.

The training plan provides for at least one annual training on corruption topics, and in 2023, all Romcarbon employees were trained on this topic.



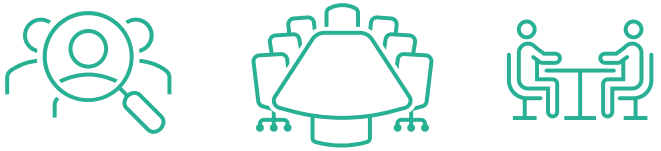
12. GOVERNANCE

Conflicts of interest

Situations that may generate conflicts of interest are regulated and managed through a series of instruments developed at Group level, namely the "Corporate Governance Code", the "Procedure regarding the identification and monitoring of transactions with the parties involved", "The Code of Professional Ethics and Business Conduct" and "Suppliers' Code of Ethics and Conduct".

Romcarbon has adopted in its own Corporate Governance Code rules regarding the management of conflict of interests. Thus, the members of Romcarbon's Board of Directors submit the Declaration of interests upon assuming their mandate.

Also, based on the rules of conduct regarding the management of conflicts of interest, each member of the Board of Directors will avoid any direct or indirect conflict of interest with the organization or with any subsidiary controlled by it, and in the event of such a conflict each director/manager has the obligation to inform the Board of Directors on the conflicts of interest involved, in which case he has the obligation to abstain from the debates and voting on the respective matters.



The director/manager has the same obligation if, in a certain operation, he knows that his husband or wife, his relatives or relatives up to the fourth degree inclusive are interested. It is also prohibited for any insider to:

- ✓ to use this information for the purchase or disposal or the intention to acquire or dispose, on its own account or on behalf of a third party, directly or indirectly, of the financial instruments to which this information refers;
- ✓ to recommend to third parties to carry out transactions with securities owned by the company, if it has information in this regard;
- ✓ to divulge internal information for a purpose other than that which falls within the scope of his tasks and duties;
- ✓ disseminate information in any manner that creates or may create a false or misleading impression;
- ✓ engage in conduct that creates a false or misleading impression of the demand, supply, price or value of investments;
- ✓ to engage in market manipulation activities.

These obligations apply to any person in possession of inside information in circumstances where such persons know or should know that such information is sensitive.

According to the Law, shareholders who are members of the Board of Directors cannot vote, based on the shares they own, either personally or by proxy, to discharge their management or an issue in which their person or administration would be under discussion. However, these persons can vote on the annual financial statement, if the majority required by law or the articles of incorporation cannot be formed. At the same time, the members of the board of directors, managers or officials of the company cannot represent the shareholders, under penalty of nullity of the decision, if, without their vote, the required majority would not have been obtained. Up to the date of this Report, there are no cross-board membership situations recorded, in which the Board members hold similar positions within the Boards of Directors of some of the company's suppliers or within the corporate management structures of other interested parties. The Chairman of the Board of Directors, who also has the capacity of General Manager in the event of a tie, does not have a decisive vote.

At Romcarbon Group level, in 2023, there were no situations that could constitute a conflict of interest.

12. GOVERNANCE

Whistleblowing Program

Wistleblowing Procedure includes the requirements of Directive (EU) 2019/1937, particularly regarding the protection of whistleblowers and the investigative process.

To ensure that the activities we carry out are in accordance with the legislation in force, as well as with the company's internal regulations and procedures, but also that these rules are respected by all our employees, as well as business partners, in the year 2023 we implemented the Whistleblowing Program. The whistleblowing mechanism and whistleblowing policy can be accessed at www.romcarbon.com/integrity.

No incidents of corruption or bribery were reported during 2023.

12.6. Payment practices

According to commercial contracts and agreements, 9% of payments are made in advance, 34% in an interval of 1-30 days, 4% in the interval of 31-45 days, 24% in the interval of 45-60 days, 26% in the interval 60-90 days and 3% over 120 days.

A large part (72%) of payments up to EUR 10,000 and approx. half of payments up to EUR 100,000 are concentrated in the interval 1-30 days.

Payment terms are agreed with suppliers, payments are made on time. In 2023, there were no situations or disputes related to late payments to our suppliers. We mention that the situation presented above does not take into account cash payments and excludes intragroup payments.

Payment Intervals	Maturity Intervals						
	In advance	0-30 days	30-45 days	45-60 days	60-90 days	over 120 days	Grand Total
0-10.000 Euro	14.70%	72.61%	4.73%	6.19%	0.78%	1.00%	100.00%
10.000-50.000 Euro	12.28%	58.57%	9.74%	11.89%	4.34%	3.19%	100.00%
50.000-100.000 Euro	4.57%	54.72%	10.83%	22.91%	5.49%	1.48%	100.00%
100.000-500.000 Euro	17.27%	38.61%	6.67%	22.79%	9.37%	5.28%	100.00%
500.000-1.000.000 Euro	15.18%	17.77%	0.00%	44.22%	0.00%	22.83%	100.00%
over 1.000.000 euro	2.99%	19.66%	0.00%	26.45%	50.90%	0.00%	100.00%
Grand Total	9%	34%	4%	24%	26%	3%	100.00%

12.7. Other Governance Elements

Fiscal Approach

A fiscal strategy is not implemented at Group level, as it is not necessary at this time. Romcarbon Group carries out all its operational activities on the territory of Romania, not being registered as a fiscal Group. Each company within the Group correctly declares and pays local taxes to the Budgets of the Buzau and Iași Municipalities by legal deadlines, contributing to the development of the local community as well as taxes, fees and contributions to the general consolidated Budget.

The annual consolidated financial statements related to the financial year 2023 were drawn up by the Financial Department of each company, verified by the Board of Directors, audited by the external financial auditor Deloitte Audit SRL and approved by OGMS in the meeting of 29.04.2024.

Compliance with the legal provisions in the field of taxes and contributions is permanently monitored so that there are no violations of the tax legislation. The companies within the Group annually prepare the transfer prices file, with external consultancy and according to the law.

Appendices

Appendix 1- Restating the 2022 emissions

Calculation of Scope 1 and 2 CO2 emissions for 2022 for the group's production companies: ROMCARBON and LIVINGJUMBO INDUSTRY		V1 = 2022 (with energy supplier energy label 2021)- declared in RS FY 2022						V2 = 2022 update with energy supplier energy label 2022)						Difference in the V2-V1 update
	ONE	RCB		LJI		Total		RCB		LJI		Total		TOTAL (-=reduction; +=exceeded)
Scope 1		**Consumption**	**emissions CO2 (tons)**	**Consumption**	**emissions CO2 (tons)**	**Consumption**	**emissions CO2 (tons)**	**Consumption**	**emissions CO2 (tons))**	**Consumption**	**emissions CO2 (tons))**	**Consumption**	**emissions CO2 (tons))**	**emissions CO2 (tons)**
Heating fuel - gas	kwh	4,125,000	784			4,125,000	784	4,125,000	784			4,125,000	784	0
Total mobility fuel, of which:	Litres	73,196	201	17,325	47	90,521	248	73,196	201	17,325	47	90,521	248	0
Diesel	Litres	70,555	195	14,615	40	85,170	236	70,555	195	14,615	40	85,170	236	0
petrol		2,641	6	2,710	6	5,351	12	2,641	6	2,710	6	5,351	12	0
Total Scope 1			985		47	0	1,032		985		47	0	1,032	0
Scope 2 - Electricity (purchased from utility companies)	kwh	26,600,000	4,043	9,084,000	1,381	35,684,000	5,424	26,600,000	2,049	9,084,000	700	35,684,000	2,748	-2,676
TOTAL SCOPE 1 + SCOPE 2	Tons of emissions		5,028		1,427		6,456		3,034		746		3,780	-2,676

