

ALong with a durable ROmania

LOOKING TOWARDS A GREEN FUTURE

SUSTAINABILITY
REPORT
2023

vimetco
alro 

SUMMARY

M

MANAGEMENT MESSAGE	4
Message from the President	5
Message from the CEO	7
Message from the CFO	9

R

ABOUT THE REPORT	11
-------------------------------	----

1

ALRO Group Contribution to SUSTAINABLE DEVELOPMENT	15
1.1. Presentation of ALRO Group	16
1.2. Our performance in figures in 2023	19
1.3. Sustainability Strategy	20

2

STAKEHOLDERS	52
2.1. ALRO Group Stakeholder Map	54
2.2. Materiality Analysis	57
2.3. Evaluation of Material Aspects	59
2.4. List of material aspects of the ALRO Group	60
2.5. Double Materiality Matrix	64
2.5.1. Interpretation of the Double Materiality Matrix	65
2.6. Value Chain	68

3

ALRO Group GOVERNANCE STRUCTURE	72
3.1. Corporate Governance and Business Ethics	75
3.1.1. Board of Directors (BoD)	78
3.1.2. Board evaluation and remuneration policy	84
3.1.3. ALRO Committees	85
3.1.4. Executive management and operational management	90
3.1.5. Collective agreements	91
3.1.6. Ethics and Anti-Corruption	92
3.1.7. Legal actions	97
3.2. Economic Performance	101
3.2.1. Tax governance	104
3.2.2. Stakeholder involvement in the tax area	105
3.3. Supply Chain Management	107
3.3.1. Assessment of New Suppliers on Environmental and Social Criteria	111
3.4. Customer and Relationship Management	114
3.4.1. Level of customer satisfaction	116
3.5. Risk Management and Emergencies	118
3.5.1. Emergency situations	121
3.5.2. Cyber security	124



4

EU TAXONOMY	125
--------------------------	-----

5

AWARDS AND MEMBERSHIPS	136
-------------------------------------	-----

6

ALRO Group ACTIVITIES AND PRODUCTS	139
6.1. Product Quality and Continuous Development	143
6.2. Innovative Products and Technologies	147
6.3. Responsible Communication	154

7

ALRO Group's concern for the PROTECTION OF NATURAL RESOURCES	159
7.1. Optimal Resource Management	163
7.2. Industrial Emissions	171
7.3. Circular Economy and Waste Management	174
7.4. Climate Change and Business Resilience	185
7.5. Water and Effluent Management	199
7.6. Biodiversity and Ecosystems	206

8

The commitment of the ALRO Group from SOCIAL POINT OF VIEW	211
8.1. Human Resources Management	214
8.1.1. The people from ALRO Group	220
8.1.2. Parental leave	225
8.1.3. Selection and recruitment of employees	227
8.1.4. Employee Retention within Our Group and New Hires	228
8.1.5. Consolidating Employee Engagement and Loyalty within Our Group	230
8.1.6. Professional Training of ALRO Group Employees	232
8.1.7. Performance Evaluation and Career Development	238
8.2. Health and Safety in the Workplace	240
8.2.1. Occupational Health and Safety Management System	242
8.2.2. Continuous Education of Employees Regarding Workplace Safety and Health	247
8.2.3. Promoting Employee Health and Safety	249
8.3. Human Rights, Diversity and Equal Opportunities	255
8.3.1. Policy on Human Rights at Our Group Level	258
8.3.2. Training Employees on Human Rights	261
8.3.3. Employee Diversity	262
8.3.4. Discrimination Incidents and Corrective Measures Taken	267
8.4. Commitment to Community	268
8.4.1. CSR Campaigns	273

9

Report ASSURANCE	274
-------------------------------	-----

10

GRI and SASB Index	279
Abbreviation list	288



MANAGEMENT Message



MESAGE FROM THE PRESIDENT

MARIAN NĂSTASE,
Chairman of the
Board of Directors

Dear Readers,

*Allow me, first of all, to address the employees and collaborators of ALRO, the approximately **3,000 employees** and the more than **14,000 suppliers and business partners of the company**, whom I thank for their dedication, for their seriousness and for the trust they place in us . Because sustainable development is only possible with the help of all the people involved.*

We, at ALRO, have created a medium and long-term Sustainability Strategy, the successful application of which depends directly on each employee and which goes on to all our collaborators. We are continuously adapting this strategy, as we did last year, with the new legislative norms of the European Union and with the new realities of the aluminium industry, our actions in the field of decarbonization, environmental protection, workplace safety being at the top of our concerns.





Moreover, our medium and long-term strategy is carried out with the goal of **“Green Factory, Factory of the Future, Innovative and Sustainable”**. This objective is carried out on several levels and encompasses, in fact, our entire activity, in all its aspects.

Therefore, we focus on protecting the environment through responsible waste management, programs to reduce water, electricity and natural gas consumption, as well as programs to reduce emissions, in accordance with the requirements in force. We invest in state-of-the-art technology that helps us not only to expand our range of products and services offered to customers, but also to increase operational efficiency, with a **positive impact on the environment and workplace safety**. We implement continuous training programs for employees, which, in addition to operational specialization, also include permanent compliance with security regulations.

All these investments in technology and workforce have already proven their effectiveness, as well as international recognition from specialized bodies. Thus, **ALRO obtained the ASI Performance Standard V 3 Certification** for the operations in Slatina, Romania. And we are talking here about a certification program developed through an extensive multi-stakeholder consultation process aimed at sustainability for the entire aluminium production value chain. A program that defines environmental, social and business governance principles and criteria and pursues 62 criteria under the three pillars of sustainability: governance, environment and social, addressing key topics such as biodiver-

sity, human rights, including indigenous peoples and greenhouse gas emissions.

This is the result of a complex program aimed at the sustainable development of our business, a program that began over **20 years** ago and which meant **investments of approximately 900 million dollars** in all aspects of our activity, but which will continue with an emphasis on quality products, operational efficiency, the reduction of specific consumption and the improvement and protection of the human resource.

In fact, last year, despite a challenging economic environment, we continued to implement this strategy, making partnerships to ensure, in the future, the need for electricity from more environmentally friendly sources, we invested in technological modernization to reduce emissions and increase operational efficiency, **we increased the degree of waste recycling up to 95%**.

We are aware that the sustainability of our business is an ongoing process that does not stop after receiving a certification or completing an investment. That’s why our medium and long-term development strategy includes all aspects related to environmental protection, supporting employee development, collaborating with suppliers and customers who respect and implement the same principles and values.

In this way, we ensure that we have a sustainable future ahead of us and that **we leave a legacy for future generations of a viable and sustainable economic activity**.



Message from the CEO

GHEORGHE DOBRA,
General Director ALRO

Dear Readers,

*I share with you the pride of being active in an industry that offers a vital, durable, but also 100% recyclable material like aluminium. That's why you'll find it in many industries and applications, such as ground and air transport, where the reduced weight can reduce fuel consumption and carbon dioxide emissions. Moreover, the investments in the state-of-the-art technology have helped us enter **exclusive markets, such as the aeronautical or automotive**, and the certifications received by ALRO, NADCAP, EN9100 prove the quality of our products.*

ALRO has gone through essential transformations since the beginning of its activity until now. If at the beginning it produced about 8,000 tons of aluminium, with an emphasis on ingots, now we have an annual production capacity of electrolytic aluminium of 265,000 tons and a diversified portfolio of products intended for elite markets.



INNOVATION





And all this transformation had an essential component – energy efficiency and environmental protection. This is how the Eco-Recycling section was born in 2013, the aluminium waste recycling facility that has been continuously developing. Last year, for example, we inaugurated an **11 million dollars** investment here, which helped us increase the amount of recycled and remelted aluminium scrap to **100,000 tons per year**. Specifically, we reintroduce aluminium into the production circuit with approximately 95% lower energy consumption compared to the primary technology, through electrolysis. This also means reducing the environmental impact of our production activities.

Also last year, we continued the process of modernizing the electrolysis pots, a number of 30 of which were put into operation after being refurbished based on the AP12LE (LE – low energy) technology. We invested in wastewater recirculation programs with the objective of using 80% of their volume, we continued waste reuse projects. But **in addition to technological processes and operational efficiencies, we continued to invest in employees and future employees**. Thus, we granted scholarships, we made partnerships with high schools and specialized universities, we organized specialized courses on the various fields of activity within our production units.

Moreover, our medium-term development strategy includes investments of over 200 million dollars in technological projects, but also in the provision of energy resources, being involved in a partnership with the Oltenia Energy Complex, but also in the implementation of a project to build a photovoltaic park within our factory in Slatina. We are dedicated to reducing our carbon footprint and improving energy efficiency through **the use of renewable energy and sustainable manufacturing technologies**.

All these aspects have helped us gain an important role in the local economy, support the communities in which we operate, create jobs and invest in the development of our communities. In fact, **ALRO continued its active role in the local community**, in 2023 investing about 2 (two) million dollars in programs for education, health, community welfare, youth development, but also for the environment.

We, at ALRO, strongly believe in the future of the Romanian aluminium industry, in its role for the national economy, in its ability to be a promoter of sustainability and a supporter of the communities of which it is a part. And we want to thank all our employees and collaborators for their trust and dedication to ALRO.





Message from the CFO

GENOVEVA NĂSTASE,
Chief financial officer ALRO

Dear Readers,

The year 2023 was an extremely complicated one, characterized by a low demand for aluminium, especially in Europe, where economic uncertainty stopped a series of projects, mainly in the construction area. The concrete financial impact was a reduction in quotations by \$400 per tonne of aluminium in 2023 compared to 2022.

In this context, we focused on essential investments for the current activity, but we also continued strategic investments, aimed at our long-term activity. And a significant part of this strategy is increasing energy efficiency and reducing carbon emissions.



STRATEGY



This is how we have a new segment of our business, i.e. **electricity production**, where we entered into a partnership with the Oltenia Energy Complex, i.e. CCGT Power Işalniţa, where ALRO has a 40.1% stake for the construction of a power plant on natural gas of 850 MW, estimated at around 506 million euros. Also in the electricity production sector, last year we continued the construction project of a photovoltaic park for own consumption, which is in the authorization phase.

We also continued strategic investments in the production area, with a CapEx of 11 million dollars by increasing the production capacity at the Eco-Recycling and refurbishing 30 more electrolysis pots with the latest technology. These investments have a **positive impact on the environment, by reducing electricity consumption and increasing the degree of waste recycling**. A similar CapEx was set for the processed aluminium sector, with the investment in a new line for processing laminated plates for on-demand products, but also in a new assembly unit for extruded aluminium profiles.

In conclusion, despite an adverse international economic environment, we did not deviate from our **long-term strategy**, continued those investments with positive long-term impact and took another step towards our Green Factory goal.



About the REPORT

GRI 1 GRI 2-27

As an organisation committed to sustainable development, we are pleased to present the ALRO Group's annual sustainability report and we are proud to reveal our progress, achievements and challenges in integrating environmental, social and governance (ESG) principles.

This report is in compliance with the Global Reporting Initiative (GRI 2021), Sustainability Accounting Standards Board (SASB) and with the Romanian legislation in force on non-financial reporting, Orders of Ministry of Public Finance (MFP) no. 1938/2016 and no. 2844/2016.

At ALRO, we consider sustainability to be a fundamental part of our corporate governance and strategic vision. We recognise the connection between economic prosperity, environmental stewardship and social well-being and are committed to balancing these pillars for the benefit of current and future generations.

In this report, which is the 7th ALRO Group **Sustainability Report**, you will find a comprehensive overview of our sustainability initiatives, performance indicators and their impact on our operations. We are taking steps to reduce our carbon footprint, promoting diversity and inclusion, and we are committed to making meaningful contributions towards a more sustainable world.

Our path to sustainability is guided by transparency, accountability and continuous improvement and we believe in openly communicating our progress with our stakeholders, as feedback and collaboration generate positive changes.

GRI 2-2

Throughout this report you will be able to find qualitative and quantitative information about all the companies that are part of the ALRO Group¹, namely:

ALRO S.A. – Aluminium producer

ALUM S.A. – Alumina refinery

VIMETCO EXTRUSION S.R.L. (VE) – Extrusion activity

VIMETCO TRADING S.R.L. (VT) – Sales of aluminium products

CONEF S.A. – Holding and management company

¹ In this report, company names may be presented in abbreviated form (ALRO, ALUM, VE, VT, CONEF). Any such variations in the presentation of company names do not change their identity or legal status. Also, "processed aluminium" and "worked aluminium" are synonymous expressions.



As at December 31, 2023, ALRO S.A. held majority stakes in most subsidiary companies within the Group, thus emphasizing its central position and the control exercised over its operations, according to the scheme below:

100%
VIMETCO EXTRUSION S.R.L.
 (Romania)
 Extrusion activity

99.4%
ALUM S.A.
 (Romania)
 Alumina refinery

100%
VIMETCO TRADING S.R.L.
 (Romania)
 Activity from sale of aluminium products

ALRO S.A.
 (România)
 Primary aluminium products
 Processed aluminium products

99.9%
CONEF S.A.
 (Romania)
 Holding and management

40.1%
CCGT POWER IȘALNIȚA S.A.
 (Romania)
 Electric power plant



GRI 2-3

The reporting period is 01 January – 31 December 2023 and the publication date is 28 June 2024.

The index of indicators related to the standards mentioned before can be found in the last chapter of the report.

For the reported year, we have reviewed the material aspects found in the sections of the report and focused our attention on double materiality. More details can be found in the chapter ALRO Group's Contribution to Sustainable Development, section **Material Topics**. The double materiality was achieved by analysing the relevance of material aspects for the business (outside-in), in close connection with the analysis of the social and environmental impact of the organisation (inside-out). When we talk about double materiality, we refer to both financial materiality and sustainable materiality in reporting and decision-making processes.

GRI 2-4

This report contains references to documents available on the website www.alro.ro and for suggestions, questions or further information please contact us at <https://www.alro.ro/contact>.

Updates of information from previous reports are specified within the report, the structure of the report is divided into material aspects, and under each material aspect there are the following sections:

1. **EXPLAINING THE MATERIAL TOPIC**
2. **MANAGING THE MATERIAL TOPIC**



GRI 2-5

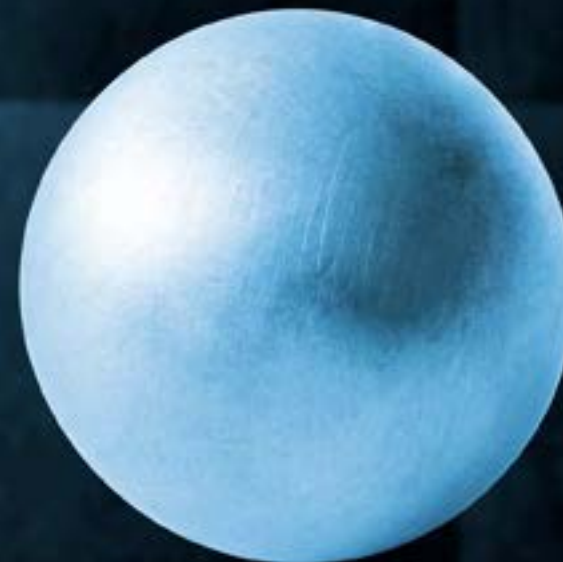
The content of the report has not been fully audited by a third party through an assurance process.

However, ALRO GROUP had defined certain indicators that have been audited by an independent auditor, Forvis Mazars Romania, in order to obtain “limited assurance” in accordance with ISAE 3000 (Revised).

Thus, the following indicators from the HR, ENVIRONMENT-EHS, ENERGETIC department were audited:

1. **GHG emissions Scope 1** (ALRO, ALUM, VE) – **GRI 305-1** Direct (Scope 1) GHG emissions
2. **GHG emissions Scope 2** (ALRO, ALUM, VE) – **GRI 305-2** Energy indirect (Scope 2) GHG emissions
3. **Industrial emissions** (ALRO) – **GRI 305-7** Nitrogen Oxides (NOX), Sulphur Oxides (SOX), and other significant air emissions
4. **Waste** (ALRO) – **GRI 306-1** Waste generation and significant waste-related impacts, **GRI 306-3** Waste generated, **GRI 306-5** Waste directed to disposal
5. **Water** (ALRO, ALUM) – **GRI 303-3** Water withdrawal, **GRI 303-4** Water discharge, **GRI 303-5** Water consumption
6. **Employment** (ALRO, VE) – **GRI 401-1** New employee hires and employee turnover
7. **Workplace safety indicators** (ALRO, ALUM, VE) – **GRI 403-1** Occupational health and safety management system, **GRI 403-9** Work-related injuries

ALRO’s Board of Directors has instructed responsible staff from all involved departments to provide the relevant and complete documents and information required for this audit.



1

ALRO Group Contribution to SUSTAINABLE DEVELOPMENT



1.1. Presentation of ALRO Group

GRI 2-1

ALRO Group is a vertically integrated producer of alumina, primary and processed aluminium, flat rolled products “FRP” and extruded profiles, with production capacities in Slatina and Tulcea, as well as a branch in Bucharest. Our aluminium production, smelting and processing facilities are located in Slatina, Romania.

The largest company within the Group is **ALRO S.A.**, the parent company, established in 1961 and founded for an unlimited period as a joint stock company in accordance with the Romanian Government Decision no. 30 of 14 January 1991 on the establishment of companies in the non-ferrous metallurgy sector. The company’s registered office is located at 116 Pitești Street, Slatina, Olt County, where the Primary Aluminium Division with primary aluminium production capacity is located. Also, ALRO S.A. owns the Processed Aluminium Division located at 1 Milcov Street, Slatina, representing the second production capacity, that of processed aluminium. Additionally, ALRO S.A. owns a branch (for administrative and management purposes) in Bucharest, Splaiul Unirii 64, District 4.

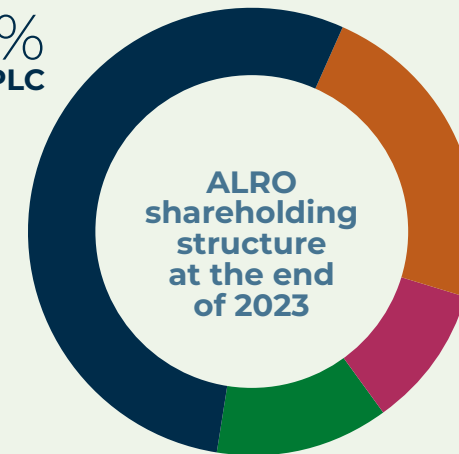
The company’s main CAEN code is 2442 – aluminium metallurgy.

According to the articles of association, ALRO can also carry out other secondary activities.



ALRO S.A. – has been listed on the main segment, Premium category, on the Bucharest Stock Exchange since October 16, 1997 and its shares are traded under the symbol “ALR”.

54.19%
Vimetco PLC



23.21%
PAVAL Holding

10.21%
Fondul Proprietatea S.A.

12.39%
Others



ALUM S.A. – part of the ALRO Group, is a joint-stock company organised under Romanian law, established on 1 July 1973 and founded for an unlimited period as a joint-stock company in accordance with Romanian Government Decision No 30 of 14 January 1991 on the establishment of companies in the non-ferrous metallurgy sector. Hydrometallurgical processing of bauxite is the key activity for obtaining aluminium oxide, the main raw material for aluminium production.

ALUM is listed on the Bucharest Stock Exchange. Initially, ALUM was listed on RASDAQ (since 2 December 1997), but since May 2015 it has migrated to the ATS segment, category AeRO. ALUM shares are traded under the symbol “BBGA”.

The current shareholder structure of ALUM is:

- ALRO S.A. SLATINA 99.4026%
- Individual Entity 0.5739%
- Legal Entity 0.0235%

The full name of the organization is “ALUM S.A.”, according to the company’s articles of association (Chapter I, art. 1, paragraph 1), and the official seat of the organization is located in Tulcea, Isacsei street number 82, Tulcea county, Romania.

The main CAEN code is 2442 – aluminium metallurgy. According to its articles of association, ALUM may also carry out other secondary activities.

VIMETCO EXTRUSION S.R.L. (VE)

– based in Slatina and established in 2006, is the largest producer of extruded profiles in Romania and an important player in the Western European extrusion market. The company currently operates three extrusion presses and is focused on producing a wide range of profiles (standard and customized), required by customers from various industries across Europe.

VE has a production capacity in Slatina, Milcov street number 1, and the main CAEN code is 2442 – aluminium metallurgy.

VIMETCO TRADING S.R.L. (VT)

– is a privately owned, limited liability company (LLC) and provides agent (sales) services for ALRO S.A.

In December 2021, we completed the integration steps of the sales activity into the Group structure by finalizing the acquisition of Vimetco Trading SRL from the majority shareholder, Vimetco PLC, and its subsidiary, Vimetco Management Romania. This transaction, conducted at the market value of Vimetco Trading, allows us to improve our links between the production and sale of finished products and to benefit from a sales and marketing team with a consolidated experience in over ten years of activity. Since 2008, Vimetco Trading has primarily acted as ALRO’s agent without representation in all aluminium product markets worldwide. As a result of this transaction, we own 100% of Vimetco Trading.

Vimetco Trading is headquartered in Bucharest and has offices without legal personality in Slatina, 116 Pitesti Street and 1 Milcov Street. The company’s main CAEN code is 4672 – wholesale trade of metals and metal ores.

CONEF S.A. – is a holding and management company and ALRO S.A. holds 99.9% of the share capital. The company is based in Bucharest, Splaiul Unirii 64, Sector 4, and its CAEN code is 4612 – trading of fuels, ores, metals and chemical products for industry.

CCGT Power Işalniţa S.A.

– on September 18, 2023, CCGT Power Işalniţa S.A. (“CCGT Power”) was established, with Complexul Energetic Oltenia holding 59.9% and ALRO S.A. holding 40.1% of the share capital. This partnership will give ALRO the opportunity to diversify its business model. Securing electricity supply is a necessity for the aluminium industry and will support the Group’s long-term development plans in a challenging business environment.

The ALRO Group has consistently strengthened its market position and efficiently responded to the demands of the dynamic aluminium sector. Through the diversity of its operations and the synergies created between its various divisions and subsidiaries, the ALRO Group offers a complete portfolio of aluminium products and services.



The locations where the companies conduct their activities

5	ALRO	Slatina	116 Pitesti Street Secondary office – 1 Milcov Street Priza OLT
		Bucharest	Working office – 64 Splaiul Unirii
		Constanța	Port
1	ALUM	Tulcea	82 Isacpei Street
1	VE	Slatina	1 Milcov Street
3	VT	Slatina	116 Pitesti Street 1 Milcov Street
		Bucharest	64 Splaiul Unirii
1	CONEF	Bucharest	64 Splaiul Unirii

Slatina



Bucharest



Tulcea



Constanța



1.2.

Our performance in figures

ECONOMIC INDICATORS

	ALRO	ALUM	VE	VT	CONEF
Net profit (RON th)	- 539,116	-188,521	36,133	755	-505
Net sales (RON th)	2,533,585	284,654	697,572	18,545	57
Expenditure with local suppliers (RON th)	1,174,878	8,479	561,786	4,966	460

SOCIAL INDICATORS

	ALRO	ALUM	VE	VT	CONEF
Total number of employees	2,061	190	418	57	1
Total number of new employees	139	1	138	5	n/a
Total number of training hours	25,851	3,032	11,123	144	n/a

ENVIRONMENTAL INDICATORS²

	ALRO	ALUM	VE	VT	CONEF
Energy consumed (GJ)	5,022,279	17,558	111,411	n/a	n/a
Emissions Scope 1 (tCO ₂ e)	174,468	54	3,426	n/a	n/a
Emissions Scope 2 (tCO ₂)	141,965	896	4,048	n/a	n/a

² Additional information can be found at section 7. *ALRO Group's concern for the Protection of Natural Resources.*



1.3. Sustainability Strategy

In 2023 we carried out an extensive review and re-adaptation of our Sustainability Strategy at Group level. We identified this need both in the light of new European legislation and in relation to the dynamics of the metals industry and the strategic needs of our business. Thus, we aim to align ourselves with the global trends regarding decarbonization actions and to guide our business towards one that is representative in terms of sustainability criteria.

To this end, we place increased importance on the economic, social and environmental impacts that we can generate through our activities, focusing our efforts on mitigating and controlling the negative ones while supporting the positive ones. Starting from the most important strategic pillars, which actually represent our focus areas, we have detailed our most relevant activities through objectives, actions and targets, being careful to measure progress and adapt as new needs and strategic directions emerge.

We believe that such a systematic approach helps us prepare to meet the requirements of the European Corporate Sustainability Reporting Directive (CSRD), but also provides us with better visibility into methods of mitigating, optimizing and developing the specific impacts and activities within the ESG sphere.

Furthermore, such a strategic approach helps us understand our identity as a Group more clearly and grasp the peculiarities of each company individually. This is highly important to us, as it facilitates making the best decisions based on identified needs and assist us in developing as a whole.

The major objectives of the ALRO Group regarding the medium and long-term development strategy are:

- investment in state-of-the-art technology, enabling the Group to expand its product range, product quality and reduce delivery times,

while at the same time increasing operational efficiency and reducing production costs;

- continuous improvement of the activities, processes and products of the Group companies;
- focus on high value-added aluminium products such as sheets and strips and on the continued development of the hard alloy and heat-treated plates production sector for customers in the aerospace and automotive industries;
- increasing energy efficiency throughout the production chain, both through investment in technology and investment in research and development;
- reducing costs and shortening production cycles;
- development of technological production processes to incorporate the latest innovations in the field, so that the highest production standards can be achieved in terms of quality and cost of the Group's products;
- vertical integration, securing raw materials, with the aim of reducing production costs and increasing operational efficiency;
- Continued compliance with environmental protection regulations, efficient waste management in line with economic objectives, but with minimal impact on the environment and natural resources and achieving the objective of a “Green Factory, an Innovative and Sustainable Factory of the Future” and closing in on our targets:
 - increasing the recycling, circularity and recovery of waste in accordance with EU Directives;
 - untreated air emissions close to zero according to BAT (Best Available Techniques);
 - increase the water recycling rate to more than 80% in order to optimize resources consumption.





**ROMANIAN'S
SUSTAINABLE
DEVELOPMENT GOALS**



- Increasing energy efficiency
- Green Energy
- Untreated air emissions close to zero, according to BAT
- Increased recycling, recirculation and recovery of waste in line with EU Directives
- Further implementation of measures targeting circular economy practices
- Keeping water consumption low
- Zero biodiversity incidents

OUR SUSTAINABILITY STRATEGY



- Ensuring a skilled workforce in line with the medium and long-term needs of the Group
- Maintaining Top Employer status
- Continuation of training and professional development programmes
- Women's career advancement
- Promoting a culture of Occupational Health and Safety
- Ensuring the continuity of the Group's activities under normal and safe conditions in crisis situations
- Strengthening respect for Human Rights



- Strengthening collaborative relations with the community



- Increase employee awareness of cybersecurity risks and implement a continuous awareness process
- Adoption of new cyber security measures and recommendations
- Improving technologies and/or products



PILLARS OF OUR SUSTAINABILITY STRATEGY

PILLAR I SAFEGUARDING OUR FUTURE



OBJECTIVE 1 INCREASING ENERGY EFFICIENCY

Alignment by 2025 compared to 2015 with EAA targets of 10% reduction in energy consumption per ton of aluminium produced or processed in Europe.



ACTIONS defined in 2022



1.1. Reduction of specific utility consumption by upgrading existing equipment and installing new meters for each machine in the Cold Rolling and Hot Rolling Mills.

1.2. Updating the electricity consumption monitoring system to ensure accurate reporting of electricity consumption and forecasted quantities in order to setup a warning system (that reports every 15 minutes) in the case that the forecasted limits are not respected.

PROGRESS in 2023



Individual electricity and natural gas meters have been installed at the Hot Rolling and Cold Rolling Mills machines. (ALRO)

The monitoring of electricity consumption will be done through an integrated project with Transelectrica and Uno Den.

Short-term TARGETS (2024-2025)



Monitoring of consumption in order to comply with approved standards. (ALRO)

Following the replacement of the electric settlement meters by Transelectrica in the SRA1, SRA2, AT3 and AT4 stations with new generation meters (the existing ones being more than 10 years old), ALRO is in the process of signing the contract for the design and execution of the works required to take over the energy consumption monitoring data from the Transelectrica-Slatina station and forward them to the ALRO monitoring system.



ACTIONS defined in 2022



1.3. Continuously recovering heat from the aluminium hydroxide pulp in the decomposition plant (These actions will continue after the resumption of production). (ALUM)

1.4. Continuous implementation of the energy efficiency programs throughout the entire technological process. (ALUM)

1.5. Continuously implement energy efficiency programs throughout the technological process (AP12LE [LE – Low Energy] programmed with Rio Tinto Aluminium Pechiney to reduce energy consumption in the electrolysis section, increase the water recirculation rate, gradually replace the electric motors powering ALRO machinery with energy-efficient electric motors equipped with frequency converters, etc.).

1.6. Continuous implementation of the energy efficiency programs by installing an automated packaging line. (VE)

PROGRESS in 2023



All uncompleted ALUM programs will be resumed when alumina production restarts. (ALUM)

The lighting retrofit act has been completed. (ALUM)
The installation of the energy efficient pumps has been completed. (ALUM)
The installation of the second Bokela disc filter has been completed. (ALUM)

In 2023, 30 electrolysis pots were commissioned after being refurbished based on AP12LE (LE – low energy) technology, in close connection with maintenance and production programs that were adapted to fit the company's business model in 2023. (ALRO)

In regards to energy efficiency, the following actions were taken in 2023 as part of the Automated Packaging Line project:

- Upgraded the CO₃ heat treatment furnace;
- Upgraded the TSO heat treatment furnace;
- Demolished the CO₄ heat treatment furnace in order to optimize the production flow. (VE)

Short-term TARGETS (2024-2025)



Following the energy audit in 2023, the following actions have been determined for the 2023-2026 period, when production is suspended:

- technological repairs and cleaning of piping, vessels and pumping equipment;
- optimizing the operation of high-pressure water pumps used for technological cleaning;
- reducing the number of electrical transformers in operation, eliminating idle operation of ATLAS and INGERSOL compressors;
- installation of frequency converters on the pumps involved in maintaining the slurry pit (wetting, pumping);
- collecting rainwater from the ALUM platform as an additional source of water for wetting the slurry pit. (ALUM)

All uncompleted energy efficiency programs will be resumed when alumina production restarts.

ALRO has reached 215 electrolysis vats refurbished based on the new low-energy technology since the start of the project with RioTinto AP in 2018 and will continue to invest in its energy efficiency programs, which include the continuation of the vat refurbishment program in 2024 with 35 new pots. (ALRO)

ALRO will also increase energy efficiency by implementing the project "Improvement of energy efficiency of the Repair and Spare Parts Section (SRPS) by modernizing the induction furnace and installing a water cooling/circulation system", which aims to upgrade the furnace with energy efficient equipment in order to reduce energy and industrial water consumption of equipment in the SRPS workshop and to comply with the Energy Audit recommendations. (ALRO)

As part of the "Automated packaging line" project:

- Installation of an automatic aluminium profile unloading system at the no. 1 Press saw;
- Installation of an automatic conveyor system for full and empty containers;
- Installation of automatic cranes for unloading, loading and transferring full and empty containers. (VE)





OBJECTIVE 2 GREEN ENERGY

In-house electricity production from renewable sources (solar) by 2030.

Contracts for the purchase of electricity from renewable sources for a period of up to 15 years.

The construction within ALRO of a CCGT plant of an 470 MW by 2027.

Development, design, construction, connection, ownership, operation, operation and maintenance of an 850 MW combined cycle natural gas power plant (CCGT) in Isalnita.

Commissioning of a CHP plant at ALUM.



ACTIONS defined in 2022



2.1. In-house renewable electricity generation (solar) by 2030.

PROGRESS in 2023



The actions part of the “Energy efficiency of ALRO S.A.’s electricity supply” project were continued in 2023 by obtaining the necessary approvals and drafting the documentation related to the installation of two photovoltaic parks within ALRO, one of 23.3 MW and another one of 26.9 MW, so that the projects can be submitted for potential grant funding dedicated to large energy consumers and prosumers.

As a first step towards the autonomous generation of electricity from renewable sources, the design and execution contract for the investment project “Increasing the energy efficiency of the electricity supply system of ALRO S.A. through the installation of a photovoltaic power plant in the ALRO S.A. car park, 116 Pitești Street” was signed. The project consists in the design and installation of a photovoltaic park with an installed power of 1.465 MW on a carport metal structure and two electric charging stations in the ALRO car park, using our own funds.

Short-term TARGETS (2024-2025)



The documentation for the submission of the project has been prepared. We are awaiting the release of the funding from the modernisation fund in order to assess the eligibility conditions.

The procedure for obtaining the Building Permit for the investment project “Increasing the energy efficiency of the electricity supply system of ALRO S.A. by installing a photovoltaic plant in the parking lot of ALRO S.A., 116 Pitești Street” will be started. (ALRO)



ACTIONS defined in 2022



2.2. Ongoing analysis of the current and potential green energy market while considering long-term partnerships with renewable electricity producers.

2.3. Implementation of long-term projects for in-house renewable (solar) and CCGT (Combined Cycle Gas Turbine) power generation. (ALRO)

2.4. The development, design, construction, connection, ownership, operation, operation and maintenance of an 850 MW combined cycle natural gas power plant (CCGT) in Isalnita.

2.5. Implementation of a long-term project for in-house energy production – electricity and heat – using CHP technology. (ALUM)

PROGRESS in 2023



ALRO has signed a contract for consultancy services with AFRY Management Consulting Austria GmbH to support us throughout the entire process of securing long-term renewable energy purchase agreements (PPA).

In August, ALRO launched an RfP to potential PPA suppliers. 48 offers were received and only 18 were advanced to the second round of negotiations. In the next round 4 finalists were selected for further discussions and negotiations. The process of contracting a PPA is lengthy and is expected to take a couple of months.

470 MW CCGT project:

- The project has made progress in obtaining the necessary permits and authorizations. To this end, in 2023, the Zoning Urban Plan was approved by the Slatina City Council and the Urban Planning Certificate was issued.

The procedure for obtaining the Environmental Licence has been initiated, as well as the procedure for connecting the future power plant to the National Energy Grid (SEN).

In September 2023, CCGT Power Isalnita S.A. was registered (SPV – “Special Purpose Vehicle”), following the signing of the shareholders’ agreement and the articles of incorporation.

The shares are divided between ALRO S.A., holding 40.1% of the shares, and Complexul Energetic Oltenia, holding 59.9% of the shares. The new CCGT will be developed by SPV and will have a total installed capacity of 850 MW, representing an improvement in the energy efficiency of the power systems, including by reducing CO₂ emissions.

Under the contract for consultancy services (Owner’s Engineer) signed in 2023, the SPV will benefit from support from a company specialised in the implementation of such projects. In particular, the Owner’s Engineer will represent the SPV and will coordinate the implementation in three phases:

- preparation of tender documents for an Engineering, Procurement and Construction (EPC) contract, as well as the documentation related to the contract and the conclusion of the turnkey contract;
- monitoring and coordination of construction, installation and commissioning works;
- consultancy services during the warranty period of the power plant.

The project is in the first of three phases, i.e. the tender documents have been prepared by the owner’s engineer and reviewed by joint ALRO S.A. and CEO teams.

Short-term TARGETS (2024-2025)



Ensure predictability of electricity costs.

Ensuring that at least 30% of own electricity consumption is covered by carbon-neutral sources.

For the 470 MW CCGT project, the Environmental Licence procedure and the connection to the National Energy Grid procedure will continue throughout 2024 so that the project is ready for construction and can be submitted for grant funding when the authorities launch the Modernization Fund – Key Program 2: Coal Replacement and Grid Balancing – Support for the construction of combined cycle gas turbine power plants that can run on hydrogen, necessary for the transition from coal and gas to grid balancing.

For the 850 MW CCGT project, in 2024, the EPC tender documentation has to be approved by the SPV company and will be uploaded to the dedicated Public Procurement application (SICAP). The next project implementation activities are scheduled to take place in 2024:

- Analysis/verification of submitted bids;
- The EPC Contractor procurement and selection process;
- Signing the contract with the successful bidder;
- Preparation of technical documentation.

The documentation for the submission of the project has been prepared. The release of the financing from the modernization funds is awaited. (ALUM)





OBJECTIVE 3 UNTREATED AIR EMISSIONS

Untreated air emissions close to zero, according to BAT (Best Available Techniques).



ACTIONS defined in 2022



3.1. Reducing emissions and complying with associated EU regulations by expanding the Flue Gas Treatment Plant in the Casthouse section and installing a coke dust capture and filtering plant in Assembly Area No. 2. (ALRO)

3.2. In addition to the actions presented in the 2022 report, in March 2023 the implementation of the project “Increasing the efficiency of ageing operations by replacing CO₁, CO₂ and IPROLAM furnaces with a new ageing furnace” was approved. (ALRO)

PROGRESS in 2023



The pre-project implementation stages have been completed and the best technical solution has been selected. (ALRO)

The new Urban Planning Certificate has been issued and the procedure for obtaining the Environmental Permit is underway. (ALRO)

Tenders for a new electric ageing furnace were requested and received, the technical analysis was prepared and approved in the Technical Evaluation Council no. 26 of 11.10.2023, and following commercial negotiations the contract no. 4600020399/29 was signed in September 2023 with Seco/Warwick Poland. The advance payment was paid in November 2023.

Short-term TARGETS (2024-2025)



Even though the project was suspended due to the reduction of primary aluminium production and its correlation with the planned slab casting equipment, ALRO intends to continue in 2024 the necessary permitting and authorisation activities with the stated aim of reviewing and starting the implementation of the project in 2025. (ALRO)

Contract the design for the preparation/development of the documentation to obtain the Urban Planning Certificate, the permits indicated in the Urban Planning Certificate as well as the Building Permit.

Contract the execution and assembly of metal structures, furnace enclosures, feeding/discharge tables, platforms, gangways, etc.

Contract the execution of the foundation of the furnace.





OBJECTIVE 4 INCREASE RECYCLING, RECIRCULATION AND RECOVERY OF WASTE IN LINE WITH EU DIRECTIVES

Increasing the rate of recycling, recirculation and recovery of waste in line with EU Directives.



ACTIONS defined in 2022



4.1. Improving the recycling capacity of industrial waste through its recovery, such as: slag waste from the casthouse, scrap and other ferrous materials from demolition, scrapping and other selectively collected waste (inert waste, refractory bricks, waste oils, etc.). (ALRO)

4.2. Improving the process of sorting recyclable and non-recyclable waste as well as the process of disposal of non-recyclable waste towards authorised waste operators in accordance with the legislation in force.

PROGRESS in 2023



Responsible waste management: the percentage of recovered, recycled and recirculated waste reached 95.55% in ALRO and 89.9% in ALUM.

By GEO (Government Emergency Ordinance) 92 of 19.08.2021, Directive 2018/851/EU on waste management was transposed and provides the waste hierarchy as follows:

- prevention;
- preparation for re-use;
- recycling;
- other recovery operations, as well as energy recovery;
- disposal.

Short-term TARGETS (2024-2025)



The issue of waste management is one of the challenges for ALRO Slatina and the Romanian authorities. In view of the annual increase in the quantities of waste, ALRO S.A. places ever-increasing emphasis on the issue of waste in relation to the quality of life, in all three aspects: ecological, economic and social.

Waste management must be carried out without endangering human health and without harming the environment, in particular:

- not posing risks to air, water, soil, fauna or flora;
- without creating discomfort due to noise or odours;
- without adversely affecting the landscape or areas of special interest.

Thus, ALRO's medium-term targets have regard for the indicators mentioned in the European legislation concerning waste management.