Appendix 2- Description of methodologies applied and data used 1/3

Scope 3 Categories	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 1- Purchased goods and services	Activity data (primary data): Quantity and monetary value for the goods and services purchased in the reporting year (2023) Emissions factors (secondary data): a) Raw materials (purchased polymers): Cradle-to-gate emissions factors were obtained from publicly available reports such as "European Environmental Agency- European Topic Center on waste and materials in a green economy: Greenhouse gas emissions and natural capital implications of plastics (including biobased plastics)"-ETC/WMGE - Plastics; for polymers, the primary data used reflected the quantity, in kg b) All other goods & services Supply chain emission factors, spending based on products and services from the environmentally extended input-output (EEIO) data (source: US Environmentally Extended Input-Output (USEEIO) Technical Content, United States Environmental Protection Agency, 2023).	Category 1 includes all upstream (i.e., cradle-to-gate) emissions from the extraction, production, and transportation of products purchased by the reporting company in the reporting year. The GHG emissions of Romcarbon Group's purchased goods and services (including merchandise) were analysed by calculating the cradle-to-gate emissions, including all direct GHG emissions from raw material extraction, precursor manufacturing and transport, as well as indirect emissions from energy use. The emissions for merchandise (goods purchased and resold) were attributed when the goods entered the Group's operational perimeter (when they were purchased by Romcarbon SA). Any intr-group sales were excluded in the consolidated results. To calculate emissions, data was extracted from the procurement/accounting system. Emission factors were applied as follows: for purchased polymers, the quantity in kilograms was used, while for other goods and services, the monetary value was used. The GHG emissions from other goods and services were assessed based on the monetary purchasing value in the reporting year.
Category 2 Capital goods	Activity data (primary data): Monetary purchasing value of capital goods purchased in 2023 were obtained from Romcarbon's internal business data management systems. Emissions factors (secondary data): Supply chain emission factors for spending on capital goods were obtained from the environmentally extended input-output (EEIO) data.	Category 2 includes all upstream (i.e.,cradle-to-gate) emissions from the extraction, production, and transportation of capital goods purchased by Romcarbon Group in 2023. As for category 1, emissions are calculated with a spend-based approach based on a procurement data management system and environmentally extended input-output (EEIO) data.
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Activity data (primary data): The quantities of fuel and energy (electricity and heating) purchased and consumed in the reporting year were obtained from Romcarbon internal business data management systems. Emissions factors (secondary data): The cradle-to-gate (upstream) emissions factors for electricity were obtained from UN 2023 and IPCC 2019. The upstream emissions factors for Natural gas were obtained from BEIS 2023 (2023 Government Greenhouse Gas Conversion Factors for Company Reportig Methodology: Paper for Conversion Factors Final Report)	Category 3 includes emissions related to the production of fuel and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2. Uptream GHG emissions are calculated for consumed fuels and energy that are reported for Scope 1 and 2. Purchased gases that are not combusted (for example buthane used as expansion agents), lubricants and other type of fuels (except natural gas) are declared in category 1- purchased goods and services. Data on purchased and consumed fuels and electricity, steam/heat which are basis to calculate category 3 emissions are collected via Romcarbon data management system. Romcarbon also acts as an energy retailer and sells to third parties (outside Romcarbon group) electricity and thermal energy. Emissions from the generation of purchased electricity sold to end users is relevant for Romcarbon because the Group sells purchased electricity. The Group purchases highvoltage electricity that enters their 110 KV station and passes through the two transformer stations (at 6 KV) to the 9 transformer points (0.4 KV) and then to the consumers. The purchased electricity that is sold to third parties is treated in a similar manner to purchased goods and services that are later sold (merchandise). The upstream emissions are calculated for these sold quantities using specific emission factors (source: derived from UN 2023 and IPCC 2019). Electricity T&D losses are determined based on the quantities of electricity purchased and country-specific loss factors. Basis for country-specific electric power transmission and distribution losses: derived from UN 2023 and IPCC 2019.

Appendix 2- Description of methodologies applied and data used 2/3

Scope 3 Categories	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 4- Upstream transportation	Activity data (primary data): centralized data of the freight transport employed by the company in 2023; data extracted from ERP reports and accounting management system;. For 3% of the value of the transport hired and paid by the Company, we could not identify the distance, the type of transport and its purpose; for these, the value (in RON) of the transportation was provided. Emissions factors (secondary data): The CO2 emission factors used were taken from BEIS 2023- Freighting goods	Category 4 covers the transportation and distribution of products purchased by Romcarbon Group in 2023 between its tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the Group), including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company). Shipments from suppliers were transportation is not paid by Romcarbon are not included. To calculate emissions of these transportation categories, Romcarbon applies the distance-based method, by using the freight weight and the distance transported (tonnekm). Partly, for a small fraction of transportation, a spend based approach is needed. Assumption: trucks are 100% loaded (laden); they do not travel empty
Category 5- Waste generated in operations	Activity data (primary data): The quantities of solid waste and wastewater generated during production at Romcarbon production sites were obtained from an in-house database. The data collection method differentiates between on-site and off site disposal as well as between different disposal methods (waste incineration with and without energy recovery, landfill, physical recovery, waste water treatment and others). Emissions factors (secondary data): The emission factors were obtained from the BEIS 2023 database- Waste disposal.	Category 5 includes emissions from third-party disposal and treatment of waste generated in facilities owned or controlled by Romcarbon (including disposal of both solid waste and wastewater). Romcarbon generates the following types of waste: plastic waste, metal, paper and cardboard, wood, municipal waste and other mixed categories of waste. The calculation of emissions from waste generated in operations and disposed of by third parties is based on primary data from Romcarbon collected on an annual basis via data management system (centralization also required by Romanian Environmental Authorities via HG 856/2002). This data is split up into various waste types (e.g., municipal waste, plastic waste, paper waste, etc) and waste disposal methods (e.g. landfill, recycling, combustion). To calculate greenhouse gas emissions from wastewater treatment in third party municipal or industrial wastewater treatment plants, we use primary data from Romcarbon sites, which is collected on an annual basis. Wastewater quantities are multiplied by the BEIS emission factor for water treatment. The GHG emissions from on-site waste recycling are accounted for in the Group's Scope 1 and 2 emissions. The off-site physical recovery (recycling) of waste is assigned zero emissions in line with the cut-off approach of life cycle assessment.
Category 6- Business Travel	Not material (very low impact due to few business trips)	n/a
Category 7- Employee commuting	Activity data (primary data): Number of employees, as well as distance and mode of transportation for all employees, based on a survey conducted in 2024 and validated through direct interviews. Emissions factors (secondary data): The CO2e emissions factors used for car, motorbike, and public transportation were taken from BEIS 2023 GHG Conversion Factors.	Category 7 includes emissions from the transportation of employees between their homes and work. The data are based on an extensive survey conducted in 2024 for all employees of the Group. Detailed data are available on how Romcarbon employees commute to work (means of transport), the distance they travel each day, and how often they commute to work per year. The formula for inter-urban transport takes into account the round trip (6 journeys with 3 changes each). For the interurban public transport contracted by the company on the route Beceni-Vintila Voda (40 km distance from Buzau), together with other companies from Buzau, the proportion of Romcarbon SA and LivingJumbo (considered from the contract with the transport company) is 25% each of the total number of transported employees. Emission factors for modes of transport are taken from BEIS 2023 factors. GHG emissions were calculated by multiplying the travelled distance with the respective CO2e emissions factor accounting for the different means of transportation. For shared transportation (public transportation), emission factors are based on passenger.km unit.

Appendix 2- Description of methodologies applied and data used 3/3

Scope 3 Categories	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 8- upstream leased assets	Not applicable	Not applicable
Category 9- downstream transportation	No data of fair quality available for this category	Not applicable
Category 10- processing of sold products	Given the diversity of applications, the emissions cannot generally be reasonably tracked. According to "Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain", chemical companies are not required to report scope 3, category 10 emissions. We can extrapolate this situation to Romcarbon, since reliable figures are difficult to obtain due to the diverse application and customer structure.	Not applicable
Category 11- use of sold products	Not applicable- Romcarbon Group is not selling energy intensive products or fuels	Not applicable
Category 12 - End-of-Life Treatment of Sold Products	Not applicable	Not applicable
Category 13- downstream leased assets	Activity data (primary data): Quantity of electricity and heating consumed by Romcarbon's tenanta. Emissions factors: BEIS 2023	Category 13 includes emissions from the operation of assets that are owned by the reporting company (acting as lessor) and leased to other entities. Romcarbon leasses assets intra-Group, but these emissions are accounted for in calculating Scope 1 and 2. Also, Romcarbon Group leases commercial buildings to third parties, to which it provides utilities (electricity, heating, water, wastewater). Emissions from heating energy are calculated by using the fuel type and BEIS emission factors. Emissions from electricity demand is calculated by using the Romanian grid emission factor.
Category 14- Franchises	Not applicable	Not applicable
Category 15- Investments	Not applicable	Not applicable

Appendix 3- Regulatory Templates Green Taxonomy

1. Turnover

Financial Year 2023		2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (a) (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)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Text		RON	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**77.46%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.1**	50,953	0.02%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Construction, extension and operation of waste water collection and treatment	**CCM 5.3**	37,297	0.01%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Material recovery from non-hazardous waste	**CCM 5.9**/ CE 2.7	38,642,285	12.68%	Y	N	N/EL	N/EL	EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**38,730,535.09**	**12.71%**	**12.71%**	**0%**	**0.00%**	**0%**	**0.00%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**0%**		
of which enabling		**0.00**	**0%**	**0%**														**E**	
of which transitional		**0.00**	**0%**	**0%**															**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of plastic packaging goods	**EC 1.1**	197,278,748	64.75%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		197,278,748	**64.75%**	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Total (A.1+A.2)		**236,009,282.96**	**77.46%**	12.71%	0.00%	0.00%	0.00%	64.75%	0.00%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**68,674,702.04**	**22.54%**																
Total (A+B)		**304,683,985.00**	**100.00%**																

**For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned turnover of the activity / Total Taxonomy eligible turnover of the activity.

***DNSH criteria: Y-activity meets the criteria for this environmental objective, N-activity does not meet the criteria for this environmental objective

Appendix 3- Regulatory Templates Green Taxonomy

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex
covering the objective, i.e.:
- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

For example, the Activity "Afforestation" would have the Code: CCM 1.1
Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated.
For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template

(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of turnover/ Total turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	12.71%	77.46%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	12.68%	77.43%
PPC	0%	0%
BIO	0%	0%

(f) EL - Taxonomy eligible activity for the relevant objective
N/EL - Taxonomy non-eligible activity for the relevant objective

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes.

Appendix 3- Regulatory Templates Green Taxonomy

2. CAPEX

Financial Year 2023		2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023 (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 2022 (18)**	Category (enabling activity) (19)	Category (transitional activity) (20)
Text		RON	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**60.10%**																
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of renewable energy techn	**CCM 7.6**	211,792.69	2.27%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Construction, extension and operation of water collection, treat	**CCM 5.1**	14,163.24	0.15%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Material recovery from non-hazardous waste	**CCM 5.9**/ CE 2.7	1,947,398.64	20.83%	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Operation of personal mobility devices, cycle logistics	**CCM 6.4**	4,067.23	0.04%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**2,177,421.80**	**23.29%**	**23%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**0%**	**0%**
of which enabling		**211,792.69**	**2.27%**	**Y**	**N/EL**	**N/EL**	**N/EL**	**N**	**N/EL**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**E**	
of which transitional		**0.00**	**0.00%**	**0%**															**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Acquisition and ownership of buildings	**CCM 7.7**	1,088,160.61	11.64%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Renovation of existing buildings	**CCM 7.2**	67,813.12	0.73%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Transport by motorbikes, passenger cars and light commercial	**CCM 6.5**	295,422.00	3.16%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of plastic packaging goods	**CE 1.1**	1,988,979.70	21.28%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**3,440,375.43**	**36.80%**																
Total (A.1+A.2)		**5,617,797.23**	**60.10%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		**3,729,801.41**	**39.90%**																
Total (A+B)		**9,347,598.64**	**100.00%**																

**For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned CAPEX of the activity / Total Taxonomy eligible CAPEX of the activity.

***DNSH criteria: Y-activity meets the criteria for this environmental objective, N-activity does not meet the criteria for this environmental objective

Appendix 3- Regulatory Templates Green Taxonomy

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex
covering the objective, i.e.:
- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

For example, the Activity "Afforestation" would have the Code: CCM 1.1
Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated.
For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template

(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of CapEx/ Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	23.29%	60.1%
CCA	0%	0%
WTR	0%	0%
CE	20.83%	20.83%
PPC	0%	0%
BIO	0%	0%

(f) EL - Taxonomy eligible activity for the relevant objective
N/EL - Taxonomy non-eligible activity for the relevant objective

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes.

Appendix 3- Regulatory Templates Green Taxonomy

3. OPEX

Financial year 2023		2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2023 (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 2022 (18)**	Category (enabling activity) (19)	Category (transitional activity) (20)
Text		RON	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**95.33%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3,000.00	0.02%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	69,886.50	0.56%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Material recovery from non-hazardous waste	**CCM 5.9**/CE 2.7	5,514,900.00	44.56%	Y	N/EL	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**5,587,786.50**	**45.15%**	**45.15%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
of which enabling		**0.00**	**0.02%**	**0.02%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**E**	
of which transitional		**0.00**	**0.00%**	**0%**															**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	174,064.66	1.41%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of plastic packaging goods	CE 1.1	6,036,561.87	48.77%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**6,210,626.53**	**50.18%**	50%	0%	0%	0%	0%	0%										
Total (A.1+A.2)		**11,798,413.03**	**95.33%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**578,389.97**	**4.67%**																
Total (A+B)		12,376,803.00	**100.00%**																

**For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned OPEX/ Total Taxonomy eligible OPEX of the activity.

***DNSH criteria: Y-activity meets the criteria for this environmental objective, N-activity does not meet the criteria for this environmental objective

Appendix 3- Regulatory Templates Green Taxonomy

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex
covering the objective, i.e.:
- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

For example, the Activity "Afforestation" would have the Code: CCM 1.1
Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated.
For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template

(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of OpEx/ Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	45.15%	95.33%
CCA	0%	0%
WTR	0%	0%
CE	44.56%	93.33%
PPC	0%	0%
BIO	0%	0%

(f) EL - Taxonomy eligible activity for the relevant objective
N/EL - Taxonomy non-eligible activity for the relevant objective

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes.