OBJECTIVE 5

CONTINUE TO IMPLEMENT MEASURES AIMED AT ADOPTING CIRCULAR ECONOMY PRACTICES



Increase aluminium recycling capacity by 60,000 tons per year by 2024 through the implementation of the projects “Development of waste melting capacity in the ECO Recycling Workshop by installing two double chamber furnaces, a holding furnace and the associated flue gas capture and treatment plant” and “Optimization of the waste re-melting operation in the Eco Recycling Workshop by installing a waste processing line including equipment for shredding, separation and combustion and paint removal” (ALRO).



ACTIONS defined in 2022



PROGRESS in 2023



Short-term TARGETS (2024-2025)



5.1. Developing the waste melting capacities in the Eco-Recycling workshop by installing two two-chamber furnaces, a holding furnace and the corresponding flue gas capture and treatment plant. (ALRO)

In 2023, all the building fit-out work and equipment installation (two double chamber furnaces together with a dedicated charging machine, a holding furnace, the appropriate gas capture and treatment plant) was completed and the equipment is now in the final, fine-tuning stage. (ALRO)

The commissioning of the new recycling equipment took place in the first six months of 2024, after completion of all final, fine-tuning stages. This will increase ALRO's aluminium scrap recycling capacity to 100,000 tons per year, improving our recycling performance and reducing energy consumption associated with liquid metal production. (ALRO)

5.2. Optimizing the waste re-melting operation in the Eco-Recycling workshop by installing a waste processing line including equipment for shredding, separation and combustion, as well as paint removal equipment. (ALRO)

The procedure for obtaining the Urban Planning Certificate and the Environmental Permit has been initiated for the installation of a waste processing line, including shredding, separation and removal equipment for plastic, varnish and paint (Stage II.2). (ALRO)

In 2024, ALRO will obtain the Urban Planning Certificate and the Environmental Permit and will be able to submit the project for funding under the National Recovery and Resilience Plan – Pillar I. Green Transition – Component C3. Waste Management, Measure – Investment I1., Sub-investment I1.D. Construction of waste recycling facilities to meet recycling targets according to circular economy requirements (recycling facilities). (ALRO)

5.3. Purchasing of metal recovery equipment from aluminium slag to improve the current slag processing system. (ALRO)

Start technical discussions with potential bidders in order to identify optimal solutions that can be adapted to the existing processes in ALRO in order to prepare the necessary documents for the promotion and approval of the project “Purchase of a plant metal recovery from slag”. (ALRO)



ACTIONS defined in 2022



5.4. Managing the whole life cycle of ALRO products in terms of environmental impact, using the results of the Life Cycle Assessment – LCA. (ALRO)

5.5. Introducing policies for the maintenance and upgrading of our equipment to extend its use life. (ALRO)

5.6. Introducing policies for the repair and reuse of components, machine parts, spare parts (anode rods, AGC cylinders, etc.) in order to extend their service lifespan and reuse capabilities. (ALRO)

5.7. Waste oil recovery in applications with lower requirements. (ALRO)

PROGRESS in 2023



In 2023, greenhouse gas emission intensity analyses were carried out for 34 customers and for a wide range of products in the ALRO portfolio. (ALRO)

In order to achieve the proposed target, in 2023 the annual repair plan was 99.8% (primary aluminium) and 100% (processed aluminium). This allowed to maintain the functional parameters of the equipment (ALRO).

Carry out the approved program of prophylactic inspections to monitor the technical condition of equipment and prevent accidental failures. Also, a total of USD 716,000 (Maintenance CAPEX) has been foreseen in the investment budget for the modernization of some equipment in the Primary Aluminium division, respectively USD 700,000 in the Processed Aluminium division. PPE components (with values of more than USD 5,000 and a lifespan of more than one year) were replaced on critical equipment in the two ALRO divisions. A total of 92 (76 Primary Aluminium and 16 Processed Aluminium) high life and extended life equipment was inspected in accordance with ISCIR (Boiler Control State Inspectorate) regulations in force. All the equipment in the Primary Aluminium division showed an availability of over 95%, while in the Casthouse section (key sector) the equipment's availability was 99.86%. (ALRO)

In the Processed Aluminium Division we had an availability of 97.38% for the machines in the LBC sectors and 98% for the machines in the LTB sectors. (ALRO)

Concerning Primary Aluminium, following the implementation of a cost reduction program for maintenance and repairs based on the refurbishment and reuse of spare parts, materials and equipment used in the maintenance process, cost reductions of USD 716,000 and a positive cash flow effect of USD 129,000 were achieved.

In regards to Processed Aluminium, as a result of the cost reduction programs for maintenance repairs and Maintenance CAPEX repairs, reductions of USD 3,028,454 were achieved as per the approved budget. (ALRO)

In regards to Primary Aluminium, the recovery and return rate of waste oil used in maintenance activities was 69% and in Processed Aluminium the recovery rate was 66%. (ALRO)

Short-term TARGETS (2024-2025)



In addition to the GHG Intensity which will be developed according to customer requirements, two LCAs will be developed and implemented in 2024 according to ISO 14064 certification and related EPDs. (ALRO)

Continue to comply with the annual repair plan. Carry out upgrading operations on key equipment, within the limit of USD 1,183,000 (Maintenance CAPEX) approved in the budget for 2024 and USD 160,000 respectively for Processed Aluminium. (ALRO)

Carry out the approved program of predictive inspections to monitor the technical condition of equipment and prevent accidental failures. (ALRO)

Replacement of PPE parts (with values of more than 5,000 USD and lifespan of more than one year) on critical equipment at the two ALRO divisions. (ALRO)

Certification of overdue lifting equipment and lifespan extension according to ISCIR regulations in force. (ALRO)

Maintain an availability of over 96% for all monitored equipment in Primary Aluminium and Processed Aluminium. (ALRO)

Carry out actions in line with the 4R program (recycle, repair, reuse, reduce). In the Primary Aluminium division, the program foresees economic effects worth more than 400,000 USD for the Reuse chapter alone through the reconditioning of spare parts, assimilation of new parts from materials in non-moving stocks in central warehouses, reuse of iron and aluminium waste from the production process, reuse of NDS pump shafts for making shafts for pumps in operation, reuse of coarse and final filters of Centac compressors by replacing the filter cloth (4 sets), reuse of components for cooling fan repairs and more. (ALRO)

In 2024 the target for recovery and return of waste oil used in maintenance activities is 75%. (ALRO)



ACTIONS defined in 2022



5.8. Introducing policies for recyclable materials other than aluminium (e.g. iron, copper, paper, cardboard, plastic, etc.). (ALRO)

5.9. Systematic renovation and maintenance of buildings (ALRO)

5.10. Identifying an economically viable solution for the red mud. (ALUM)

PROGRESS in 2023



In 2023 the recycling targets were met, with ALRO achieving these targets in a mixed regime, both individually and by transferring responsibility to an OIREP (Organization Implementing the Extended Responsibility of a Producer). (ALRO)

All buildings in the Primary Aluminium Division are monitored and periodically checked on the basis of an approved Program submitted to the County Building Inspectorate, and no events have been recorded regarding their technical condition. All new constructions or interventions on existing ones have been carried out in compliance with the legal provisions in this field (based on demolition and construction permits respectively). The maintenance budgets of each sector expressly include amounts for the maintenance of their own buildings. (ALRO)

The tailings dams is still maintained according to the obligations established by the legislation in force and through the environmental permit, being followed the activities outlined by the Plan for accidental pollution prevention and control at tailings dams and by Operating Regulations of the tailing dams. (ALUM)

We have completed the implementation of the project "Integrated element recovery process rare earths and scandium from residues of bauxite" which was realized through the cooperation and exchange of knowledge and experience between research groups from Universities and economic operators from Romania, Greece and Turkey and led to solutions techniques that allowed the treatment of the residue bauxite by:

- production of a concentrate rich in iron (in mostly magnetite);
- the recovery of the aluminium that is now lost in bauxite residue;
- recovery of scandium and the Elements Rare Earths by acid leaching;
- reducing the amount of solid waste eliminated.

Short-term TARGETS (2024-2025)



According to the legislation, the overall recovery targets increase from 60% to 65% in 2023 and 2024, 70% in 2025 and 75% in 2030, and the overall recycling targets increase from 55% to 60% in 2023 and 2024, 65% in 2025 and 70% in 2030. For all types of packaging waste, the recovery and recycling targets are increased:

- Paperboard recycling: from 60% to 65% in 2023, rising to 85% in 2030;
- Plastic recycling (including PET): from 22.5% to 35% in 2023, rising to 55% in 2030;
- Glass recycling: from 60% to 65% in 2023, rising to 75% in 2030;
- Ferrous metal recycling: from 50% to 60% in 2023, rising to 80% in 2030;
- Aluminium recycling: from 20% to 30% in 2023, rising to 60% in 2030;
- Wood recycling: from 15% to 20% in 2023, rising to 30% in 2030.

Maintaining the proper technical condition of ALRO's buildings and complying with the relevant legal provisions. (ALRO)

All uncompleted ALUM programs will be resumed when alumina production restarts. (ALUM)





OBJECTIVE 6

MAINTAIN A LOW WATER CONSUMPTION RATE

Achieve a water recycling rate of over 80%.



ACTIONS defined in 2022



6.1. Replacement of water pipes on a 666 m route within the project “Diversion of industrial water supply route from Olt outlet to ALRO Aluminium Primary, stage II, on the segment Curtisoara hill base – upper hill plateau” due to the degraded technical condition of the existing route. (ALRO)

6.2. Commissioning of an industrial water recirculation plant in the repair and spare parts section within the project “Improving the energy efficiency of the repair and spare parts section (SRPS) by upgrading the induction furnace and installing a water cooling/recirculation system”. (ALRO)

PROGRESS in 2023



For the water main replacement project, all permits and authorizations have been issued, except for the Forestry Guard, and landowner approval has been obtained. The procedure for obtaining the Forestry Guard permit has been initiated and the documentation has been submitted. (ALRO).

In order to prepare the necessary documents for the promotion and approval of the project “Improvement of the energy efficiency of the Repair and Spare Parts Section (SRPS) by upgrading the induction furnace and installation of a cooling/water recirculation system”, discussions with potential bidders have been started in order to identify optimal solutions that can be adapted to the existing processes in ALRO. (ALRO)

Short-term TARGETS (2024-2025)



Forest Guard approval to be issued in 2024, and industrial water pipeline replacement scheduled for 2024. (ALRO)

Approval of the project “Improving the energy efficiency of the Repair and Spare Parts Section (SRPS) by upgrading the induction furnace and installing a cooling/water recirculation system”. (ALRO)

Continuing our commitment to reduce the impact of our operations on the environment and community, ALRO will initiate the implementation of an industrial water recirculation plant in the Repair and Spare Parts Section to reduce the amount of water used in the cooling system and increase water recirculation. (ALRO)

Solicitation of binding bids, preparation of technical analysis of bids received, contracting of equipment and commissioning of the project during 2024. (ALRO)

Starting with 2025, the cooling water will be completely recirculated in the Repair and Spare Parts Department. (ALRO)





OBJECTIVE 7

ZERO BIODIVERSITY INCIDENTS

Zero environmental incidents in 2024. (ALRO and ALUM)



ACTIONS defined in 2022



7.1. Continuing to implement measures to maintain the integrity and security of the red mud depot in order to avoid the occurrence of accidents that could have an impact on biodiversity and to reduce environmental impacts.

PROGRESS in 2023



Implementation of the ASI Performance Standard V3 requirements, which include provisions aimed at monitoring and reducing the impact on biodiversity. (ALRO)
The consolidation work on the tailing dams for red mud has been completed. (ALUM)

Short-term TARGETS (2024-2025)



Continue the monitoring and limiting the impact on biodiversity according to ASI requirements. (ALRO)
Continue monitoring of the performance of the dams in order to keep the red mud in a safe condition as required by the regulatory acts. (ALUM).



PILLAR II

HEALTHY, FOSTERED AND TRAINED WORK-FORCE



OBJECTIVE 1

TO PROVIDE A SKILLED WORKFORCE IN LINE WITH THE MEDIUM AND LONG-TERM NEEDS OF THE GROUP

2 dual education classes between 2020-2023. (ALRO)

2 classes of chemical operators from 2022-2023. (ALUM)

Providing a framework for the development of technological practice for high school students. (ALUM)

Internships for students. (VE)



ACTIONS defined in 2022



- 1.1.** Establishment of dual education classes for trades of interest to the ALRO Group.
- 1.2.** Scholarships for students in specializations of interest to the ALRO Group.
- 1.3.** Carrying out specialized courses.

PROGRESS in 2023



ALRO S.A. will financially support the students, during the internship, by awarding scholarships in the amount of 200 lei/month/student. The scholarship is awarded every school year on the basis of contracts concluded between ALRO S.A, the Slatina Metallurgical High School, the student and the parent/guardian exercising parental authority for the minor student. (ALRO)

ALRO S.A. will provide work equipment and a hot meal during the internship; As of August 2023, 13 dual vocational school graduates have been employed at ALRO. (ALRO)

Although the production activity has been suspended, also in 2023, partnerships have been concluded with the Technological High School "Henri Coandă" in Tulcea for internship partnership (2 partnerships: "Increasing skills through innovative internships" and "Innovative internships for sustainable development"). (ALUM)

Short-term TARGETS (2024-2025)



Maintaining and improving training programs offered to students and pupils. (ALRO)

Participation of employees in induction, qualification, retraining, further training, specialization and authorization courses for employees carrying out specific activities (e.g. crane operators, forklift operators, ISCIR authorizations or ANRE-authorized electricians). (ALRO)

In 2024 the training and specialisation of employees involved in the AERO project and the AUTO project will continue. Emphasis will also be placed on changing the mindset of employees regarding self-control, quality, cost reduction, efficient use of resources needed to carry out activities, compliance with operational procedures, improved communication, internal training programmes for employees on sustainability policies and procedures will be continued, namely: Cybersecurity Policy, Human Rights Policy, Anti-bribery and Anti-corruption Policy, Code of Ethics, Procedure for handling claims, equal opportunities, complaints and grievances, etc. (ALRO)



ACTIONS defined in 2022



PROGRESS in 2023



Short-term TARGETS (2024-2025)



At the ALUM Professional Training Centre, a training course on prevention and exclusion of man-made disaster emergencies in collection systems in the border area of the Danube Delta was organized, the training session having as its theme "Prevention in man-made disasters" organized by the Cross-border Cooperation Association "Euroregion Danube River Basin" as Second Beneficiary and organizer of cross-border cooperation activities in the field of emergency response capacity building. This is the Large Infrastructure Project "Clean River", funded by the Romania-Ukraine Joint Operational Programme 2014-2020 in which 57 people participated. (ALUM)

Training/refresher courses were held for the person in charge of traffic safety on industrial railways organised by CENAFER Bucharest and training and authorisation courses for the position of safety adviser for the transport of dangerous goods by rail organised by AFER Bucharest. (ALUM)

IDM authorisation course – specific activity for rail transport. (ALUM)

Stevedores' authorisation course. (ALUM)

Port Facility Officer Authorization Course. (ALUM)

Authorisation course for metal technician (to maintain the authorisations of the respective employees). (ALUM)

P.A.M.R (Protection by Automation and Measurement Relays) verification authorization course. (ALUM)

Digitising Business (SSM and UK domains) Seminar (ALUM)

Energy conference (addressed to the energy manager, as energy manager for the company). (ALUM)

In 2023 at VE level, partnerships were signed with the National University of Science and Technology Politehnica Bucharest and the University of Craiova to develop internship programs within the company. (VE)

From June to July 2023, an internship was held in the Human Resources department. (VE)

In 2023, the following training programmes were carried out in VE:

- authorizations: crane operator authorization and reauthorization, forklift operator authorization and reauthorization,
- technical training: mold design, CISCO Infrastructure, non-destructive testing, welders certification, extrusion standards interpretation, defects catalogue, VE profile control, control of non-conforming results, ISO 14001:2015 course, ISO 19011:2018 auditor course, H&S Inspector course, Wage Inspector course, Environmental Officer course, Waste Management Specialist course;
- transversal skills: English language course, Charisma HCM training, Effective business meetings. (VE)

Employment of dual vocational school graduates and their vocational training under the monitoring and guidance of nominated tutors. (ALRO)

Courses in professional ethics& human rights. (ALRO)

Courses in the field of equal opportunities and non-discrimination. (ALRO)

AERO and AUTO courses. (ALRO)

Induction, qualification, requalification, authorisation, further training, specialisation, postgraduate MBA courses. (ALRO)

Continue to develop partnerships to train vocational school students and employ them after graduation. (ALRO)

Attending the courses strictly required by the legislative provisions concerning the authorization of persons carrying out specific activities (crane operators, forklift operators, electricians – ISCIR authorized), those required on environmental and health and safety issues and those required to obtain credits by ALUM medical personnel. (ALUM)

Human rights courses. (ALUM)

Courses on working in a radiation environment (chemical laboratory). (ALUM)

According to the VE training procedure, employees are included in annual training programmes, developed according to specific needs, which will continue in 2024. (VE)

In 2024 the training programme will focus on soft skills development, through in-house and online courses. (VE)

Authorisation, qualification and retraining courses, legislative update for Human Resources, Finance, HSE departments. (VE)



ACTIONS defined in 2022



1.4. Retaining qualified employees by offering them opportunities for professional development.

PROGRESS in 2023



Motivating qualified employees through promotion to higher pay grades. (ALRO)
Inclusion of employees in professional skills and competence development programmes. (ALRO)
The company promotes the continuous support and development of our employees. Employees with development potential are identified and subsequently included in specific training programmes to reach their full potential. In 2023, 16 employees were promoted in VE. (VE)
The tool for identifying and highlighting employees with potential, the skill matrix, was implemented. (VE)

Short-term TARGETS (2024-2025)



Inclusion of new employees in qualification/licensing programmes allowing them to be promoted to higher categories. (ALRO, VE)

1.5. Assess skills and competences and address gaps through training and certification both on-the-job and externally.

Implementation of the Annual Professional Development Programme.
Encouraging employees to develop professionally.
Special skills development programmes for both TESA (Technical, Economic, Social & Administrative functions) and production-level employees (Executive MBA).
In 2023, the digitization process of the Human Resources department continued with the implementation of a Performance Module, which facilitates the process of employee evaluation and identification of development needs. (VE)

Continuation of training programmes for employees to develop professional skills and competences, creation of a pool of qualified/licensed/specialised staff according to internal needs.
We will continually ensure that all aspects of human resource management within the Group are governed by clear and transparent policies and procedures, thereby contributing to our long-term success.
VE approves the annual training plan, developed on the basis of individual needs as well as those identified by the Human Resources Department. (VE)





OBJECTIVE 2 MAINTAIN TOP EMPLOYER STATUS BY INVESTING IN PROFESSIONAL EXCELLENCE AND EMPLOYEE WELL-BEING

Maintaining top employer status by investing in professional excellence and employee well-being.



ACTIONS defined in 2022



2.1. Participating in job fairs, marketing to maintain and promote a top employer brand.

PROGRESS in 2023



In October, ALRO participated in the Job Exchange, organized by AJOFM Olt. (ALRO)

In October, ALRO participated in the Job Fair for disadvantaged people from disadvantaged communities, organised within the framework of the “Shaping Academic Employment Skills for Young Roma People” Project, a recruitment action for minorities and disadvantaged groups. (ALRO)

In November, ALRO participated as an exhibitor at the UPB PoliJOBS student job fair. (ALRO)

Advertisements were placed on specialised recruitment websites, social networks (LinkedIn) and collaboration with recruitment firms, which allowed VE to be promoted as one of the major employers in the area. (VE)

Short-term TARGETS (2024-2025)



Within the ALRO Group, we continue to offer a safe and comfortable working environment, competitive salary packages and continuous professional development opportunities. We have succeeded in maintaining and providing jobs in 2023, while respecting key principles such as human rights, equal opportunities and occupational health and safety conditions.

Considering that some positions may be harder to fill than others and that the shortage of skilled labor has become more acute, VE will continue to prioritise practical skills, motivation, in some cases experience in the field, over qualifications. (VE)

Promotion of job offers on recruitment websites, participation in job fairs, organisation of informational visits for students studying in specialities of interest to ALRO and more. (ALRO)





OBJECTIVE 3 CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT PROGRAMMES

Support continuous training by organising training and specialisation programmes for each employee at least once every two years.



ACTIONS defined in 2022



- 3.1.** Implementation of an employee motivation system.
- 3.2.** Implementation of training and professional development programmes.

PROGRESS in 2023



In 2023, the professional training of employees was carried out in accordance with the Annual Training Programme. All employees, depending on their professional category and position, participated, as appropriate, in qualification, retraining, authorisation, internal certification, authorisation for further training or specialisation programmes. (ALRO)

Training courses required for maintaining current ALUM licences, authorisations, etc. (ALUM)

In VE, in 2023, the employee training plan consisted of a diverse range of implementation practices:

- regular professional trainings with production-level staff – organised at department level with a lecturer from within the company;
- professional development and specialisation programmes, team-building programme – organised at TESA staff level, participation in conferences, work-shops, fairs and exhibitions;
- purchase of specialist consultancy services. (VE)

Short-term TARGETS (2024-2025)



Continuation of training programmes for employees to develop professional skills and abilities, creation of a pool of qualified/licensed/specialised staff according to internal needs. (ALRO)

Considering that employees are a key factor in the success of an organisation, VE constantly advocates the creation of training opportunities and a learning environment. (VE)





OBJECTIVE 4 PROMOTION OF WOMEN AT ALL LEVELS

Align internal practices with international standards for women in the workplace in all Group companies, such as equal pay.

Maintain the percentage of promotion of women at all levels in our companies at least at the current level.



ACTIONS defined in 2022



4.1. Implementing measures to ensure respect for women's rights and interests in accordance with international standards, including the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

PROGRESS in 2023



The organisation has always supported the principles of equal treatment between women and men. The Code of Conduct will be reviewed in 2024 and will be posted on the ALUM website. (ALUM)
In 2023, within VE, the company-wide Code of Conduct was finalized and communicated to all employees and posted on the company's official website. (VE)

Short-term TARGETS (2024-2025)



We intend to maintain the same approach to gender equality and women's pay and promotion. (ALRO)
Retraining/training on the Code of Ethics and Conduct, Human Rights Policy, Anti-Bribery and Anti-Corruption. (ALRO)
The aim is to continue the policy of non-discrimination against women and to give the same rights and benefits regardless of gender. (VE)





OBJECTIVE 5 PROMOTING HEALTH AND SAFETY

Zero fatalities.



ACTIONS defined in 2022



5.1. Developing a Health and Safety Policy for each company within the Group that integrates the ASI standard requirements.

5.2. Health and safety promotion campaigns in each Group company.

5.3. Increasing the integration of digitisation in the health and safety within the Group.

PROGRESS in 2023



Implementation of health and safety policy integrating ASI (ALRO) requirements.

Conducting health and safety promotion campaigns. (ALRO)

Increasing the integration of digitisation in health and safety. (ALRO)

Although production activity is currently suspended at ALUM, the organisation has always taken care of the health and safety of its employees. The Health and Safety Committee is still in place and follows its programme for the remaining employees, according to the specific regulations on occupational health and safety. (ALUM)

The Health and Safety at Work Committee held meetings. (VE)

Corporate HSE Policy has been implemented. (VE)

Regular check-ups were carried out by the occupational physician. (VE)

Training has been done on the line of occupational Health& Safety. (VE)

Short-term TARGETS (2024-2025)



Continuation of health and safety promotion campaigns. (ALRO)

Implementation of health and safety policy. (ALRO)

Increasing the integration of digitisation in health and safety. (ALRO)

Review and complete own occupational Health& Safety instructions. (ALRO)

VE Automatic packaging line – Benefits:

- Ergonomics: (aluminium profiles are automatically picked and packed – employees no longer have to pick them up). (VE)
- Minimising the risk of accidents: forklift trucks will only have access to the unloading area. (VE)
- Addition of smoke exhaust system. (VE)
- Emissions are vented from the machines, improving the working environment for people. (VE)

Job risk assessment with a licensed company: we will reassess the workplace for each job with a licensed risk assessor. After the assessment, appropriate measures and PPE in line with the new work technology will be established.

Review work instructions. (VE)

Training provided by the occupational physician on first aid. (VE)

Fire simulations organized by the specialized and authorized company Rivergate. (VE)

The ASI policy will be reviewed. (VE)





OBJECTIVE 6 ENSURE THE CONTINUITY OF THE GROUP'S ACTIVITY UNDER NORMAL AND SAFE CONDITIONS IN CRISIS SITUATIONS

Ensuring a safe working environment that provides high protection for employees in the context of a pandemic or similar crisis.



ACTIONS defined in 2022



6.1. Ensuring a continuous and properly sized in-house dispensary operation to serve all employees.

6.2. Organising regular training sessions on crisis situations and their management at individual and collective level.

6.3. Adapting working conditions by implementing new procedures and hygiene measures, ensuring flexible working hours and introducing ancillary occupational health and safety activities.

PROGRESS in 2023



ALRO and ALUM dispensaries are in operation. (ALRO/ALUM)
Upgrading the medical space at the Processed Aluminium Division.

Organise regular training sessions on emergency situations. (ALRO/ALUM)
Organisation of exercises and simulations on emergency situations. (ALRO/ALUM)
Updated the security report and the internal emergency plan. (ALRO)
Quarterly simulations have been done by Rivergate Firm on the emergency part. (VE)
On 26.03.2023 a fire simulation was carried out at Press number 3. (VE)

In ALRO remote working or working from home applies to areas of activity where it is possible. (ALRO)
The remote employee benefits from all the rights recognized by law, by the Internal Regulations, by the ALRO Collective Labor Agreement and by Law no. 319/2006, applicable to employees working at the employer's premises. (ALRO)

Short-term TARGETS (2024-2025)



Continuation of training programmes for employees to develop professional skills and abilities, creation of a pool of qualified/licensed/specialised staff according to internal needs. (ALRO)

Update the business continuity plan. (ALRO)
Continue to organise exercises and simulations on emergency situations and regular training sessions on crisis situations. (ALRO)
We will continue in 2024 with quarterly emergency simulations. (VE)

To promote the fulfilment of the employee's duties, so that employees with hybrid working hours will organize their work and working hours in agreement with their employer, in accordance with the provisions of the Individual Labor Contract and the ALRO Collective Labor Contract. (ALRO)





OBJECTIVE 7 CONSOLIDATING RESPECT FOR HUMAN RIGHTS

Zero incidents of non-compliance with human rights.



ACTIONS defined in 2022



7.1. Implementation of the Group's Human Rights Strategy.

7.2. Development of a Group Human Rights Policy.

7.3. Inclusion of human rights in processes and procedures.

7.4. Communication activities on the promotion of human rights.

7.5. Human rights training activities.

PROGRESS in 2023



All policies and procedures relating to respect for human rights, equal opportunities, Code of Ethics and Conduct are published on the ALRO website and intranet. Annually, or whenever necessary, these procedures and policies are presented to new employees and to all ALRO employees. (ALRO)

ALRO has developed and published on its website a Human Rights Policy that applies to all directors, managers, employees and our business partners (customers and suppliers included). It represents ALRO's commitment to respect human rights, national and international human rights principles and legal requirements contained in the Labor Law, the European Convention on Human Rights, the Universal Declaration of Human Rights, the International Labor Organisation Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the UN Guiding Principles on Business and Human Rights. (ALRO)

The organisation respects human rights policies. (ALUM)

The Code of Ethics has been published on the Vimetco Extrusion website. (VE)

Short-term TARGETS (2024-2025)



Employees are continuously trained on the provisions of policies and procedures relating to respect for human rights, equal opportunities and the complaints system. (ALRO)



PILLAR III

CREATING VALUE FOR OUR COMMUNITY



OBJECTIVE 1 STRENGTHENING THE RELATIONSHIP FOR OUR COMMUNITY

Maintain a significant role in community development.



ACTIONS defined in 2022



1.1. Developing a group strategy for managing community relations, including aspects of corporate social responsibility (CSR) .

PROGRESS in 2023



ALRO Group's local community engagement activities are measured and reported both internally and externally using a variety of methods. These include charitable contributions, donations and funds allocated to support community needs. A concrete example is the collaboration with UNICEF in Romania to support the Romanian Government in identifying and monitoring children's needs and vulnerabilities. Communication about these actions is done through the drafting and dissemination of reports and documents, as well as the organisation of professional development courses. (Group)

Short-term TARGETS (2024-2025)



We develop partnerships with numerous associations, foundations and public institutions to organise actions of public interest.

1.2 Conduct a community impact assessment.

A stakeholder survey was carried out in 2023 and the responses to this survey and the conclusions reached were used to determine the future direction of our Group in terms of developing as sustainably as possible.

Continuation of information and accountability actions of local communities



ACTIONS defined in 2022



1.3. Conduct stakeholder engagement processes to identify community needs.

1.4. Establish a unified system for managing and monitoring community complaints at Group level.

1.5. Maintain consistent engagement with all relevant communities and associated stakeholders.

1.6. Involvement in CSR activities.

PROGRESS in 2023



Collaboration with the Romanian Red Cross – Tulcea branch – still ongoing. ALUM is a member of COJES (County Commission for Equal Opportunities between Women and Men). (ALUM)

In 2022, the procedure for dealing with requests, referrals and complaints was approved in accordance with European standards, applying to all employees and parties with a legitimate interest. They can also be sent in a virtual environment to the e-mail address: sesizari@alro.ro.

In 2023, the Integrity Whistleblowing Policy and Procedure was implemented at VE level to encourage the reporting of any form of violation of the law or internal provisions. (VE)

VE constantly tries to be involved in solving the social problems of the community in which it operates and takes into account the interests of society, assuming its responsibility towards employees, shareholders, the community and the environment. The company is actively involved in the life of the community by engaging in corporate responsibility programs. In 2023 various programs were developed, such as equipping isolated households with photovoltaic panels, purchasing medical equipment for the Slatina Emergency Hospital that will contribute to increasing the quality of medical interventions for hospitalized patients from all over the county, sponsorships to support social cases and projects dedicated to people from underprivileged backgrounds as well as the elderly in the community. (VE)

In 2023, the ALRO Group stood out with major contributions to various community programs, both for education, health, community welfare and youth development, and for the environment with a total amount of RON 9,391,038, as follows:

- RON 449,005 to support educational programmes;
- RON 5,736,475 for health programmes;
- RON 2,231,263 to support youth development programmes;
- RON 912,337 for community welfare programmes;
- RON 61,958 for environmental programmes.

Short-term TARGETS (2024-2025)



Support health programs, protection environment and development and welfare programs for young people

Maintaining and continuously developing the system for managing and monitoring complaints from the community.

The development of relations with the community is a permanent target of the ALRO Group companies.

At the ALRO Group level, involvement in CSR activities is a permanent target.



PILLAR IV RESEARCH, DEVELOPMENT, DIGITISATION

OBJECTIVE 1 INCREASE EMPLOYEE AWARENESS OF CYBER RISKS AND IMPLEMENT A CONTINUOUS LEARNING PROCESS



Implement frequent informational and training programmes on cyber security risks.



ACTIONS defined in 2022



- 1.1.** Regularly sending information to all employees about possible cyber security risks and mitigation measures.
- 1.2.** Promoting examples and best practices from other companies on the company intranet.
- 1.3.** Organising in-house training programmes for widespread implementation of the use of multi-factor authentication (MFA).

PROGRESS in 2023



Cybersecurity risks are managed at ALRO Group level (Group)
 We have developed and implemented clear and robust cybersecurity policies and procedures that apply to all the levels of the organisation. These policies have been communicated and understood by all members of the Group.
 Upgrading IT equipment to ensure high system performance.
 Approve new cyber security policies.

Short-term TARGETS (2024-2025)



Implementing cyber threat monitoring and detection systems to identify suspicious or unauthorised activity in real time and also ensuring that effective alert and reporting mechanisms are in place for security incidents
 Develop a detailed cyber incident response plan setting out roles and responsibilities in the event of a security breach.
 Conduct specialist training so that staff are trained and prepared to act quickly and effectively in emergency situations.
 Conduct regular testing and assessment of the resilience of the group's systems and networks against cyber threats.
 Complete reassessment of the security system to reduce public exposure.
 Carry out an external audit on the complete reassessment of the IT security system.
 Upgrade and approve new cyber security policies.





OBJECTIVE 2 ADOPTION OF NEW MEASURES AND RECOMMENDATIONS ON CYBER SECURITY

Implement frequent information and training programmes on Cyber Security risks.



ACTIONS defined in 2022



- 2.1.** Development of Group-wide cyber security policies.
- 2.2.** Formalising and implementing working procedures on cyber security at Group level.
- 2.3.** Conducting weekly meetings with the team responsible for coordinating cyber security activities.

PROGRESS in 2023



We have maintained the cyber security measures in place.

Short-term TARGETS (2024-2025)



Monitoring technological developments and identifying new cybersecurity solutions and technologies that may be useful for the Group.

Review and update cyber security regulations and procedures to reflect technological changes and new threats.

Conducting regular cyber security risk assessments and updating security strategies and plans according to newly identified threats and vulnerabilities through a continuous risk management process.





OBJECTIVE 3 IMPROVING TECHNOLOGIES AND/OR PRODUCTS

Continue to implement projects using advanced technology.



ACTIONS defined in 2022

3.1. Continuous progress of projects based on state-of-the-art technologies.



PROGRESS in 2023

In 2023, a total of 30 electrolysis pots were commissioned after being refurbished based on AP12LE (LE – low energy) technology, in close connection with maintenance and production programmes that were adapted to fit the company's business model in 2023. (ALRO)

Trademarks for low carbon aluminium products have been registered with OSIM (State Office for Inventions and Trademarks) – all described in Pillar 5 – Objective 3. (ALRO)

The RemovAL project (funding agreement number: 776469 – RemovAL – H2020-SC5-2016-2017/H2020-SC5 2017-TwoStage) was completed on 31.04.2023 with the following conclusion: "all the technologies developed in the project are technically valid, three of them also show economic potential, the economic viability depending on capital investment, transport distance of the red mud, storage cost of the red mud, selling price of the final product obtained, energy purchase cost and efficient use of equipment correlated with optimization of process parameters". (ALUM)

The REEScUE project "Integrated Process for the Recovery of Rare Elements and Scandium from Red Mud", topic: "Processing, Production and Remanufacturing", was completed on 31.10.2023 with



Short-term TARGETS (2024-2025)

ALRO has reached 215 electrolysis pots refurbished based on the new low-energy technology since the start of the project with RioTinto AP in 2018 and will continue to invest in its energy efficiency programmes, which include the continuation of the pots refurbishment programme in 2024 with 35 new pots. (ALRO)

ALRO will also increase energy efficiency by implementing the project "Improvement of energy efficiency of the Repair and Spare Parts Section (SRPS) by upgrading the induction furnace and installing a water cooling/circulation system", which aims at upgrading the furnace with energy efficient equipment in order to reduce energy and industrial water consumption of equipment in the SRPS workshop and to comply with the Energy Audit recommendations. (ALRO)

The ReActiv project will run according to the agreed timetable. (ALUM)

Vimetco Extrusion targets:

- Reduction of cardboard waste = 30%;
- Reduction of wood waste = 20%;
- Reduction of aluminium waste = 1%;
- Electricity savings = 71,358 MWh.



ACTIONS
defined
in 2022



PROGRESS
in 2023



Short-term TARGETS
(2024-2025)



3.2. Proposing projects under the Horizon 2000 Programme.

In 2023 ALRO participated in two calls:

- HORIZON-JTI-CLEANH2-2023-04-04 – Hydrogen for heat production for hard-to-abate industries (e.g. retrofitted burners, furnaces), which involved the use of hydrogen for energy production.
- HORIZON-CL4-2023-TWIN-TRANSITION-01-31: Energy efficiency breakthroughs in the process industries (RIA). This project called PANDA sought to develop an alternative solution using solar energy to power one or more pieces of industrial equipment.
- Neither of the two projects materialised.

ALRO has joined the consortium preparing the ALTHEAT project for Horizon funding. The project aims to use electricity for heat treatment and to replace natural gas, using innovative burner technologies such as plasma, ultrasound and infrared radiation. The documentation was submitted in early April 2024. (ALRO)

3.3. Use of external consultancy services to improve technology and product quality.

Consultancy services were used to establish new manufacturing technologies and introduce new products to ALRO's portfolio. (ALRO)

Consulting services will continue to be used to increase operational efficiency, establish new manufacturing technologies and improve existing ones, as well as to diversify ALRO's portfolio with new products. (ALRO)

3.4. Continuing research activity in various fields.

Several Scientific and Technical Studies have been carried out with Research and Development Institutes in Romania, a Scientific and Technical study with the Polytechnic University of Turin, Italy, articles have been published in specialized journals in the country.

Completion of qualification of new products started in 2023.
Eliminate problems that arise in the manufacturing flow by improving technologies using applied research.
Continuing collaboration with prestigious Universities and Institutes in Europe and Romania.





ACTIONS
defined
in 2022



3.5. Implementation of specific measures to digitise production operations.

PROGRESS
in 2023



Implementation of digitisation in the product quality verification system.
 Implementation of software to optimise the use of aluminium scrap (ALEA).
 Implementation of the electronic data management system for equipment under ISCIR jurisdiction.
 Upgrade Hardware Disaster Recovery Systems Development in SAP platform.
 Automatic transfer of quality certificates to customers for ALRO products.
 Implementation in SAP of the following systems: SAF-T, e-Invoice, e-Transport.
 Completion of the implementation of the Salesforce system in order to manage optimally the requests for quotation and orders received from customers.

Short-term TARGETS
(2024-2025)



Update production dashboard report.
 Keep track of quality complaints received from customers.
 Implementation of digitisation in HR systems.
 Implementation of the HPO Schelling IT system to manage and select compatible plates from stock for CutToSize orders.
 Upgrading Quintiq systems for production as well as waste requirements planning.
 Implementation of the Salesforce system for optimal management of requests for quotation and orders received from customers.



PILLAR V

RESPONSIBILITY AND SUSTAINABLE BUSINESS



**OBJECTIVE 1
IMPROVING THE SUPPLY CHAIN**

Assess the sustainability performance of at least two key suppliers per year.

**ACTIONS
defined
in 2022**



**PROGRESS
in 2023**



**Short-term
TARGETS
(2024-2025)**



1.1. Sustainability performance assessment of key suppliers (ASI questionnaire).

About 79% of ALRO S.A.'s assessed suppliers have also completed the sustainability performance assessment based on the ASI Performance Standard v3 questionnaire (160 suppliers out of 202).

Increase the percentage of suppliers to be assessed on specific sustainability criteria, so as to reach a minimum level of 80% of tested/assessed suppliers out of all existing suppliers

Organise on-site visits and audits of suppliers' facilities to verify the information provided in the questionnaires and directly observe sustainability practices.

1.2. Communicating our Code of Conduct to all existing suppliers and ensuring that all new suppliers comply with our Code of Conduct.

VE has published on the company's website the Code of Ethics and Conduct for Suppliers, which applies to all suppliers. (VE)

Communicating our Code of Conduct to all new suppliers

ALRO SA's Code of Conduct has been published on the company's website.

About 75% of ALRO SA's assessed suppliers have adhered to the ALRO Supplier Code of Conduct (151 suppliers out of 202).

1.3. Establish sustainability criteria for the selection of suppliers.

The sustainability assessment of suppliers is integrated into the evaluation system (Adherence Code of Conduct).

The sustainability assessment of all new suppliers





OBJECTIVE 2 BUSINESS ETHICS AND FIGHTING CORRUPTION

Zero incidents of corruption and ethical issues.



ACTIONS defined in 2022



PROGRESS in 2023



Short-term TARGETS (2024-2025)



2.1. Reviewing and updating the Code of Ethics and Conduct.

Further implementation of the Code of Ethics. (ALRO)

Ongoing review and update of the Code of Ethics and Conduct to remain in line with local and European legislation. (ALRO)

2.2. Training all employees in the fight against corruption and fraud at Group level.

Instruct new employees with anti-corruption and anti-fraud policies.

Instruct new employees with anti-corruption and anti-fraud policies.

2.3. Implementation of an irregularity reporting system.

The whistleblowing system has been set up and has been regulated through an internal operational procedure.

Encouraging all employees for using the new whistleblowing system

2.4. Establishing a Group-wide sustainability department.

In September 2023, the Sustainability Department was established, a department that makes significant contributions to achieving the organisation's objectives and strengthening its market position. (ALRO)

Consolidation of market position through integration sustainable practices in all our activities

2.5. Identify and manage the Group's risks and opportunities.

The identified risks and opportunities have been analysed, assessed and prioritised. Measures to tackle and approach these risks and opportunities have been proposed and the necessary resources and responsibilities for implementing these measures have been allocated. (ALRO)

Monitoring and control of risks and opportunities. (ALRO)

2.6. Implementation of ASI certification for ALRO and VE.

On January 31, 2023 ASI Performance Standard V3 was implemented at ALRO. (ALRO)

Maintaining ASI certifications obtained in 2023.

In September 2023 ASI Performance Standard V2 was implemented at VE level.





OBJECTIVE 3 FOCUS ON END-CUSTOMERS, ESPECIALLY THOSE INVOLVED IN GREEN TECHNOLOGIES

Gradual growth in sales of aluminium and aluminium alloy products to end-consumers active in high-tech industrial sectors by 2025.



ACTIONS defined in 2022



3.1. Diversification of the range of aluminium products and aluminium alloys to final consumers, active in high-tech industrial sectors by 2025

3.2. Increase efficiency in relations with suppliers, customers, employees and communities.

3.3. Careful selection of customers based on end products, giving priority to customers with a smaller carbon footprint (VT)

3.4. Increasing the share of high and very high value-added products in the production mix, especially those that we can sell to highly technical end customers.

PROGRESS in 2023



In 2023, new high and very high value-added flat products were introduced to the ALRO portfolio. (ALRO)

Limiting the CO₂ footprint of aluminium ingot suppliers.

Holding discussions with major players in the automotive and aeronautics industries and establishment of internal working groups to understand the carbon footprint requirements and to establish action plans to meet these new requirements. (VT)

Trademarks for low carbon aluminium products have been registered with OSIM (State Office for Inventions and Trademarks).

- ALRO Essential in the class of goods/services : "Aluminium and its alloys, in particular products in the form of billets, rods, sheets and strips, incorporating 30% or more of aluminium scrap";
- ALRO VitAL in the class of goods/services: "Aluminium and its alloys, in particular products in the form of billets, rods, plates and strips, incorporating at least 50% aluminium scrap";
- ALRO VitAL Max (under registration) for products: "Aluminium and its alloys, in particular products in the form of wire, billets and rods, incorporating 70% or more of aluminium scrap and in the production of which the CO₂ emission intensity is less than 4 tonnes CO₂ / tonne product (cradle to gate)".

In 2023, we applied for a patent, namely "Process for obtaining anodisable aluminium alloy plates with monochromatic surface" and we expect to obtain this patent in August 2024.

Short-term TARGETS (2024-2025)



The introduction of new products into ALRO's portfolio will continue with high and very high added value for diversifying the production mix and offering a broad spectrum of products to ALRO customers. (ALRO)

Shorten the supply chain for end customers by offering products cut to size and/or atypical formats (cut to size) and machined parts (near to net shape). (ALRO)

Not exceeding the upper CO₂ footprint limits set.

Establishing visits to Alro Slatina of some of the world's leading manufacturers in the automotive and aeronautical industries and advancing technical and commercial discussions and negotiations for new partnerships on the sale of low carbon footprint aluminium products. (VT)

New high and very high value-added products will continue to be introduced to ALRO's portfolio to diversify the production mix and offer the widest possible range of products to ALRO's customers. (ALRO)



2

STAKEHOLDERS

Eco Recycling





We are aware of the importance of stakeholders to our Group and we pay close attention to our relationships with them. Stakeholder groups have been further defined through our involvement in sustainability processes.

So as part of the Double Materiality Analysis, we also carried out in-depth stakeholder analysis. We assessed them in terms of the interest and power of influence they could have on our business and identified activities that would help us to be in close contact with them.

Compared to the last reporting period, the 2023 analysis identified the need to expand the stakeholder list, so 16 stakeholder groups were identified, all of which are of high importance to our Group.



2.1. ALRO Group Stakeholder Map

We consider the process of identifying the most relevant stakeholders essential and we know that it helps us set our business priorities in an informed and knowledgeable manner.

Following this assessment, we held internal working sessions to establish the most appropriate channels of communication with each group.

In addition to the communication channels established for each stakeholder group, we have facilitated the reception of suggestions and complaints at the Group level by establishing a number of channels for this.

Thus, anyone wishing to express their opinion can do so by using one of the options below:

- By mail to ALRO S.A. – 116 Pitești Street, postal code 230048, Slatina, Olt County;
- By depositing a letter in one of the specially designated boxes located at the entrance gates to our organisation;
- Electronically, by sending an e-mail to: sesizari@alro.ro;
- On-line, by filling in the petition form on www.alro.ro;
- Phone number: 0349.880.551.



Number of complaints registered in 2023

Total number of complaints	0
Number of complaints settled internally	0



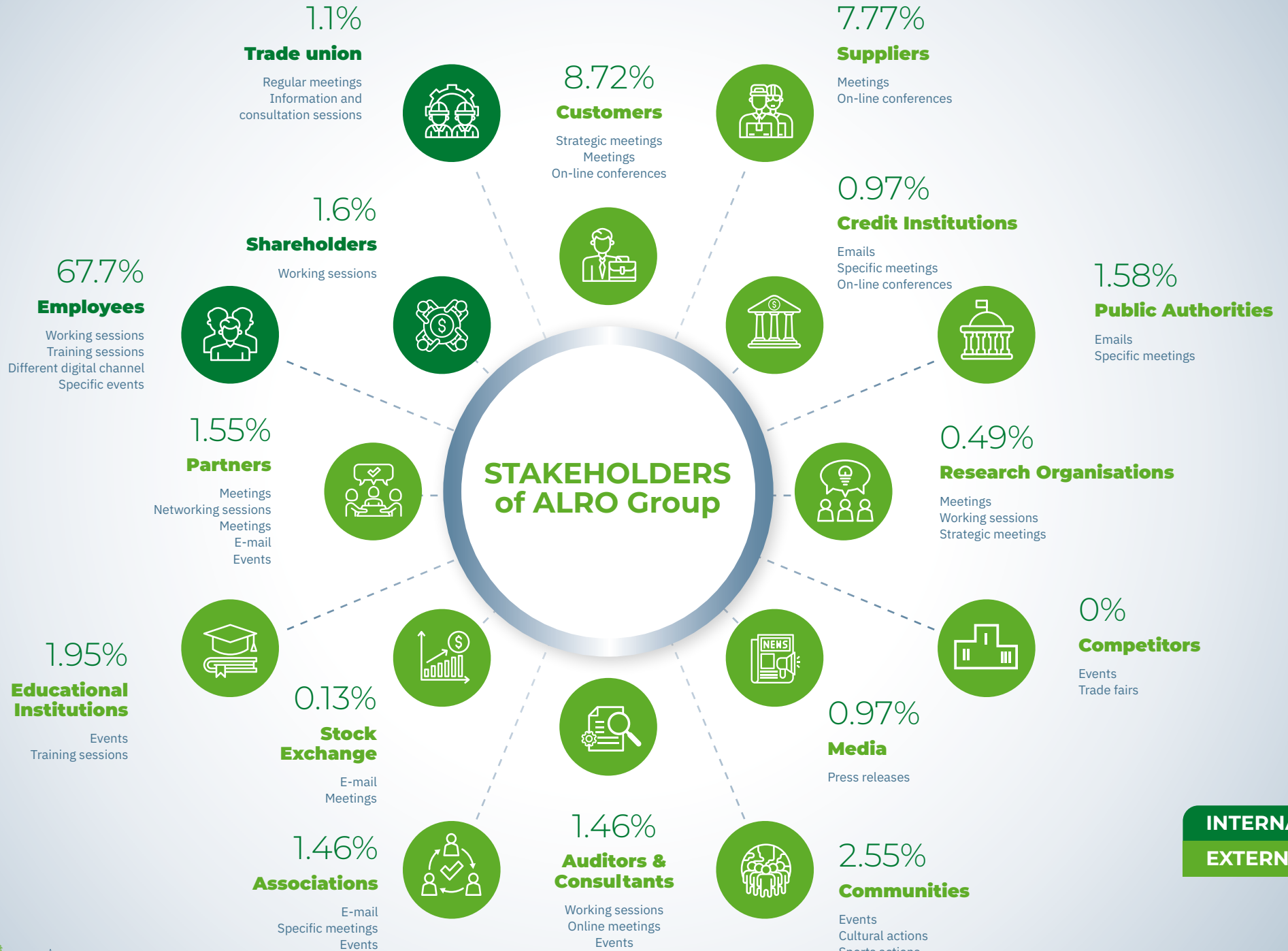
For us, the stakeholder identification and assessment process is of utmost importance and has given us the opportunity to involve stakeholders in the Double Materiality Analysis. So, after defining and describing the material aspects, we drafted a questionnaire and sent it to all stakeholders.

Following the launch of the questionnaire we received 824 responses, 70% of which were from stakeholders within our organisations and 30% from external stakeholders.

Direct feedback from stakeholders:

- All material topics chosen are relevant;
- ALRO Group's involvement in sustainability projects is very important;
- We appreciate your efforts to maintain high standards;
- It is important for the ALRO Group to strive towards process standardisation;
- It is important that ALRO employees benefit from training and refresher courses;
- Promote actions that take sustainability into account;
- Improvement of internal communication (between management and employees);
- Improvement of logistical infrastructure;
- Focus on innovative processes.





INTERNAL
EXTERNAL



2.2. Materiality Analysis

GRI 2-29

Reporting information that is closely related to sustainability is technically structured in the Materiality Analysis. This concept refers to the topics that the company has identified as relevant to its business. Our Group carried out the Double Materiality Analysis, looking closely at the two dimensions proposed by its methodology: the social and environmental impact dimension and the financial dimension.

- **The materiality of environmental and social impacts from an Inside-Out perspective** includes impacts that derive from the organization's own operations, with a strong link to activities carried out downstream and upstream, across the company's value chain and in close connection with the business relationships it conducts. Thus, it defines the influence that the company generates on the environment and society.
- **Financial materiality from an Outside-In perspective** refers to the potential financial impacts associated with each material aspect that have an impact on the organization from the external environment. This is accompanied by an essential component of business relevance, which involves a careful analysis of the financial risks and opportunities that could affect the organization - this analysis is addressed internally during the interviews stage.

With the implementation of the Double Materiality concept, the strong links that the materiality analysis process has with the strategy and the business model implemented by the company emerge. This process is highly relevant to the company's management strategies and should be used as a reference tool in business decisions.

Within the ALRO Group, we have paid close attention to the impacts we can generate through our activities, and this is also the starting point in the process of identifying the most important material themes. In order to carry out the most relevant analysis, we have paid attention to both the scope of impacts and the associated risks and opportunities.



The process of determining the most relevant material aspects:

1. Analysis of the aluminium production sector
 - Benchmarking analysis, to study closely the trends in the field in which we operate;
 - Documenting global trends and globally agreed best practices in aluminium production;
 - Consultation of standards governing reporting that have indicators relevant to the field in which our Group operates - GRI, SASB, ESRS.
2. Drawing up a preliminary list of relevant material issues
 - Analyse all activities downstream and upstream of our Group in order to achieve the most comprehensive Value Chain;
 - Definition of 18 relevant material aspects.
3. Holding an internal workshop to analyse and evaluate these material aspects
 - Environmental and social impact assessment;
 - Financial impact assessment;
 - Determining the most important stakeholders;
 - Planning the extensive evaluation analysis of these material issues: interviews with key people in our Group's top management and questioning the most important stakeholders.
4. Completing the Double Materiality Matrix
 - Interpretation of the results extracted from the 3-dimensional analysis and mapping of material aspects.
5. Final evaluation and interpretation
 - Strategic interpretation of the results obtained.



Also, compared to last year's list of material issues and in line with our current needs, there are some changes within the list of material aspects. Within the material aspects in the Governance pillar we have reorganised the themes and redefined them to suit our current needs. Under the Products pillar we have added two new material issues: Product Quality and Continuous Development and Responsible Communication. We reorganised the information by redefining the material aspect of Innovative Products and Technologies. Under Environment we have added three new material aspects: Optimal Resource Management, Industrial Emissions and Biodiversity and Ecosystems. In the Social pillar we have restructured the information by renaming two of the material aspects related to this segment: Human Rights, Diversity and Equal Opportunities and Community Engagement.



2.3. Evaluation of Material Aspects

Following the methodology of the Double Materiality Analysis, we engaged in a structured process of analysing all our material aspects. Thus, we considered the following aspects:

- Materiality of social and environmental impacts;
- Financial materiality;
- Relevance to the development of our business.

As part of the internal analysis, carried out by our project team composed of key functions from all our departments, we assessed both the materiality of the social and environmental impact and the financial materiality in a STRATEGIC WORKSHOP.

From a thoroughly documented and eligible analysis for our Group, we have deepened the evaluation of material aspects in view of their relevance to the development of our business. As part of this process, one-on-one interviews were conducted between our external consultant and several key people within our

Group. These discussions identified risks and opportunities associated with material issues that may positively or negatively affect our business.

The persons who participated in these discussions on behalf of the ALRO Group were:

1. **Alina Ruşanu**
Director of Energy ALRO;
2. **Aurel Bărbulescu**
Purchasing Director, ALRO and ALUM;
3. **Cristian Stănescu**
Quality, Investment and Technical Director, ALRO;
4. **Florin Toma**
Quality, Investment and Technical Director Vimetco Extrusion;
5. **Florin Verboncu**
General Manager Vimetco Trading;
6. **Lucian Coteţ**
Technical Manager ALUM;
7. **Marian Cilianu**
Operational Manager, ALRO Primary Aluminium;

8. **Mariana Feodorof**
MHuman Resources Manager ALUM;
9. **Nicu Durău**
Human Resources Director, ALRO and ALUM;
10. **Sorin Iliev**
Operational Director, ALUM;
11. **Ştefania Yaksan**
Director of Finance and Human Resources, Vimetco Extrusion;
12. **Sebastian Sbîrnă**
Environment, Health and Safety Manager, ALRO.

As part of the external review, we assessed the materiality of the social and environmental impacts and were able to obtain responses from a large number of our stakeholders.

We believe that all these assessments are important for our Group's business strategy and we interpret the results in close correlation with our needs, being attentive to the potential positive or negative impact that we can generate through our activities.



2.4.

List of material aspects of the ALRO Group

ESG field

GOVERNANCE

MATERIAL ASPECTS

Corporate Governance and Business Ethics

The effective implementation of a governance that promotes fairness, transparency and accountability at the level of each company is the stable basis for development of the ALRO Group. In order to achieve our business objectives, ethics is a key factor contributing substantially to the evolution and progress of our Group on all three pillars of sustainability: economic, environmental and social.

Economic Performance

Economic performance within the ALRO Group refers to our financial health and efficiency in the production and sale of aluminium products, including factors such as revenue, profit margins, cost management and return on investment. We are also convinced that good management of sustainability issues is a key contributor to maintaining a healthy economic performance for the Group.

Supply Chain Management

Through efficient supply chain management, supplier portfolio improvement, flexibility and planning, our Group adapts to the business environment. In addition, we pay close attention to activities closely linked to sustainability throughout the supply chain, while also considering the environmental, economic and social responsibility of our partners to be extremely important.

Customer and Relationship Management

We are committed to providing our customers with the highest quality products to contribute to their objectives. To ensure a high level of satisfaction, we have developed an integrated management policy that generates long-lasting and profitable business relationships. Throughout this process, we also involve values that are closely linked to social, economic and environmental responsibility.

Risk Management and Emergencies

At Group level, we have developed methods and identified major risks that may affect our business and the achievement of our business objectives. We are prepared to manage the risks associated with our activities, with a strong focus on safety and well-being in the workplace, both from a business and human resources perspective.



ESG field

PRODUCTS**MATERIAL ASPECTS****Product Quality and Continuous Development**

Quality standards, innovation and continuous improvement are our priorities when it comes to products. During their development, we pay attention to the efficient use of resources and strive to manage possible negative environmental impacts.

Innovative Products and Technologies

Innovation is key to the development of our Group. We invest in research and development to drive technological advances that promote sustainability throughout our value chain. To this end, we develop sustainable products, improve production processes and optimise resource use.

Responsible Communication

Responsible communication within our Group is about how we address our stakeholders and the public, ensuring that our messages are transparent, ethical and in line with our values and relevant regulations. We apply these principles in all communication-based activities, including when we provide information about our products.



ESG field

ENVIRONMENT**MATERIAL ASPECTS****Optimal Resource Management**

Resource management involves good management of existing resources and the use of tools to monitor, measure and anticipate needs. We are aware of our consumption and establish strategies to optimise all processes, while paying attention to the impact on the environment and society and maintaining an economic balance.

Industrial Emissions

We are aware of the emissions generated by our production activities and pay close attention to good management in this regard. We have invested significantly in environmental protection projects and ALRO is the first company in Olt to receive an Integrated Environmental Authorisation. On top of this, we have clear targets to further reduce our emissions and carbon footprint. ALRO's management of direct and indirect energy consumption and emissions is defined by the Integrated Management System implemented at company level.

Circular Economy and Waste Management

Within our Group we are committed to constantly improving methods of waste reduction and reuse, thereby supporting the transition to a circular economy and ensuring that waste management is carried out both in accordance with the environmental management system implemented in each of our companies and in line with our internal policies and procedures.

Climate Change and Business Resilience

Climate change and business resilience are important issues for our Group. We take responsibility for further reducing our environmental impact and adapting to climate change. We address these challenges through measures such as reducing greenhouse gas emissions, using sustainable resources and developing resilience plans to ensure our business is prepared to face future climate risks. We are committed to helping protect the environment and ensure our business is sustainable in the long term.

Water and Effluent Management

Water consumption can have a negative impact on both the availability and quality of local water resources. Through our resource management system, we have implemented effective measures to recover a significant amount of the water we use, thereby minimising the impact on water resources. Our activities also generate wastewater that is treated before disposal to ensure the lowest possible environmental impact.

Biodiversity and Ecosystems

Projects in the aluminium industry can impact natural habitats, affecting animal and plant species. This sector is an important user of natural resources and therefore have an important role to play in protecting sensitive sites and minimising damage to the ecology, an objective we have set ourselves and implemented by adapting our activities to this end.



ESG field
SOCIAL

MATERIAL ASPECTS

Human Resources Management

The level of productivity and employee satisfaction is directly proportional to the economic success of companies. Human resource management coordinates a plethora of activities whose ultimate goal is to make the most efficient use of our company's human capital to ensure its success, without neglecting the individual goals and well-being of each employee.

Health and safety at work

Safety and health at work are fundamental issues for our Group. We are committed to providing a working environment where all employees can carry out their activities in a safe and healthy manner. This involves implementing and maintaining safety procedures, providing appropriate training to prevent accidents and constantly improving working conditions.

Human Rights, Diversity and Equal Opportunities

We pay close attention to respect for human rights and social inclusion and promote equal opportunities for all, regardless of gender, ethnicity, religion, age or economic status. We analyse all incidents of discrimination that occur and implement concrete remedial plans.

Commitment to Community

Our commitment to the community is an integral part of our corporate values. We are actively involved in the communities in which we operate, given our impact on them. We aim to be a trusted partner, supporting local projects and initiatives, providing jobs and promoting social and economic development. We are keen to contribute to overall economic prosperity and to have a positive impact on improving the quality of life in the communities we are part of and the lives of those around us.



2.5 Double Materiality Matrix

MATERIAL ASPECTS

- ● ● **GOVERNANCE Pillar**
- ● ● **PRODUCTS Pillar**
- ● ● **ENVIRONMENTAL Pillar**
- ● ● **SOCIAL Pillar**

Note – the size of the dots show the potential size of the impact on financial capital on certain material themes due to poorly managed risk.



2.5.1. Interpretation of the Double Materiality Matrix

The matrix confirmed that the process of determining the material aspects had a strong foundation, highlighting the most relevant themes of interest to our Group - this is visible by their positioning in the upper areas of the scales (from 1 to 10) that quantify the materiality of the impact and the financial one.

MATERIALITY OF ENVIRONMENTAL AND SOCIAL IMPACTS

Taking into account both a positive and a negative perspective, we have been able to identify areas where we have a significant influence through the nature of our operations and activities. Thus, five material aspects have been identified by classifying them according to the maximum threshold we have set ourselves.

This classification is important because it helps us set our priorities. However, we are aware that we need to take a holistic view and pay attention to all material issues. The materiality analysis of environmental and societal impact has helped us rank our material issues:



FINANCIAL MATERIALITY

This analysis has greatly contributed to providing a timely perspective on the positive and negative financial impacts that may be associated with the material issues identified. The matrix highlights four material aspects that score above the maximum threshold.

This analysis has greatly contributed to providing a timely perspective on the positive and negative financial impacts that may be associated with the material issues identified. The matrix highlights four material aspects that score above the maximum threshold:



RELEVANCE TO THE WELL-BEING OF OUR BUSINESS

From the perspective of the risks and opportunities that our Group can attract from the external environment, in relation to each material aspect identified, two material aspects were highlighted:

1

ECONOMIC PERFORMANCE

2

SUPPLY CHAIN MANAGEMENT

Looking at the whole list of material aspects, four thresholds of relevance have been outlined:

1

- Economic Performance
- Supply Chain Management

2

- Corporate Governance and Business Ethics
- Customer and Relationship Management
- Risk Management and Emergencies
- Product Quality and Continuous Development
- Innovative Products and Technologies
- Climate Change and Business Resilience
- Human Resources Management

3

- Responsible Communication
- Optimal Resource Management
- Industrial Emissions
- Circular Economy and Waste Management
- Water and Effluent Management
- Biodiversity and Ecosystems
- Health and Safety at Work
- Human Rights, Diversity and Equal Opportunities

4

- Commitment to Community

We believe that the Double Materiality Analysis carried out in the 2023 non-financial reporting exercise provides a baseline for the future of our Group. We have a clearer picture of the impacts we may generate or encounter in the three sustainability reference areas: Governance, Environment, Society, but also in the related area specific to our business: Products and Services, so that we can make the best strategic management decisions.

In addition, by its nature as the technical core of the Sustainability Report, it has helped us identify the most appropriate and relevant indicators, which we have addressed both quantitatively and qualitatively in this report.



2.6. Value Chain

GRI 2-6

By examining the organisation's value chain, we focused on identifying relevant material issues where the organisation may have a negative impact and the stakeholders that may be affected.

We have focused on identifying those areas of the value chain where our actions are relevant from a business perspective, but are also highly relevant to other stakeholders with whom we do business.

1. STRONG GOVERNANCE

Business strategy, transparency towards stakeholders. Fair business policies and practices. *Corporate Governance and Business Ethics, Economic Performance, Climate Change and Business Resilience*



2. HUMAN RESOURCES MANAGEMENT

Employee well-being. Education and Training. *Human Resources Management, Health and Safety at Work, Human Rights, Diversity, and Equal Opportunities.*



3. COMMUNITY INVOLVEMENT

Responsible contribution to protecting the environment and the society we are part of. *Commitment to Community.*



4. PROCUREMENT AND SUPPLY

Entry logistics: transportation, reception, storage, and further supply of raw materials. Commitments and collaborations for fair business practices. *Supply Chain Management, Optimal Resource Management.*



6. THE PRIMARY ALUMINIUM

Transforming raw materials through metallurgical processes.



7. PRODUCT MANUFACTURING

a Obtaining products in cast house.
b Obtaining rolled products.
Product Quality and Continuous Development



5. RESEARCH AND DEVELOPMENT

Use of new technologies. *Innovative Products and Technologies.*



9. DISTRIBUTION, LOGISTICS AND COMMERCIAL STRATEGY

Increasing profitability, market shares, expanding into new markets. *Responsible Communication, Customer and Relationship Management.*



8. EMISSIONS, RISK AND EMERGENCY MANAGEMENT

Managing significant impacts related to emissions. *Circular economy, Industrial Emissions, Risk Management and Emergencies, Water and Effluent Management, Circular Economy and Waste Management, Biodiversity and Ecosystems.*



1. STRONG GOVERNANCE involves the establishment and application of policies, procedures and ethical standards to ensure that the ALRO Group operates transparently, ethically and in compliance with applicable laws and regulations. This includes effective oversight by the Board of Directors, risk management and the implementation of specific mechanisms for accountability and transparency in decision-making.

2. HUMAN RESOURCES MANAGEMENT focuses on recruiting, developing and retaining a skilled workforce. It involves creating a positive work culture, providing training and development opportunities, managing employee relations and ensuring fair compensation and benefits.

3. COMMUNITY INVOLVEMENT refers to the involvement and impact of Group companies on the local communities in which they operate. This includes community development programmes, social responsibility initiatives and efforts to minimise the negative social impacts of company operations.

4. PROCUREMENT AND SUPPLY activities involve strategic decisions on procurement, partnerships and securing the necessary resources. This includes managing the supply chain, ensuring a reliable supply of raw materials and assessing opportunities to strengthen the company's position in the market.

5. RESEARCH AND DEVELOPMENT focuses on innovation and improvement of production processes as well as product quality and environmental performance. This includes investments in new technologies, product research and sustainability initiatives to improve the company's competitiveness.





6. THE PRIMARY ALUMINIUM production process involves identifying sustainable sources, processing them and obtaining aluminium in an environmentally responsible manner.

7. PRODUCT MANUFACTURING, encompasses aluminium production processes in various forms, from cast products to rolled and extruded products, taking into account sustainable guiding principles.

The ALRO Group's production operations are carried out in several locations as follows:

a. The Primary Aluminium Division which includes the Anodes Section, the Electrolysis Section, the Casthouse, the Aluminium Eco-Recycling Section, the Repair and Spare Parts Workshop, Road and Rail Transport Sections and other sections responsible for ancillary services. As a result of investments in equipment modernization and new technology, we have reached an annual production capacity of 265,000 tons of electrolytic aluminium (of which 180,000 tons have been put into conservation in 2022 and 2023 through a strategic decision), 335,000 tons of cast aluminium and an aluminium scrap smelting capacity of 100,000 tons, from which 94,000 tons per year of liquid aluminium are obtained. At the same time, all anodes used in the production process are made in-house.

The Primary Aluminium Division focuses on the production of:

- **Electrolytic aluminium:** being an intermediate product, used further in the production process to obtain a wide range of aluminium products.
- **Recycled aluminium:** contributing to the circular economy by recycling aluminium, which reduces the need for new raw material and environmental impact.

The main end products of this division include:

- **Wire:** used in the production of electrical cables and conductors, including high-voltage conductors, essential for the utilities sector.
- **Slabs:** used as raw material for hot and cold rolling equipment in the Processed Aluminium Division and further processed into high value-added aluminium products.
- **Billets:** which are processed by extrusion to produce standard or custom aluminium profiles.

b. Processed Aluminium Division, with a processing capacity of 100,000 tonnes of aluminium, which may vary depending on the production mix.



The Processed Aluminium Division specialises in:

- **Flat rolled products:** such as plates, sheets and strips, which are used in the engineering, construction, vehicle and aircraft sectors due to the superior mechanical properties and reduced weight of aluminium.

These products are vital for:

- **Utilities sector:** due to their electrical and thermal conductivity.
- **Automotive industry:** where the reduced weight of aluminium helps in reducing fuel consumption and therefore emissions.
- **Construction sector:** for lightweight and durable structures.
- **Aerospace industry:** where aluminium is used because of its resistance to corrosion and wear.
- **Renewable energy:** such as photovoltaic panels, where aluminium is used for frames and supports due to its durability and weather resistance.

Aluminium extrusion: the process by which aluminium is transformed into complex shaped profiles used in various industrial applications.

This division's end products include:

- **Extruded products** including profiles for transportation, construction, photovoltaic panels and many other industries.
- **Special products:** which are considered to have a high added value due to the complexity and technical specifications required.

8. EMISSIONS, RISK AND EMERGENCY MANAGEMENT involves the identification, assessment and mitigation of environmental emissions, operational risks and emergency preparedness.

9. DISTRIBUTION, LOGISTICS AND COMMERCIAL STRATEGY involves planning and executing the efficient transportation, distribution and marketing of alumina and aluminium products. This includes managing the supply chain, optimizing distribution networks and developing effective commercial strategies to maximize sales and profitability.

- **Product distribution areas:**
 - Eastern Europe
 - Romania
 - Western Europe



3

ALRO Group GOVERNANCE STRUCTURE



Relevance of Material Aspects

GRI 3-1 GRI 3-2

MATERIAL ASPECTS

3.1. Corporate Governance and Business Ethics

3.2. Economic Performance

ECONOMIC IMPACT

Corporate governance and ethical practices within our Group have led to significant economic benefits. Through efficient resource allocation, strategic decision-making and transparent financial management, we have improved productivity, profitability and overall economic growth. Our commitment to sound governance and ethical business principles has attracted investors, and created employment opportunities, thereby contributing positively to the local and national economy. Violations of ethical business principles can result in a negative impact to the business as well as the community or business environment.

The Group's economic performance is a particularly important aspect on which we have focused. Through strategic planning, efficient resource allocation and transparent financial management, we have increased the productivity, profitability and economic success of our Group. Our commitment to increasing our economic efficiency has stimulated innovation and contributed positively to both the local and national economy. Poor economic performance can contribute to a negative impact for other stakeholders and we are aware of this issue which can occur in cascade.

SOCIAL IMPACT

By promoting ethics in business, and encouraging diversity we aim to create a significant impact on society. We support the well-being of our employees, invest in their careers and strive to improve the social quality of the communities in which we operate, promoting their sustainable development.

We are constantly analysing the risks and opportunities of financial implications that may change the capital of the companies we manage, influence demand from our customers or contribute to the Group's economic performance. Depending on the results of the analyses we can contribute in a positive social way by creating new jobs and investments in the local community but also ensure the continuity of our partners' businesses.

ENVIRONMENTAL IMPACT

Incorrect risk management and non-compliance with legal regulations can have negative environmental consequences. That's why we have well-developed risk management plans in place as part of our corporate governance, which helps us to stay within the thresholds we have set ourselves to avoid harming the environment.

We prioritise environmental protection within our Group, implementing carbon-reducing practices and investing in renewable energy to reduce our carbon footprint. Through responsible resource management, waste reduction initiatives and compliance with environmental regulations, we aim to mitigate pollution and protect biodiversity, ensuring a greener and healthier planet for current and future generations. The costs of CO₂ emissions can influence economic performance, so we believe that efficiency as a shared environmental and economic goal is essential.



MATERIAL ASPECTS

3.3. Supply Chain Management

Across all ALRO Group companies we believe that effective supply chain management can have a significant impact on economic performance. That's why we contribute to streamlining operations and minimising logistics costs to increase our profitability. In addition, improving supply chain visibility and coordination can strengthen supplier relationships and reduce purchasing costs.

3.4. Customer and Relationship Management

Customer satisfaction and strong business relationships are very important to the economic success of our Group. Satisfied customers positively influence the reputation of our business leading to increased profitability and cultivating long-term relationships with all stakeholders enhances the value of our products in the market, ensuring a stable revenue stream.

3.5. Risk Management and Emergencies

By properly managing risks and preparing for emergencies we protect our operations while aiming to minimise potential financial losses. By identifying and preventing risks, such as supply chain disruptions, industrial accidents or cyber-attacks, we ensure we protect our brand reputation and avoid potential penalties from authorities.

ECONOMIC IMPACT

SOCIAL IMPACT

ENVIRONMENTAL IMPACT

We aim to make a positive contribution to the well-being of the community by ensuring fair labor practices, ethical sourcing and promoting diversity. That's why we put a lot of emphasis on promoting good working conditions for both employees and suppliers.

Positive business relationships have significant social implications, impacting both our employees and communities, bringing us new opportunities to collaborate with local organisations and encouraging social responsibility initiatives. By prioritising customer satisfaction, we demonstrate our commitment to our customers, building trust and loyalty among stakeholders and having a positive impact on the well-being of society.

At ALRO we believe that our most important resource is our people. That's why we believe that risk and emergency management directly affects the well-being and safety of our employees, local communities and stakeholders. To reduce the potential impact, we have well-developed action plans in place, control all hazardous substances and ensure cyber security.

Within our Group we believe that adopting environmentally friendly practices throughout the supply chain, such as sourcing from suppliers with a sustainable approach to business, reducing packaging waste and lowering emissions from the transportation of raw materials leads to minimising negative environmental impacts.

Although the direct impact on the environment, customer satisfaction and business relationships may not be readily apparent, our Group recognises the importance of promoting sustainability practices by providing high quality products and services that meet customer needs and expectations. In this way we can minimise product returns, reduce waste generation and encourage environmentally responsible consumer behaviour.

While the primary goal of risk and emergency management is business continuity and stakeholder safety, these efforts can also have an impact on the environment. Our risk mitigation objectives, such as implementing environmental management systems, conducting impact assessments and ensuring regulatory compliance can help prevent incidents that harm the environment.



3.1.

Corporate Governance and Business Ethics

OBJECTIVES



Fighting corruption and business ethics



TARGETS



- Zero incidents related to corruption and ethical issues.

ACTIONS



defined in 2022

- Review and update the Code of Ethics and Conduct for employees.
- Identify and manage Group risks and opportunities.

PROGRESS in 2023



- In 2023, training programmes have been maintained, covering specific topics: business ethics, anti-corruption, human rights, including all applicable sustainability policies (ALRO).
- In 2023, sustainability impact and risk registers were completed and will be updated regularly.

Short-term TARGETS (2024-2025)



- Ongoing monitoring and evaluation of the effectiveness of anti-corruption and ethical improvement measures.
- Implement regular internal controls and audits on anti-corruption and business ethics.
- Continuously review and update the Code of Ethics and Conduct to remain in line with local as well as European legislation.





Explaining the material topic

The effective implementation of a governance framework that promotes fairness, transparency and accountability at the level of each company is the stable basis for development of the ALRO Group. In order to achieve our business objectives, ethics is a key factor contributing substantially to the evolution and progress of our Group on all three pillars of sustainability: economic, environmental and social.

Managing the material topic

GRI 3-3

The ALRO governance system is the framework for the coordination of the entire Group. The Group is managed in a unitary system and has four levels of management:

- General Meeting of Shareholders (“AGM”)
- Board of Directors (hereinafter referred to as the “Board” or “BoD”)
- Executive management
- Operational management

Similar structures are present at the level of each company within the Group, but overall coordination is provided by the ALRO S.A. governance structure.

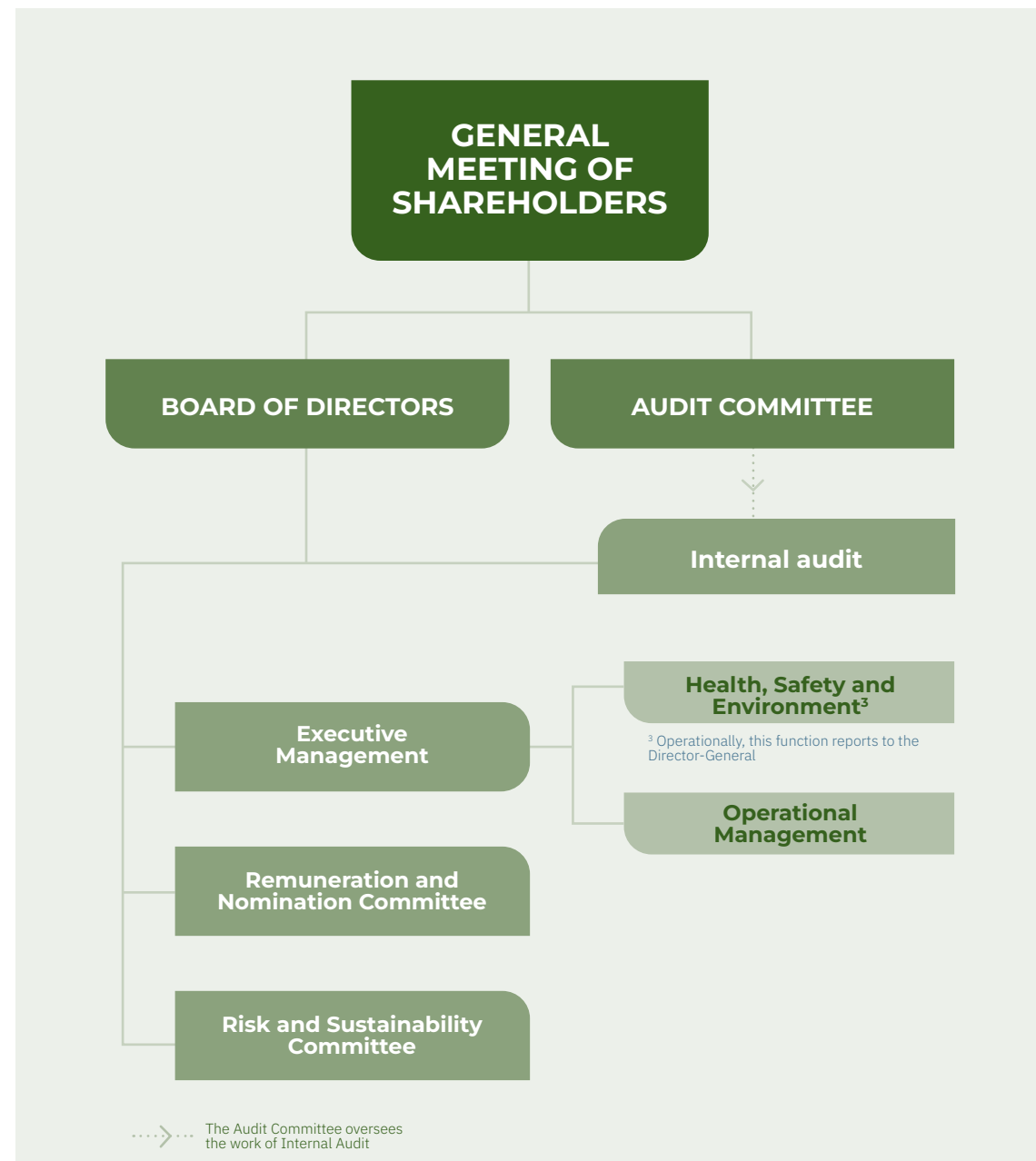


Structure and composition of ALRO Group governance

GRI 2-9

The governance structure is designed to provide efficient and thorough monitoring of company's activities. **The General Meeting of Shareholders**, which can be either ordinary or extraordinary, is an expression of the company's commitment to shareholder involvement in strategic decision-making. With a meeting frequency that depends on the emerging needs of the company, the General Meeting of Shareholders of serves as the first line of control and direction.

At ALRO S.A. we have opted for a unitary management system and, in addition to the Board of Directors, we also have three committees in our organisational structure, namely the Audit Committee – with duties delegated by the General Meeting of Shareholders, the Remuneration and Nomination Committee and the Risk and Sustainability Committee – both appointed by the Board of Directors.



3.1.1. Board of Directors (BoD)

GRI 2-10 GRI 2-11

The Board of Directors shall carry out its activities in accordance with the Articles of Incorporation and the Guidelines of Organisation and Operation of the Board of Directors and the applicable legal provisions. The term of office of the members of the Board of Directors is 4 years, ensuring continuity and stability in corporate governance.