Appendix 4- Datapoints that derive from other EU legislation-1/7

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		02- Corporate Governance	**15**
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		02- Corporate Governance	**15**
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				04-Strategy, Business model and value chain 08-Pollution	**31, 38, 96**
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453Ta ble 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not relevant	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not relevant	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not relevant	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not relevant	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Not disclosed; development of the transition plan by the end of 2025	
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climat Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Not relevant	

Appendix 4- Datapoints that derive from other EU legislation -2/7

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Not disclosed; will be reported in accordance with the Transition Plan, estimated to be finalized by the end of 2025	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				07- Climate change	**73**
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				07- Climate change	**73**
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				07- Climate change	**73**
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		07- Climate change	**77**
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		07- Climate change	**79**

Appendix 4- Datapoints that derive from other EU legislation- 3/7

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		06- Climate: risks, opportunities and scenarios	**58, 59**
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not stated	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not stated	
ESRS E1-9 Degree of exposure of the portfolio climate-relate to opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not stated	
ESRS E2-4 Amount of each pollutant listed in Annex E-PRT II of the Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	

Appendix 4- Datapoints that derive from other EU legislation- 4/7

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				09- Water and marine resources; The "Environmental Policy" will be updated to include water-related impacts, risks and opportunities	**102**
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				09- Water and marine resources; The "Environmental Policy" will be updated to include water-related impacts, risks and opportunities	**102**
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				09- Water and marine resources; estimation based on the capacity of the water treatment station	**105**
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				09- Water and marine resources	**106**
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	

Appendix 4- Datapoints that derive from other EU legislation- 5/7

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				10- Circular economy	120
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				10- Circular economy; hazardous waste generated; no radioactive waste generated	119
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				11- Own workforce	126
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				11- Own workforce	126
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				11- Own workforce	128
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		11- Own workforce	127
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				11- Own workforce; The policies explicitly address forced labour, compulsory labour and child labour	127
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				11- Own workforce	128
ESRS S1-3 grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				11- Own workforce	130
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		11- Own workforce	144
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				11- Own workforce	144
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		11- Own workforce	147
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				11- Own workforce	147
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				11- Own workforce	147

Appendix 4- Datapoints that derive from other EU legislation -6/7

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS Non-respect S1-17 of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		11- Own workforce	147
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not stated	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	
ESRS S2-1Non-respec of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	

Appendix 4- Datapoints that derive from other EU legislation -7/7

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not relevant; anti-corruption policy in place	
ESRS G1-1 Protection whistle-blower of paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				12- Governance	**158**
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		12- Governance- no fines for violation of anti-corruption and anti-bribery laws	**160**
ESRS G1-4 Standards anti-corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Not material	

Sustainability Indicators

Romcarbon Quantitative Sales

	UM	2021	2022	2023
PS PRODUCTS	KG	3,017,517	2,697,204	2,581,443
PP PRODUCTS	KG	3,037,348	2,527,870	2,035,080
PE PRODUCTS	KG	4,344,268	3,990,617	3,413,754
TOTAL PLASTIC PROCESSING	**KG**	**10,399,133**	**9,215,691**	**8,030,278**
RECYCLED POLYMERS AND COMPOUNDS	KG	**9,592,124**	**8,199,631**	**6,931,131**
Active carbon	KG	86,525	70,080	65,525
RECYCLED PVC	**KG**	581,074	349,859	200,295
TOTAL OTHER PRODUCTIVE SECTORS (KG)	**KG**	**667,599**	**419,939**	**265,820**
TOTAL SALES	KG	**20,658,856**	**17,835,261**	**15,227,229**
INDIVIDUAL PROTECTIVE EQUIPMENT	PCS	12,318	15,501	7,107
FILTERS FOR AUTOMOTIVE AND INDUSTRIAL	PCS	158,200	153,012	165,982
OTHER PRODUCTIVE SECTORS (PIECES)	**PCS**	**170,518**	**168,513**	**173,089**

Livingjumbo Quantitative Sales

	UM	2021	2022	2023
BARRIER FILMS	KG	1,292,478	1,437,890	1,181,223
PET PRODUCTS	KG	5,341,785	4,624,811	3,619,074
PP PRODUCTS	KG	5,113,958	5,311,939	3,979,200
TOTAL PLASTIC PROCESSING	**KG**	**11,748,220**	**11,374,640**	**8,779,497**

Direct economic value generated and distributed

Category	UM	2021	2022	2023
Romcarbon				
Direct economic value generated	RON	276,378,079	328,255,881	233,580,503
Economic value distributed	RON	276,936,450	275,872,120	230,084,171
Economic value retained (Gross profit)	RON	-558,371	52,383,761	3,496,332
LivingJumbo Industry				
Direct economic value generated	RON	138,971,957	171,284,735	119,224,088
Economic value distributed	RON	141,291,178	167,807,613	125,269,933
Economic value retained (Gross profit)	RON	-2,319,221	3,477,122	-6,045,845
RC Energo Install				
Direct economic value generated	RON	nr	nr	21,873,817
Economic value distributed	RON	nr	nr	21,523,951
Economic value retained (Gross profit)	RON	nr	nr	349,866
Info tech Solutions				
Direct economic value generated	RON	nr	nr	2,043,064
Economic value distributed	RON	nr	nr	1,742,052
Economic value retained (Gross profit)	RON	nr	nr	301,012

Financial assistance received from government by Romcarbon

Category	UM	2021	2022	2023
Tax facilities	RON	131,396 [1]	163,016 [2]	559,572 [3]
Subsidies[3]	RON	180,077 [4]	916,450 [5]	0
State aid [6]	RON	2,107,185	2,211,505	1,849,118

[1] Bonuses OUG 153/2020 (14,550 lei); Reinvested profit tax reductions (116,846 lei)
[2] Bonuses OUG 153/2020 (17,768 lei); Reinvested profit tax reductions (145,248 lei);
[3] Reinvested profit tax reductions (559,572 lei);
[4] Subsidies for the payment of days off granted to employees for the supervision of children in case of limitation or suspension of classes in schools, kindergartens or nurseries during the coronavirus pandemic, as well as for unpaid employment of graduates, unemployed persons or persons over 50.
[5] Non-reimbursable funding (85% from the European Regional Development Fund and 15% from the State Budget) in the amount of 916,450 lei for "Implementation of an intelligent energy consumption monitoring system within S.C. ROMCARBON S.A.", co-financed by the Large Infrastructure Operational Program 2014 – 2020;
[6] The state aid scheme established according to H.G. no. 495/2014 for the exemption from payment of 85% of the value of green certificates.

Financial assistance received from government by Livingjumbo

Category	UM	2021	2022	2023
Tax facilities	RON	0	0	0
Subsidies[1]	RON	118,315	0	0

[1] Subsidies for the payment of days off granted to employees for the supervision of children in case of limitation or suspension of classes in schools, kindergartens or nurseries during the coronavirus pandemic, as well as for unpaid employment of graduates, unemployed persons or persons over 50.

In 2023, the companies RC Energo Install SRL and Info Tech Solutions SRL did not benefit from financial assistance from the state.

Non-compliance with laws and regulations in the social and economic area

Company	UM	2021	2022	2023
Romcarbon	RON	1,800 [1]	10,000 [3]	3,250 [4]
Livingjumbo Industry	RON	1,000 [2]	0	500 [5]
RC Energo Install	RON	nr	nr	0
Info Tech Solutions	RON	nr	nr	0

[1] DPH (Department of Public Health) + IES (Inspectorate for Emergency Situations)
[2] Thematic control on compliance with the legislation in force in the field of emergency situations-ISU Buzau
[3] Environmental Guard
[4] DPH (Department of Public Health) + IES (Inspectorate for Emergency Situations)
[5] IES (Inspectorate for Emergency Situations)

Evolution of energetic consumption

Romcarbon Energy consumption					
Category	**UM**	**2020**	**2021**	**2022**	**2023**
Fuel	t	69.80	66.35	60.73	56
Electricity	MWh	35,847	38,695	35,868	30,273
Gas	MWh	4,389	4,984	4,125	3,906
Electricity sold	MWh	9,749	9,667	9,268	7,900
Heating agent sold	MWh	874	906	709	631
Total	**MWh**	**30,347**	**33,889**	**30,733**	**26,308**

Livingjumbo Industry Energy consumption					
Category	**UM**	**2020**	**2021**	**2022**	**2023**
Fuel	t	16.77	15.08	14.18	16
Electricity	MWh	9,571	9,474	9,084	7,736
Heating agent	MWh	576	641	532	469
Total	**MWh**	**10,345**	**10,293**	**9,784**	**8,394**

RC Energo Install Energy consumption					
Category	**UM**	**2020**	**2021**	**2022**	**2023**
Fuel	t	Not available	Not available	Not available	5
Electricity	MWh	Not available	Not available	Not available	23
Heating agent	MWh	Not available	Not available	Not available	99
Total	**MWh**	Not available	Not available	Not available	181

Info Tech Solutions Energy consumption					
Category	**UM**	**2020**	**2021**	**2022**	**2023**
Fuel	t	Not available	Not available	Not available	1.9
Electricity	MWh	Not available	Not available	Not available	5
Heating agent	MWh	Not available	Not available	Not available	18
Total	**MWh**	Not available	Not available	Not available	45

Note: Used conversion factors: 1 m3 gas = 10.8 kwh; 1 ton Diesel = 1.015 tep; 1 tep = 11.63 MWh.