The Board of Directors (“BoD”) meets at least once a month or whenever necessary. The selection of Board members is carried out through a formal, rigorous and transparent procedure, based on the recommendations made by the Remuneration and Nomination Committee on the nominations made in accordance with applicable law. Under the law, only shareholders or directors are entitled to propose candidates. The CVs of candidates proposed for the position of Director, together with their qualifications, are published on the Group’s website to ensure transparency throughout the selection process.

The Chairman of the Board of Directors is a non-executive member who was confirmed in office on 25 April 2019 and has been reconfirmed to 25 April 2023. In addition, he was also re-elected as Chairman of the Remuneration and Nomination Committee in May 2023.

GRI 2-14

The Board of Directors has the following responsibilities:

- setting the major operations and development directions of the company, including sustainability aspects. Approval of the Sustainability Report takes place after initial approval by the Risk and Sustainability Committee. Delegation of oversight of sustainability issues is made to the Risk and Sustainability Committee, while executive management is responsible for the achievement of sustainability objectives and targets, under the close monitoring of the Board of Directors.
- responsibility for the accounting and financial management system, the revenue and expenditure budget and adopts the financial plan for the current year. Other important decisions include approving the relocation of the head office, changing the secondary object of activities, determining marketing tactics and strategy, approving the investment plan, deciding on the market on which the company’s securities are or will be listed and selecting an authorised independent registrar for the company’s share register.
- key responsibilities related to raw material supply (such as electricity and natural gas), inventory management, employee aging and retirement, company financing needs, access to specific compensation schemes in the aluminium industry, and market challenges in terms of sales strategy. The Board of Directors is developing specific action plans in this regard. It works with executive and operational management to successfully manage these critical issues.



Role and obligations of the Board of Directors

GRI 2-12

The main tasks of the Board of Directors are the following:

1. carry out the decisions of the General Meeting of Shareholders;
2. establishes the main directions of the Company's activity and development;
3. establishes the accounting and financial control system and approves financial planning;
4. endorses the annual financial statements of the Company;
5. submit the annual financial statements for the previous financial year, together with the directors' report and supporting documents to the financial auditor at least one month before the date of the AGM;
6. submit the report on the Company's activities and the financial statements for the previous year to the AGM for approval within 4 months of the end of the financial year,;
7. submit annually the income and expenditure budget and, where appropriate, the work programme for the following financial year for the approval of the ordinary general meeting of shareholders;
8. approves the conclusion by the Company of any legal acts, with the exception of those for the conclusion of which the approval of the AGM is required by mandatory provisions of the law and of this Constitution, and with the exception of those which the CEO, acting individually or jointly with the CFO, may conclude without the approval of the BoD, within the limits established by the provisions of this Constitution or by resolution of the Board of Directors;
9. approves the relocation of the Company's headquarters;
10. approves the change of the secondary object of activity of the Company;
11. determines the additional remuneration of directors entrusted with specific functions and the remuneration of directors, within the overall limit approved by the Ordinary General Meeting of Shareholders;
12. approves the organisational structure and the organisational rules of the Company;
13. appoints and dismisses the General Director and the Chief Financial Officer;
14. establishes and organises the scope of the work of the General Director and the Chief Financial Officer;
15. supervises the work of the General Director and the Chief Financial Officer;
16. organises internal audit activity;
17. sets marketing tactics and strategy;
18. approves the Company's investment plan;
19. decides on which market the securities issued by the Company are or are to be listed and choose the authorised independent registrar company that keeps the register of shares issued by Company;
20. file a petition for the opening of insolvency proceedings of the Company according to Law no. 85/2006 on insolvency procedures;
21. decide on any other matters within its competences.

All members of the Board of Directors are provided with relevant and timely information in order to carry out their duties effectively, which the Chairman of the Board of Directors ensures together with the executive management. The Chairman of the Board of Directors has a close working relationship with the Chief Executive Officer of the Company, providing support and advice while respecting the Chief Executive Officer's executive responsibilities.

Each member of the Board of Directors shall ensure that they devote the time and attention necessary to perform their duties, manage their professional obligations, in order to carry out their tasks as efficiently as possible. To this end, the Company publishes in the Annual Report information on the mandates held by its own members of the Board of Directors in other listed companies, if applicable.



ALRO Board of Directors as at 31 December 2023

GRI 2-17 GRI 2-18

At the General Meeting of Shareholders in April 2023, a new Board of Directors was formed.

Name and Surname	Position on the Management Board	Tip	Position	Relevant experience and skills
Maşian-Daniel NASTASE	President	Non-executive Member	Chairman and non-executive member of the Board of Directors, reappointed in April 2019 (from November 2002). Chair of the Remuneration and Nominations Committee appointed in August 2019.	Marian Năstase graduated from the Bucharest Academy of Economic Studies with a degree in foreign trade and subsequently obtained the INSEAD diploma for board members. Marian Năstase has extensive experience in financial consulting and auditing. He has worked for Deloitte&Touche Romania and other financial consulting companies. In 2002, Marian Năstase joined ALRO as Executive Director and was responsible for its financial activities. Subsequently he was appointed Country Manager Romania, and his present mandate covers all the Group's activities in the country in the aluminium, natural gas and electricity sectors.
Svetlana PÎNZARI	Vice-President	Non-executive Member	Vice-Chairman of the Administrative Board appointed in November 2019. Non-executive member of Board of Directors Re-appointed in April 2019 (as of March 2018).	Svetlana Pînzari graduated Columbia University, New York, with a degree in Economics. She participated in an internship at International Monetary Fund and has extensive experience in the Banking sector. Mrs Pînzari has held senior positions in several commercial banks and in the Central Bank, being responsible for areas such as corporate governance, investment, treasury and the national payments system. She has served as Head of the Asset and Liability Management Committee, was a member of the Credit Committee and a member of the Board of Directors. She joined ALRO as Deputy CFO and then in 2006, was appointed Chief Financial Officer for the ALRO Group and member of the Board of Directors for ALRO and ALUM until 2013. She was responsible for budgeting, reporting, accounting and treasury. She is currently a director of Vimetco Trading.
Gheorghe DOBRA	Member	Executive	Executive member of Board of Directors, Re-appointed in April 2019 (since November 2003). Committee Member Risk and Sustainability appointed in March 2020.	Doctor of Engineering Gheorghe Dobra, Executive MBA, after graduating from the Polytechnic Institute of Bucharest in 1984, he joined ALRO, where he has gone through all the steps of a successful professional career. Since 1993 he has been the General Manager of the company. His main achievements in the company are the following: <ul style="list-style-type: none"> the successful privatisation of the Company between 2000 and 2002; increasing the economic and financial performance of the Company; technical and technological modernisation to the highest international standards; increasing high and very high value-added production; Substantial environmental investments, which have led to improved working conditions of the Company; cost reduction with a focus on increasing energy efficiency; rethinking the organisational structure, with positive effects on business optimisation; ALRO's accreditation as a supplier to the demanding aerospace and automotive market; increasing social responsibility programmes for employees and the local community; increasing the company's creditworthiness on the international aluminium market; achieving vertical integration of manufacturing cycles within the Group.



Name and Surname	Position on the Management Board	Tip	Position	Relevant experience and skills
Vasile IUGA	Member	Independent Non-executive	<p>Non-executive and independent member of the Council of Administration appointed from April 2019.</p> <p>Chairman of the Committee Audit appointed since April 2019.</p> <p>Member of the Remuneration and Nominations appointed from August 2019.</p> <p>Chairman of the Committee Risk and Sustainability appointed from March 2020.</p>	<p>Vasile Iuga is one of the most experienced consultants of business in Romania, with over 28 years of experience in the field of the implementation of international accounting, auditing and finance, business valuation and restructuring, corporate governance, takeovers, mergers, acquisitions, privatisations and strategic consulting in the energy, financial, industrial and capital markets sectors in Romania and Eastern Europe. Previously, he worked for 12 years in the aviation industry as a test engineer.</p> <p>He is a graduate of the Faculty of Aerospace Engineering at Polytechnic University of Bucharest. He has also attended specialization courses at Harvard Business School, INSEAD Paris and IMD Lausanne.</p> <p>Vasile Iuga started his consulting career at PwC Romania in 1991, where for a long period of time (2004-2016) he was Country Managing Partner for Romania, being the first local partner appointed Managing Partner in Central and Eastern Europe in PwC.</p> <p>He worked at PwC until 2016, the last position he held was as a member of the PwC Central and Eastern Europe Management Board.</p> <p>Mr. Iuga is a member of numerous professional bodies: the Association of Chartered Certified Accountants of Great Britain (ACCA), the Chamber of Financial Auditors of Romania (CAFR) and the National Association of Authorized Valuers of Romania (ANEVAR). In recognition of his contribution to the development of the business environment and his important role in the development of professional services in Romania, Vasile Iuga was awarded, in 2012, the title of Professor Honoris Causa of Babeş-Bolyai University in Cluj-Napoca, Romania.</p>
Marinel BURDUJA	Member	Independent Non-executive	<p>Non-executive and independent member of the Council of Administration appointed from April 2019.</p> <p>Member of the Remuneration and Nominations appointed from August 2019.</p> <p>Committee Member Risk and Sustainability appointed from March 2020.</p>	<p>Marinel Burduja graduated from the Academy of Economic Studies, Department of International Economic Relations in 1976. He also obtained a degree in International Law at the Faculty of Law of the University of Bucharest in 1982. Marinel Burduja is a banker with extensive experience and a prodigious career.</p> <p>He was the Mayor of Piatra Neamt (1990) and the first President of the Federation of Romanian Municipalities, a member of the Romanian Parliament and Vice-Chairman of the Foreign Policy Commission (1990-1991), and in the banking field, Mr. Burduja held for 25 years executive positions on the Boards of Directors of prestigious institutions such as the Romanian Foreign Trade Bank, ABNAMRO, Credit Anstalt and Raiffeisen Bank.</p> <p>Mr. Burduja has been a collaborating professor of the Romanian Banking Institute (IBR) and is a member of the International Institute of Finance (IIF) and a member of the Romanian Businessmen's Association (AOAR). He was President of the Lauder – Reut Friendship Forum in Romania, of which he is still a member.</p>
Adrian FERCU	Member	Non-executive	<p>Non-executive and independent member of the Council of Administration appointed from April 2023.</p> <p>Committee Member Risk and Sustainability appointed from May 2023.</p>	<p>Adrian Fercu is currently Management Consultant at Dedeman and member of the Investment Committee at Pavăl Holding.</p> <p>In 2019, he joined Dedeman/Pavăl Holding, with main responsibilities in financial investments (capital markets, private equity and portfolio management). He worked for several years in various banks such as RBS Bank, ABN-AMRO Bank, BRD, UniCredit, where he held the positions of Account Manager, Branch Manager and Regional Director.</p> <p>Adrian Fercu graduated from Al. I. Cuza University in Iasi, Faculty of Economic Studies, with a bachelor's degree in Finance-Banking.</p>
Darius PAVAL	Member	Non-executive	<p>Non-executive and independent member of the Council of Administration appointed from April 2023.</p> <p>Member of the Risk and Sustainability Committee appointed from April 2023.</p>	<p>Darius Pavăl graduated from The American School in Switzerland (TASIS) in 2019 and then, in 2022, from Bayes Business School (Cass) at the University of London, majoring in business management, digital innovation and entrepreneurship.</p> <p>In 2023 he obtained his Master's degree in Entrepreneurship from UCL School of Management.</p> <p>Since 2020 he has been involved in various activities in several departments of Dedeman. He is currently actively involved in the company's development projects.</p>



Name and Surname	Position on the Management Board	Tip	Position	Relevant experience and skills
Voicu CHEȚA	Member	Non-executive	Non-executive member of Board of Directors from April 2019.	Voicu Cheța is a lawyer at the Bucharest Bar Association, with over 15 years of legal experience. His practice covers various areas such as high value commercial litigation, commercial arbitration, insolvency and restructuring, labor relations, public procurement, administrative litigation, debt recovery and commercial law. In his legal advice and representation before courts and arbitration tribunals, he has acquired proven skills in dealing with commercial legal relationships in a way that ensures they are in line with the needs of the business.
Genoveva NĂSTASE	Member	Executive (CFO)	Executive member of the Board of Directors since April 2022.	Genoveva Năstase graduated the Faculty of Commerce of the Academy of Economic Studies in 1999. She also completed an Executive MBA organized by ASEBUSS in partnership with Kennesaw State University, Atlanta, USA in 2018. Genoveva Năstase has extensive experience in corporate finance, modelling, reporting and financial analysis, having previously worked at Deloitte & Touche in Romania and other financial consulting companies. Genoveva Năstase joined the ALRO Group in 2002, covering the financial areas of the Group companies from the position of Deputy CFO until 2013 and then CFO until today.
Igor HIGER	Member	Non-executive	Non-executive member of Board of Directors appointed in April 2022.	Mr. Higer has extensive multicultural and international experience in several industries. From 2005 to the present, Mr. Higer has focused on business development and strategic advice for ALRO and Vimetco Group companies, while also managing as a partner projects in areas such as manufacturing, mining and real estate in various countries around the world, including Israel and Romania. In 2007 Mr. Higer was appointed to the post of Chairman of the Board of Directors of Vimetco Extrusion. Since 2009, he has been appointed Managing Director of Vimetco Extrusion and has the following achievements: <ul style="list-style-type: none"> increased the company's economic and financial performance; implemented technological modernisation to the highest international standards; developed high and very high value-added production; product development for new markets, with a focus on high value added extruded products contributed to substantial environmental investments, leading to improving working conditions; cost-cutting measures with a focus on increasing efficiency, energy and raw material efficiency; increasing social responsibility programmes for both employees and the local community; increasing the company's creditworthiness on the international aluminium market.
Dragoș-Adrian VONCU	Member	Non-executive	Non-executive member of Board of Directors from April 2022.	Mr Voncu has been with the Company since November 2003, holding the Legal Director position, with the exception of the period between June 2009 and August 2011 when he was Legal Director of Vimetco Management Romania. From August 2011 to February 2014 Mr. Voncu practiced as an independent lawyer. Currently, Mr. Voncu also holds the positions of Secretary to the Board of Directors, Audit Committee, Remuneration and Nomination Committee and Risk and Sustainability Committee and Legal Director of Alro, Alum and Vimetco Management Romania. Previously, Mr. Voncu was a member of the Board of Directors of Sierra Mineral and sole director of Global Aluminium Ltd., Centro Rivergate S.R.L. and Conef. Mr. Voncu has been a member of the Bucharest Bar Association since 2011. He graduated from the University of Craiova, Faculty of Law, in 1997 and attended the Romanian-American Business School (ASEBUSS) in partnership with Kennesaw State University, USA, where he obtained an Executive Master of Business Administration (EMBA) degree in 2018.





ALUM – The company is governed by the General Meeting of Shareholders, which may be ordinary or extraordinary. The Ordinary General Meeting shall meet at the Company’s registered office or at another place announced by notice at least once a year, not later than 4 months after the end of the financial year. Its powers are laid down in the company’s articles of association.

ALUM’s activity is managed by a Board of Directors elected by the Ordinary General Meeting of Shareholders, including a Chairman and a Vice-Chairman. The majority of the directors will be non-executive directors, and according to the provisions voluntarily introduced in the Articles of Association, at least one of the directors must be independent. The Chairman of the Board of Directors and its members may be persons of foreign nationality or citizenship. The Chairman and Vice-Chairman of the Board of Directors shall be elected by and from among its members. If the Chairman is temporarily unable to perform his duties, the Board of Directors may appoint another Director to act as Chairman for the duration of that inability.

The significant functions and commitments held by the members of the highest governance body are:

- **Director General** – is also Chairman of the Board of Directors
- **Finance Director** – is a member of the Board of Directors

Both are acting under their management contracts with the company (with suspended Individual Working Contracts). Also, both directors and managers are professionally insured (the professional liability insurance policy ensures the protection of the company).

VE – VE is a limited liability company and VE’s governance system is provided through the Board of Directors, executive management and operational management. The Board of Directors is composed of individuals elected by the sole shareholder, including a Chairman and a Vice-Chairman.

For more information please visit the following links:

Board of Directors:

<https://www.vimetcoextrusion.com/en/board-of-directors>

Executive management:

<https://www.vimetcoextrusion.com/en/about-us/management>

Communicating critical issues

GRI 2-16

In order to be informed on all relevant aspects of the company, the Board of Directors (BoD) maintains constant liaison with the executive management and operational management. Therefore, the BoD receives regular ad-hoc reports that focus on key areas of financial and operational issues, including occupational health and safety, human resources, procurement, investment, research and development, community relations and philanthropic issues.



3.1.2. Board evaluation and remuneration policy

GRI 2-19 GRI 2-20 GRI 2-21 GRI 2-27

The Board of Directors (BoD) undergoes an annual evaluation through a self-assessment process, which reviews Board member qualifications, additional appointments as well as involvement in Board and committee meetings. When expanding the number of Board members from seven to eleven in 2019, professional expertise was strengthened by appointing recognised professionals in critical areas such as audit, banking, financial analysis and legal.

To improve their capabilities, Board members have access to various resources, including external consultants, specialised training courses and participation in events. The independence level of Board members is also assessed according to the criteria set out in the Corporate Governance Code issued by the Bucharest Stock Exchange.

In 2023, the remuneration of the members of the BoD and/or executive management continues to be aligned with the Group's strategy and long-term interests, and is directly linked to the responsibilities of the members and the time dedicated to their duties. Further information is available in the ALRO S.A. Remuneration Report, accessible on the website www.alro.ro.

ALRO's Board members and executive directors receive a fixed remuneration for their mandate. As of 2021, the Company has developed a Remuneration Policy in accordance with Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC on the encouragement of long-term shareholder engagement.

This policy is also in line with Law No 158/2020, which amends Law No 24/2017. Law No 158/2020 establishes that companies must adopt a policy on directors' remuneration and submit it to the approval of the General Meeting of Shareholders, in accordance with Article 111 of the Companies Act No 31/1990, republished and subsequently amended.

In accordance with legal requirements, the Board of Directors has developed and proposed to shareholders several versions of the remuneration policy. In the period 2021-2022, the proposals were rejected in six meetings of the Company's General Meeting, and in 2023, the Remuneration Policy proposal was approved by the shareholders in the version proposed by the Board of Directors. The AGM (General Meeting of Shareholders) set the remuneration of the Directors for the current financial year and the overall limit of the remuneration of the Board of Directors granted to the administrators with specific functions and the Directors.

The company has always complied with the legal provisions regarding remuneration of members of its statutory bodies and the policy reflects consistency with changes to the legal framework. The proposed Remuneration Policy, submitted to the AGM for approval, will be continuously improved and adapted in order for the Company to meet and exceed its objectives for the benefit of all stakeholders.

The ratio of the annual total compensation of the highest paid person in the organization to the average annual total compensation of all employees except the highest paid person:

Company	2023
ALRO	29:1
ALUM	6:1
VE	51:1
VT	5:1
CONEF	n/a



3.1.3. ALRO Committees

GRI 2-13

AUDIT COMMITTEE

The Extraordinary General Meeting of Shareholders of 23 March 2018 approved by resolution no. 584/23.03.2018 the establishment of the Audit Committee and by resolution no. 587/23.03.2018 approved its Guidelines of Organization and Operation. Subsequently, the Extraordinary General Meeting of Shareholders of 25 April 2019 approved by resolution no. 616/25.04.2019 the Guidelines of Organization and Operation of the Audit Committee and the new composition of the Audit Committee is: **Vasile IUGA** (Chairman – Independent Member), **Adrian MANAICU** (Member) and **Dorel PARASCHIV** (Independent Member).

The Audit Committee's duties include:

- **Financial reporting** – committee members express opinions on management's actions and judgments, monitor the integrity and reliability of financial information, review reports of external and internal auditors as appropriate, etc.
- **External Audit** – The Committee oversees the Company's relationships with external auditors. It considers and makes recommendations to the Board on the appointment, reappointment or removal of the external auditor to annually evaluate the qualifications, expertise, resources, independence, objectivity and effectiveness of the external auditors and the external audit process, etc.
- **Internal Audit** – The Internal Audit Team conducts an annual assessment of the system of internal control to determine the effectiveness and competence of the internal audit function and the adequacy of risk management. It also assesses management's responsiveness and effectiveness in addressing identified internal control weaknesses or deficiencies, with relevant reports to the Board. The Internal Audit Team reports to the Board. The Audit Committee reviews periodic reports on the results of the internal auditors' work, considers material findings of their investigations, reviews management's response, etc.

- **Risk and internal controls** – review the competencies and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks. These risks include financial reporting, internal control and risk management. The Committee receives reports from management and external and internal auditors on the effectiveness and integrity of those systems to review the Company's fraud detection and irregularity reporting procedures. It must also ensure that arrangements are in place whereby staff can, with confidence, raise concerns about possible inconsistencies in financial reporting, financial control or other such matters, etc. The Committee reports regularly to the Board on all matters within its duties and responsibilities. In addition, the Committee should report in particular when there are issues where it considers that action or improvements are needed, including recommendations on steps to be taken.

On December 21, 2023, the Board of Directors of ALRO S.A. decided to appoint an external company as ALRO's internal auditor for a 3-year term. The decision was taken following a tender and a thorough cost/benefit analysis and qualifications of the provider, when the respective internal audit company was deemed suitable to meet ALRO's legal specifications. Internal audit work is governed by the Guidelines on the Implementation of International Standards on Internal Auditing ("Guidelines") issued by the CAFR to help maintain high quality standards for the organisation, conduct and delivery of internal audit engagements by the financial auditors, members of the CAFR, who coordinate internal audit activities, as well as those who are part of internal audit engagement teams. The internal audit firm will report directly to the ALRO Board of Directors and its work is coordinated by the ALRO Audit Committee.

The "*Terms of Reference of the Audit Committee*", which can be consulted on the ALRO website, contain more information.



REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee is a committee with powers delegated by the Board of Directors and is composed of three non-executive members of the Board, two of whom must be independent and the Chairman of the Board of Directors is one of the members. The composition of the ALRO Remuneration and Nomination Committee is: **Marian NĂSTASE** (Chairman), **Vasile IUGA** (Independent Member) and **Marinel BURDUJA** (Independent Member).

The Remuneration and Nomination Committee's duties include:

- Obtain independent legal or independent professional advice at the Company's expense and secure the attendance of external experts with relevant experience and expertise if deemed necessary;
- Establish and recommend to the Board the remuneration strategy and policy for Board members, Executive Management and Senior Management;
- Approve the design and setting of targets for any performance-related pay schemes operated by the Company, determine the relevance of the achievement of performance to unforeseen events or factors not taken into account in setting performance targets, and approve payments under such schemes;
- Establishes the guiding criteria for Council membership;
- Performs other tasks related to the appointment or dismissal of Board members as delegated by the Board.

The “*Terms of Reference of the Remuneration and Nomination Committee*”, which can be consulted on the ALRO website, contain more information on the tasks and duties of the Remuneration and Nomination Committee.





RISK AND SUSTAINABILITY COMMITTEE

The Risk and Sustainability Committee is elected by the ALRO Board of Directors and has powers delegated by it. The Committee's main objectives include: overseeing and making recommendations to the Board of Directors on general risk management policies and assisting the Board of Directors in reviewing the adequacy, effectiveness and compliance of the Company's risk management policies. The composition of the Risk and Sustainability Committee is: **Vasile IUGA** (Chairman), **Svetlana PÎNZARI** (Member), **Adrian FERCU** (Member), **Marinel BURDUJA** (Member) and **Darius PAVĂL** (Member).

The general areas covered by the remit of the Risk and Sustainability Committee are:

- **Risk Management** – Review any periodic risk management report prepared by executive management and present to the Board of Directors at least twice a year the overall results of this assessment and requested updates. Reviews and monitors the Company's policies, procedures and systems for detecting, reporting and preventing breaches of conduct, whistleblowing, leaks and bribery and corruption policies. Collaborates with the Audit Committee on risk management processes to identify and manage material financial risks as part of the Audit Committee's responsibilities, etc.
- **Sustainability** – Identifies strategic risks to the continuity of the business in the medium and long term. Contributes to the development of the short, medium and long-term business strategy by proposing appropriate measures and actions from a risk and sustainability perspective. It also identifies any other key factors that may jeopardise the development of the Company's business and operations due to dynamic developments of various elements impacting the Company's business.
- **Health, Safety, Environment and Social Responsibility** – Reviews and monitors the processes in place to ensure compliance with all Company policies and standards related to Health, Safety, Environment and Social Responsibility. Monitors the adequacy of Safety, Environmental and Social Responsibility reporting systems for actual or potential incidents, violations and trends. Oversees executive management's preparation of the Company's environmental protection plan, which is designed to ensure that all material environmental risks are addressed through properly developed and implemented plans, etc.

The "*Risk and Sustainability Committee Terms of Reference*" can be found on the ALRO website and the document contains more information on the duties and responsibilities of the Risk and Sustainability Committee.



COMPLIANCE PROCEDURES

The principles of the Management System are the fundamental pillars of the ALRO Group, forming the foundation of a robust and adaptable management system, ready to respond effectively to the challenges and opportunities of today's business environment.

ALRO has defined and implemented an Integrated Management System (IMS) that includes quality management, environmental management, occupational health and safety management, energy management, sustainability of ALRO's business processes as a whole. The IMS complies with the international standards in force ISO 9001, EN 9100, IATF 16949, ISO 14001, ISO 45001, ISO 50001, ASI Performance standard v3, and is documented through manuals, system procedures, operational procedures, quality plans, control plans and other documents, together forming a hierarchical structure, which facilitates the implementation of this system within the company.

The IMS is self-evaluated through the Internal Audit Programme of management systems, processes and products, as well as through the system of regular reviews conducted at all operational levels. The mentioned internal audits are carried out by qualified internal auditors from the Technical Quality – Investment Department and target the elements of IMS, ALRO's processes and products, constituting a complete audit cycle on an annual basis.

All environmental aspects identified through systematic analysis are internally monitored and reported to the National Environmental Protection Agency and the Olt County Environmental Protection Agency on a regular basis. ALRO's systematic compliance with the legal provisions on environmental protection is confirmed by the Integrated Environmental Permit issued by the Olt Environmental Protection Agency as well as by inspections/controls carried out by representatives of the National Environmental Guard Commission – CJ Olt, Emergency Situations Inspectorate Olt County, Ministry of Internal Affairs (MAI)- National Anti-Drug Agency, MAI – Directorate of Explosives and Explosive Materials, Romanian Waters National Administration, Olt Basin Administration, Olt County Environmental Protection Agency, Olt County Public Health Directorate, etc.

ALRO's environmental performance in terms of greenhouse gas emissions is validated by verifications carried out by a third party body notified at government level, Greenhouse Gas Permits for the period 2021-2030 are issued by the National Agency for Environmental Protection and

the greenhouse gas emissions monitoring plans being uploaded to the European Commission's EU Declare platform.

In 2023, ALRO was subject to 8 audits by SRAC Cert (4 pre-audits and 4 audits) related to GHG emissions.

The effectiveness, efficiency and overall performance of IMS is recognised by the certifications that ALRO holds for compliance with international standards ISO 9001, EN 9100, IATF 16949, ISO 14001, ISO 45001, ISO 50001, ASI Performance standard v3. These certifications have been awarded by prestigious national and international accredited certification bodies (DQS GmbH Germany, SRAC Romania).

Regarding ALRO's sustainability performance, as well as the transparency of public communication on sustainability, it should be noted that ALRO has disclosed relevant sustainability data on the CDP (Climate Disclosure Project) platform and has a B rating (in 2022 ALRO had a D rating).

In 2023, **ALUM** continued to monitor the functioning of the Quality Management System with the aim of maintaining the Integrated Quality, Environmental, Energy and Occupational Health and Safety Management System certification. The following requirements have been established and continuously monitored within the IMS programme:

- the general and specific objectives and the state of their achievement;
- analysis and management of IMS risk;
- the annual programme of documentation and reviews;
- evaluation of suppliers;
- internal audit plan;
- validity of authorisations, certifications and authorised personnel.

Over the years, ALUM has conducted various energy audits, which have contributed to enhancing energy performance management. In 2023, 45 internal audits were carried out: 33 audits between March and August, according to the annual audit plan, and 12 follow-up audits between June and July. As for external audits, the SRAC surveillance audit took place from 02-05 October 2023, according to the management standards SR EN ISO 9001/2015, SR EN ISO 14001/2015, SR ISO 45001/2018 and SR EN ISO 50001/2019. As a result, ALUM kept the certifications by obtaining the annual visa.

In addition, to validate the annual CO₂ emissions for the year 2023, ALUM has prepared two GHG emissions reports, verified by a certified auditor during an annual external audit, namely the GHG Emissions Monitoring



Report 2023 and the Activity Level Report 2022-2023. The GHG emissions monitoring reports as well as the activity level reports validated by the external verifier are submitted to the National Environmental Protection Authority and then uploaded to the COM platform.

VE has defined and implemented a Quality Management System (QMS) as well as environmental management, ensuring the sustainability of VE's business processes holistically.

The Management Systems comply with the international standards in force ISO 9001, ISO 14001, ASI Performance Standard v2, and are documented through manuals, system procedures, internal procedures, quality plans, control plans and other documents, forming together a structure that facilitates the implementation of these systems at all organizational levels of VE.

Management systems are self-assessed through the Internal Audit Programme as well as through the system of regular reviews conducted at all operational levels. Internal audits are carried out by qualified internal auditors within the Internal Management Systems and cover the elements of the MS, processes and products of VE, constituting a complete audit cycle on an annual basis. All environmental issues identified through systematic analysis are monitored internally and reported to the National Environmental Protection Agency and the Olt Environmental Protection Agency on a regular basis.

The systematic compliance of VE with the legal provisions on environmental protection is confirmed by the Environmental Permit granted by the National Agency for Environmental Protection and by the inspections and controls carried out by the representatives of the National Environmental Guard Commissioner – CJ OLT, Emergency Situations Inspectorate OLT. The environmental performance of VE in terms of greenhouse gas emissions is validated by checks carried out by third party bodies.

In 2023, VE underwent 4 audits conducted by the SII (one certification surveillance audit and 3 other audits) related to system certification and CE & UKAS marking certifications.

The effectiveness, efficiency and overall performance of the management systems are recognised by the certifications VE holds for compliance with the international standards ISO 9001, ISO 14001 and ASI Performance

Standard v2. These certifications have been awarded by prestigious accredited certification bodies (SII, IQNet, TÜV Rheinland Cert GmbH). Also in terms of transparency of public communication on sustainability, it should be noted that all data has been publicly disclosed.

VE has carried out various energy audits that have helped to improve energy performance management. The 4th surveillance audit was conducted in 2023, with energy efficiency measures at 100% implementation status as part of the initial audit in 2019. An initial energy audit was also conducted in 2023 by an authorised external firm across the VE organisation.



3.1.4.

Executive management and operational management

The **Executive Management of ALRO S.A.**, consisting of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), is appointed by the Board of Directors for a four-year term. They are responsible for managing the company in accordance with its business mission and in compliance with the law and the company's articles of association, as well as managing the company's operations, including its engagement in transactions, ensuring that they are aligned with the strategies and objectives set by the Board of Directors. These positions also execute regular reporting to the Board to ensure fluid communication and maximum transparency on progress and obstacles encountered.

The CEO is also responsible for managing and reporting on economic, social and environmental issues. It approves policies and procedures related to CSR, human rights, ethics and business conduct, among others. The Executive Management provides a regular progress report to the Board of Directors to assess its performance. The day-to-day business of the Group is carried out by operational management, which oversees each division of the Group companies.



3.1.5.

Collective agreements

GRI 2-30

Within our Group, 100% of our employees are covered by the collective labor agreement. By an annual decision, the Employer initiates the negotiation of the Collective Bargaining Agreement (CCM) at the unit level in accordance with legal provisions.



Collective Bargaining
Agreement

All employees also have the right to register with one of the 9 existing trade unions, as follows: “ALUM Free Trade Union”, “ALRO Free Trade Union”, “Aluminist Free Trade Union”, “Solidarity Trade Union”, “Aluminium Processing Trade Union”, “Alroproduct Trade Union”, “U.P.S. Trade Union (Professional Union ‘Science’)”, “ALRO Labor Union”, and “Independent Alro Extrusion Trade Union”.

From the total number of **ALRO** employees, **80.73%** are union members; **94.75%** of the total **ALUM** employees are members of the ALUM Free Trade Union; **54.16%** of the total **VE** employees are members of the Independent Alro Extrusion Union. **VT** employees are members of the ALRO Unions and enjoy the same rights.



3.1.6. Ethics and Anti-Corruption

GRI 2-23 GRI 2-24 ESRS G1-3

We are committed to acting in an ethical and effective manner, to respond with integrity to the needs of shareholders, customers, employees and local communities. Our Group's contribution to economic development and the protection of people is achieved through the prevention of corruption, the promotion of ethical principles in business and through a robust governance system that we have established.





Within ALRO Group, we conduct our activities in compliance with all current acts and regulations, in order to maintain the most responsible business conduct possible to prevent any violation of human rights. Moreover to ensure the implementation of this commitment, we have developed several policies and working procedures.

We have also drafted and published on our website the *Code of Ethics and Conduct*, which provides guidance and useful information to our employees on resolving ethical issues and is mandatory for all ALRO, ALUM, VE, VT, and CONEF employees, as well as for board members.

GRI 415-1

Any monetary or equivalent gifts (such as shares or products) to or from a competing company, to or from any person or company in a business relationship with us or attempting to establish a business relationship with us, are strictly prohibited. Moreover, our organization does not provide, either directly or indirectly, any financial or in-kind contribution to any political party, regardless of the country in which it operates. This policy is in alignment with our Code of Ethics and Conduct.

We will continue to enhance how we manage business ethics by extending the applicability of the new Code of Ethics and Conduct to all companies within our Group.

In 2023, we made no political donations and undertook no lobbying activities. However, we are involved in sector-specific activities as

members of various associations and sectoral organizations that represent the interests of all their members. A list of these associations can be found in the section 5. *Awards and Memberships* of this document.

GRI 205-3 GRI 2-26

Should an employee witness a suspect, fraudulent, or illegal event that could constitute a violation of our policies and could affect the company, they are obliged to immediately report it to the management, who will take all necessary measures to investigate the event in question.

Furthermore, our employees have the option to anonymously report any issue through suggestion boxes located at the companies within our Group. We developed a specific procedure to support the management of the whistleblowing system. This process will continue further with the inclusion of provisions from EU Directive 1937/2019.

In all our companies, employees and community members can submit requests, complaints, notifications, and proposals through hearings. These hearings are conducted by the general director or their deputy in their absence. Depending on the nature of the reported issues, measures are taken, and deadlines are set for their resolution. The final solution will be communicated in writing, via email, fax, or telephone by the secretary, within a maximum of 3 days from the definitive resolution of the issues raised during the hearing. The maximum term for resolving requests, complaints, notifications, and proposals submitted in hearings is 30 days from the date of the first hearing.



NON-GRI

ALRO – ALRO Supplier Code of Conduct mirrors the model promoted by the European Aluminium framework. This code contains all aspects of business governance, environmental, and social issues. The Office of Internal Audit and Supplier Assessment, within the Quality Department, communicates this code to each supplier during the initial evaluation and re-assessment conducted every two years. It also responds to any supplier inquiries regarding this code. Suppliers are required to accept this code and return it signed electronically to the Office of Internal Audit and Supplier Assessment.

Furthermore, at the ALRO company level, we have developed and published a Human Rights Policy on our website, which applies to directors, managers, employees, and our business partners (customers and suppliers). More information about this policy is available in the **Human Rights** section of this report or on our Group's website.

<https://www.alro.ro/sites/default/files/alro/2022/Politica%20privind%20drepturile%20omului.pdf>

According to the Code of Ethics and Conduct, our employees' primary responsibility is to use their best abilities and professional experience for the benefit of the Group. They must act ethically and effectively to meet the needs of shareholders, customers, employees, and local communities. Therefore, they must strictly adhere to laws and all regulations, rules, and procedures that apply to us.

To prevent potential corruption cases, we have established specific procedures for managing payments, purchasing goods, selling products, providing services, and other collaborations with third parties. Through these documents, we communicate our zero-tolerance policy towards bribery and corruption, as well as our commitment to act professionally, fairly, and with integrity in all business relationships and to effectively implement anti-corruption measures.

ALUM – According to ALUM PO-134-07 Supplier Evaluation and Monitoring procedure, the supplier evaluation activity is initiated by a request to this effect, submitted to the AQ Service by the Logistics Procurement Department (DAL). The request includes all identification data of the suppliers to be evaluated, additional information about the nature of the supplies to be procured. Suppliers are sent a letter in which they are requested (by the AQ service) to provide a series of documents, as well as to complete a self-assessment questionnaire. Following the revision of the ALUM procedure, from 2024, suppliers will also be evaluated through the completion of the ASI self-assessment questionnaire (governance, environment, social) and adherence to the Company's code of conduct.

The results of the self-assessment questionnaires completed by suppliers are centralized by the AQ Service (within the Technical Quality Investments Directorate). These documents requested from suppliers do not constitute criteria for acceptance or rejection in the process of qualifying as an ALUM supplier. The code of conduct includes: procurement commitment or policy, application and acceptance of the code, supplier evaluation method, communication method and/or responses to questions, governance and work ethics, human rights, health and safety, as well as its endorsement through the completion of a Responsibility Declaration.

The ALUM supply chain includes all types of active, flexible, reliable suppliers, providing a wide range of products (raw materials, consumables, spare parts, etc.) and services (construction, consulting, transportation, etc.). By using market-conditioned strategies and through the use of medium and long-term contracts, we aim to maintain, improve, and expand an efficient and adaptable supply chain, capable of overcoming any potential bottleneck. To avoid any dependency on certain suppliers, ALUM's policy is to have 2-3 supply sources for all essential products.

A significant advantage of our supply chain is that ALUM is part of a vertically integrated group, and the main raw material is supplied within the Group. Regarding the origin of suppliers, our supply chain is diversified, containing local suppliers from Romania and external suppliers from Europe and Africa. At ALUM, procurement and sales activities are carried out by a single department (DALV) – the Commercial Office.



VE – Within VE, each department initiates a purchase request, which is assigned to a procurement specialist. Thus, the Procurement and Logistics Department starts the process of obtaining a price offer to which suppliers respond with their corresponding offers via email. The offers are technically analysed by the department that initiated the request and, after validation and negotiation, the final offer is selected. If the purchase exceeds the value of 10,000 Euros, at least two more offers will be requested. Consequently, a price committee will be established to ensure the selection of the best offer both technically and financially.

The procurement process at VE is also tied to a minimum safety stock, which must be constantly ensured so that production can operate within normal parameters, without interruption. The VE supply chain includes all types of active, flexible, reliable suppliers, who provide a wide range of products (raw materials, consumables, spare parts, equipment, etc.) and services (construction, consulting, transportation, maintenance, repairs, etc.).

By using market-conditioned strategies and through the use of medium and long-term contracts, we strive to maintain, improve, and expand an efficient and adaptable supply chain, capable of overcoming any potential bottleneck. To avoid any dependency on certain suppliers, VE's policy is to have 2-3 supply sources/backup suppliers for all essential products and services. A significant advantage of our supply chain is that VE is part of a vertically integrated group, and the main raw material (aluminium billets) is supplied (over 90%) from within the Group. Regarding the origin of suppliers, our supply chain is diversified, containing local suppliers from Romania and external suppliers from Europe, as well as countries outside the EU.

Last by organizing electronic supplier selections, we can ensure a transparent and fair selection process and complete traceability. This way, we can consider any potential complaints from suppliers.

Number of management staff trained on anti-corruption

ALRO	ALUM	VE	VT	CONEF
107	11	24	4	2

Total number of partners/collaborators who received information on anti-corruption policies

ALRO	ALUM	VE	VT	CONEF
1,481	258	3,237	161	n/a

Total number of employees to whom the organisation's anti-corruption policies and procedures have been communicated

ALRO	ALUM	VE	VT	CONEF
2,061	190	418	57	1

Number of employees trained on the code of conduct

ALRO	ALUM	VE	VT	CONEF
2,061	190	418	57	1



RISK MANAGEMENT

GRI 2-25

The risk management system consists of a set of rules, methods, and organizational structures designed to ensure the identification, evaluation, mitigation, and monitoring of critical risks relevant to securing the Group's operations.

To manage the financial and non-financial risks the Group is exposed to (such as market risk for traded products, including currency risk, interest rate risk, cash flow risk, and price risk), as well as credit risk, liquidity risk, and operational event risk, the Board of Directors has established the Risk and Sustainability Committee, which is responsible for overseeing and monitoring the Group's risk management processes.

The executive leadership team is tasked with identifying and mitigating risks. The Board members support, coordinate, and actively engage in improving the risk management system through continuous and direct monitoring. Therefore, the Board approves the Risk Matrix and Risk Control Plan developed by the executive leadership, based on the initial approval of the Risk and Sustainability Committee. Furthermore, to assess the effectiveness of the risk management activities, the Board receives periodic reports on the risk situation from the executive leadership and internal audit, accompanied by the opinion of the Risk and Sustainability Committee and, for risks associated with financial reporting, also by the opinion of the Audit Committee.

Risk management is an essential part of the decision-making process for carrying out major projects and implementing a new strategy. Various meetings are organized at the senior management level to discuss and assess the risks associated with a particular major project. During these meetings, relevant opinions of third-party specialists, such as the internal auditor or external consultant, are considered to support the best decision-making for the company.

An important part of the risk management process involves risks that may arise from sustainability aspects. Identified sustainability risks are brought to the attention of the leadership, including the Risk and Sustainability Committee, to be integrated into the Group's overall risk management system.

The Quality Department, in collaboration with the Human Resources Department, conducts an annual sustainability audit based on ASI Performance Standard v3.



All ALRO policies are reviewed annually during the Annual Management Review and, if necessary, are revised in accordance with new guidelines that respond to changes in the business environment (legislation, initiatives ALRO adheres to, requirements, and expectations of partners, etc.).

EM-MM-510a.1 GRI 205-2

Furthermore, ALRO has published its *anti-bribery and anti-corruption policies*, as well as the *code of ethics* on www.alro.ro, ensuring good communication, not only to its own employees but also to external stakeholders. To raise awareness among its own employees, ALRO has organized training actions on its policies with the entire staff. For reporting any problematic aspects, including corruption or unethical behaviour, a whistleblowing system (telephone line and email address) has been created, regulated by the operational procedure "Addressing requests, notifications, and complaints from whistleblowers", code PO-426.

The whistleblowing system ensures feedback from employees and stakeholders regarding ethical behaviour, anti-bribery, and anti-corruption aspects.



3.1.7. Legal actions

GRI 205-1

As of December 31, 2023, the Group is involved in a series of litigations resulting from the normal course of its operations. The management believes that these litigations will not have a significant impact on the Group's financial performance and financial position.

The Group as plaintiff: During 2016, the Parent Company challenged in court a decision by the Competition Council in which the Company was fined 21,239 thousand RON for an alleged vertical agreement in the energy market, an accusation firmly rejected by the Company, as well as various orders from the National Regulatory Authority for Energy (ANRE) regarding the calculation of the green certificate quota for the energy consumption in 2015. The litigations with ANRE are ongoing in competent courts. The challenge against the sanctioning decision issued by the Competition Council was rejected by the court of first instance – the Bucharest Court of Appeal and, following the communication of the reasoned decision by this court, a request for appeal was filed, which was judged by the High Court of Cassation and Justice in 2023, specifically on May 11, 2023, after deliberation, the court dismissed ALRO's appeal as unfounded.

In November 2022, the Parent Company of the Group underwent an inspection by the General Directorate for Fiscal Anti-Fraud, focusing on several aspects: contribution to the Energy Transition Fund, purchases and deliveries of electricity, and the monthly evolution of purchase and delivery prices from January 2021 to September 2022. On May 24, 2023, the fiscal inspection was completed, and the inspection report did not result in additional liabilities, interests, or penalties. ALRO filed an administrative complaint against the minutes of contravention, as it was sanctioned with a warning. The court of first instance dismissed ALRO's complaint, and after the decision is communicated, it will be analysed whether to pursue an appeal.

Starting in July 2023, ALRO S.A. underwent a comprehensive fiscal inspection by the National Agency for Fiscal Administration – Large Taxpayers Directorate, covering the period 2016 – 2021. Following this control, ALRO S.A. received an additional tax assessment amounting to 13,551 thousand RON, representing additional corporate tax and VAT, which it considers to be entirely unfounded and illegal, and therefore will use legal means to annul it. In the case of ALRO S.A. vs. the Competition Council, the decision became final following the rejection of ALRO's appeal by the High Court of Cassation and Justice. In the case with the DGAF, the court's decision is yet to be communicated, after which the opportunity to pursue an appeal will be analysed.



CRITICAL CONCERNS COMMUNICATED TO THE HIGHEST GOVERNING BODY

During the reporting period and on the occasion of the process of consolidating the Internal Audit function initiated by the Board of Directors and concluded with the decision to outsource the Internal Audit function to a specialized and reputable audit firm, the former Head of Internal Audit approached both the Board and the Audit Committee, expressing concerns regarding the independence and efficiency of the Internal Audit in light of the commenced outsourcing process. Both corporate bodies interacted directly with the individual, discussed, and concluded on the concerns raised, in a manner that outsourcing to a reputable company was considered an optimal solution for the Company.

GRI 2-15

CONFLICTS OF INTEREST

At Group level, we have implemented a specific procedure that can be accessed on our website, in the Investor Relations section (<https://www.alro.ro/guvernanta-corporativa>), for regulating conflicts of interest. According to this procedure, members of the Board of Directors are required to disclose any potential interest that conflicts with the interests of the Company in the context of any operations. All conflicts of interest must be immediately reported to the Chairman of the Board of Directors. The conflict of interest can be reported by both the Chairman of the Board of Directors and any other member of the Board who is aware of it. In the event of a conflict of interest being reported, the Board of Directors will make a decision regarding its existence, taking into account the majority vote of its members.

ALRO – The ALRO Board of Directors is composed of 11 members. Of these, 2 members are independent and non-executive, 7 members are non-executive and 2 members are executive. The term of office of the members of the Board of Directors is 4 years.

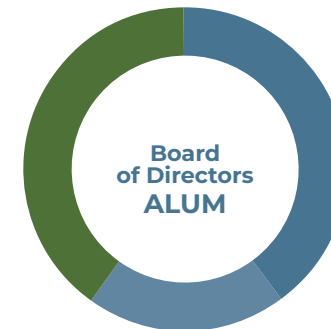
18.18%
2 executive members



81.82%
9 non-executive members
(which 2 members are independent – 18.18%)

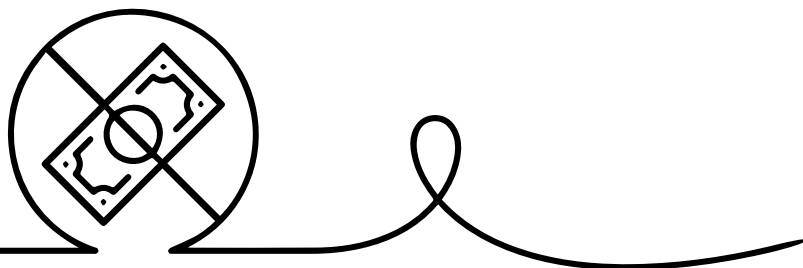
ALUM – The company’s activity is overseen by a Board of Directors consisting of 5 (five) members, as follows:

40%
2 executive members



60%
3 non-executive members
(which 1 member is independent – 20%)





The term for members of the highest governance body is 4 years (company administrators). Upon the expiration of the term, any member may be re-elected by the general assembly for one or more 4-year terms. If a vacancy occurs in the Board of Directors, the general assembly elects a new administrator for a term equal to the period remaining until the expiration of the predecessor's term.

VE – The VE Board of Directors is composed of 5 members of which 2 are independent and 3 are executive. The term of office of the Board members is 4 years.

VT – Overall coordination is provided by the ALRO governance structure. At VT level there are 2 directors and 1 general manager, their term of office is 2 years.

CONF – Confef's Board of Directors consists of 3 members, namely a Chairman, a Vice-Chairman and a Member. Executive Management is provided by the Director General and the Deputy Director General.

GRI 205-3

NUMBER OF CONFIRMED CORRUPTION CASES

In 2023, there were no reported concerns or requests for counselling regarding unethical or illegal behaviour and organizational integrity in any of our companies. No incidents of corruption were recorded at the Group level, no employees were dismissed or sanctioned for acts of corruption, and there were no incidents of corruption that led to the termination or non-renewal of contracts with business partners.

GRI 2-27

In 2023, some irregularities and legal non-compliances were reported. Specifically, there were seven infringement reports, that included four fines and three warnings. One of the warnings, issued by ANAF – Târgu Jiu, was challenged in court at the Slatina Court – file number 5715/311/2023.

The total monetary value of the fines amounts to 40,750 RON, and as a result of the non-compliances found by the control bodies we took specific corrective measures such as:

- the file of the objective on which the control was carried out has been updated;
- the actual organisation of the intervention has been drawn up, by nominating those who must use or put into operation the technical means available for extinguishing and limiting the spread of the fire;
- have been appointed a person responsible for the supervision, maintenance and checking of safety lighting;
- access and evacuation routes have been cleared to ensure the safety of people in emergency situations;
- annual emergency training tests have been conducted.



Significant cases of non-compliance with applicable laws and regulations

ALRO	Significant cases of non-compliance with the laws	3
	Cases for which fines were imposed	3
	Cases for which non-monetary sanctions have been applied	3
	Amount of fines (RON)	40,500
ALUM	Significant cases of non-compliance with laws	0
	Cases for which fines were imposed	0
	Cases for which non-monetary sanctions have been applied	0
	Amount of fines (RON)	0
VE	Significant cases of non-compliance with laws	0
	Cases for which fines were imposed	1
	Cases for which non-monetary sanctions have been applied	0
	Amount of fines (RON)	250
VT	Significant cases of non-compliance with laws	0
	Cases for which fines were imposed	0
	Cases for which non-monetary sanctions have been applied	0
	Amount of fines (RON)	0
CONEF	Significant cases of non-compliance with laws	0
	Cases for which fines were imposed	0
	Cases for which non-monetary sanctions have been applied	0
	Amount of fines (RON)	0

Within our Group, we have confidentiality agreements in place to protect sensitive information, and to ensure the protection of company data.

Number of confidentiality agreements signed

ALRO	ALUM	VE	VT	CONEF
2,061	190	418	57	1



3.2. Economic Performance

Explaining the material topic

Financial performance within ALRO Group refers to our economic health and efficiency in producing and selling aluminium products, including factors such as revenue, profit margins, cost management, and return on investment. We are also convinced that good management of sustainability aspects significantly contributes to maintaining a healthy financial performance for the Group.

Managing the material topic

GRI 3-3 GRI 201-1

Through our presence in various areas, ALRO Group assumes a crucial role, having the capacity to significantly influence economic, social, and cultural aspects. Besides our considerable economic and financial resources, we are also the sole producer of aluminium and aluminium alloys in Romania. These aspects place us in a pole position not just in the regions where we operate but also in the entire national industry.

We contribute to the sustainability of the communities where we conduct our activities. Our Group can have both a positive and negative impact in the areas it is present. Through its activities, the Group has a positive impact through the number of jobs created, the development of local businesses, the value of taxes paid to the state budget, and the development of local infrastructure. On the other hand, the rights and interests of the community might be affected by the environmental impacts of the Group's operations, such as air and water emissions, waste from operations, or a potential competition for access to local energy or water resources that could arise.

GRI 413-1 GRI 203-1 GRI 203-2

A significant aspect of our efforts to support local communities lies in our sponsorship initiatives. These sponsorships stand as proof of our support to social aspects and our desire to generate positive impact. By supporting various associations and organizations, we aim to create value in the communities we are part of, acknowledging the connection between our financial success and our social contributions. The indirect economic impacts we generate are closely linked to investments in infrastructure and, more importantly, our partnerships with local associations.

In 2023, ALRO Group stood out through major contributions to various community programs, in areas such as education, health, community welfare, youth development, and the environment, with a total amount of 9,391,038 RON, as follows:

449,005 RON
supporting educational programs;

5,736,475 RON
for health programs;

2,231,263 RON
for supporting youth development programs;

912,337 RON
for community welfare programs;

61,958 RON
for environmental programs.



Here are the most significant contributions and actions we have undertaken in 2023:

BENEFICIARY	ACTIVITY	AMOUNT GRANTED (RON)
FOUNDATION "A CHANCE FOR LIFE"		
	The requested amount was needed to equip the Matei Balș Institute in Bucharest with essential equipment.	1,245,000
ASSOCIATION "GIVE LIFE"		
	The amount was requested in order to support the project to build the first Pediatric Medical Campus in Romania, as a continuation of the initiative " We are making a hospital ".	1,500,000
ASSOCIATION "GULSTAR RACING SPORTS CLUB"		
	The amount was requested to support the Club's karting activities.	900,000
TULCEA COUNTY HOSPITAL		
	The amount was requested for the efficient running of certain medical activities and the improvement of medical services offered to all patients.	980,000
ASSOCIATION FOR SUCCESSFUL HEALTH AND EDUCATION (ASES)		
	The amount was requested for the smooth running of the Association's activities. The object of activity of ASES Association is to provide health aid to those in need and support in education to those without material possibilities to have access to education, regardless of age, gender, nationality and religious affiliation.	735,000

For the benefit of the community, our organization, and direct beneficiaries, we initiated other sponsorships whose recipients were:

- **SMART ENERGY ASSOCIATION** – Four awareness and accountability actions were carried out for local communities regarding various situations that could endanger human lives, such as fires, natural disasters, earthquakes, or missing persons. These actions are part of the "Disaster Prevention Days" project.
- **INFOCONS ASSOCIATION** – Support for a series of events marking the celebration of World Intellectual Property Day – April 26, 2023.
- **SMART ENERGY ASSOCIATION** – Financial support for the "Energy for Life" campaign, aimed at installing photovoltaic panels, supports, batteries, bulbs, etc., for five isolated households in Bistrița Năsăud.
- **OLT COUNTY COUNCIL** – Support for children in foster homes, adults, elderly, and disabled persons assisted in the care and social assistance centres of the General Directorate of Social Assistance and Child Protection Olt, by offering gifts for the Christmas holiday.
- **"The Future Starts in School" ASSOCIATION** – The requested amount was necessary for organizing competitions involving students from the Technological High School of Metallurgy Slatina, as well as students from all over Olt County. The preparation and organization of these events primarily involved adequately equipping workshops and laboratories by purchasing a large volume of technological equipment, laboratory glassware, materials, devices, and gadgets for practical tests, consumables, and items for prizes. The general objective of these competitions is to promote competition and performance in fields such as mechanics, electrical engineering, electronics and automation, computer science, environmental protection, and auto mechanics.
- **CSM SLATINA SPORTS CLUB** – The requested amount was necessary to support women's handball by training children and youth at the sports base of the Sports Program High School and at the "1 Mai" Sports Complex, guiding them towards performance sports.



Impact of climate risks

In line with the commitment made in the previous sustainability report, at the beginning of 2024, we conducted the first analysis of climate risks, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In this analysis, we identified five categories of physical climate risks, eight transition risks, and two climate opportunities applicable to our activity.

The process of climate risk analysis was integrated into the ALRO Group's risk management system, using climate scenario analysis to outline potential impacts and applying the assessment method to determine the overall impact level of the risk recorded in the management system procedures.

More details about the results of the climate risk analysis can be found in section 7.4. *Climate Change and Business Resilience*.



3.2.1.

Tax governance

Our group enforces strict measures for fiscal risk control to safeguard financial stability and adhere to regulatory requirements. Consequently, ALRO Group conducts an internal fiscal risk analysis that includes:

- Risk categories (such as commodity prices, liquidity, credit, reporting, compliance, etc.);
- The structure of risk (operational, financial, commercial, reputational, legal, cyber risk);
- A description of the risks;
- Monitoring and mitigation strategies;
- Assigned responsibilities;
- Residual risk post-mitigation.

The finance department is essential in creating and executing the fiscal strategy, ensuring adherence to fiscal policies, and compliance with applicable tax laws.

The ALRO Group's tax approach is coherent with our core values and objectives, mindful of the legal and ethical implications of our fiscal activities. We are committed to fulfilling all tax obligations across the areas we operate in.

This commitment involves staying ahead of legislative changes, timely integration of these changes into our operations, punctual submission

of tax returns, and other necessary documentation. We maintain a transparent, cooperative relationship with tax authorities, responding promptly to requests, participating in tax audits, and supplying necessary data to affirm our compliance with tax laws.

Continuous evaluation of compliance with our fiscal governance and control framework is essential, allowing adaptability to legislative and business changes, ensuring fiscal integrity, and mitigating risks related to tax non-compliance. This includes regular training for employees on tax compliance, maintaining open and honest communication with tax authorities, and the engagement of external audits for an unbiased assessment of tax compliance and identification of areas for enhancement.

For reporting concerns, ALRO offers multiple channels for stakeholders: via mail to the company's address, through submission at the Registry or designated petition boxes at company entrances, online at sesizari@alro.ro, on the company's website, by phone with the persons reporting consent, or in-person meetings with the designated company official or the ALRO General Director.

The Group engages external auditors or consulting firms to independently review our fiscal practices and business conduct, producing reports that identify potential issues, optimization opportunities and progress.



3.2.2. Stakeholder involvement in the tax area

GRI 207-3

Our organization plays an important role in engaging stakeholders and managing their tax-related concerns in several ways, while having the responsibility of adhering to existing tax laws. This involves accurately paying taxes and fulfilling all tax obligations. By maintaining tax-compliant behaviour, our organization secures the support and trust of stakeholders, including tax authorities.

Furthermore, the organization must openly and transparently communicate with all stakeholders about its tax policy, tax strategies, and how it manages its tax duties. This level of transparency helps avoid suspicions and builds a trustful relationship with investors, customers, employees, and other stakeholders.

The organization has the duty to identify and manage the tax risks associated with its activities. This includes evaluating the tax impact of business decisions and implementing strategies to minimize tax risks legally and ethically.

The organization should work together with tax authorities to address any tax issues, provide required information, and comply with legislative changes. A cooperative approach with tax authorities can aid in reducing conflicts and penalties.

Properly managing these aspects allows the organization to build a positive reputation and maintain a favorable environment with all stakeholders involved in its business. The organization's strategy and commitment towards tax authorities are vital for a healthy relationship and avoiding tax issues. Key aspects of such a strategy include:

- The organization must fully comply with current tax laws, including declaring and paying taxes on time and providing complete and accurate information to tax authorities.
- Clear communication with tax authorities is essential. Timely and accurate information provision can help avoid potential controversies and foster a trustful environment.
- The organization should be proactive in collaborating with tax authorities, which may include providing extra information when necessary or consulting with tax authorities before making significant tax decisions.
- In case of tax disputes or disagreements, the organization should handle these situations responsibly, possibly negotiating with tax authorities to find mutually acceptable solutions and prevent the escalation of conflicts.
- The organization needs to stay informed about tax legislative changes and quickly adapt, ensuring tax strategies remain up-to-date and in compliance with regulations. Adopting a responsible stance towards taxation can also encompass a commitment to corporate social responsibility. Engaging in community development and social projects can enhance the organization's image in the eyes of both tax authorities and the community.
- Conducting periodic internal audits to check adherence to tax rules and identify potential tax risks is another step. Solid internal compliance can prevent tax issues before they arise.

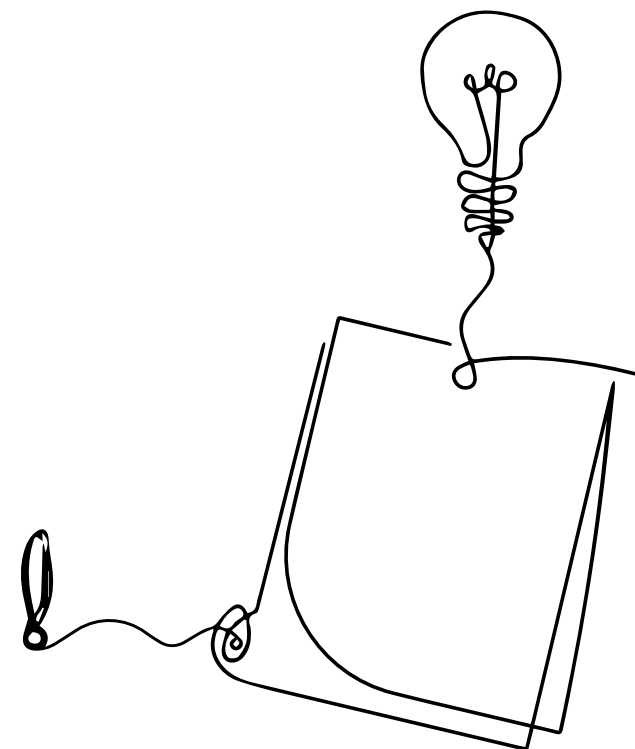


Adopting this approach can promote a positive relationship with tax authorities and minimize risks associated with tax compliance.

Engaging with and considering the views and concerns of stakeholders, including those from outside the organization, are key for effective governance and management. The organization employs various methods and practices to ensure an open and continuous dialogue with stakeholders, such as:

- Open and transparent communication;
- Surveys and questionnaires;
- Consultation sessions and public hearings;
- Online and social media platforms;
- Customer service channels and employee feedback mechanisms;
- Partnerships and collaborations with non-governmental organizations (NGOs);
- Complaint and feedback mechanisms;
- Advisory boards or stakeholder relationship councils.

By considering these varied feedback sources, the organization can better understand the needs, expectations, and concerns of stakeholders and accordingly adjust its strategies and decisions. It's crucial for this process to be ongoing and integrated into the organizational culture.



Indicator	2023				
	ALRO	ALUM	VE	VT	CONEF
	(Th RON)	(Th RON)	(Th RON)	(Th RON)	(Th RON)
Net sales	2,533,585	284,654	697,572	18,545	57
Net Profit	-539,116	-188,521	36,133	755	-505
Operating result (EBIT)	-477,230	-188,812	49,015	975	-715



GRI 3-3 GRI 2-6

3.3. Supply Chain Management

OBJECTIVES



Improving the supply chain



TARGETS



- Assess the sustainability performance of at least two key suppliers per year.

ACTIONS



defined in 2022

- Communicating our Code of Conduct to all existing suppliers and ensuring that all new suppliers adhere to our Code of Conduct.
- Assessing the sustainability performance of key suppliers.
- Establish sustainability criteria for the selection of suppliers.

PROGRESS

in 2023



- Maintain and improve the assessment of suppliers for sustainability performance criteria and the application of the Code of Ethics and Conduct.
- All key suppliers will be assessed taking into account several sustainability performance criteria recommended by ASI, so that around 79% of ALRO S.A.'s assessed suppliers have also completed the sustainability performance assessment based on the ASI Performance Standard v3 questionnaire (160 suppliers out of 202).
- The Code of Ethics and Conduct for Suppliers will be applied to all existing and new suppliers and in addition about 75% of the assessed suppliers of ALRO S.A. have adhered to the ALRO Supplier Code of Conduct (151 suppliers out of 202).
- VE has published on the company's website the Code of Ethics and Conduct for Suppliers, which will apply to all suppliers.

Short-term TARGETS (2024-2025)



- Increase the percentage of suppliers to be assessed on specific sustainability criteria, so that we reach a minimum level of 85% of tested/assessed suppliers out of the total existing suppliers.
- Organize site visits and audits of suppliers' facilities to verify the information provided in the questionnaires and to observe sustainability practices first-hand.
- Communication of Code of Conduct to all new suppliers.





Explaining the material topic

By efficiently managing our supply chain, enhancing our supplier portfolio, and through flexibility and planning, our Group adapts to the current characteristics of the business environment. Additionally, we pay close attention to activities closely related to sustainability across the entire supply chain, considering the environmental, economic, and social responsibility of our partners to be of extremely importance.

Managing the material topic

GRI 3-3 GRI 2-6

We have implemented a well-defined procurement management system in every company within our Group. Specific processes encourage our employees to make high-quality purchases, ensuring that the materials and raw materials required for the safe operation of the manufacturing process are available, enabling us to achieve the Group's overall development goals.



To meet our raw material and consumable needs, we have access to an extensive database of verified suppliers, comprising over 5,000 suppliers worldwide.

Suppliers / country	ALRO	ALUM	VE	VT	CONEF
	Total	(number)	(number)	(number)	(number)
Romania	1,144	241	2,393	134	5
Other countries	337	17	707	24	0
Total	1,481	258	3,100	158	5

To initiate the price quote request process, ALRO's Procurement and Logistics department receives via e-mail the suppliers' proposals. After a careful technical evaluation by the requesting department, the final offer is selected through rigorous negotiation and validation. To ensure transparency and fairness in the process, if the purchase value exceeds 10,000 USD, at least two more quotes are requested for a better technical and financial result.

Additionally, at ALRO, an electronic selection on a specialized site is possible. This selection method guarantees a transparent and fair process and complete tracking, allowing us to consider any complaints from suppliers. To prevent complaints and maintain a transparent and trustful climate, in case of a technical rejection of an offer, suppliers are sent a **"Supplier Feedback"** form detailing the reasons for rejection and granting an additional period for adapting their offer to our requirements.

Regarding transportation operations, our objective is to organize, lead, and manage resources efficiently (vehicles and handling equipment) to ensure a continuous flow of raw materials and supplies, meeting the needs of internal customers within the Group, as well as those of external clients. All transportation operations are governed by specific procedures that detail how activities should be conducted and the responsibilities of the involved individuals.

In each production division, employees are designated with specific duties for road transportation operations. Heavy equipment operators are responsible for the efficient and rational use of vehicles (e.g., adhering to routes, minimizing idle times with the engine running, etc.). Engineering coordinators and supervisors are responsible for monitoring vehicles, fuel consumption, analyzing engine operating data, routes and speeds, monthly and annual fuel consumption analysis, evaluating specific consumption, and establishing measures to reduce consumption, etc. For road transport operations, there are individuals responsible for managing road safety and ensuring traffic flow.

To ensure efficient use of our road vehicles, we continuously monitor routes, idle times, and travel speeds through a GPS system. By analyzing reports on our transportation activities, we identify improvement measures that can contribute to more efficient vehicle and fuel use. Additionally, we constantly assess the condition of our road vehicles to identify those that show poor fuel consumption performance.

In the VE division, transportation operations are vital to the success of our activity – delivering products to customers. Therefore, we focus on ensuring efficient transport management. Considering the geographical location of our customers, we transport products by road with transportation providers, following an order allocation strategy based on price, destination, and volume criteria, as well as using combined maritime/road transport.



The procurement staff is annually assessed based on their performance.

Each year, procurement personnel are evaluated based on the previous year's performance. This evaluation includes analysing specific criteria for purchasing activity:

- Stock level optimization/effectiveness and efficiency in contracting
- Negotiating purchase price
- Logistics expertise
- Attracting new suppliers
- English language proficiency

Additionally, we consider the evaluation of other criteria such as:

- Responsibility
- Work attitude/Self-improvement
- Initiative
- Problem-solving

GRI 308-1 **GRI 308-2** **GRI 414-1** **GRI 414-2**

ALRO – All ALRO suppliers sign the Supplier Code of Conduct, which includes several criteria, including environmental criteria.

Although at ALRO we do not directly assess the social and environmental impact of our suppliers, the supplier evaluation process also includes a reputational risk assessment, which consists of verifying information about possible legal issues or conflicts involving the supplier being evaluated.

If the supplier has a legal history of incidents or legal actions against him, including breaches of environmental legislation, we consider these issues

to be reputational risks. We also require the following environmental documents to be submitted in the assessment file of all suppliers:

- copy of the Environmental Permit (issued/revised in the current year);
- the updated Safety Data Sheet form for each class of chemical substance supplied (document issued either by the supplier or by the manufacturers in accordance with Regulation (EC) No 1907/2006 of the European Parliament and of the Council);
- the completed REACH questionnaire form for each class of chemicals supplied (document issued either by the supplier or by the manufacturers at least in accordance with Regulation (EC) No 1907/2006 of the European Parliament and of the Council).

ALUM – According to procedure PO-134-07 for Supplier Evaluation and Monitoring, the environmental criteria assessment of suppliers in 2023 was conducted through self-assessment and by requesting ISO 14001 certification and environmental permits (where applicable). Following a review of the Supplier Evaluation and Monitoring procedure, starting in 2024, supplier assessments will also include collecting information about their environmental practices by sending, completing, and monitoring responses to the ASI questionnaire on governance, environment, and social aspects. The results of the self-assessment questionnaires completed by suppliers are centralized at the AQ Service (within the Technical Quality Investments Directorate).

In 2023, ALUM suppliers were not evaluated from a social criteria perspective.

VE – As in the previous fiscal year, in 2023 all key suppliers were evaluated according to commercial criteria as outlined in the Supplier Evaluation Procedure. No sustainability performance criteria were introduced, as VE was in the process of obtaining ASI accreditation.

VE has published the *Code of Ethics and Conduct* for suppliers on the company's website, which will be applied to all suppliers.



3.3.1. Assessment of New Suppliers on Environmental and Social Criteria

Total number of suppliers

	2023	2022	2021
ALRO	1,481	1,257	1,619
ALUM	258	364	561
VE	3,100	560	500
VT	158	139	n/a
CONEF	5	5	5

Total number of local suppliers

	2023	2022	2021
ALRO	1,144	1,008	1,249
ALUM	241	342	522
VE	2,393	544	442
VT	134	139	n/a
CONEF	5	5	5



The Environmental Assessment process:

- Each new supplier is evaluated through a process that includes identifying potential suppliers, collecting data on their environmental practices and analysing this data.
- Suppliers are required to sign the ALRO Group's Supplier Code of Conduct, which includes environmental criteria.
- The assessment is not only limited to compliance with environmental criteria, but also includes a reputational risk assessment, which involves checking for possible legal issues or conflicts in which the supplier might be involved.
- ALRO Group carried out supplier assessments based on environmental criteria, resulting in **142 suppliers** for **ALRO** and **12 suppliers** being assessed for **ALUM**.

Negative Environmental Impacts in the Supply Chain and Actions Taken:

- In 2023, the Group did not identify any actual or potential negative environmental impacts in the supply chain.
- The procurement process is designed to ensure the safety of the production process and includes measures such as product balances, safety stocks and an ERP system to avoid disruptions in the production process due to exhaustion and lack of required stocks (optimisation of product and raw material stocks).
- The supply chain is optimised for specific consumption and production needs, and transport is organised according to consumption, with options for multimodal transport.
- Quality validation of raw materials is done in-house.

Percentage of New Suppliers Selected on Social Criteria:

- So far, there have been no cases where a supplier has been rejected on social criteria.
- The evaluation process for new suppliers also includes a reputational risk assessment and requires suppliers to submit environmental and social compliance documentation.

Number of Providers Assessed for Social Impact:

- All ALRO suppliers sign the 'Supplier Code of Conduct', which includes social criteria.
- The social impact assessment of suppliers is included in the standard supplier evaluation process.
- The ALRO Group conducted supplier assessments based on social criteria, resulting in 85% of ALRO's total suppliers being assessed.

Each year comes with a careful evaluation of our procurement team, focusing on the results achieved in the previous period. This annual appraisal aims to assess staff performance against well-defined criteria that reflect both professional skills and personal qualities.

Specific criteria for procurement activity:

- **Optimising inventory management:** Efficiency and effectiveness in contract management are essential, with the aim of both meeting the needs of the organisation and optimising costs.
- **Price negotiation:** Ability to negotiate favourable purchasing terms, reflecting in significant savings for the organization.
- **Logistics experience:** skills in managing logistics flows, essential for an efficient supply chain.
- **Attracting new suppliers:** Ability to identify and integrate new suppliers, contributing to diversification and security of supply.
- **Knowledge of English Language:** Language skills that facilitate effective communication with international partners.

Personal evaluation criteria:

- **Accountability:** Consistently taking responsibility and meeting commitments.
- **Attitude towards work and self-improvement:** dedication to continuous improvement and commitment to excellence in work.
- **Initiative:** Proactivity and ability to propose innovative solutions to improve procurement processes.
- **Problem Solving:** Ability to quickly identify challenges and find effective solutions, thus contributing to smooth procurement activity.



No actual and potential negative environmental impacts on the supply chain have been identified in 2023.

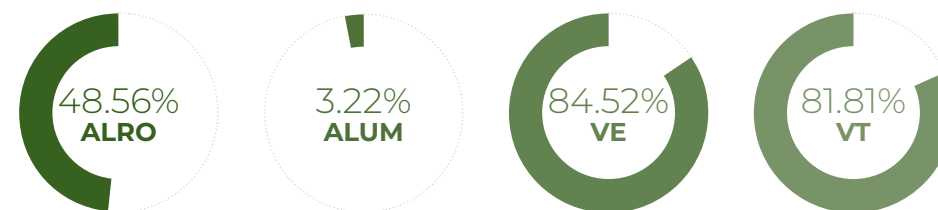
The procurement activity is focused on securing the raw materials and supplies necessary for the safe operation of the production process, in the volume and structure that allow the achievement of the enterprise's overall objectives. For this purpose, product balances for raw materials and auxiliary materials have been prepared based on standardized consumption rates, enabling the generation and establishment of graphical delivery quantities for rhythmic provisioning. Additionally, safety stocks have been sized for the main raw and auxiliary materials to avoid the risk of production reductions or stoppages. The correlation of stocks with production needs, resulting from the organization of the supply chain and its management through the ERP system, ensures that financial resources are not tied up in excessive inventories while simultaneously preventing stock depletion.

ERP Enterprise Resource Planning

The organisation of the supply chain and the contracting of raw materials and materials are based on specific consumption, correlation with existing stocks and production needs. Their transport to ALRO is done either by the supplier (cost included, e.g. DDP Slatina) or as a service contracted by ALRO (FCA). In order to reduce emissions, multimodal transport (road-rail-maritime) is also analysed and opted for. There are special warehouses on the company premises for the storage of goods in appropriate conditions.

ALRO, based on the production mix, determines the monthly/annual quantities of packaging required. Due to the diversity of the products sold, the packaging also presents a diverse range: wooden packaging (pallets, lids), shrink film, cardboard and cardboard protectors (collars), packaging paper, protective film, PET tape, galvanised metal tape.

The percentage of the procurement budget used for significant operating locations that is spent on local suppliers to that operation (such as the percentage of products and services procured locally):



GRI 204-1

Total expenditure with suppliers

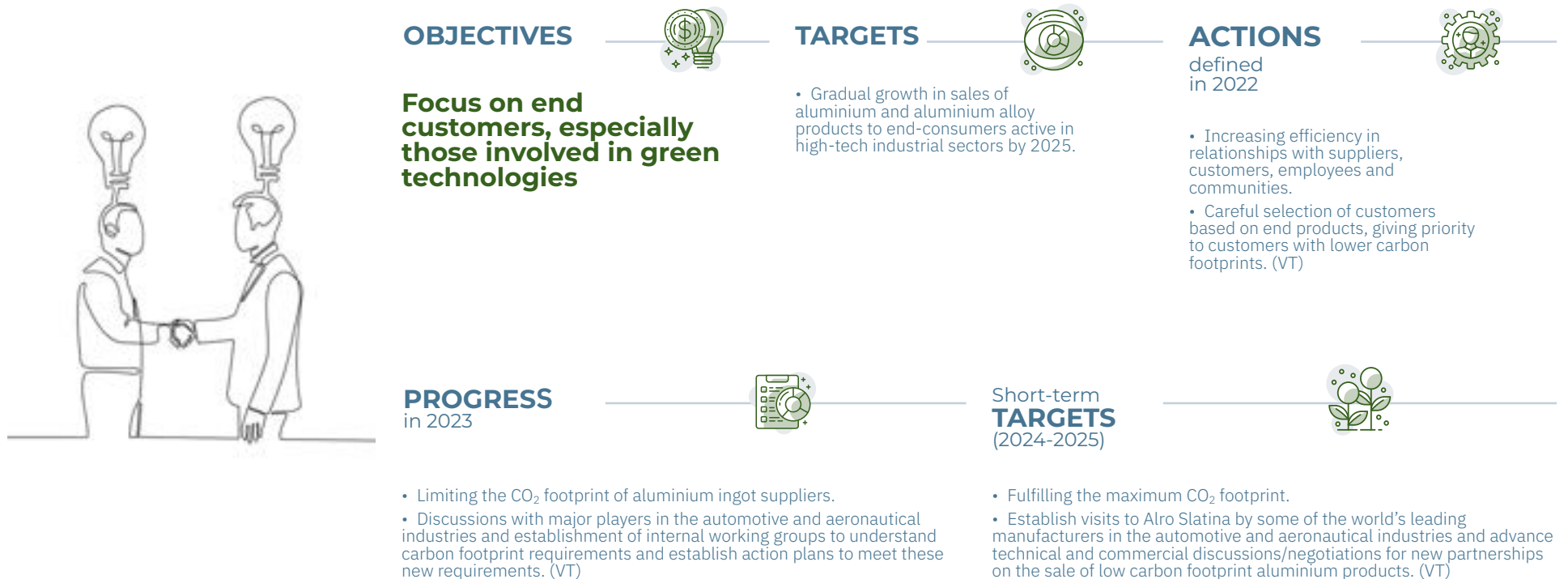
ALRO	ALUM	VE	VT	CONEF
(Th RON)	(Th RON)	(Th RON)	(Th RON)	(Th RON)
2,419,472	263,592	664,713	6,070	460

Total expenditure with local suppliers

ALRO	ALUM	VE	VT	CONEF
(Th RON)	(Th RON)	(Th RON)	(Th RON)	(Th RON)
1,174,878	8,479	561,786	4,966	460



3.4. Customer and Relationship Management



Explaining the material topic

We are committed to offering our customers the highest quality products to enhance their satisfaction. To ensure this, we have developed an integrated management policy designed to build enduring and profitable business relationships. Throughout this process, we are committed to incorporating values that align with social, economic and environmental responsibility.

Managing the material topic

GRI 3-3 NON-GRI

Our work focuses on the needs of our customers. We are dedicated to providing them with the highest quality products to contribute to their success. To ensure a high level of customer satisfaction, we have an integrated management policy covering quality, health and safety, environmental and energy performance. To implement this policy, we have developed a reliable management system that ensures effective control of the quality of processes, from the purchase of raw materials to the delivery of finished products to customers.

We collect information using Know Your Customer – „KYC” forms, which include information about the clients legal structure, shareholding, financial situation etc. This information is then checked from a number of perspectives (legal – to check that the shareholders and the final beneficiary are not blacklisted; financial – to identify any unclear issues that could influence the future partnership). On the basis of these assessments, sales managers decide whether or not to continue business discussions with the client.