Romcarbon and Livingjumbo GHG emission intensity

Category	UM	2021	2022	2023
Scope1	ton of GHG emission/ton of production	0.036	0.032	0.038
Scope2		0.172	0.087	0.083
Total		**0.208**	**0.119**	**0.121**
Scope3*		**nr**	**nr**	**2.509**

*For Scope3, the emission intensity was calculated for the entire Group, including RC Energo Install and Info Tech Solution, and was related to the quantitative production recorded by Romcarbon SA and Livingjumbo Industry SA.

Non-hazardous waste generated

		MU	Paper waste	Plastic waste	Other types of waste	Total
Romcarbon	2022	t	43.24	1,283.87	1,810.97	**3,138.08**
	2023	t	41.82	1,054.75	1,975.92	**3,072.49**
Livingjumbo Industry	2022	t	53.80	2,150.94	40.48	**2,245.22**
	2023	t	46.92	1,974.96	116.09	**2,137.97**
Energo Install	2022	t	nr	nr	nr	**nr**
	2023	t	-	-	4.26	**4.26**
Info Tech Solutions	2022	t	nr	nr	nr	**nr**
	2023	t	-	-	1.32	**1.32**

[1] It includes cardboard waste generated.
[2] It includes scrap metal, wood, mixtures

Waste diverted from disposal in 2023

Category	By preparation for reusing		By recycling		Through other operations (including valorization through co-incineration for energy purposes)		TOTAL
	code	Quantity (to)	code	Quantity (to)	code	Quantity (to)	Quantity (to)
Non-hazardous waste	R3(wood)	72.75	R3(other)	493.89	R1,R12	4,156.08	**4,722.72**
Hazardous waste			R3(other)	0.29	R1,R9,R12	7.01	**7.30**
TOTAL		**72.75**		**494.18**		**4,163.09**	**4,730.02**

*for Romcarbon excludes the recovery of waste purchased from the market for recycling = 9,681 tons
**In "Other operations" is also included the valorization through co-incineration for energy purposes = R1 = 1364.51 tons (non-hazardous RCB) + 48.48 tons (non-hazardous LJI) + 2.92 tons (hazardous RCB)

Waste diverted from disposal in 2022

Category	By preparation for reusing		By recycling		Through other operations (including valorization through co-incineration for energy purposes)		TOTAL
	code	Quantity (to)	code	Quantity (to)	code	Quantity (to)	Quantity (to)
Non-hazardous waste	R3(wood)	48.35	R3(other)	991.60	R1,R12	4,223.56	**5,263.50**
Hazardous waste			R3(other)	-	R1,R9,R12	10.87	**10.87**
TOTAL		**48.35**		**991.60**		**4,234.43**	**5,274.38**

*for Romcarbon excludes the recovery of waste purchased from the market for recycling = 11,072.07 tons**In "Other operations" is also included the recovery by co-incineration for energy purposes = R1 = 1613.16 tons (non-hazardous RCB) + 79.92 tons (non-hazardous LJI) + 6.84 tons (hazardous RCB)

Waste directed to disposal in 2023

Category	By incineration		Landfilled		By other elimination operations		TOTAL
	code	Quantity (to)	code	Quantity (to)	code	Quantity (to)	Quantity (to)
Non-hazardous waste		-	D5,15	486.79			**486.79**
Hazardous waste		-			D9, D15	2.13	**2.13**
TOTAL		**-**		**486.79**		**2.13**	**488.92**

Waste directed to disposal in 2022

Category	By incineration		Landfilled		By other elimination operations		TOTAL
	code	Quantity (to)	code	Quantity (to)	code	Quantity (to)	Quantity (to)
Non-hazardous waste		-	D5,15	517.03			**517.03**
Hazardous waste		-			D9, D15	0.19	**0.19**
TOTAL		**-**		**517.03**		**0.19**	**517.22**

Total number of employees

Company		2021	2022	2023
Romcarbon		840	778	779
	out of which women	*408*	*373*	*379*
Livingjumbo		638	574	541
	out of which women	*431*	*379*	*356*
Energo Install		nr	nr	60
	out of which women	*nr*	*nr*	*5*
Info Tech		nr	nr	8
	out of which women	*nr*	*nr*	*3*
Total				**1,388**

New hires

Gender/company	**< 30 years**		**30 - 50 years**		**> 50 years**	
Year	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**
Male, out of which:	**nr**	**46**	**nr**	**59**	**nr**	**39**
Rate (%)	*nr*	*3.27*	*nr*	*4.19*	*nr*	*2.77*
Romcarbon	36	26	31	33	28	27
Rate (%)	*26.66*	*3.34*	*22.96*	*4.24*	*20.74*	*3.47*
Livingjumbo	20	17	29	23	17	11
Rate (%)	*16*	*3.05*	*23.2*	*4.13*	*13.6*	*1.97*
Energo Install	nr	3	nr	3	nr	1
Rate (%)	*nr*	*4.76*	*nr*	*4.76*	*nr*	*1.59*
Info Tech Solutions	nr	0	nr	0	nr	0
Rate (%)	*nr*	*0*	*nr*	*0*	*nr*	*0*
Female, out of which:	**nr**	**23**	**nr**	**59**	**nr**	**33**
Rate (%)	*nr*	*1.64*	*nr*	*4.19*	*nr*	*2.35*
Romcarbon	13	10	19	31	8	21
Rate (%)	*9.62*	*1.28*	*14.07*	*3.98*	*5.92*	*2.70*
Livingjumbo	11	13	38	28	10	12
Rate (%)	*8.8*	*2.33*	*30.4*	*5.03*	*8*	*2.15*
Energo Install	nr	0	nr	0	nr	0
Rate (%)	*nr*	*0.00*	*nr*	*0.00*	*nr*	*0.00*
Info Tech Solutions	nr	0	nr	0	nr	0
Rate (%)	*nr*	*0*	*nr*	*0*	*nr*	*0*

Turnover of employees

Gender/company	< 30 years		30 - 50 years		> 50 years	
Year	2022	2023	2022	2023	2022	2023
Male, out of which:	**nr**	**50**	**nr**	**59**	**nr**	**62**
Rate (%)	*nr*	*3.55*	*nr*	*4.19*	*nr*	*4.41*
Romcarbon	40	23	51	32	32	36
Rate (%)	*4.94*	*2.95*	*6.3*	*4.11*	*3.95*	*4.62*
Livingjumbo	20	23	27	24	22	18
Rate (%)	*3.33*	*4.13*	*4.5*	*4.31*	*3.67*	*3.23*
Energo Install	nr	4	nr	3	nr	8
Rate (%)	*nr*	*6.35*	*nr*	*4.76*	*nr*	*12.70*
Info Tech Solutions	nr	0	nr	0	nr	0
Rate (%)	*nr*	*0*	*nr*	*0*	*nr*	*0*
Female, out of which:	**nr**	**25**	**nr**	**67**	**nr**	**39**
Rate (%)	*nr*	*1.78*	*nr*	*4.76*	*nr*	*2.77*
Romcarbon	15	11	37	25	22	20
Rate (%)	*1.85*	*1.41*	*4.57*	*3.21*	*2.72*	*2.57*
Livingjumbo	18	14	55	42	32	19
Rate (%)	*3*	*2.51*	*9.18*	*7.54*	*5.34*	*3.41*
Energo Install	nr	0	nr	0	nr	0
Rate (%)	*nr*	*0.00*	*nr*	*0.00*	*nr*	*0.00*
Info Tech Solutions	nr	0	nr	0	nr	0
Rate (%)	*nr*	*0*	*nr*	*0*	*nr*	*0*

Parental leave in 2023

	Total number of employees that were entitled to parental leave in the reporting period		Total number of employees that took parental leave in the reporting period		Total number of employees that returned to work in the reporting period after parental leave ended		Total number of employees that returned to work after parental leave ended that were still employed after 12 months after their return to work		Return to work rate of employees that took parental leave (%)		Retention rate of employees that took parental leave (%)	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Romcarbon	1	6	1	6	1	5	0	5	100%	45%	0%	100%
LivingJumbo	1	10	1	10	2	6	2	6	100%	55%	100%	100%
Energoinstall	0	0	0	0	0	0	0	0	0	0	0	0
Infotech	0	0	0	0	0	0	0	0	0	0	0	0

Parental leave in 2022

	Total number of employees that were entitled to parental leave in the reporting period		Total number of employees that took parental leave in the reporting period		Total number of employees that returned to work in the reporting period after parental leave ended		Total number of employees that returned to work after parental leave ended that were still employed after 12 months after their return to work		Return to work rate of employees that took parental leave (%)		Retention rate of employees that took parental leave (%)	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Romcarbon	0	7	0	7	2	8	2	5	100%	80%	50%	71%
LivingJumbo	1	8	1	8	1	3	0	2	100%	42.80%	0	50%
Energoinstall	nr	nr	nr	nr	nr	nr	nr	nr	nr	nr	nr	nr
Infotech	nr	nr	nr	nr	nr	nr	nr	nr	nr	nr	nr	nr

Breakdown of employees by gender and regions, specifying working hours - 2023

2023	Number of temporary employees			Number of full-time employees			Number of part-time employees			Number of non-guaranteed hours employees		
	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male
Romcarbon	**71**	37	34	**764**	370	394	**15**	9	6	**-**	-	-
LivingJumbo Industry	**31**	23	8	**521**	348	173	**20**	8	12	**-**	-	-
Energo Install	**3**	-	3	**52**	2	50	**8**	3	5	**-**	-	-
Info Tech Solutions	**-**	-	-	**4**	-	4	**4**	3	1	**-**	-	-
Total	**105**	**60**	**45**	**1,341**	**720**	**621**	**47**	**23**	**24**	**-**	**-**	**-**

2023	Sri Lanka			Taiwan			Republica Moldova			Malaesia			Romania		
	Number of temporary employees	Number of full-time employees	Number of part-time employees	Number of temporary employees	Number of full-time employees	Number of part-time employees	Number of temporary employees	Number of full-time employees	Number of part-time employees	Number of temporary employees	Number of full-time employees	Number of part-time employees	Number of temporary employees	Number of full-time employees	Number of part-time employees
Romcarbon	-	18	-	1	1	-	1	-	-	-	-	-	69	745	15
LivingJumbo Industry	-	1	-	-	2	-	-	-	-	-	1	-	31	517	20
Energo Install	-	-	-	-	-	-	-	-	-	-	-	-	3	52	8
Info Tech Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4
Total	**-**	**19**	**-**	**1**	**3**	**-**	**1**	**-**	**-**	**-**	**1**	**-**	**103**	**1,318**	**47**

The ratio of the salary of new employees to the minimum wage per economy, by gender

	2022		2023		2023 (01.10-31.12.2023)	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Minimum wage per economy	*2,550*	*2,550*	*3,000*	*3,000*	*3,300*	*3,300*
Romcarbon SA	1.21	1.11	1.20	1.33	1.14	1.01
Livingjumbo Industry SA	1.06	1.27	1.03	1.16	1.07	1.01
RC Energo Instal SRL *	nr	nr	1.09	-	-	-
Info Tech Solutions SRL	nr	nr	-	-	-	-

* In the field of construction in 2023, the minimum wage per economy was: 01.01.2023-31.10.2023: 4,000 lei; 01.11.2023-31.12.2023: 4,582 lei

The ratio of the basic pay to the minimum wage per economy, by gender

	2022		2023	
	Male	**Female**	**Male**	**Female**
Romcarbon SA	1.34	1.26	1.30	1.20
Livingjumbo Industry SA	1.22	1.11	1.16	1.09
RC Energo Instal SRL	nr	nr	1.25	1.50
Info Tech Solutions SRL	nr	nr	3.26	2.79

The ratio of the compensation of the highest paid employee to the average compensation per organization excluding the salary of the highest paid employee

	2022	**2023**
Romcarbon SA	8.21	4.93
Livingjumbo Industry SA	4.99	3.85
RC Energo Instal SRL	nr	4.07
Info Tech Solutions SRL	nr	3.44

The ratio of the annual increase in compensation of the highest paid employee to the average increase for the organization excluding the highest paid employee

	2022	2023
Romcarbon SA	1.34 -	1.38
Livingjumbo Industry SA	2.79 -	0.09
RC Energo Instal SRL	nr	nr
Info Tech Solutions SRL	nr	nr

The ratio of women's to men's basic pay on types of jobs

	2022						2023					
	Direct employees in production		Indirect employees in production		Employees in the supporting departments		Direct employees in production		Indirect employees in production		Employees in the supporting departments	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Romcarbon SA	0.95	1.05	1.26	1.31	2.05	1.79	0.95	1.05	1.24	1.27	1.87	1.81
Livingjumbo Industry SA	0.95	1.05	1.43	1.13	1.96	1.35	0.96	1.04	1.25	1.12	2.45	2.00
RC Energo Instal SRL	nr	nr	nr	nr	nr	nr	-	2.00	3.90	3.07	2.02	3.76
Info Tech Solutions SRL	nr	nr	nr	nr	nr	nr	-	2.00	-	-	1.76	0.31

The ratio of women's to men's remuneration on types of jobs

	2022						2023					
	Direct employees in production		Indirect employees in production		Employees in the supporting departments		Direct employees in production		Indirect employees in production		Employees in the supporting departments	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Romcarbon SA	0.95	1.05	1.26	1.31	2.05	1.79	0.87	1.13	1.18	1.21	1.80	2.12
Livingjumbo Industry SA	0.95	1.05	1.43	1.13	1.96	1.35	0.92	1.08	1.25	1.07	2.15	2.42
RC Energo Instal SRL	nr	nr	nr	nr	nr	nr	-	2.00	3.08	2.68	1.67	3.10
Info Tech Solutions SRL	nr	nr	nr	nr	nr	nr	-	2.00	-	-	2.68	0.15

ABBREVIATIONS

BSE - Bucharest Stock Exchange
CBA - Collective Bargaining Agreement
CSRD – Corporate Sustainability Reporting Directive
CBAM – Carbon Boarder Adjustment Mechanism
DPH - Department of Public Health
ERP - Enterprise Resource Planning
EIP - Personal Protective Equipment
EU - European Union
EUIPO - European Union Intellectual Property Office
ESRS – European Sustainability Reporting Standards
ETC/WMGE –European Topics
GD - Governement Decision
GEO - Government Emergency Ordinance
GHG – Greenhouse gas
GRI - Global Reporting Initiatives
GPPS - General purpose polystyrene
FSA - Financial Supervisory Authority
HIPS - High Impact Polystyrene Sheet
IES - Inspectorate for Emergency Situations