3.4.1. Level of customer satisfaction

ALRO – Measuring customer satisfaction is achieved by:

- Regular customer satisfaction surveys (to assess the level of satisfaction at different stages of the relationship with the products offered);
- Direct feedback from customers (through surveys, ratings and comments to gain a deeper understanding of their experiences);
- Analyse customer behaviour to understand how customers interact with our products;
- Measuring post-sales satisfaction to identify strengths and weaknesses;
- Involving customers in the process of innovation and product development, allowing them to express their needs and preferences;
- Quickly resolving problems reported by customers and constantly improving processes based on feedback received;
- Open communication with customers to build trust and ensure their feedback is taken into account;
- Ongoing support for customers to keep them informed.

Customer satisfaction surveys are conducted by:

- Questionnaires containing questions about the overall customer experience with ALRO products, with scores from 1 to 10 for different aspects such as: product quality, delivery time, etc.;
- Telephone interviews to obtain detailed feedback and to better understand customer needs and expectations;
- Using feedback received on social networks to improve customer relations;
- Sending periodic surveys to the customer database to measure changes in their experience over time and comparing results to industry benchmarks.

The information obtained from the feedback is distributed within the organisation to the relevant departments, as it is important that all levels of the organisation are aware of the customer experience and potential issues raised. Based on the feedback received, solutions are developed to remedy the reported problems and improve the customer experience (adjusting processes, improving products, offering better alternatives). The organisation continues to monitor feedback and assesses the impact of implemented changes, as it is important to ensure that the improvements made are effective and that the customer experience continues to improve. Finally, we respond to customers who have provided feedback and engage them as much as possible, which can help build a stronger relationship with customers and increase trust.

In addition, we participate in joint events and exhibitions, which provides an excellent opportunity to showcase products in a collective environment. This not only draws attention to the business but also strengthens ties with existing and potential customers.

ALUM – In accordance with procedure PO-134-04 – Assessment of customer and other stakeholder satisfaction, ALUM sends a satisfaction assessment questionnaire to customers annually.

ALUM establishes a mutually accessible mode of communication with customers, organises meetings with customers to improve the supplier-customer relationship, carefully analyses all customer requirements to identify customer perceptions and expectations and analyses customer satisfaction in review meetings and draws up a plan for improvement/increase in satisfaction.

VE – At VE, we rate customer satisfaction using the Customer Satisfaction Survey on a scale of 1 to 5, where 5 is the highest level. In 2023 the average score was 4.6 points. The percentage of 92% was obtained as the ratio of the obtained score of 4.6 points to the maximum value of 5 points.



Customer satisfaction

	ALRO	ALUM	VE	VT*
	(%)	(%)	(%)	(%)
2023	91.40	96.00	92.00	100
2022	88.35	97.43	92.00	100
2021	88.29	96.79	82.00	100
2020	87.30	95.95	80.00	100

* ALRO S.A.. is the only client of VT

ALRO customer satisfaction is assessed by analysing the difference between a customer's expectations and their perception of what they receive. In addition to the use of survey and questionnaire based methods, data from business relationships such as On Time Delivery Percentage (OTD%) and product quality (R1%) are processed to assess customer satisfaction. Customer satisfaction measurement is carried out at least once a year and, at the request of the Quality Manager, may be carried out more frequently. The actual results of the customer satisfaction assessment are used for management evaluation and their interpretation, together with the necessary measures, are documented in analysis reports. In the last two years, ALRO decided to change the evaluation system, as the figures indicated almost 100% satisfaction and improvements were less evident. As a result, the current evaluations are lower because of their structure, but improvements are now more evident.

The complaints from customers were mainly launched for appearance or size problems of products delivered by ALRO. For each complaint the root cause of the non-conformity issue was analysed. The current evaluation system and its granularity allow us to take corrective action so that the recurrence of complaints is reduced.

Number of customer complaints

ALRO	ALUM	VE	VT	CONEF
(number)	(number)	(number)	(number)	(number)
72	0	249	0	n/a

NON-GRI GRI 3-3

Key business relationships within an organisation are critical to the success of the company in the value chain. These relationships can include partnerships, collaborations and interactions with various entities.

Relationships with customers and consumers are very important. Customer feedback and loyalty can directly influence the success of the organisation. Effective communication and customer relationship management can lead to increased sales and the development of products or services tailored to market needs.

Competitor relations: we monitor the competition to continuously adapt and maintain a competitive position.

We strengthen long-term relationships with customers or key partners by:

- Maintain open and transparent communication with customers or key partners through prompt responses to questions, feedback and provision of relevant information.
- Understanding customer needs.
- Customise products to suit specific customer needs, which strengthens long-term relationships. This sometimes involves tailoring solutions to meet each customer's unique requirements.
- Implement loyalty programs (bonus system) to reward loyal customers.
- Providing relevant information and ongoing support is crucial, especially in an industry like ours where products or services are complex and require in-depth understanding.



3.5. Risk Management and Emergencies

OBJECTIVES



Increase employee awareness of cybersecurity risks and implement a continuous knowledge process



TARGETS



- Increase employee awareness of cybersecurity risks and implement a continuous knowledge process

ACTIONS



defined in 2022

- Regularly send information to all employees about possible cybersecurity risks and mitigation measures.
- Promote examples and best practices from other companies on the company intranet.
- Organise in-house training programmes for widespread implementation of the use of multi-factor authentication (MFA).

PROGRESS in 2023



- Cybersecurity risks are managed at ALRO Group level (Group).
- We have developed and implemented clear and robust cybersecurity policies and procedures that apply to all levels of the organisation. These policies have been communicated and understood by all members of the Group.

Short-term TARGETS (2024-2025)



- Implementing cyber threat monitoring and detection systems to identify suspicious or unauthorised activity in real time and also ensuring that effective alert and reporting mechanisms are in place for security incidents.
- Develop a detailed cyber incident response plan setting out roles and responsibilities in the event of a security breach.
- Conduct specialist training so that staff are trained and prepared to act quickly and effectively in emergency situations.
- Conduct regular testing and assessment of the resilience of the group's systems and networks against cyber threats.





OBJECTIVES



Adopt new cyber security measures and recommendations

TARGETS



- Implement frequent information and training programmes on Cyber Security risks.

ACTIONS



defined in 2022

- Developing cyber security policies at Group level.
- Formalising and implementing working procedures on cyber security at Group level.
- Conduct weekly meetings with the team responsible for coordinating cybersecurity activities.

PROGRESS in 2023



- We have maintained the cyber security measures in place.

Short-term TARGETS (2024-2025)



- Monitoring technological developments and identifying new cybersecurity solutions and technologies that may be useful for the Group.
- Review and update cyber security regulations and procedures to reflect technological changes and new threats.
- Conducting regular cyber security risk assessments and updating security strategies and plans according to newly identified threats and vulnerabilities through a continuous risk management process.



Explaining the material topic

At Group level, we have developed methods and identified major risks that can affect our business and the achievement of our business objectives. We are prepared to manage the risks associated with our activities, with a strong focus on safety and well-being in the workplace, both from a business and human resources perspective.

Managing the material topic

GRI 2-27 GRI 3-3 GRI 403-2 GRI 403-5

Emergencies are circumstances that can arise at our operations, including ALRO, ALUM, VE and VT, and can create various hazards for our employees, employees of subcontractors in the area and the community. Managing activities related to emergency situations and preparing our company for them are part of our legal obligations. We comply with national requirements and regulations regarding emergency situations and civil protection, such as, but not limited to: Law 307/2006 on fire protection; Law 481/2004 on civil protection; MAI Order 163/2007 on the approval of general fire protection rules; Law 59/2016 on the control of major accident risks involving hazardous substances.

Emergencies at **ALRO** can be caused by fires, explosions, accidental damage to equipment or as a result of natural disasters. Prevention is achieved through the development of a fire and explosion response plan, an internal emergency plan, accidental pollution response plans and a business continuity plan. The emergency procedure covers all actions and responsibilities at company level in the event of such situations.

At **ALUM**, a significant impact in a possible emergency situation could occur at the slurry depot, at the river berth for loading alumina onto ships for transport, on-site in the management of hazardous substances and discharged wastewater.

At **VE**, a significant impact in a possible emergency situation could occur during the handling of soda ash as a raw material or soda ash waste.



At ALRO we have communicated the following information to the public (posted on the official website www.alro.ro), as required by Law 59/2016:

- Confirmation that ALRO is a top-level site;
- description of the activities carried out on the site;
- the name of the hazardous substances used/storage at the site;
- the types of major accidents that may occur on the ALRO site and their consequences, as well as the safety measures implemented to prevent major accidents;
- how to warn the public in the event of a major accident;
- guidance on appropriate conduct and action in the event of a major accident;
- detailing the sources from which more relevant information can be obtained.



3.5.1. Emergency situations

All phases

Failure to follow internal measures and procedures can lead to incidents caused by actions such as ignoring safe practices, neglecting safety labelling and not using personal protective equipment (PPE), work equipment failure, manual handling of loads.

Construction phase

- **Traffic:** Vehicles used in construction activities can generate collisions and accidental spills of flammable substances, fuel or other chemicals, which can contaminate soil and water.
- **Construction activities:** The risk of accidents is present during construction work, including falls from height and electrocution, as well as spills of substances that may affect soil and water sources. There is also a risk of accidents caused by unauthorised entry of members of the community into the work area.

Operations

- **Transport of materials to and from the site:** During transport activities, the vehicles used can be involved in road accidents, resulting in the release of hazardous substances that can contaminate soil and water.
- **Handling, storage, use and disposal of hydrocarbons, chemicals and waste:** Improper storage, mixing and handling of chemicals poses a risk not only to the environment but also to employee safety.
- **Loading the final product:** Accidents that may occur when loading products into vehicles can cause fires.

- **Tailings storage facilities:** Structures may fail, especially due to long slopes and steep angles. Such accidents could endanger life and limb of employees or community members.
- **Dam failures at tailings ponds:** Dam failures can pose a risk to the health and safety of employees and the community as well as the environment.

Decommissioning

- **Tailings storage areas:** There is a possibility that structures may fail, especially due to long slopes or steep angles of the terrain. Such accidents can result in injury or even death to employees. Poor management, inadequate drainage and water control systems, and lack of appreciation of the mechanisms that can cause collapse could contribute to this risk. Failure to detect unsatisfactory foundation or geological conditions is another example.
- **Dam failure:** Dam failure at tailings ponds could affect the health and safety of employees and downstream communities, and could have negative environmental consequences.
- Other depending on the type of machinery scrapped

In our operations, we pay special attention to the management and use of hazardous substances, which are utilized in nearly all our locations, particularly at ALRO, ALUM, and VE, to ensure a safe and secure working environment for our employees.



The main substances used include explosives precursors, caustic soda, industrial oils.

The measures taken for the safe handling, storage and transport of hazardous materials are described in the Safety Report and Internal Emergency Plan. The guidance provided in the Safety Data Sheets (SDS) for hazardous substances is also followed. SDSs are regularly processed by workers and are posted at workplaces where hazardous substances are used/ stored.

Due to the effectiveness of our management system implemented across our operations, no major incidents involving hazardous substances or wastes were recorded in 2023.

Based on the existing legislative rules in Romania, we have developed internal procedures and action plans at each company level within our Group to manage emergency situations and protect employees and the community. Within ALRO and ALUM, we have set up an emergency cell coordinated by the General Manager. The work of this body is strictly regulated by specific legislation. The General Manager is also a member of the County Emergency Committee, a committee headed by the County Prefect. The preparation of official documents and relations with public authorities, as well as monitoring how employees comply with specific internal procedures, are the responsibility of the Emergency Manager. The emergency manager has professional skills and qualifications in the field of fire prevention and civil protection. He/she is also a member of the Local Committee for Emergency Situations, headed by the Mayor of Slatina. ALRO has a contract with Rivergate Center SRL – protection and guarding activities, alarm systems monitoring, interventions, design and installation of technical security systems, technical security risk assessment. Protection and security staff is available 24 hours/day, 7 days/week in ALRO locations.

ALRO S.A. also has a contract with Rivergate Fire SRL (private service for emergency situations) for: installation and maintenance of fire signalling, alarm and warning systems and installations, installation and maintenance of fire extinguishing systems and installations, maintenance

of installations of special fire fighting vehicles. The Private Emergency Service provides fire brigade personnel and fire-fighting vehicles – 24 hours/day, 7 days/week at ALRO sites.

In each sector of the company there are employees appointed by decision as Emergency Managers. The job description is updated accordingly with their responsibilities and specialist training is carried out.

All ALRO staff are regularly trained in emergency situations.

ALRO staff is regularly trained in emergency situations according to the approved company emergency training theme. Regular drills and exercises are conducted on how to announce, organise and conduct emergency response actions.

ALRO has fire containment and suppression systems and installations: sprinklers, FM 200 suppression systems, internal and external hydrants and fire extinguishers.

Evacuation and fire safety plans are prominently displayed and regularly reviewed with employees.

In each sector of the company there are employees appointed by decision as Emergency Managers. Their job descriptions are updated accordingly with their responsibilities and specialist training is carried out.

EM-MM-320a.1 GRI 2-27

Emergency response procedures are tested during drills and exercises in production areas and where deficiencies in communication, organisation or management of emergency response actions are identified, updates and improvements are made. Following the occurrence of an emergency or near-miss incident, an investigation/research is carried out to establish the circumstances and causes that led to the incident and to propose technical and organisational measures to prevent similar incidents occurring again.





	ALRO	ALUM	VE	VT	CONEF
Number of emergency exercises	24	0	3	n/a	n/a
Number of emergency simulations	21	27	3	n/a	n/a
Number of trainings and theoretical exercises according to the European Seveso III Directive	15	0	0	n/a	n/a

In 2023 the all incident rate and the frequency rate of hazardous events was 0% for all companies that are part of our Group.

ALRO SA is an upper level site according to the provisions of Law 59/2016. According to these provisions:

- The person responsible for safety management at the site has been designated by decision.
- A major accident prevention policy has been developed and implemented.
- The Safety Report has been prepared by an authorised firm describing the facilities and processes where hazardous substances are used and the safety management system at the site.
- On the basis of the Safety Report, an Internal Emergency Plan has been drawn up by an authorised firm, describing how to prevent major accidents involving dangerous substances and how to notify and intervene in the event of a major accident. The Safety Report and the Internal Emergency Plan have been approved by the Olt Emergency Situations Inspectorate.



3.5.2. Cyber security

GRI 418-1

Our management system ensures the privacy of our customers' data by adopting effective strategies that help us prevent privacy breaches. Due to our management system and our consistency in improving its effectiveness, in 2023, in none of our companies, we have received any complaints from our customers, nor do we have any information about the filing of any complaints with the National Supervisory Authority for Personal Data Processing regarding non-compliance with existing legal regulations and (voluntary) standards on customer privacy protection.

One of our ongoing goals is to keep our customers happy. So we are continuously improving our Quality Management System. From the raw material stage to the finished products leaving the factory, our team in the Quality Technical – Investment Department checks every step of the way, production and process, to ensure that all customer requirements are met.

Customer privacy includes issues such as data protection, use of information or data only for its original purpose unless otherwise agreed, the obligation to respect confidentiality and the protection of information or data against misuse or theft.

The whistleblowing system ensures that any complaints are received, including those relating to confidentiality. The handling of such complaints shall be carried out in accordance with the provisions of the operational procedure 'Handling whistleblower requests, referrals and complaints', code PO-426.

Customers benefit from VT's direct and mediated communication channels through which they can address any complaints about possible breaches of privacy. To date, no such situations have been reported through any of the above-mentioned communication channels that are not in line with ALRO's commitments to customers or third parties.

All company IT assets and infrastructure are used by employees according to established internal rules and procedures. Since 2020, we have implemented our Cyber Resilience Plan, which includes actions to ensure a higher level of cyber security protection for our companies, customers and partners. This plan involves identifying all of our IT assets, identifying potential threats or weaknesses, adding additional layers of protection, constantly monitoring for any flaws or vulnerabilities and intervening appropriately if any issues are found.

This plan aims to strengthen protection against potential cyber-attacks and prevent the negative impact that could occur. Thus, we have set up a working group responsible for implementing cyber security measures. As cyber security is a high priority for us, this working group is coordinated by and reports directly to the Director-General. Meetings of the Working Group take place weekly or whenever necessary.

In the year 2023 we have **ZERO**:

- complaints about breaches of customer confidentiality;
- complaints received from external parties and substantiated by the organisation;
- complaints from regulators;
- leakage, theft or loss of customer data.

Percentage of security staff who have received formal training in the organisation's specific procedures and their application to data security

ALRO	ALUM	VE	VT*	CONEF
(%)	(%)	(%)	(%)	(%)
100	2,5	100	100	n/a



4

EU TAXONOMY



REGULATION

This section provides the information needed to comply with the requirements of the EU Regulation 852/2020 establishing a framework to facilitate sustainable investment and related delegated acts.

In 2023, our Group can report as eligible activities, according to the Climate Delegated Act no. 2139/2021, the primary aluminium manufacture through alumina electrolysis and aluminium recycling (secondary aluminium according to the Taxonomy Regulation), both carried out at Slatina in ALRO units.

We have considered ineligible alumina refining, extrusion activities and other minor activities (water collection, treatment and supply, non-hazardous waste collection, etc.) that are implemented by the Group as support activities for aluminium production and/or their proportion may be considered insignificant in calculating the performance indicators to be reported in accordance with taxonomy requirements.

ALRO's Primary Aluminium Division includes the Anodes Section, the Electrolysis Section, the Casthouse, the Aluminium Eco-Recycling Section, the Repair Workshop and Spare Parts, the Road and Rail Transport Sections and other sections responsible for ancillary services. To calculate the taxonomy-required indicators, we included activities carried out in the Electrolysis, Casthouse and Aluminium Eco-Recycling Sections.

According to the internal assessment conducted at ALRO Group level, the environmental objectives to which we could substantially contribute are "Climate Change Mitigation" and "Adaptation to Climate Change". To be able to make such a contribution our activities at ALRO S.A. units must meet the criteria for substantial contribution set out in the taxonomy, not cause significant harm to any of the other environmental objectives ("DNSH Criteria") and comply with the minimum safeguards.



Analysis of how eligible activities align with technical examination criteria

1. Substantial contribution

Regarding the first environmental objective “Climate Change Mitigation”, the operations conducted at ALRO meet, for the year 2023, only one of the three substantial contribution criteria according to the taxonomy - electricity consumption for the production Process does not exceed 15.5 MWh/t Al, but all DNSH requirements are met.

The specific GHG emissions value for the year 2023 was 1,527 tCO₂e for the primary aluminium sub-installation. Although the production of cast aluminium in 2023 was higher than the production achieved in 2022, total GHG emissions decreased in 2023. The major impact of GHG emissions was determined by the primary aluminium sub-installation, given that electrolytic aluminium production decreased in 2023 by 17.17% compared to 2022.

As for the average carbon intensity for indirect GHG emissions, for this year the emission value was 143,039 g CO₂e/kWh⁴ (⁴ALRO energy label for 2022), compared to the limit for the substantial contribution of 100 g CO₂e/kWh.

Thus, we continued the alignment assessment Process for the second environmental objective, namely “Adaptation to Climate Change”. We initiated the climate risk analysis Process under the TCFD framework, considering the taxonomy criteria for substantial contribution to this environmental objective, but we cannot confirm that the substantial contribution criteria have been met for this item either, as this analysis is still ongoing at the time of publication of this statement.

2. Compliance with the principle of “Do No Significant Harm” (DNSH)

Although substantial contribution was not possible for any environmental objective this year, we initiated an analysis of the degree of compliance with the DNSH criteria for the environmental objective “Adaptation to Climate Change” have been met.

- Climate Change Mitigation
The primary aluminium produced by ALRO complies with the DNSH criteria set out in the Climate Delegated Act, namely: (i) GHG emissions do not exceed 1,604 tCO₂e per tonne of aluminium produced, (ii) indirect GHG emissions do not exceed 270g CO₂e/kWh, and (iii) electricity consumption for the manufacturing Process does not exceed 15.5 MWh/t Al.
- Sustainable use and protection of water and marine resources.
The water required for primary aluminium production is extracted from the Olt river, but also from underground sources. Environmental degradation risks related to maintaining water quality and avoiding water stress are identified and addressed through specific procedures to minimise the impact on water sources, based on our environmental management system. ALRO complies with BAT (*Best Available Techniques*) norms and implements a Prevention and Control Plan for Accidental Water Sources Pollution, establishing measures to prevent and manage events that could lead to water sources pollution for potentially affected bodies of water, in consultation with interested parties (neighbours, contractors). The last consultation took place between January 2023 and February 2024.



- Pollution prevention and control

In 2023 we assessed compliance with the DNSH criteria for hazardous chemicals listed in Appendix C to Annex 2 of the Delegated Act. ALRO acts in accordance with the REACH Regulation, so ALRO products do not contain substances listed in Art. 57 of the Regulation. ALRO also complies with Regulation 1005/2009 regarding substances that deplete the ozone layer. The company is not engaged in the manufacture or placing on the market of substances listed in Annexes I or II of Regulation (EU) 2019/1021, nor does it use them outside the legal limits. It does not acquire or use mercury and mercury compounds as defined by Regulation (EU) 2017/852. ALRO is not engaged in the manufacture or placing on the market of electrical and electronic equipment, and the equipment used complies with European regulations and is recovered at the end of its life.

Emissions fall within the emission level limits associated with best available techniques (BAT-AEL), which are regularly measured and monitored in accordance with ALRO S.A.'s emission reduction and BAT compliance plan.

There are no significant cross-sectoral effects. ALRO reports annually to the European Pollutant Release and Transfer Register.

- Biodiversity and ecosystems protection and restoration

In 2022 we conducted an impact assessment of ALRO's operations in Ilt County. Based on the list of protected areas (Natura 2000, UNESCO, key areas in terms of biodiversity), it was

concluded that none of them are significantly impacted by our activity. Additionally, through the activity carried out on the ALRO site, exotic species are not introduced into the ecosystems of the ALRO area of influence. ALRO's operations and sites have not changed since the date of this assessment.

3. Compliance with the minimum safeguards

Throughout 2023, we continued our internal analysis of compliance with the minimum safeguards, a criterion set out in Article 18 of the Taxonomy Regulation. Minimum safeguards represent a set of procedures carried out by group companies to ensure compliance with the following guiding principles:

- OECD Guidelines for Multinational Enterprises;
- United Nations Guiding Principles on Business and Human Rights;
- Basic principles and rights in the eight fundamental Conventions of the International Labor Organisation;
- Principles of the International Bill of Human Rights.

Compliance with minimum safeguards was assessed according to the *Final Report on Minimum Safeguards* for four areas: Human Rights, including Labor Rights, Bribery/Corruption, Taxation and Fair Competition. Each of these areas was analysed to determine whether the relevant Process and outcome criteria for compliance with the minimum safeguards were met. The results of the analysis are presented in the following table:



Compliance with minimum guarantees

HUMAN RIGHTS

Criteria of fulfilment

Compliance status

PROCESS

Adequate due diligence process on human rights following the UN Guiding Principles (UNGPs) and OECD Guidelines for Multinational Enterprises.

Economic activities of the company are conducted in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO Core Conventions and the International Bill of Human Rights.

RESULT

The company or its management has not committed any violation of labor law or human rights.

The company has not refused to engage in dialogue with the OECD National Contact Point (NCP) and the NCP has not issued a statement accusing the company of labor law or human rights violations.

The company responded to the Business and Human Rights Resource Centre (BHRRC) within 3 months of the date of the allegation, if it was made.

There were no labor law or human rights violations in FY2023.

The company has not been contacted by an OECD NCP as there have been no suspicions or allegations to this effect.

There has been no accusation from the Business and Human Rights Resource Centre.

BRIBERY/CORRUPTION

Criteria of fulfilment

Compliance status

PROCESS

Implementation and publication of internal controls to prevent and detect bribery

In 2022, the procedure for dealing with requests, referrals and complaints was approved in accordance with European standards, applied to all employees and parties with a legitimate interest. They can also be submitted in a virtual environment at sesizari@alro.ro. The company has included training courses to educate employees on business ethics and anti-corruption.

RESULT

The company or its management has not been convicted of bribery

There were no incidents of bribery/corruption in FY2023.



TAXES

Criteria of fulfilment

Compliance status

PROCESS

Tax governance is treated as an important element; implementation and publication of tax risk management and tax risk strategy.

ALRO properly documents and accounts for financial matters in accordance with the relevant regulations as a listed company that must ensure proper financial reporting to its investors and stakeholders. Due diligence and verification of transactions and business partners is ensured and legal obligations regarding money laundering are met and closely monitored. Trade embargoes are respected, as ALRO is a globally active company subject to national and international laws related to trade, capital movements and payments. A number of employees have also been trained in IFRS and taxation.

RESULT

The company has not been convicted of tax evasion.

The company strictly complies with current tax legislation and has not been convicted of tax evasion.

FAIR COMPETITION

Criteria of fulfilment

Compliance status

PROCESS

Conducting and unveiling training courses for managers on competition issues

There are training courses for managers that address issues of unfair competition and promote transparency in business. These courses can cover a wide range of topics, including fair competitive practices, business ethics, corruption prevention and legal compliance. There is also a CSR policy on the company's website that includes this topic.

RESULT

The company has not been convicted of violating competition law

The company strictly complies with current legislation, and has not been convicted of competition law violations.



Reporting results

In this report, the ALRO Group reports aligned, taxonomy-eligible and non-taxonomy-eligible economic activities as a proportion of total turnover, capital and operating expenses.

Turnover has been computed as follows:

- the denominator encompasses all revenues generated by the Group from contracts with customers, as delineated in the ALRO Group Consolidated Financial Statements, amounting a total of **RON 2,849,717 Th.**
- In the numerator, we have incorporated sales to third parties of primary aluminium products and the value of metal transferred to the Processed Aluminium Division and Vimetco Extrusion.

87.4%
2,491,187 Th RON
Eligible activities



12.6%
358,530 Th RON
Non-eligible activities

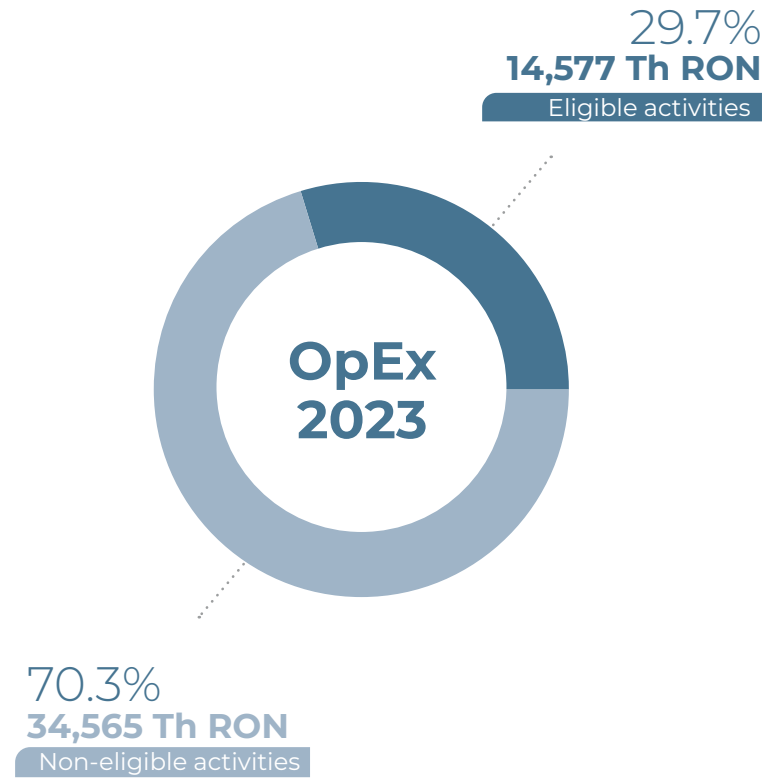
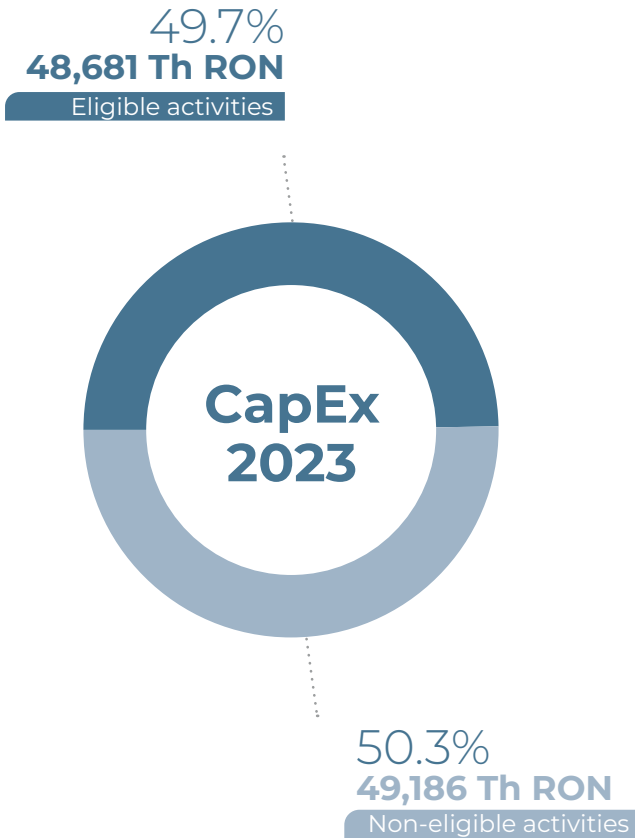


CapEx (Capital expenditures) has been determined as follows:

- in the denominator we have included the aggregate entries for the financial year reported under the Notes “Property, plant and equipment” and “Intangible assets” in the ALRO Group Consolidated Financial Statements 2023. The denominator value of CapEx in 2023 was **RON 97,867 Th**;
- for the calculation of the numerator we have considered the entries of tangible and intangible fixed assets associated with eligible business activities aligned with the taxonomy, specifically capital expenditures linked to Electrolysis, Casthouse and Eco-Recycling Sections.

OpEx was calculated as follows:

- in the denominator we have included total operating expenses for the specified functions established by Delegated Act no. 2178/2021, totalling **RON 49,142 Th** for the financial year 2023;
- for the numerator, we have included the operational expenses related to repairs carried out by third parties, as well as other maintenance, upkeep and repair services carried out internally (material cost, labor force and general expenses of service providers and repairs) which are associated with taxonomy-eligible economic activities (Electrolysis, Casthouse and Eco-Recycling Sections).



PROPORTION of Turnover generated by products or services associated with taxonomy-aligned economic activities

information provided for the year 2023

Economic Activities	Code	Absolute Turnover Th RON	Proportion of Turnover %	Substantial contribution criteria						DNSH criteria ("Do no significant harm")						Minimum guarantees YES/ NO	Share of total turnover by taxonomy, year 2023 %	Category (enabling activity) E	Category (transitional activity) T
				Climate Change Mitigation %	Adapting to Climate Change %	Water and marine resources %	Pollution %	Circular Economy %	Biodiversity and ecosystems %	Mitigating Climate Change YES/ NO	Adapting to Climate Change YES/ NO	Water and marine resources YES/ NO	Pollution YES/ NO	Circular economy YES/ NO	Biodiversity and ecosystems YES/ NO				
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Aluminium manufacturing	3.8	0	0%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%		T
Turnover of environmentally sustainable activities (aligned to the Taxonomy) (A.1)	0	0	0%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%	0%	0%
A.2. Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned activities)																			
Aluminium manufacturing	3.8	2,491,187	87.4%																
Turnover of Taxonomy-eligible but environmentally unsustainable activities (non-taxonomy activities) (A.2)	2,491,187	2,491,187	87.4%																
Total (A.1+A.2)	2,491,187	2,491,187	87.4%																
B. TAXONOMY-INELIGIBLE ACTIVITIES																			
Turnover of activities not eligible under the Taxonomy	358,530	12.6%																	
Total (A+B)	2,849,717	100%																	



PROPORTION CapEx generated by products or services associated with taxonomy-aligned economic activities

information provided for the year 2023

Economic Activities	Code	Absolute CapEx Th RON	CapEx Proportion %	Substantial contribution criteria						DNSH criteria ("Do no significant harm")						Minimum guarantees YES/ NO	Share of total CapEx by taxonomy, year 2023 %	Category (enabling activity) E	Category (transitional activity) T
				Climate Change Mitigation %	Adapting to Climate Change %	Water and marine resources %	Pollution %	Circular Economy %	Biodiversity and ecosystems %	Mitigating Climate Change YES/ NO	Adapting to Climate Change YES/ NO	Water and marine resources YES/ NO	Pollution YES/ NO	Circular economy YES/ NO	Biodiversity and ecosystems YES/ NO				
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Aluminium manufacturing (CapEx A)	3.8	0	0%	0%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%	T
CapEx related to environmentally sustainable activities (aligned to the Taxonomy) (A.1)	0	0	0%	0%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%	0%
A.2. Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned activities)																			
Aluminium manufacturing (CapEx A)	3.8	48,681	49.7%																
CapEx related to Taxonomy-eligible but environmentally unsustainable activities (non-taxonomy activities) (A.2)	48,681	49.7%																	
Total (A.1+A.2)	48,681	49.7%																	
B. TAXONOMY-INELIGIBLE ACTIVITIES																			
Capex related to non-eligible activities in terms of the Taxonomy	49,186	50.3%																	
Total (A+B)	97,867	100%																	



PROPORTION OpEx generated by products or services associated with taxonomy-aligned economic activities

information provided for the year 2023

Economic Activities	Code	Absolute OpEx TH RON	OpEx Proportion %	Substantial contribution criteria						DNSH criteria ("Do no significant harm")						Minimum guarantees YES/ NO	Share of total OpEx by taxonomy, year 2023 %	Category (enabling activity) E	Category (transitional activity) T
				Climate Change Mitigation	Adapting to Climate Change	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Mitigating Climate Change	Adapting to Climate Change	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems				
				%	%	%	%	%	%	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO				
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Aluminium manufacturing (OpEx A)	3.8	0	0%	0%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%	T
OpEx related to environmentally sustainable activities (aligned to the Taxonomy) (A.1)	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%	0%
A.2. Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned activities)																			
Aluminium manufacturing (OpEx A)	3.8	14,577	29.7%																
OpEx related to activities that are eligible under the Taxonomy but not environmentally sustainable (non-taxonomy activities) (A.2)		14,577	29.7%																
Total (A.1+A.2)		14,577	29.7%																
B. TAXONOMY-INELIGIBLE ACTIVITIES																			
OpEx related to activities not eligible under the Taxonomy		34,565	70.3%																
Total (A+B)		49,142	100%																



5

AWARDS AND MEMBERSHIPS



Awards obtained in the reporting year/Awards

GRI 2-28

On 14 September 2023, **ALRO** was awarded the „**SUSTAINABILITY REPORTING & COMMUNICATIONS**” prize at the „Sustainability in Business” – 4th Edition event held by **The Diplomat Bucharest**.

On 23 November 2023, at its gala event, **ARIR, the Romanian Association for Investor Relations**, nominated **ALRO** for a “**Best Sustainability Report**” in the market, awarding it **third place** in this category.

In 2023 **ALRO S.A.** was awarded a “**BRONZE**” rating by **EcoVadis**. The score obtained shows that ALRO is among the top companies in the metallurgical industry with a high rating, taking into account the scope of activity, turnover and number of employees.

Also in 2023, **ALUM S.A.** was awarded a “**SILVER**” rating by **EcoVadis**. The score obtained from the assessment was based on high percentages in two of the four chapters assessed (Labor & Human Rights and Environment).





Affiliations

1. Aluminium REACH Consortia;
2. Coal Tar Pitch REACH Consortium;
3. Aluminium Stewardship Initiative (ASI);
4. Association of Large Industrial Energy Consumers (ABIEC);
5. Romanian Association of Aeronautical Companies (OPIAR);
6. Automobile Constructors Association (ACAROM);
7. Chambre de Commerce, d'Industrie et d'Agriculture Francaise en Roumanie (CCIFER);
8. European Aluminium Association (EEA);
9. European Non-Ferrous Metals Association (EUROMETAUX);
10. Foreign Investors Council (FIC);
11. Romanian Association for the Promotion of Energy Efficiency (ARPEE);
12. Romanian Investor Relations Association (ARIR);
13. Romanian Society for Quality Assurance (SRAC);
14. Romanian Standardization Association (ASRO);
15. Romanian Steel Producers Union (UniRomSider);
16. Signatory of the Declaration of Accord for Processed Aluminum Alloys at Aluminum Association, Washington DC.



6

ALRO Group ACTIVITIES AND PRODUCTS



Our activities and products are based on aluminium, which it has specific properties that support our mission to mitigate the negative impact on the environment and also influence other key sectors of the economy, such as the automotive, construction and aviation industries. Its high resistance to various forms of corrosion and, above all, its infinite recycling capacity, make a significant contribution to reducing greenhouse gas emissions.

We are conscious of our commitment to all our customers to provide them with the highest quality products, and this is a key aspect for all our Group companies.



ALRO is one of the largest vertically integrated aluminium producers in Europe in terms of production capacity and is structured in two divisions:

- **the Primary Aluminium Division**, where we produce wire rods, slabs and billets. The wire rod is used for the production of electrical cables and conductors, including high-voltage, which are considered an essential component of the public utility sector. The slabs are used as raw material for hot and cold rolling processes within the Processed Aluminium Division, subsequently transformed into high value-added aluminium products, while the billets are used through the extrusion process to make standard profiles or according to customer requirements.
- **the Processed Aluminium Division**, in which we produce flat-rolled products in the form of plates, coils, aluminium sheets and strips. These products are used in the construction, automotive, aerospace and general engineering sectors due to the superior mechanical properties and low weight of aluminium.

ALUM produces calcined alumina, and as an intermediate product produces wet (called hydrate), dry, and dry-sieved aluminium hydroxide. The production of calcined alumina (main activity) is currently suspended. ALUM aims to increase the quantities of high value-added products (which have very high value-added components; the concept refers to innovative or niche products that offer unique value propositions and do not follow conventional price structures or profit margins), classes of aluminium hydroxide and speciality alumina, as well as expanding their range.



VIMETCO EXTRUSION (VE) is the largest producer of extruded products in Romania and a significant player in the Western European extruded products market. Through VE, the Group adds value to the billets produced by ALRO in its Primary Aluminium Division. VE produces and markets a wide range of extruded profiles such as aluminium billets, aluminium tubes, etc. Aluminium extrusion is a technique used to transform aluminium bars into products with a defined cross-section profile, for a wide range of uses.

Within extruded products, the Group considers its specialty products to be high value-added products (PVAM) and its processed, painted and anodised or powder-coated products to be very high value-added products (PVAFM).

VE products are used in various industries and applications such as transportation, construction, various aluminium metal structures and photovoltaic panels. The Group's extruded products are also used in the construction and interior design industry, curtain walls, ceilings, partition walls, railings and panels being some of the various uses of aluminium. Extruded products are also used in lighting systems, air conditioning/ventilation systems, reflectors and in the photovoltaic energy industry.

VIMETCO TRADING (VT) enables ALRO Group to improve synergies between the production and sale of finished products and to benefit from a sales and marketing team with more than ten years of consolidated experience.

CONEF is a holding and management company and ALRO S.A. holds 99.9% of the share capital.



ALRO Group	2023	2022
Production of cast aluminium in the Primary Aluminium Division (tonnes)	196,438	191,454
Production of processed aluminium ⁵ (tonnes)	92,558	91,013
Sales volume of cast products from Primary Aluminium Division (tonnes)	101,651	91,094
Sales volume of processed aluminium ⁶ (tonnes)	91,860	89,632

⁵ Processed aluminium production includes aluminium production for the Processed Aluminium Division and VE aluminium production

⁶ Volume sales of processed aluminium includes aluminium sales for the Processed Aluminium Division and VE aluminium sales



Relevance of Material Aspects

GRI 3-1 GRI 3-2

MATERIAL ASPECTS

6.1. Product Quality and Continuous Development

We invest in the continuous development of the quality of our products, which brings significant economic benefits to our group. By offering superior and innovative products, we strengthen our market position, attracting new customers and generating revenue growth. Continuous improvement of production processes also enables us to reduce costs and maximise operational efficiency.