ILC - Individual labor Contract
ILO – International Labor Organization
IPP&Environment - Internal Prevention and Protection & Environment
ISSM - Occupational Health and Safety Instruction
ITM - Territorial labor inspectorate
OHS - Occupational Health and Safety
PE – Polythene
LEAP – Locate, Evaluate, Assess and Prepare
PET - Polyethylene terephthalate
PP – Polypropylene
PVC - Polyvinyl Chloride
RAR - Romanian Automotive Register
RRA - Romanian Railway Authority
XPS - Extruded polystyrene
US EEIO – US Environmentally - Extended Input-Output Models
WHO - World Health Organization

AFFILIATIONS

- National Standardisation Body **(ASRO)**
- Investor Relations Association on Romania Stock Marke **(ARIR)**
- Employers'Association of Plastics Processors **(ASPAPLAST)**
- Romanian Automobile Manufacturers Association **(ACAROM)**
- Chamber of Commerce, Industry and Agriculture Buzău
- Romanian Association for Waste Management **(ARMD)**
- GS1Association
- COALITIA PENTRU ECONOMIA CIRCULARA **(CERC)**
- **PETCORE EUROPE**

ROMCARBON since 1952

GRI Content Index

Statement of use	**ROMCARBON Group reported in accordance with GRI Standards for the period January 1 - December 31, 2023**
GRI 1 used	**GRI 1: Foundation 2021**
Applicable GRI Sector Standard(s)	**No sectoral standards have been issued for the plastics processing or plastic recycling sector**

	DISCLOSURE	LOCATION IN THE REPORT (page number and/or links)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	p.9 and p.13			
	2-2 Entities included in the organization's sustainability reporting	p.9, p.13, p.26-29			
	2-3 Reporting period, frequency and contact point	p.13			
	2-4 Restatements of information	p.165			
	2-5 External assurance	p.13			
	2-6 Activities, value chain and other business relationships	p.7, p.10, p.13, p.26-29, p.31-33, p.35-38			
	2-7 Employees	p.137-138, p.189			
	2-8 Workers who are not employees	p.140			
	2-9 Governance structure and composition	p.15, p.17-18			
	2-10 Nomination and selection of the highest governance body	p.15, p.17			
	2-11 Chair of the highest governance body	p.18, p.162			
	2-12 Role of the highest governance body in overseeing the management of impacts	p.17-18			
	2-13 Delegation of responsibility for managing impacts	p.23, p.53			
	2-14 Role of the highest governance body in sustainability reporting	p.17-19			
	2-15 Conflicts of interest	p.162			
	2-16 Communication of critical concerns	p.18, p.20			
	2-17 Collective knowledge of the highest governance body	p.15			
	2-18 Evaluation of the performance of the highest governance body	p.18			
	2-19 Remuneration policies	p.157			
	2-20 Process to determine remuneration	p.157-158			

	DISCLOSURE	LOCATION IN THE REPORT (page number and/or links)	OMISSION: REQUIREMENT(S) OMITTED	OMISSION: REASON	OMISSION: EXPLANATION
GRI 2: General Disclosures 2021	**General Disclosures**				
	2-21 Annual total compensation ratio	p.193-194			
	2-22 Statement on sustainable development strategy	p.3-5			
	2-23 Policy commitments	p.33-35, p.69, p.94, p.128 and p.158			
	2-24 Embedding policy commitments	p.33-35, p.69, p.94, p.128 and p.158			
	2-25 Processes to remediate negative impacts	p.130			
	2-26 Mechanisms for seeking advice and raising concerns	p.159, p.163			
	2-27 Compliance with laws and regulations	In 2023, Romcarbon was fined by DPH (Department of Public Health) + IES (Inspectorate for Emergency Situations) and Livingjumbo Industry by Inspectorate for Emergency Situations Sustainability indicators p.184			
	2-28 Membership associations	Affiliations p.195			
	2-29 Approach to stakeholder engagement	p.39-42			
	2-30 Collective bargaining agreements	p.130, p.140 / All employees are covered by the collective labor contract, concluded for consecutive periods of 2 years			
GRI 3: Material Topics 2021	**Material Topics**				
	3-1 Process to determine material topics	p.52-54			
	3-2 List of material topics	p.47-51			

	DISCLOSURE	LOCATION IN THE REPORT (page number and/or links)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 201: Economic Performance 2016	**Economic Performance**				
	3-3 Management of material topics	p.20-21			
	201-1 Direct economic value generated and distributed	p.7, p.183			
	201-2 Financial implications and other risks and opportunities due to climate change			Information unavailable/incomplete	Until the date of the report, we have not carried out an analysis on the economic effect of climate change
	201-3 Defined benefit plan obligations and other retirement plans			Not applicable	We do not have a retirement benefits policy
	201-4 Financial assistance received from government	p.184			
GRI 202: Market Presence 2016	**Market Presence**				
	3-3 Management of material topics				
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	p.193			
	202-2 Proportion of senior management hired from the local community	For Romcarbon Group the proportion of top management hired from the local community is 89%			
GRI 203: Indirect Economic Impacts 2016	**Indirect Economic Impacts**				
	3-3 Management of material topics				
	203-1 Infrastructure investments and services supported	p.150-153			
	203-2 Significant indirect economic impacts			Information unavailable/incomplete	The Group could not correctly determine its indirect economic impact
GRI 204: Procurement Practices 2016	**Procurement Practicies**				
	3-3 Management of material topics	p.33			
	204-1 Proportion of spending on local suppliers	p.31-32			

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			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 205: Anti-corruption 2016	**Anti-corruption**				
	3-3 Management of material topics	p.158-161			
	205-1 Operations assessed for risks related to corruption	p.158-161			
	205-2 Communication and training about anti-corruption policies and procedures	p.156, p.161			
GRI 206: Anti-competitive Behavior 2016	**Anti-competitive Behavior**				
	3-3 Management of material topics	p.161			
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Code of ethics page 5-6. During 2023, no legal actions for anti-competitive, anti-trust and monopoly behavior were registered. p.161-163			
GRI 207: Tax 2019	**Tax**				
	3-3 Management of material topics	p.163			
	207-1 Approach to tax	p.163			
	207-2 Tax governance, control, and risk management	p.163			
	207-3 Stakeholder engagement and management of concerns related to tax	p.163			
	207-4 Country-by-country reporting			Information unavailable/incomplete	The group operates in Romania. The group however has a subsidiary that managed the financial investment in Green-Group based in Cyprus.
GRI 301: Materials 2016	**Materials**				
	3-3 Management of material topics				
	301-1 Materials used by weight or volume	p.115			
	301-2 Recycled input materials used	p.116			
	301-3 Reclaimed products and their packaging materials	p.111			

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GRI 302: Energy 2016	**Energy**				
	3-3 Management of material topics	p.70-71			
	302-1 Energy consumption within the organization	p.73-75, p.77, p.79-80, p.185			
	302-2 Energy consumption outside of the organization	p.77			
	302-3 Energy intensity	p.75			
	302-4 Reduction of energy consumption	p.185			
	302-5 Reductions in energy requirements of products and services			Information unavailable/incomplete	Our products are not subjected to the requirements of the standard
GRI 303: Water and Effluents 2018	**Water and Effluents**				
	3-3 Management of material topics	p.101-103			
	303-1 Interactions with water as a shared resource	p.102-103			
	303-2 Management of water discharge-related impacts	p.102			
	303-3 Water withdrawal	p.106			
	303-4 Water discharge	p.106			
	303-5 Water consumption	p.105-107			
GRI 305: Emissions 2016 >>>>	**Emissions**				
	3-3 Management of material topics	p.78			
	305-1 Direct (Scope 1) GHG emissions	p.77-80			
	305-2 Energy indirect (Scope 2) GHG emissions	p.77-80			
	305-3 Other indirect (Scope 3) GHG emissions	p.77-81			
	305-4 GHG emissions intensity	p.186			