6.2. Innovative Products and Technologies

By investing in innovative technologies, we strengthen our market position and attract new business opportunities. This contributes to increasing our group's revenues and profitability, enhancing our competitiveness and financial sustainability in a dynamic economic environment.

6.3. Responsible Communication

Our transparent communication practices can bring economic benefits, facilitating the strengthening of business partnerships and attracting new business opportunities. This approach allows us to expand our market presence and develop long-lasting relationships with stakeholders.

ECONOMIC IMPACT

SOCIAL IMPACT

ENVIRONMENTAL IMPACT

By putting high-quality products on the market, we help create stable jobs and stimulate local economic growth. We also promote safe working practices and healthy working conditions, encouraging diversity and inclusion in our workforce.

The launch of innovative products creates new opportunities for employment and professional development, helping to stimulate economic growth in the regions where we operate. We also promote access to advanced and innovative technologies in our communities, supporting social progress and improving quality of life.

Through genuine and direct communication, we strive to address the needs and concerns of our stakeholders, building their trust and support for our group. At the same time, we aim to promote social cohesion and community development, helping to build strong relationships between our group and society.

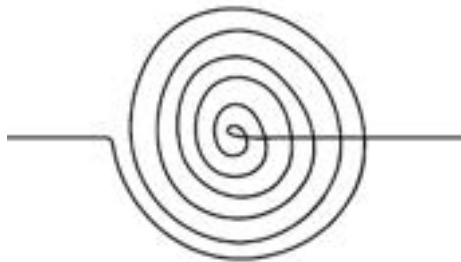
By developing the quality of our products, we aim to reduce the consumption of natural resources and the carbon dioxide emissions associated with our production processes. We use advanced technologies and sustainable materials to promote responsible environmental practices and protect biodiversity, air and water quality in the communities where we operate.

By using sustainable materials and more energy-efficient production processes, we aim to minimise resource consumption and carbon emissions associated with our activities.

We are committed to informing and engaging our stakeholders in our environmental protection efforts, promoting transparency and open communication about our sustainability initiatives and measures taken to reduce environmental impacts.



6.1. Product Quality and Continuous Development



OBJECTIVES



Focus on end-customers, especially those involved in green technologies

TARGETS



- Diversification of the range of aluminium and aluminium alloy products to end users in high-tech industrial sectors by 2025.

ACTIONS



defined in 2022

- Increasing the share of high and very high value-added products in the production mix, especially those we can direct towards advanced technologies.
- Improving efficiency in dealing with suppliers, customers, employees and communities.
- Careful selection of customers based on end products, prioritising customers with a lower carbon footprint, in particular the world's leading manufacturers in the automotive and aeronautics industries, whose production processes and end products have the lowest possible carbon footprint.

PROGRESS in 2023



- In 2023, discussions took place with major players in the automotive and aeronautics industries and internal working groups were set up to understand carbon footprint requirements and establish action plans to meet these new requirements. (VT)
- Increased the portfolio of customers whose production processes and end products have the lowest possible carbon footprint (automotive and aviation industries). (VT)
- Selection of aluminium ingot suppliers is based on CO2 footprint. (ALRO)

Short-term TARGETS (2024-2025)



- Establishing visits to ALRO Slatina of some of the world's leading manufacturers in the automotive and aeronautical industries and advancing technical and commercial discussions/ negotiations for new partnerships on the sale of low carbon footprint aluminium products. (VT)
- Increasing ALRO Group's market share in industrial sectors focused on the increased use of low carbon footprint aluminium products, through marketing actions aimed at identifying specific demands in the relevant industries, the main potential business partners and the promotion of our products. (VT)



Explaining the material topic

Quality standards, innovation and continuous improvement are our priorities when it comes to products. During their development, we pay attention to the efficient use of resources and strive to manage possible negative environmental impacts.

Managing the material topic

GRI 3-3

We developed a robust management system that includes special techniques for identifying customer requirements for a product, evaluating delivery performance and measuring customer satisfaction to effectively manage customer relationships.

To ensure that all products supplied meet the relevant requirements, regulations, standards, specifications and sales contracts, our Group's responsibilities and methods are defined in the procedures included in our customer management system.

GRI 416-1

The sales department in each of our companies is responsible for managing and strengthening customer relationships. Before starting a business relationship with a potential customer, we focus our efforts on gathering useful information that can help us understand their needs and credibility.

In recognition of our commitment, ALRO was awarded **ASI** (Aluminium Stewardship Initiative) certification number 237 on 13 January 2023 under the ASI Performance Standard, making it the first entity in Europe to achieve certification under version 3 of the standard.





Certificare
EN 9100:2018



IATF 16949:2016



We are also certified according to the international quality management standards ISO 9001:2015, EN 9100:2018 (for the aerospace and defence industry) and IATF 16949:2016 (for the automotive industry) by prestigious certification organisations such as DQS GmbH (Germany) and SRAC (Romania). In addition, the quality of our products with special applications is certified by TÜV Süd Industry Service GmbH Germany (for products from which pressure equipment is manufactured and CE mark for products used in the construction industry), DNV-GL Germany and Bureau Veritas France (for products for marine applications).

At ALRO, the percentage of products assessed for safety out of all products assessed was 100% and at VE it was 77%.

In addition, since 2008 we have achieved NADCAP (National Aeronautical and Defense Contractors Accreditation Program of the Performance Assessment Institute) accreditation for heat treatment processes, laboratory testing and non-destructive testing. ALRO currently holds NADCAP accreditation as a supplier of merit, which means that audits take place every two years instead of annually to assess the compliance of our processes with aerospace and defence industry standards. These certifications are awarded by the NADCAP Management Board, following a thorough audit of those processes according to specific NADCAP audit criteria



One of our constant goals is to maintain customer satisfaction. Therefore, we are continually working to improve our Quality Management System. From the raw material phase to the completion of products in the factory, our professional quality team oversees every step to ensure that all customer requirements are met.



At **ALUM**, within the Quality Technical Investment department, there are the following services:

- QA Service
- Quality Inspection Service
- Research and Innovation Laboratory Service

These services have implemented procedures for: evaluation and monitoring of suppliers, inspection, quality assurance and improvement of raw materials, materials and technical equipment purchased by ALUM and products in the technological flow.

In all our companies, products are accompanied by certificates and quality labels containing essential information to ensure traceability.

GRI 416-2

In 2023, there were no incidents of non-compliance in our Group companies regarding the impact on product or service safety.



In 2023 Vimetco Extrusion obtained ASI Certification Performance Standard V2 (2017) for the manufacture of profiles aluminum extrusions at its facility in Slatina, Romania.

The ASI Certification program was developed through an extensive multi-stakeholder consultation process and is the only comprehensive voluntary sustainability standard initiative for the aluminium value chain. The ASI Performance Standard (V2) defines environmental, social and governance principles and criteria, with the aim to address sustainability issues in the aluminium value chain. It sets out 59 criteria under the three sustainability pillars of Environment, Social, and Governance, which address key issues such as biodiversity, labour rights, Indigenous Peoples rights, and greenhouse gas emissions.

The independent, third-party audit of the Vimetco Extrusion operation was carried out by TÜV Rheinland Cert GmbH. The audit took place prior to May 31, 2023, thus enabling a Performance Standard V2 certification.



6.2.

Innovative Products and Technologies

OBJECTIVES



Improvement of technologies and/or products

TARGETS



- Increase the percentage of high and very high value-added products in the production mix, especially those that we can sell to highly technical end customers.

ACTIONS



defined in 2022

- Introducing new high and very high value-added flat products to the ALRO portfolio. (ALRO)

PROGRESS

in 2023



- Trademarks for low carbon aluminium products have been registered with OSIM:

1. ALRO Essential in the class of goods/services: "Aluminium and its alloys, in particular products in the form of billets, plates, sheets and strips, incorporating at least 30% recycled aluminium scrap";
2. ALRO VitAL in the class of goods/services: "Aluminium and its alloys, in particular products in the form of billets, plates, sheets and strip, incorporating at least 50% recycled aluminium scrap".

- In 2023, we applied for a patent, namely "Process for obtaining anodisable aluminium alloy plates with a monochromatic surface" and we expect to obtain this patent in August 2024.

Short-term TARGETS (2024-2025)



- ALRO VitAL Max (under registration) for products: "Aluminium and its alloys, in particular products in the form of wire, billets and rods, incorporating at least 70% aluminium scrap and in the production of which the CO₂ emission intensity is less than 4 tonnes CO₂/tonne product (cradle to gate)".
- New products with high and very high added value will continue to be introduced to ALRO's portfolio to diversify the production mix and offer the widest possible range of products to ALRO's customers. (ALRO)



OBJECTIVES



Improvement of technologies and/or products

TARGETS



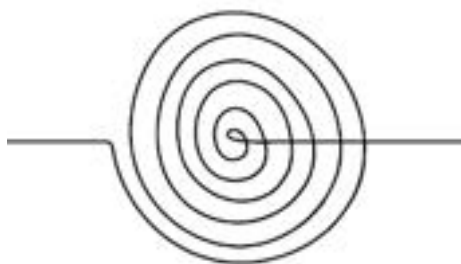
ACTIONS



defined in 2022

- Continuous progress of projects based on state-of-the-art technologies.
 - Continued implementation of energy efficiency programmes throughout the technological process (AP12LE [LE – Low Energy]) programme with Rio Tinto Aluminium Pechiney to reduce energy consumption in the electrolysis section, increase water recirculation rate, gradual replacement of electric motors operating ALRO equipment with energy efficient electric motors and frequency converters, etc.);
 - Increasing energy efficiency.
- Continue to implement energy efficiency programmes by installing an automatic packaging line. (VE)

- The ALRO Group is committed to continuing its energy efficiency programme as part of a safe, responsible and profitable business, with one of the Group's major projects being the continued implementation of AP12LE technology until all electrolysis cells have been converted to this advanced, low energy technology, which is being implemented in collaboration with Rio Tinto Aluminium Pechiney. This innovative technology is expected to bring increased energy efficiency and environmental benefits to the electrolysis sector, the sector with the highest energy consumption of all ALRO processes.
- Implementation of a project on the automation of the packaging line within VE.



PROGRESS in 2023



- In 2023, a total of 30 electrolysis cells were commissioned after being refurbished based on AP12LE technology, in close conjunction with the repair and production programmes, which were adapted to match the Company's business model in 2023.
- From an energy efficiency point of view, the following actions have been implemented in 2023 within the Automatic Packaging Line project:
 - Upgrading of the CO₃ heat treatment furnace;
 - Upgrading of the TSO heat treatment furnace.
- Demolition of the CO₄ heat treatment furnace in order to optimise production flow. (VE)

Short-term TARGETS (2024-2025)



- ALRO has reached 215 electrolysis pots refurbished based on the new low-energy technology since the start of the project with RioTinto AP in 2018 and will continue to invest in its energy efficiency programmes, which include the continuation of the vat refurbishment programme in 2024 with 35 new vats. (ALRO)
- ALRO will also increase energy efficiency through the implementation of the project "Improvement of the energy efficiency of the Repair and Spare Parts Section (SRPS) by upgrading the induction furnace and installing a water cooling/circulation system", which aims to upgrade the furnace with energy efficient equipment to reduce energy and industrial water consumption related to equipment in the SRPS workshop, complying with the Energy Audit recommendations. (ALRO)
- As part of the "Automatic packaging line" project:
 - Installation of an automatic profile unloading system at the end saw at Press 1;
 - Installation of an automatic conveyor system for full and empty containers;
 - Installation of automatic cranes for unloading, loading and transferring full and empty containers;
 - Installation of the automatic packaging line. (VE)





Explaining the material topic

Innovation is key to the development of our Group. We invest in research and development to drive technological advances that promote sustainability throughout our value chain. To this end, we develop sustainable products, improve production processes and optimise resource use.





Managing the material topic

GRI 3-3

At ALRO and VE level, through the various projects we implement, we ensure that our customers' satisfaction with the quality, sustainability and efficiency of our products is improved.

In 2023 we implemented technologies to qualify new products, which resulted in the expansion of the product range in ALRO. Among the programs that were successfully carried out in 2023 are:

- Development of a new product i.e. 2xxx series plates (e.g. 2219 T851 plates)

Target: increase production with a very high added value product for the aeronautical industry

- Development of a new product i.e. 7xxx series plates (e.g. 7050 T7451 plates)

Target: increase production with a very high added value product for the aeronautical industry

- Development of a new product i.e. 5xxx series plates (e.g. 5083 H131 plates)

Target: increase production with a high added value product for the production of armour plate



For all these products, the technologies have been developed in-house.

At the same time, we have started to implement the technology that allows us to produce and sell “cut to size” products (products that are not standard sizes or to specific market requirements) using existing equipment, and once the dedicated equipment arrives and is commissioned, we will complete the implementation in the first half of 2024.

Identifying new opportunities for innovation can be achieved through strong research and development, creating the conditions for an increased level of competitiveness of our products.

Given the importance of a Research and Development Strategy in improving efficiency, increasing competitiveness and promoting new technologies in the aluminium sector, ALRO has developed a document to guide the activities of its Research and Development Department.

The department comprises more than 60 employees, and the strategy has four main directions:

- reducing energy consumption;
- improving product quality;
- increasing product competitiveness;
- new product development – which are articulated in a specific programme of research themes.

We have also implemented a management system that allows us to optimise R&D activities.

To ensure the successful implementation of this strategy and the research plan that guides us until 2024, we have established collaborations with leading Romanian and European research institutions and universities.





The areas in which the Research and Development Department is active are as follows:

- monitoring flows and technologies to identify influences on process parameters and to find solutions for optimisation;
- mathematical modelling to design products based on process parameters and desired final quality;
- investigating industrial research topics arising from the requirements of production processes;
- assistance in the implementation of the measures established following technical advisory missions;
- evaluation of calls under the European Horizon 2020 research and innovation programme (collaborative research projects, training and professional development, innovation support and challenge efforts, etc.) to identify suitable projects for ALRO;
- development of technologies for the production of heat-treated sheets in the heat treatment department, using equipment purchased through a European funding project;
- development of new analyses in the metallographic analysis laboratory to meet the quality requirements of customers in the aerospace and automotive industries.

NON-GRI

We are constantly taking initiatives to improve our quality management system. One such initiative is to adopt the Lean Six Sigma approach to continuous improvement. In addition, as of October 2023, a total of eight employees are participating in the EMBA postgraduate course, organised in collaboration with ASEBUSS Bucharest, which helps to promote and identify opportunities for improvement.

After consistent investments in equipment modernization and innovative technologies, the Primary Aluminium Division has reached an annual production capacity of 265,000 tonnes per year of electrolytic aluminium, an aluminium scrap smelting capacity of 100,000 tonnes, from which 94,000 tonnes per year of liquid aluminium is obtained, and a capacity of 335,000 tonnes per year of cast aluminium. This division includes the Anode Section, the Electrolysis Section, the Casthouse, the Aluminium Scrap Smelting Plant, the Repair Unit and Spare Parts Production Unit, the Road and Rail Transport Section and other sections responsible for ancillary services. **The Primary Aluminium Division** had a production of aluminium cast products of **196,438 tonnes** in 2023.

The second division is the **Processed Aluminium Division**, with a processing capacity of approximately 100,000 tonnes per year, depending on the production mix.





In **2023**
the total production
of fabricated aluminium
58,034 tons.



In **2023**
the total production
of extruded aluminium
34,524 tons.

There is currently a programme in place to increase production capacity to 120,000 tonnes per year.

Within **ALUM**, through the projects we develop, we strive to identify economic solutions to minimise the impact of red mud lake, thus contributing to environmental protection and promoting a sustainable economy.

VE is recognized as the largest producer of extruded products in Romania and a major player in the Western European extrusion market.

VE is ISO 9001:2015 certified, operates two extrusion presses and has over 250 fully dedicated workers to meet and exceed our customers' expectations.

Focusing its production capacity on the 6xxx series of alloys in accordance with EN standards, VE products are sold for use in a variety of applications throughout Europe.

Since mid-2009, VE has also approached the domestic market, guided in this initiative by the motto: **"Made in Romania, for Romania"**.

Our customer-oriented policy is a key factor in our continued successful rise in the aluminium industry. VE had a production capacity of 35,000 tonnes at the end of 2023.

Extruded products are used in the interior design industry for curtain walls, ceilings, partition walls, railings, photovoltaic panels, but also in lighting, air conditioning/ventilation systems, reflectors and other applications.

Company	Number of sites that have been upgraded with new sustainable technologies	Number of new sustainable technologies	Amount invested in new sustainable technologies (thousands RON)
ALRO	1	2	35,829
VE	1	1	4,547

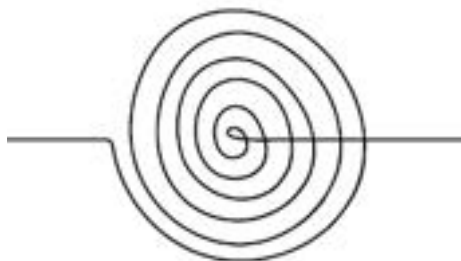


6.3. Responsible Communication

OBJECTIVES



Strengthening the relationship for our community



TARGETS



- Maintaining a meaningful role in community development.

ACTIONS



defined in 2022

- Developing a Group strategy for managing community relations, including aspects of corporate social responsibility. (CSR)
- Conduct a community impact assessment.
- Conduct stakeholder engagement processes to identify community needs.
- Implementing a unified system for managing and monitoring community complaints at Group level.

PROGRESS

in 2023



- The ALRO Group's local community engagement activities are measured and reported both internally and externally using a variety of methods. These include charitable contributions, donations and funds allocated to support community needs. A concrete example is the collaboration with UNICEF in Romania to support the Romanian Government in identifying and monitoring children's needs and vulnerabilities. Communication about these actions is done through the drafting and dissemination of reports and documents, as well as the organisation of professional development courses. (Group)
- A stakeholder survey was conducted in 2023 and the responses to this survey and the conclusions reached were used to determine the future directions of our Group in terms of making development as sustainable as possible.
- In 2022, the procedure for dealing with requests, complaints and grievances was approved in accordance with European standards and applied to all employees as well as parties with a legitimate interest. They can also be sent in a virtual environment to the e-mail address: sezizari@alro.ro.
- In 2023, the Integrity Whistleblowing Policy and Procedure was implemented at VE level to encourage the reporting of any form of violation of the law or internal provisions. (VE)

Short-term TARGETS (2024-2025)



- We develop partnerships with numerous associations, foundations and public institutions to organise actions of public interest.
- Continue to inform and empower local communities.
- Support health, environmental protection and youth development and welfare programmes.



Explaining the material topic

Responsible communication within our Group is about how we address our stakeholders and the public, ensuring that our messages are transparent, ethical and in line with our values and relevant regulations. We apply these principles in all communication-based activities, including when we provide information about our products.



Managing the material topic

GRI 3-3

Engaging with the community can help ALRO Group create stronger and more lasting relationships with suppliers, customers and the community. For this reason, one of our main priorities is to maintain an ongoing dialogue with all local authorities, but also with our employees, various members of the community and other relevant stakeholders. Our stakeholders include customers, employees, suppliers and investors, as well as representatives from academia, industry and society. Certain activities, such as those with an environmental impact, are often viewed by stakeholders with a critical eye.

We respond to their questions and concerns, initiate dialogues and participate in discussions every time we want to launch a new project. Such stakeholder dialogues help us understand what they expect from us and what steps we need to take to establish and maintain trust, build partnerships and increase societal acceptance and sustainability of our business activities.

For major projects, we systematically identify key stakeholders to initially discuss critical questions with them, thus avoiding the emergence of conflicts or insufficient management of potential negative impacts.

To ensure and enable dialogue with our communities, we have established a specific procedure and channels for the submission of complaints and grievances (complaints) from any interested person, as outlined in the **Business Ethics** section. In 2023, we received various requests from the local community which we have dealt with, but no complaints were received.

Another communication tool we have created is the organisation of hearings with the company's management by employees as well as by other stakeholders to address specific requests, complaints, referrals and proposals. In this regard, we have developed specific procedures for each company within the Group.



At **ALRO**, these hearings are conducted by the general manager and, in his absence, by his deputy. Depending on the issues raised, action is taken and deadlines are set for their resolution. The final solution to the problem is communicated in writing, via e-mail, fax or telephone, by the secretary, within a maximum of 3 days after the final resolution of the problem discussed at the hearing. The maximum deadline for resolving requests, complaints, referrals and proposals made during the hearings is 30 days from the date of the first hearing.

Dialogue with the local community has taken place: when required by law for investment projects promoted by ALRO or as part of the procedure for applying for and obtaining the Environmental Agreement, or reviewing the Environmental Permit, or reviewing the IPPC Permit; when requested by the community, around interests, problems and needs expressed and requested by the community, through written requests or hearings: within the Social Dialogue Commission of the Olt Prefecture; within a series of decision-making or consultative organisations at local or county level, including ALRO representatives (County Council, Local Council, County School Inspectorate, Commission for the Authorisation of Vocational Training Providers, Tripartite Advisory Council to the I.T.M. Olt etc.); in partnership with a number of associations and foundations, decentralised public institutions for the organisation of actions of public interest such as Environment Day, National Environmental Guard Day, Town Days etc.; through local media – important events taking place at ALRO are popularised among the local community.

At ALRO, we are also implementing various measures to reduce our impact on the environment and thus improve the lives of our communities. In addition, as a member of the community, we are concerned and want to be involved in identifying solutions that meet the needs of the community. To this end, we run various programmes and projects that support communities, whether in the form of volunteering, sponsorship, internships or various social responsibility initiatives.

At **ALUM**, we have developed procedures for media relations, as well as for the development of the grievance mechanism (petitions procedure) and the organisation of hearings. Through these initiatives, the company expresses its openness to listening to and solving the problems of the community (employees, citizens, local authorities, collaborating companies, etc.) and to engaging in educational and other socially useful activities. Questionnaires were also developed and distributed to assess the perception of the Company in various community organisations with which it comes into contact with (public administration, financial and banking institutions, cultural and sports organisations, religious, educational, environmental protection, etc.) Feedback received from these collaborating organisations demonstrated that ALUM is actively involved in the life of the local community, having a significant positive influence.

At the same time, questionnaires have been developed and distributed to all employees of the company (called “Employee Consultation Questionnaire on Quality, Environment, Occupational Health and Safety”) as part of ALUM’s management strategy on the implementation of the integrated quality, environment, occupational health and safety and energy management system.

The purpose of these questionnaires is to contribute to improving the business and to strengthen external recognition of the quality of the activities carried out within the company. Through them, companies adopt the most appropriate policy in the field to meet the requirements of the system.



Each year, the Group publishes a Sustainability Report, detailing all actions and measures implemented for the community. This report is the main tool we use to present to all stakeholders the efforts and support we provide to improve relationships with all our communities.

ALRO Group’s obligations and methods to ensure that all products supplied meet the relevant requirements, norms, standards, specifications and relevant sales contracts are defined in the procedures that form part of our customer management system.

The sales department in each of our companies is responsible for managing and strengthening customer relationships. Before starting a business relationship with a potential client, we focus our efforts on gathering useful information that can help us understand the client’s needs and credibility.

At ALRO, customer complaints and referrals are received by the VT and sent to the Complaints Analysis Committee, which operates on a dedicated procedure. **We have set up a specific department within each company that is responsible for receiving, registering and forwarding requests, complaints, referrals received from our customers.**

Complaints from customers have mainly been launched for product appearance or dimension issues. For each complaint, the root cause of the non-conformity was analysed and action was taken to prevent recurrence. Root causes and actions initiated in relation to them were documented in the form of 8D reports and communicated to the customers.

GRI 417-1

As customers and end-users need accessible and adequate information about the positive and/or negative impact of our products on the environment and society, at ALRO and VE, for better traceability, products are accompanied by certificates and quality labels. The quality certificate contains information about the chemical composition and mechanical properties of the products, as well as the standards according to which they have been manufactured. This information ensures the traceability of the products and supports the customer in making purchases in accordance with their own production processes.

At **ALUM** for **calcined alumina and aluminium hydroxide, information on content, disposal methods and social or environmental impact are clearly stated in quality certificates, labels and safety data sheets.**

NON-GRI

According to our policies, all customers are provided with a mechanism for resolving their complaints. The sales department registers complaints about product quality and a technical solution is examined and established by the Complaints Analysis Committee, based on a detailed assessment.

NON-GRI

The marketing department is dedicated to effectively promoting the company’s products, anticipating market trends and helping the sales department deliver value to ALRO customers. Through the use of innovative strategies and cross-departmental collaboration, the marketing team plays a crucial role in increasing brand awareness and maintaining the company’s relevant and vital position in the aluminium industry, driving growth and success by identifying market opportunities, building strong brand equity and fostering long-term trusted relationships with customers.





In 2023, ALRO participated in significant aluminium fairs and conferences, such as: Aero India (13-17 February), Aeromart Montreal (4-6 April), Famex Mexico (26-29 April), Aerospace & Defense Meetings Central Europe – Rzeszow-Poland (10-11 May), CRU World Aluminium Conference (16-18 May), European Defence Innovation Days – Brussels (31 May-1 June), CRU Wire & Cable Conference (19-21 June), Paris Air Show Le Bourget (19-23 June), International Defence Industry Fair Turkey (25-26 July), International Aluminium Conference 2023 Fastmarkets (12-14 September), UK Metal Expo (13-14 September), Aerospace Meetings Casablanca (3-5 October), LME Week (8-11 October), Seoul International Aerospace & Defence Exhibition (17-19 October), Aerospace & Defence Meetings Torino (28-30 November), Aviation Forum Germany (4-6 December).

Our active participation in these conferences and events (both as exhibitors and as attendees) has been instrumental in identifying and materializing new business opportunities, especially for high value-added products aligned with our long-term strategic objectives.

In 2024, ALRO will continue to have an active presence at renowned trade fairs and B2B events targeting in particular the aerospace industry, such as ILA BERLIN (Aerospace), CRU World Aluminium Conference 2024, Harbor Aluminium Summit 2024, Aluminium Exhibition Dusseldorf 2024 and so on.

In order to ensure good communication with customers, Marketing and Public Relations departments have been developed in ALRO and VE, so that in ALRO there are 4 employees and in VE there is 1 employee.

GRI 417-3 GRI 417-2

In 2023, at ALRO, ALUM, VT and CONEF, we did not identify any non-compliance with regulations and/or voluntary codes regarding product information, labelling or marketing communications, which would have led to receiving a warning or fine from an authority.

Within the VE, there were 4 disciplinary infractions by employees with reference to the violation of the provisions of the Internal Regulations and 39 incidents of non-compliance related to labelling and information on products and services.

In view of the above, we consider it of paramount importance for our business to continuously improve our processes by introducing new technologies and believe that this approach gives us a competitive advantage. Furthermore, we have demonstrated openness to assimilating new knowledge and fairness in responsible communication at all times.



7

ALRO Group's concern for the PROTECTION OF NATURAL RESOURCES

Eco Recycling



The protection of natural resources is a priority for the management and development of our Group-wide business and an integrated part of the business. In this respect, our overall objective is to further improve the management of all natural resources used in our processes, thereby reducing the environmental impact and ensuring sustainable growth of our business by anticipating market trends and legal obligations. To support this objective, we have implemented a series of actions through which we pursue continuous development, identify needs and formulate new specific measures.



Relevance of Material Aspects

GRI 3-1 GRI 3-2

MATERIAL ASPECTS

7.1. Optimal Resource Management

ECONOMIC IMPACT

Resource consumption has a significant direct economic impact on our business, Group-wide. Optimal resource management thus contributes to reducing operational costs and supports sustainable economic growth. To achieve this, we support process optimization, invest in innovation and constantly strive to increase technological efficiency.

SOCIAL IMPACT

The main social impact of resource consumption of any kind relates to the availability of resources for society as a whole. Efficient management supports equitable access for all consumers and future generations. The specific impact of the industry in which we operate is to generate new employment opportunities by implementing innovative technologies and ensuring business continuity, as well as improving the quality of life in the communities in which we operate.

ENVIRONMENTAL IMPACT

By optimally managing the consumption of resources, we contribute to reducing the negative impacts on the natural balance and ecosystems that result from intensive exploitation of various natural resources. At the same time, optimal resource management reduces the negative impact on the environment, in particular on the climate, by reducing the intensity of consumption in technological processes.

7.2. Industrial Emissions

Due to the specific nature of the industry in which we operate, there are a number of legal obligations and market trends that support the reduction of industrial emissions. The main economic impact on our business is to allocate significant investment to adapt processes and technologies. At the same time, managing this material aspect correctly eliminates the risk of non-compliance with legal obligations and therefore the risk of penalties

Effective management of industrial emissions reduces the negative impacts on population health in the communities where we operate.

At the same time, the implementation of industrial abatement technologies leads to sustainable business development and new employment opportunities.

By effectively managing industrial emissions, we reduce the impact on air quality, support air pollution reduction and contribute to climate change mitigation at the same time.

7.3. Circular Economy and Waste Management

Circularity is an opportunity to streamline technological processes. By implementing the principles of the circular economy in our work, we contribute to supporting this direction of development at national level. At the same time, by implementing circularity and efficient waste management, we reduce operational costs related to the consumption of raw materials and the costs of meeting waste management obligations.

By efficiently managing and reducing the amount of waste generated, we contribute to improving the quality of life in the communities where we operate by reducing public health risks associated with improper waste disposal and environmental pollution. At the same time, activities contributing to the circular economy represent an opportunity to create green jobs, a strategic objective at national level.

The circular economy and efficient waste management supports environmental protection by reducing pollution and consumption of natural resources. The main positive impacts are associated with climate change mitigation by reducing greenhouse gases throughout the value chain and reducing soil and water pollution.



MATERIAL ASPECTS

7.4. Climate Change and Business Resilience

ECONOMIC IMPACT

By implementing climate change mitigation and adaptation measures, there is a direct economic impact to our business through increased operational and capital costs. This is mainly due to investments in technological solutions to reduce greenhouse gas emissions, energy efficiency, implementation of green power solutions. At the same time, by implementing these measures, the competitiveness of our products increases in the sustainable products market.

SOCIAL IMPACT

Climate change has a global social dimension through direct impacts on quality of life due to intensification of extreme weather events, disruption of key resources such as water, increase in chronic health problems caused by heat waves. We contribute to reducing these negative impacts through our climate change mitigation measures.

ENVIRONMENTAL IMPACT

By implementing measures that support climate change mitigation, we contribute to reducing negative environmental impacts such as ecosystem damage, increased climate hazards, land degradation, biodiversity loss.

7.5. Water and Effluent Management

Water is an essential resource in our technological activities and efficient management of consumption supports the reduction of operational costs. At the same time, due to legal obligations regarding effluent management, there is a direct financial impact through the costs required to ensure that wastewater quality parameters are met according to specific standards.

As water is an essential common resource for society, we support the reduction of negative impacts such as water scarcity and contamination of water sources through efficient management of own consumption, increasing the degree of recirculation of water used in technological processes and ensuring the quality of effluents according to current standards.

By implementing an efficient water and effluent management system, we reduce potential negative environmental impacts such as damage to aquatic ecosystems, pollution of ground and surface water sources or soil pollution.

7.6. Biodiversity and Ecosystems

Depending on the specifics of the industry in which we operate, there are a number of impacts on biodiversity throughout the value chain, which involve legal obligations and measures to be taken according to specific standards. These entail additional costs which, in the case of our Group's business, translate into costs for monitoring and reducing environmental impacts that could disrupt biodiversity and ecosystems.

By implementing measures to protect biodiversity and ecosystems, we contribute to reducing the negative social impacts that could result from reduced ecosystem services and loss of natural capital of local species. These potential negative impacts could reduce the tangible and intangible benefits that ecosystems provide to communities.

By supporting the integrity of biodiversity and ecosystems we reduce negative impacts on the ecological balance in the areas where we operate. Thus, by conducting our activities responsibly, we reduce the potential for significant changes to aquatic and terrestrial habitats and the entire natural capital.



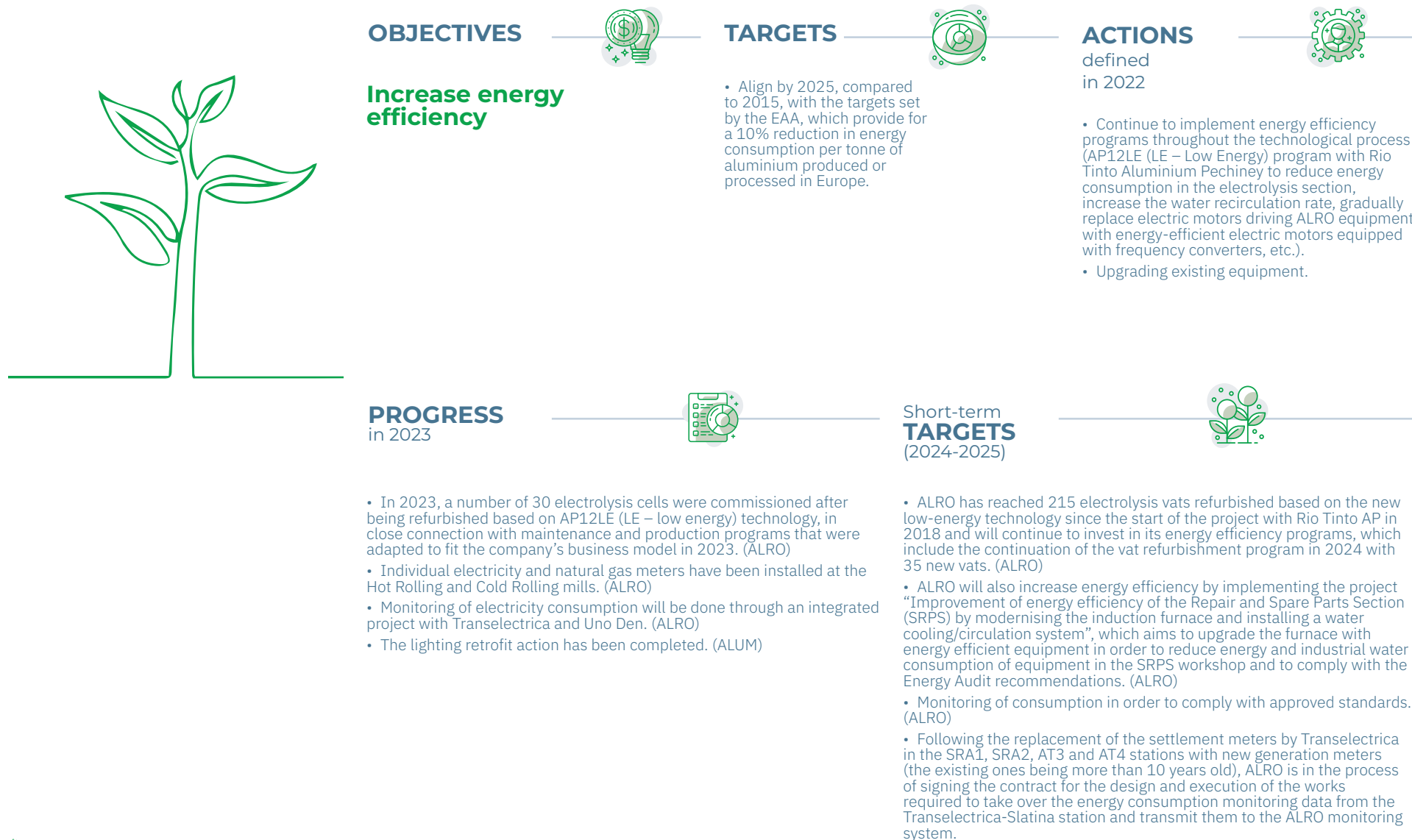
7.1. Optimal Resource Management

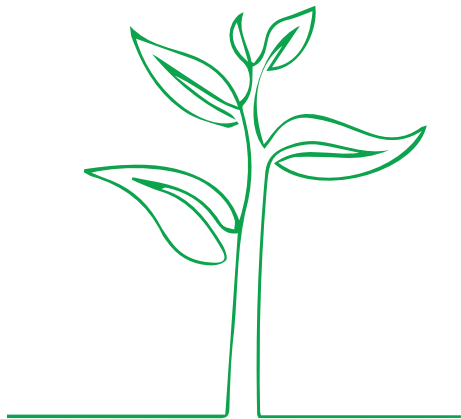
Optimal resource management is not just a cost-saving financial benefit, but a prerequisite for doing business efficiently. To this end, we are constantly striving and allocating resources to resource efficiency, targeting the consumption of electricity, methane gas, fuels, but also other resources such as recycled raw materials (*treated separately under the material aspect “Circular economy and waste management”*) and water resources (*treated separately under the material aspect “Water and effluent management”*).



The objectives defined at strategic level take into account the areas of activity that have the greatest impact, not only on sustainability performance, but also on business development. In this respect, electricity supply and natural gas consumption are addressed with priority under

the material aspect of “Optimal Resource Management”, as they have a significant impact on operational and financial flows, and at the same time represent indispensable elements in the running of our business. Thus, the main objective in the context of the material aspect is:





OBJECTIVES



Increase energy efficiency

TARGETS



ACTIONS

defined
in 2022



- Development of systems for monitoring and recording electricity consumption.
- Upgrading lighting installations.
- Continue replacing thermal insulation of buildings.
- Further development and implementation of heat recovery measures.
- Further develop measures to reduce consumption of raw materials and utilities.

PROGRESS in 2023



- The installation of the energy efficient pumps has been completed. (ALUM)
- The installation of the second Bokela disc filter has been completed. (ALUM)
- From an energy efficiency point of view, the following actions have been implemented in 2023 in the project "Automatic packaging line":
 - Upgrading of the CO₃ heat treatment furnace;
 - Upgrading of the TSO heat treatment furnace;
 - Demolition of the CO₄ heat treatment furnace in order to optimise the production flow. (VE)

Short-term TARGETS (2024-2025)



- Following the energy audit in 2023, the following actions have been determined for the years 2023-2026 for the period when production is suspended:
 - technological repairs and cleaning of piping, vessels and pumping equipment;
 - optimising the operation of high-pressure water pumps used for technological cleaning;
 - reducing the number of electrical transformers in operation, eliminating idle operation of ATLAS and INGERSOL compressors;
 - installation of frequency converters on the pumps involved in maintaining the slurry pit (wetting, pumping);
 - collecting rainwater from the ALUM platform as an additional source of water for wetting the slurry pit. (ALUM)
- As part of the "Automatic packaging line" project:
 - Installation of an automatic profile unloading system at the end saw at Press 1;
 - Installation of an automatic conveyor system for full and empty containers;
 - Installation of automatic cranes for unloading, loading and transferring full and empty containers. (VE)



Explaining the material topic

Resource consumption is a critical process in our Group's activities, to which we attach great importance and a strategic approach in business development. According to the specifics of our business, we have an intensive consumption of resources and its proper management is a prerequisite for ensuring the financial and operational well-being of our business. Thus we monitor existing consumption and establish strategies to optimise all processes, paying attention to the impact on the environment and society, while maintaining an economic balance.

Managing the material topic

GRI 2-27 GRI 3-3

Within **ALRO** and **ALUM**, the management of resources, including energy consumption, is covered by the Integrated Management System, the efficiency of which is recognised by a number of certifications, including ISO 50001 for the energy management system. We are pursuing the continuous development of optimal resource management performance through the implementation of measures resulting from risk analysis processes and the implementation of the Internal Audit Program of management systems.