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>>> GRI 305: Emissions 2016	**Emissions**				
	305-5 Reduction of GHG emissions	p.186			
	305-6 Emissions of ozone-depleting substances (ODS)			Information unavailable/incomplete	We cannot determine ODS emissions at this time
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Information unavailable/incomplete	We cannot determine Nox and Sox emissions at this time
GRI 306: Waste 2020	**Waste**				
	3-3 Management of material topics	p.111			
	306-1 Waste generation and significant waste-related impacts	p.119-120			
	306-2 Management of significant waste-related impacts	p.113			
	306-3 Waste generated	p.119-120 p.186			
	306-4 Waste diverted from disposal	p.119-120 p.187			
	306-5 Waste directed to disposal	p.119-120 p.188			

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GRI 308: Supplier Environmental Assessment 2016	**Supplier Environmental Assessment**				
	3-3 Management of material topics				
	308-1 New suppliers that were screened using environmental criteria	p.34			
	308-2 Negative environmental impacts in the supply chain and actions taken			Information unavailable/incomplete	In 2023, we implemented the tools to evaluate suppliers from an ESG perspective, and we sent the request to a number of 92 suppliers
GRI 401: Employment 2016	**Employment**				
	3-3 Management of material topics	p.131-134			
	401-1 New employee hires and employee turnover	p.139 p.189-190			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Part-time or temporary employees don not receive meals and gift vouchers			
	401-3 Parental leave	p.191			
GRI 402: Labor/Management Relations 2016	**Labor/Management Relations**				
	3-3 Management of material topics	p.131-134			
	402-1 Minimum notice periods regarding operational changes	According to the legal provisions in force in Romania regarding labor relations			
GRI 403: Occupational Health and Safety 2018>>>	**Occupational Health and Safety**				
	3-3 Management of material topics	p.144-146			
	403-1 Occupational health and safety management system	p.144			
	403-2 Hazard identification, risk assessment, and incident investigation	p.135-136 p.145			
	403-3 Occupational health services	p.144-146			
	403-4 Worker participation, consultation, and communication on occupational health and safety	p.21, p.128,p.130-131			
	403-5 Worker training on occupational health and safety	p.146			

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>>> GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	p.142			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.142-146			
	403-8 Workers covered by an occupational health and safety management system	p.144-145			
	403-9 Work-related injuries	p.144-145			
	403-10 Work-related ill health	p.144-145			
GRI 404: Training and Education 2016	**Training and Education**				
	3-3 Management of material topics	p.142			
	404-1 Average hours of training per year per employee	p.143			
	404-2 Programs for upgrading employee skills and transition assistance programs	p.133-142			
	404-3 Percentage of employees receiving regular performance and career development reviews	p.133-142			
GRI 405: Diversity and Equal Opportunity 2016	**Diversity and Equal Opportunity**				
	3-3 Management of material topics	p.127-128			
	405-1 Diversity of governance bodies and employees	p.15-16 p.140-141			
	405-2 Ratio of basic salary and remuneration of women to men	p.193-194			
GRI 406: Non-discrimination 2016	**Non-discrimination**				
	3-3 Management of material topics	p.127-128			
	406-1 Incidents of discrimination and corrective actions taken	p.147,p.158			
GRI 407: Freedom of Association and Collective Bargaining 2016	**Freedom of Association and Collective Bargaining**				
	3-3 Management of material topics	p.140			
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			Information unavailable/incomplete	For the Group's operations, the requirements of the standard are applied. Regarding suppliers, for the reporting period, we do not have enough data.

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GRI 410: Security Practices 2016	**Security Practices**				
	3-3 Management of material topics				
	410-1 Security personnel trained in human rights policies or procedures	The group has concluded a contract for guarding and security services with the company Mediator Service Security, which serves several companies in our area. The employees are carefully selected and trained in terms of human rights, so that there are no situations that contravene them (abuse, humiliation, harassment). There was no complaint related to the violation of these rights during the reporting period.			
GRI 413: Local Communities 2016	**Local Communities**				
	3-3 Management of material topics	p.150-153			
	413-1 Operations with local community engagement, impact assessments, and development programs	p.150-153			
	413-2 Operations with significant actual and potential negative impacts on local communities	p.150-153			
GRI 414: Supplier Social Assessment 2016	**Supplier Social Assessment**				
	3-3 Management of material topics				
	414-1 New suppliers that were screened using social criteria	p.34		Information unavailable/incomplete	
	414-2 Negative social impacts in the supply chain and actions taken			Information unavailable/incomplete	In 2023, we implemented the tools to evaluate suppliers from an ESG perspective, and we sent the request to a number of 92 suppliers

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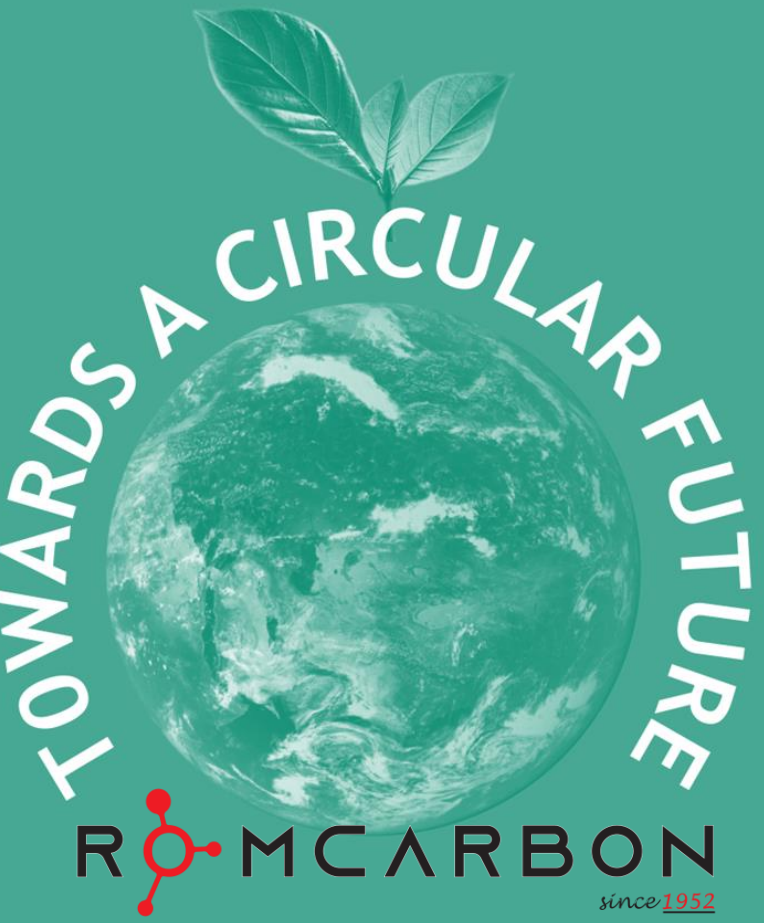
GRI 415: Public Policy 2016	**Public Policy**				
	3-3 Management of material topics				
	415-1 Political contributions	The group is not politically involved			
GRI 416: Customer Health and Safety 2016	**Customer Health and Safety**				
	3-3 Management of material topics	p.35			
	416-1 Assessment of the health and safety impacts of product and service categories	p.35-36			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	p.11 p.35-36			
GRI 417: Marketing and Labeling 2016	**Marketing and Labeling**				
	3-3 Management of material topics	p.36			
	417-1 Requirements for product and service information and labeling	p.36			
	417-2 Incidents of non-compliance concerning product and service information and labeling	p.36			
	417-3 Incidents of non-compliance concerning marketing communications	p.36			
GRI 418: Customer Privacy 2016	**Customer Privacy**				
	3-3 Management of material topics	p.11			
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.11			



ROMCARBON SA | Thinking forward
132 Transilvaniei street, Buzău
Postal code 120012
Tel.0238.711.155
Fax.0238.710.697
www.romcarbon.com
sustainability@romcarbon.com