Monitoring of energy consumption for **ALRO** and **ALUM** is done through the SCADA (Supervisory Control and Data Acquisition) online monitoring system, where a dedicated team checks energy consumption. Monitoring of electricity consumption is carried out through an extensive network of meters, installed both on all electricity connections to the electricity transmission and/or distribution system and locally on the production and ancillary services.

At **ALRO** level, energy consumption management is an interdepartmental activity, involving: the Energy Resources Department (for contracting the purchase of electricity and natural gas, and the development and implementation of the company's energy strategy), the Production Department (for daily consumption forecasting and monitoring of specific approved consumption), the Mechanical-Energy Department, (for energy purchases from the spot market, as well as the

centralization and communication of consumption forecasts at Group level). There are also energy managers in each technical division, who provide information to the Production Department.

Monitoring of energy consumption is carried out in the Power Section, with the Energy Dispatcher monitoring hourly consumption every 15 minutes, supplementing or reducing energy inputs according to hourly notifications received from the Production Departments.

Monitoring of natural gas consumption is carried out by a general meter and several different meters on the production sections, auxiliary services and thermal power plants. There are also detailed consumption monitoring systems down to plant or equipment level.

At the same time, ALRO has declared energy efficiency targets, in accordance with the EU Directive 2018/2002 and the National Integrated Energy and Climate Change Plan 2021-2030 (PNIESC), approved by Government Decision no. 1076/2021. According to this legislative package, starting in 2023, every two years each Member State will produce an integrated report to report and assess national progress towards the targets. In order to track energy efficiency progress, each year ALRO conducts an annual energy review, which presents detailed consumption, potential improvement opportunities and progress towards the targets.

Within **ALUM**, the Energy Office, coordinated by the Energy Manager, ensures the stability, maintenance and continuous improvement of the energy management system by: retrieving energy consumption data automatically recorded in the Energy Monitoring System, entering it into the energy database, preparing energy analysis and periodic energy analysis reports, analysing and determining energy opportunities and risks, developing energy assurance plans and maintaining the energy management system. Each department within ALUM has a designated energy officer, who is responsible for the efficient management and monitoring of energy consumption and interfaces with the Energy Office, providing the necessary information. In addition, the compliance of electricity consumption with consumption forecasts is monitored by factory dispatchers and operators in the production sections.



The management of energy consumption in the **VE** is the responsibility of the energy manager who is responsible for conducting the initial and surveillance audit of energy efficiency measures, implementing energy reduction actions, collecting and processing monitored consumption data and reporting monthly to the management on the plans and status of the energy reduction actions.

At the same time, through the implementation of the supplier assessment procedure according to environmental criteria and the **'Supplier Code of Conduct'**, we are working to pursue the reduction of environmental impacts in the supply chain, including energy use and conservation of natural resources. As part of the supplier assessment process, the ASI questionnaire containing questions on sustainability criteria (social and environmental) is completed, and so far there have been no cases of suppliers or sources of supply contravening sustainability principles.

Companies with production capacities within our Group are constantly carrying out energy audits with the aim of improving energy performance management.

Thus, in March 2023, an Energy Management System (EnMS) SRAC Audit, ISO 50001 and a Complex Energy Audit for the entire ALRO contour, carried out by an external authorized firm, were performed at **ALRO**.

Over the years, **ALUM** has carried out various energy audits that have contributed to improving energy performance management. Thus, in May 2023, ALUM carried out a surveillance energy audit (by an authorised external firm) and in November 2023 a comprehensive energy audit (by an authorised external firm) for the period 2023-2026. Also in October 2023, an SRAC Audit for the Energy Management System (EnMS), ISO 50001, was conducted at ALUM.

At the same time, a series of energy audits were carried out within the **VE**, which contributed to the improvement of energy performance management, with the 4th surveillance audit being carried out in 2023, which found 100% implementation of the energy efficiency measures established by the initial audit in 2019. An initial energy audit was also conducted in 2023 by an authorised external firm across the VE organization.



Performance in figures

GRI 302-1 EM-MM-130a.1(1)

Total energy consumption within the ALRO Group (MWh)

	2023			2022			2021		
	ALRO	ALUM	VE	ALRO	ALUM	VE	ALRO	ALUM	VE
Total fuel consumption in the organization from non-renewable sources	5,733	556	888	5,760	1,916	427	7,621	4,773	381
Total electricity consumption	1,018,702	3,998	11,975	1,201,907	43,374	9,835	2,959,940	91,925	9,579
Total natural gas consumption	370,643	301	18,075	328,772	366,094	16,454	445,853	1,446,287	7,095
Total electricity sold	0	1,771	0	0	1,647	0	0	1,928	0
Total energy consumption	1,395,078	6,626	30,938	1,536,439	413,030	26,716	3,413,414	1,541,058	17,055

At **ALRO**, **ALUM** and **VE** the only categories of fossil fuels used are diesel, gasoline and natural gas. These resources are used for both technological and administrative purposes (such as fuelling the company's own fleet and heating premises using methane gas). In **VT** these consumptions are not tracked and no fossil fuels are used in **CONEF**.

Total distance travelled in 2023 (km)

	2023		
	ALRO	ALUM	VE
Petrol fleet	620,369	41,768	0
Diesel fleet	2,182,092	139,532	35,926

Fuel consumption in 2023 by category (TOE/yr)

	2023		
	ALRO	ALUM	VE
Natural gas	31,875	26	1,554
Diesel	453	48	76
Petrol	40	1	0



GRI 302-3

We track energy performance by relating it to a production unit and to economic performance by tracking the indicator “MWh per unit of income of 1,000 lei”. In this way, we can analyse in a relevant way the performance of the energy management system in relation to operational activity and financial performance.

In addition, at ALRO level we track energy intensity through an indicator for which a value of **19,731 GJ per production unit** was recorded in 2023. This indicator reflects the total amount of energy consumed in relation to the activities carried out in that period and includes the consumption of: electricity, natural gas, fuels (diesel, petrol).

Energy intensity
(MWh/1,000 RON)

ALRO ⁷	2023	0.545
	2022	0.477
	2021	1.033
ALUM ⁸	2023	0
	2022	0.820
	2021	1.904
VE	2023	0.049
	2022	0.040
	2021	0.038

⁷ Energy intensity includes: electricity, natural gas, fuels (diesel, petrol). Energy intensity also refers only to energy consumed within the organization

⁸ Due to the cessation of production in the reporting year, the energy intensity indicator is not relevant



GRI 302-4

The measures implemented at Group level to reduce energy consumption are pursued in the context of the actions set out in the Sustainability Strategy and are aligned with specific sustainability objectives. Thus, the main actions implemented for the optimal management of resources during the reporting year are presented in the **Progress of 2023** section.

At **ALRO** level, one of the reference projects is the AP12LE R&D project, started in 2018 in partnership with Rio Tinto Aluminium Pechiney, which developed a new electrolysis vessel design that supports the reduction of energy consumption in the electrolysis process. The new vat technology has been progressively implemented within ALRO, so that in 2023, 30 new vats were retrofitted using AP12LE technology, 50% more than the number of retrofits in the previous year. This action resulted in a reduction in energy consumption of 11,328 MWh/year at the company level, according to calculations from the last Energy Audit Surveillance.

This project is part of ALRO's strategy to improve the energy efficiency of our processes, and upon completion of the program, will place the company among the top aluminium producers worldwide (excluding China) in terms of energy efficiency in the electrolysis area.

In the reporting year 2023, ALRO has seen an overall reduction in energy consumption compared to the previous year. Thus, for the Primary Aluminium stream there was a reduction of 12.3%, mainly due to the reduction in reaction electricity consumption as a result of the shutdown of electrolysis halls B,C,D. In the Processed Aluminium flow there was an increase of 9.7%, due to the start-up and shutdown of the plants according to orders, these being lower in 2023 compared to 2022 by 10% and by 34% compared to 2021.

In the calculation of energy consumption reduction within ALRO, the total consumption of electricity, natural gas, diesel and gasoline was included in relation to the total production in the Primary Aluminium and Processed Aluminium work streams.

At **ALUM**, due to the suspension of alumina production activity, a number of actions to optimise resource consumption have been planned after the resumption of activity, including measures identified by the energy audit in 2023, such as: repairs and technological cleaning of pipelines, vessels and pumping equipment, optimization of the operation of high pressure water pumps used for technological cleaning, reduction of the number of electrical transformers in operation, elimination of idling operation of ATLAS and INGERSOL compressors, thermal insulation. However, a number of actions already started in previous years were completed during the reporting year: replacement of spent pumps, modernization of the lighting system, optimization of the hydrated grout filtration technology.

For the calculation of consumption reductions, only monitored electricity (according to the energy management system) was taken into account, compared to the previous situation under the same technical conditions.

In the case of **VE**, the implementation of the actions for the automation of the packaging line, presented in the section **Progress in 2023**, continued. **Natural gas was included in the calculation of consumption reductions and energy savings were calculated by comparison with previous years.**

For **VT** and **CONEF** this indicator is not relevant and is not tracked.

GRI 302-4

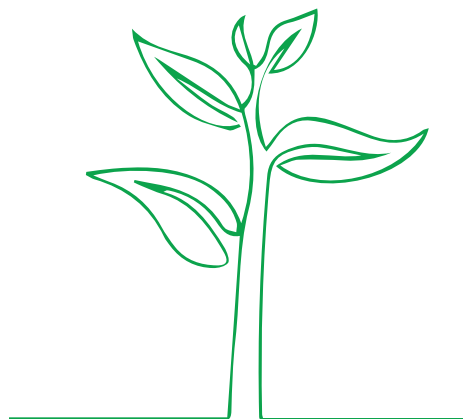
Amount of energy saved (J)

	2023		
	ALRO	ALUM	VE
Reducing energy consumption	483,630,815	2,047	144,000,000

The amount of reduced energy resulting from the implementation of energy efficiency actions in 2023 is the sum of the energy savings as determined by the energy audits that underpinned the implementation of these measures, i.e. total aluminium production x energy savings achieved in 2023 compared to 2022.



7.2. Industrial Emissions



OBJECTIVES



Untreated emissions to air

TARGETS



- Untreated⁹ emissions to air close to zero, according to BAT (Best Available Techniques).

ACTIONS



defined in 2022

- Reduction of emissions and compliance with associated EU regulations by expanding the Flue Gas Treatment Plant in the Casthouse section and installing a coke dust capture and filtration plant in Assembly Shop No. 2. (ALRO)
- In addition to the actions proposed in the 2022 report, in March 2023 the implementation of the project "Increasing the efficiency of ageing operations by replacing CO₁, CO₂ and IPROLAM furnaces with a new ageing furnace" was approved. (ALRO)

PROGRESS

in 2023



- The pre-project implementation stages have been completed and the best technical solution has been selected. (ALRO)
- The new Town Planning Certificate has been issued and the procedure for obtaining the Environmental Permit is underway. (ALRO)
- Tenders for a new electric ageing furnace were requested and received, the technical analysis was prepared and approved in the ETC no. 26 of 11.10.2023, and following commercial negotiations the contract no. 4600020399/29 was signed in September 2023 with the company Seco / Warwick Poland. The advance payment was made in November 2023. (ALRO)

Short-term TARGETS (2024-2025)



- Even though the project has been put on hold due to the reduction of primary aluminium production activity and its correlation with the planned grinding equipment, ALRO intends to continue in 2024 the necessary permitting and authorization activities with the stated aim of reviewing and starting the implementation of the project in 2025. (ALRO)
- Contracting of the design for the preparation/drafting of the documentation for obtaining the Town Planning Certificate, the opinions indicated in the Town Planning Certificate and the Building Permit respectively. (ALRO)
- Contracting of the execution and assembly of metal confections, furnace enclosures, feeding/discharge tables, platforms, gangways, etc. (ALRO)
- Contracting the execution of the furnace foundation. (ALRO)

⁹ emissions that are not treated before release into the atmosphere and that do not include CO₂ emissions included in GHG emissions, Scope 1 and 2



Explaining the material topic

In the context of the industry in which we operate, we are aware of the environmental impact of industrial emissions from our production activities and pay close attention to good management in this regard. We have invested significantly in measures to treat and manage direct industrial emissions (such as: perfluorinated and polyfluorinated chemicals, SO₂, NO_x and particulate matter), and ALRO is the first company in Olt to receive the Integrated Environmental Authorization. By properly managing industrial emissions we ensure not only a reduced impact on the atmosphere, but also compliance with the legislative conditions in force.



Managing the material topic

GRI 3-3

Within **ALRO**, according to the Integrated Environmental Authorization (related to the premises in 116 Pitești Street, Slatina) and the Environmental Authorization (related to the working point in 1 Milcov Street, Slatina), direct industrial emissions are constantly monitored. Thus, monthly we carry out direct emissions monitoring in our own ISO 17025 accredited testing laboratory, and annually we carry out expert analysis with an external accredited laboratory.

The sections whose activity generates direct industrial emissions within ALRO are: Dome Silo, Anodes Section, Smelter, Eco-Recycling, Natural Gas Micro Thermal Power Plants (serving the Primary Aluminium and Processed Aluminium streams), Hot Rolling and Cold Rolling and the Research and Development Department.

Processes related to industrial emissions compliance (management, monitoring and reporting) are assessed through regular internal audits and annually through external audits. Reporting to the authorities is carried out in accordance with the provisions of environmental permits and the Greenhouse Gas Permit.

Due to the suspension of alumina production activity, there were no direct industrial emissions resulting from **ALUM** activity in 2023.

At the same time, due to the unfavourable economic conditions, which led to the suspension of operations, the company's emission treatment measures were halted.

At **VE**, by implementing the supplier assessment procedure according to environmental criteria and taking on the '**Supplier Code of Conduct**', we are working to pursue the reduction of environmental impacts in the supply chain, including air emissions.



Performance in figures

GRI 305-7

By continuing to implement measures to manage direct industrial emissions, we have maintained an emissions level within the legally accepted range in 2023 as follows:

- **Anodes section** – keeping the total dust resulting from the combustion process in the kilns within the BAT limit: 0.51 mg/Nm³ (3.98 mg/Nm³ in 2022) – (BAT limit 5 mg/Nm³);
- **Electrolysis section** – Maintain hydrofluoric acid emissions within BAT limit: 0.06 mg/Nm³ (0.68 mg/Nm³ in year 2022) – (BAT limit 1 mg/Nm³);
- Maintain total suspended particulates at the Gas Filtration Plant of the **Casthouse Section** within the BAT limit: 3.13 mg/Nm³ (23.72 mg/Nm³ in 2022) – (BAT limit 25 mg/Nm³).

Regarding the emission sources for the other atmospheric pollutants, ALRO uses the emission factors for the Primary Aluminium and Secondary Aluminium Division according to the CORINAIR methodology for emissions from determined sources, and the monitoring of greenhouse gases is carried out individually for each flow (from the two locations (Primary Aluminium and Secondary Aluminium) by calculating the fuel combustion (natural gas) and mass calculation for raw materials/materials. CORINAIR is programme to establish an inventory of emissions of air pollutants in Europe. Calculations are performed in accordance with the CORINAIR Methodology 2023 (EMEP/EEA Air Pollutant Emission Inventory Guidebook 2023).



**European
Environment
Agency**



Quantities of pollutants emitted into the atmosphere ALRO (t)

	2023	2022	2021
SO ₂ (sulphur dioxide)	338.1	411.0	1,069.0
NO _x (nitrogen oxides)	172.6	148.8	313.0
Particulate matter (PM)	125.2	90.1	165.0

Although there is a 16% increase compared to the previous year for nitrogen oxides emissions and a 39% increase for particulate matter, there is also an 18% decrease for sulphur dioxide. This difference can be attributed to the intensity of the production processes in the context of reduced activity from 2022 onwards. Compared to the year 2021, when the company's activity was carried out under normal conditions, all pollutant quantities are reduced by up to 68% (in the case of sulphur dioxide).

Quantities of pollutants emitted into the atmosphere ALUM (t)

	2023	2022	2021
SO ₂ (sulphur dioxide)	0	1.047	0.196
NO _x (nitrogen oxides)	0	18.45	79.84
Particulate matter (PM)	0	0.90	6.66

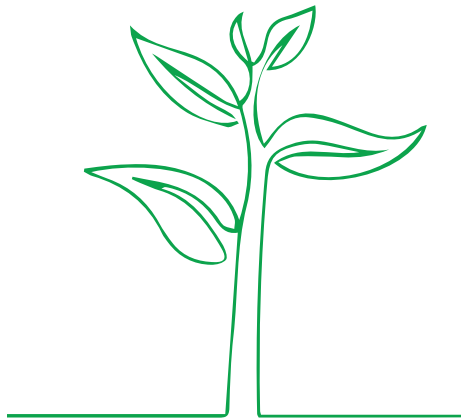
The calculation of the annual amount of emissions for each monitored pollutant is done using the amount of gas consumed, the volume of flue gas discharged and the annual average values of the emitted pollutants. In the year 2023, as production activity was suspended, there were no direct emissions of SO₂, NO_x and dust.

7.3.

Circular Economy and Waste Management

Within our Group we are committed to constantly improving methods of waste reduction and reuse, thereby supporting the transition to a circular economy and ensuring that waste management is carried out both in accordance with the environmental management system implemented in each of our companies and in line with our internal policies and procedures. At the same time, by developing circularity in our own processes, we reduce our environmental impact and ensure cost optimization.





OBJECTIVES



To increase the recycling, recirculation and recovery of waste in line with EU Directives

TARGETS



- Increased recycling, recirculation and recovery of waste in line with EU Directives.

ACTIONS



defined in 2022

- Improving the recycling capacity of industrial wastes through their recovery, such as: slag waste from the foundry, scrap and other ferrous materials from demolition, scrapping and other selectively collected wastes (inert waste, refractory bricks, used oils, etc.). (ALRO)
- Improve the process of sorting recyclable and non-recyclable waste and the process of disposal of non-recyclable waste by authorised operators in accordance with the legislation in force.

PROGRESS in 2023



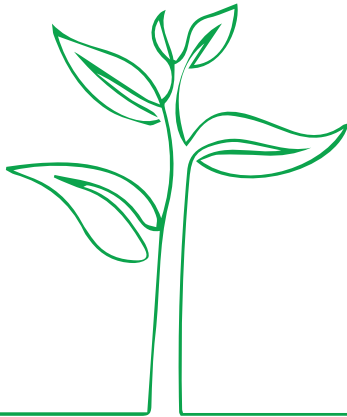
- Responsible waste management: the percentage of recovered, recycled and recycled waste reached 95.55% (ALRO) and 89.9% (ALUM).
- The implementation at Group level of GEO 92 of 19.08.2021 transposing Directive 2018/851/EU on the waste regime, the waste hierarchy has been achieved as follows:
 - prevention;
 - preparing for re-use;
 - recycling;
 - other recovery operations and energy recovery;
 - disposal.

Short-term TARGETS (2024-2025)



- In view of the annual increase in the quantities of waste, ALRO S.A. places increasing emphasis on the issue of waste in relation to the quality of life, in all three aspects: ecological, economic and social, setting itself the target of increasing the degree of responsible waste management.
- Waste management must be carried out without endangering human health and without harming the environment in particular:
 1. without risk to air, water, soil, fauna or flora;
 2. without creating discomfort due to noise or odours;
 3. without adversely affecting the landscape or areas of special interest.
- ALRO's medium-term targets aim to exceed the indicators mentioned in the European waste legislation.



OBJECTIVES**To increase the recycling, recirculation and recovery of waste in line with EU Directives****TARGETS**

- Increase aluminium recycling capacity by 60,000 tonnes per year by 2025 through the implementation of the projects “Development of waste melting capacity in the ECO Recycling Workshop by installing two double chamber furnaces, a holding furnace and associated flue gas capture and treatment plant” and “Optimization of the waste re-melting operation in the ECO Recycling Workshop by installing a waste processing line including shredding, separation and combustion/paint removal equipment”. (ALRO)

ACTIONS

defined in 2022



- Development of the waste melting capacities in the Eco-Recycling workshop by installing two two-chamber furnaces, a holding furnace and the corresponding flue gas capture and treatment plant. (ALRO)
- Optimize the waste re-melting operation at the Eco-Recycling Workshop by installing a waste processing line including shredding, separation and paint burning/removal equipment. (ALRO)
- Purchase of an aluminium slag metal recovery equipment to improve the current slag processing system. (ALRO)

PROGRESS
in 2023

- In 2023, all building fit-out and equipment installation (two double chamber furnaces together with dedicated charging machine, a holding furnace, the appropriate gas capture and treatment plant) was completed and the equipment is now in the final tuning stage. The commissioning of the recycling plant is planned to take place in Q1 2024 .(ALRO)
- The procedure for obtaining the Town Planning Certificate and the Environmental Permit has been initiated for the installation of a waste processing line, including shredding, separation and removal equipment for plastic, varnish and paint (Phase II.2). (ALRO)
- In 2023, greenhouse gas emission intensity analyses were carried out for 34 customers and for a wide range of products in the ALRO portfolio. (ALRO)
- In order to achieve the proposed target, in 2023 the annual repair plan was 99.8% (primary aluminium) and 100% (processed aluminium). This has allowed to maintain the functional parameters of the equipment .(ALRO)
- Carry out the approved program of predictive inspections to monitor the technical condition of equipment and prevent accidental failures. (ALRO)
- In addition, a total of USD 716,000 (Maintenance CAPEX) has been budgeted for the modernization of equipment in the Primary Aluminium division and USD 700,000 in the Processed Aluminium division. (ALRO)
- PPE components (with values of more than 5,000 USD and a lifetime of more than one year) were replaced on critical equipment at the two ALRO divisions. (ALRO)

Short-term TARGETS
(2024-2025)

- The commissioning of the new recycling equipment is planned to take place in Q1 2024, after completion of all final tuning stages. This will increase ALRO's aluminium scrap recycling capacity to 100,000 tonnes per year, improving our recycling performance and reducing energy consumption associated with liquid metal production. (ALRO)
- In 2024, ALRO will obtain the Urban Planning Certificate and the Environmental Permit and will be able to submit the project for funding under the National Recovery and Resilience Plan – Pillar I. Green Transition – Component C3. Waste Management, Measure – Investment I1., Sub-investment I1.D. Construction of waste recycling facilities to meet recycling targets according to circular economy requirements (recycling facilities). (ALRO)
- Start technical discussions with potential bidders in order to identify optimal solutions that can be adapted to the existing process in ALRO in order to prepare the necessary documents for the promotion and approval of the project “Procurement of a slag metal recovery plant”. (ALRO)
- In addition to GHG Intensity which will be developed in accordance with customer requirements, two LCAs will be developed and implemented in 2024 in accordance with ISO 14064 certification and related EPDs. (ALRO)
- Continue to comply with the annual repair plan by carrying out modernization operations on key equipment, within the limit of USD 1,183,000 (Maintenance CAPEX) approved in the budget for 2024 and USD 160,000 at Aluminium Precast. (ALRO)
- Carry out the approved program of predictive inspections to monitor the technical condition of equipment and prevent accidental failures. (ALRO)
- Replacement of PPE components (with values of more than 5,000 USD and life of more than one year) on critical equipment at the two ALRO divisions.
- Expertise of overdue lifting equipment and life extension according to ISCIR regulations in force.



OBJECTIVES

**To increase the recycling, recirculation and recovery of waste in line with EU Directives**

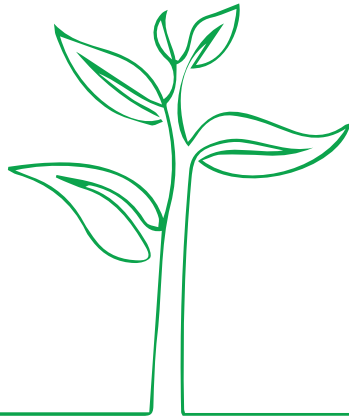
TARGETS



ACTIONS

defined
in 2022

- Managing the entire life cycle of ALRO products in terms of environmental impact, using the results of the Life Cycle Assessment – LCA. (ALRO)
- Maintenance and upgrading policies for equipment to extend its useful life. (ALRO)
- Policies for repair and reuse of components, machine parts, spare parts (anode rods, AGC cylinders, etc.) in order to extend service life and reuse. (ALRO)
- Waste oil recovery in applications with lower requirements. (ALRO)
- Policies for recyclables other than aluminium (e.g. iron, copper, paper, cardboard, plastic, etc.). (ALRO)
- Systematic renovation and maintenance of buildings. (ALRO)

PROGRESS
in 2023

- A total of 92 lifting and life extension equipments (76 Primary Aluminium and 16 Pre-finished Aluminium) have been inspected according to the ISCIR regulations in force. (ALRO)
- All the equipment in the Primary Aluminium division showed an availability of over 95%, and in the Casthouse section (key sector) 99.86%. (ALRO)
- In the Pre-finished Aluminium section we had an availability of 97.38% for the machines in the LBC section and 98% for the machines in the LTB section (ALRO).
- At Primary Aluminium, following the implementation of a maintenance and repair cost reduction program based on the refurbishment and reuse of spare parts, materials and equipment used in the maintenance process, cost reductions of \$716,000 and a positive cash flow effect of \$129,000 were achieved. (ALRO)
- In Processed Aluminium, as a result of the cost reduction programs for maintenance repairs and Maintenance CAPEX repairs, reductions of USD 3,028,454 were achieved against the approved budget. (ALRO)
- In Primary Aluminium, the recovery and return rate of waste oil used in maintenance activities was 69% and in Processed Aluminium the recovery rate was 66%. (ALRO)
- In 2023 the recycling targets were met, with ALRO achieving these targets in a mixed regime, both individually and by transferring responsibility to an OIREP. (ALRO)
- All buildings in the Primary Aluminium Division are monitored and periodically checked on the basis of an approved Program submitted to the County Building Inspectorate, and no events have been recorded regarding their technical condition. All new constructions or interventions on existing ones have been carried out in compliance with the legal provisions in this field (based on demolition and construction permits respectively). The maintenance budgets of each sector expressly include amounts for the maintenance of their own buildings. (ALRO)

Short-term
TARGETS
(2024-2025)

- Maintain an availability of over 96% for all monitored equipment from Primary Aluminium and Processed Aluminium. (ALRO)
- Carry out actions in line with the 4R program (recycle, repair, reuse, reduce). The program foresees economic effects in the Primary Aluminium division of more than 400.000 USD for the Reuse chapter alone through the reconditioning of spare parts, assimilation of new parts from materials in non-moving stock in central warehouses, reuse of iron, aluminium, etc. waste from the production process, reuse of NDS pump shafts for making shafts for pumps in operation, reuse of coarse and final filters of Centac compressors by replacing the filter cloth (4 sets), reuse of components for cooling fan repairs, etc. (ALRO)
- By 2024 the target for recovery and return of waste oil used in maintenance activities is 75%. (ALRO)
- According to the legislation, the overall recovery targets increase from 60% to 65% in 2023 and 2024, 70% in 2025 and 75% in 2030, and the overall recycling targets increase from 55% to 60% in 2023 and 2024, 65% in 2025 and 70% in 2030. For all types of packaging waste, the recovery and recycling targets are increased:
 - Paperboard recycling: from 60% to 65% in 2023, rising to 85% in 2030;
 - Plastic recycling (including PET): from 22.5% to 35% in 2023, rising to 55% in 2030;
 - Glass recycling: from 60% to 65% in 2023, rising to 75% in 2030;
 - Ferrous metal recycling: from 50% to 60% in 2023, rising to 80% in 2030;
 - Aluminium recycling: from 20% to 30% in 2023, rising to 60% in 2030;
 - Wood recycling: from 15% to 20% in 2023, rising to 30% in 2030.
- Maintain the proper technical condition of ALRO's buildings and comply with the relevant legal provisions. (ALRO)





OBJECTIVES



To increase the recycling, recirculation and recovery of waste in line with EU Directives

TARGETS



- Reduction of up to 50% of the current moisture content of the stored red mud bed slurry and the liquid phase recirculated in the production process by 2025. (ALUM)

ACTIONS



defined
in 2022

- Identify viable solutions for effective red mud management. (ALUM)

PROGRESS in 2023



- The red mud pit continues to be maintained in accordance with the obligations laid down by the legislation in force and by the environmental permit, and the activities outlined in the Slurry Pit Accidental Pollution Prevention and Control Plan and the Slurry Pit Operating Regulation are followed. (ALUM)
- We have completed the implementation of the project “Integrated process for the recovery of rare earth elements and scandium from bauxite residues” which was achieved through cooperation and exchange of knowledge and experience between research groups from Universities and economic operators from Romania, Greece and Turkey and led to technical solutions allowing the treatment of bauxite residues by:
 - production of an iron-rich concentrate (mostly magnetite);
 - recovery of aluminium that is now lost in the bauxite residue;
 - recovery of scandium and Rare Earth Elements by acid leaching;
 - reducing the amount of solid residues removed.

Short-term TARGETS (2024-2025)



- All ALUM programs will resume when alumina production restarts. (ALUM)



Explaining the material topic

Circular economy and waste management, in the context of the activities carried out at Group level, involves optimising internal waste recycling processes, reducing resource consumption, further developing the portfolio of products with low environmental impact, ensuring a longer life cycle for the equipment used and ensuring efficient recovery of packaging placed on the market. Thus, this material aspect is of particular importance for increasing our sustainability performance and business development.

At ALRO, recycling aluminium scrap is a particularly important activity because recycling uses only 5% of the electricity required for the primary processing stream.

Managing the material topic

GRI 3-3 GRI 306-1

Significant impacts resulting from waste generation and management are managed through all internal measures, procedures and processes by each Group company.

As efficient waste management and supporting the circular economy is a priority for our Group, within **ALRO's** integrated management system we have developed dedicated procedures and processes for waste and by-product management, with a particular focus on aluminium scrap recovery. These procedures are aligned with the requirements of the ISO14001 standard (certified) and ensure not only compliance with legislative requirements, but also increase and optimise operational processes by reducing consumption.

The main procedure in this respect sets out the process for identifying, collecting, sorting, recovering or disposing of by-products and industrial waste generated on the company premises (ALRO headquarters at the primary and processed aluminium sites).

The implementation of this procedure ensures the efficient management of recyclable waste, thus reducing the amount of non-recyclable and landfilled waste, in line with the latest legislative requirements in the field. Included in this procedure are the "List of ALRO Headquarter waste stored for recycling, recovery and disposal", the "List of ALRO

Aluminium processed Headquarter waste stored for recycling, recovery and disposal", the "List of ALRO Headquarter and ALRO Secondary Headquarter landfills", the types of waste resulting from ALRO activity and their codes, as well as the "Monthly reports to the Environmental Protection Agency on waste management records".

At the same time, these processes are subject to the Circular Economy Policy, which is included in the Integrated Management System Policy. The evaluation of the entire waste and by-product management system is still carried out through internal audits, and the waste management system has not changed in the reporting year.

The internal recycling of waste follows a series of physico-chemical parameters that allow ALRO quality standards to be maintained for the resulting products. These specifications can be found [here](#).

The waste is tested for compliance with the quality parameters by an accredited laboratory on a sample basis, which is specific to aluminium waste purchased from internal/external suppliers on the basis of contracts specifying the quality parameters.

As regards the waste management infrastructure at ALRO level, it is composed of the following main elements: two environmental landfills for permanent storage of industrial waste, serving the main site and the secondary site (built in accordance with legislative provisions, waterproofed and with a water collection and drainage system), selective waste collection systems (bins, containers, fenced areas), temporary waste storage areas (for waste delivered to authorised economic operators). The entire waste management infrastructure complies with the criteria imposed by the legal obligations in force, including the provisions of environmental permits.

As an integrated part of our strategic objectives, we aim to increase the recovery and recycling of recyclable waste and the responsible disposal of non-recyclable waste through the Zero Waste program (please see site www.alro.ro "Prevention and Reduction Program of the quantities of waste generated"). As part of this program, a By-Products Working Group has been established, which is responsible for identifying best practices for the recovery of waste and by-products and for monitoring compliance with waste legislation and extended producer responsibility. The working group consists of ALRO and ALUM representatives, including operations managers, technical managers, purchasing manager, HSE managers and other employees.



The main sources of waste (including those resulting from raw material inputs that may become hazardous waste) are generated by the production activity of ALRO's divisions and business sectors. They are clearly identified in the IPPC Permit for ALRO Social and the Environmental Permit for ALRO Secondary.

We have a Waste Prevention and Reduction Plan which is posted on the ALRO website and we involve employees through regular training on waste reduction and responsible waste management, and business partners are involved through the establishment of the "deposit system" trade guarantee for packaging.

The quantities of waste generated are centralised on a monthly basis and analysed at regular "Zero Waste" meetings.

At the same time, as part of our commitment to supporting the circular economy and increasing the sustainability performance of the products in our portfolio, we carry out specific sustainability analyses such as Life Cycle Analysis and Greenhouse Gas Intensity calculations.

GRI 306-3

Monitoring of the quantities of waste generated on the Group's sites is mainly carried out by direct measurements (weighing) in the case of waste managed internally or, in the case of waste sent for disposal and recovery by external operators, by reports made by operators authorised to take them. In order to ensure correct management along the entire route, we closely monitor traceability to final destination and require evidence of correct recovery or disposal actions for quantities of waste that are handed over to authorised economic operators, whether they are collectors or dealers. Thus, in 2023 we have ensured 100% complete traceability for waste recovered through third parties, 100% for non-hazardous waste disposed of through third parties and 100% for hazardous waste disposed of through third parties.

In the case of packaging placed on the market, **ALRO** and **VE** comply with the provisions of extended producer responsibility and ensure that recovery targets and reporting obligations to the Environmental Fund Administration are met, in accordance with the legislation in force. We meet our packaging recovery targets either through internal processes at our sites or by handing over responsibility to an authorized organization



for the implementation of the Extended Producer Responsibility (EPR Organization).

At the same time, through the implementation of the supplier assessment procedure according to environmental criteria and the **'Supplier Code of Conduct'**, we are striving to pursue the reduction of environmental impacts in the supply chain, including waste management.

During the reporting period, due to the suspension of alumina production, no industrial waste was generated at **ALUM**, but mainly municipal and assimilable waste. Significant quantities of scrap metal resulting from the dismantling of physically used equipment were also recovered and recovered in order to free up space for the implementation of future projects. However, during the reporting year, the Regulation on the efficient management of recyclable waste generated on site was still followed and the separate collection infrastructure on site – 12 separate waste collection points, one for each sector of activity and specific bins at each office – was still used.

At the same time, waste management assessment is further implemented through waste audits, resulting in a Waste Reduction Plan, and through analysis of the Annual Environmental Report, leading to action plans for continuous improvement. The slurry pit continues to be maintained in accordance with the obligations established by the legislation in force and by the environmental permit, and the activities outlined in the Slurry Pit Accidental Pollution Prevention and Control Plan and the Slurry Pit Operating Regulation are followed.

Even during the suspension of alumina production, ALUM continued to implement research projects aimed at identifying innovative solutions for recovering secondary raw materials and supporting the circular economy. In this regard, in 2023 the implementation of the project **"Integrated process for the recovery of rare earth elements and scandium from bauxite residues"** was completed, which aimed at converting red mud into a commercially viable product for other industries, especially in agriculture for neutralizing acidic soils and increasing crop productivity.

The project was started in 2011, in partnership with prestigious research institutes in Romania, such as ICIM Bucharest (Research Institute of the Ministry of Environment), ECOIND Bucharest, IMNR Bucharest, IPROCHIM SA Bucharest.

At the same time, we are continuing our ReActiv research project, through which we are continuing our activity to support innovation in sustainability and the circular economy. In addition, the results of the ReActiv project will lead to the creation of a new sustainable value chain through the use of bauxite residues as raw material in the cement industry. This project benefits from a €8.8 million consortium grant awarded in 2020.

Methods to ensure the effectiveness of the waste management system include raising employee awareness through regular training, as per the Annual Training Plan and evaluated through annual testing.

On June 9, 2023, the training of the environmental officers appointed by decision at the company level was held, during which the provisions of the environmental permits and the operational procedures of the Environmental Department were processed. These procedures include the procedure "PO-135-02 Recording, management and recovery/disposal of by-products and waste from the company".

The **VE** carries out its own waste management records, as required by the legislation in force, and is planning to certify its waste management system according to ISO 14001. The main sources of waste come from the production activity of the production departments. They are identified in the Environmental Permit held by VE and are centralised monthly and analysed.

VE's flagship project to optimise waste management is the forthcoming investment in an automated packaging line, which will reduce paper and cardboard waste by 30% and wood waste by 20%.

In the case of **VT** and **CONEF**, waste management accounting is assimilated into ALRO's records.



Performance in figures

ESRS E5-4 GRI 2-27 GRI 301-2

Increasing the recycling capacities of aluminium waste at the Eco-Recycling facility is one of ALRO's flagship projects. Thus, we have seen a progressive increase in these capacities from 47,000 tpa in 2022 to 85,000 tpa in mid-2023, reaching a total processing quantity of over **100,000 tpa** in **2023**, thus exceeding the set target of **60,000 tpa** by **2024**.

In 2023, in the Casthouse section, the cast production was obtained from 39% aluminium scrap, 28% aluminium ingots of min. 99.7% Al quality and 33% electrolytic aluminium.

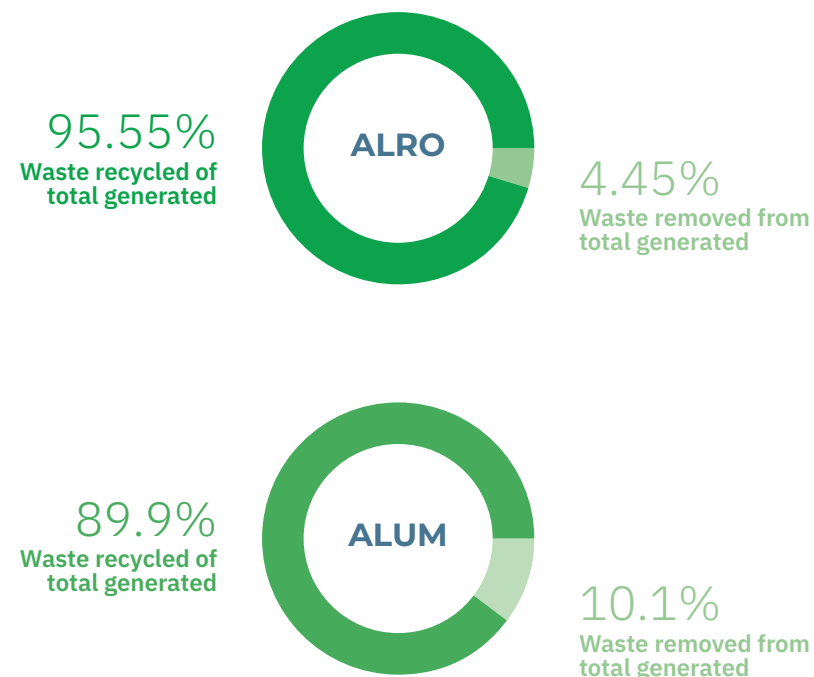
Of the quantities of aluminium waste processed within ALRO Group, 8,214 tonnes were generated within VE activities and 33,820 tonnes were generated within ALRO's own activities.

In the Anodes section, 28% of the total raw materials used in the production of raw anodes were anode waste. The electrolytic bath, used in the process of obtaining electrolytic aluminium as well as in the start-up of electrolysis vats, is a substitute for synthetic cryolite and was used in the amount of 633 tonnes in 2023.

At the same time, at ALRO level, the degree of recycling and recovery of all categories of waste generated reached 95.55%, an increase compared to the last two previous years (94.7% in 2022 and 95.3% in 2021). Of the recoverable waste, the largest amount is non-ferrous slag waste and inert waste that is crushed.

Within ALUM the recycling rate of generated waste reached 89.9% in the reporting year.

Breakdown of waste generated by destination



Within ALRO, the wastes diverted from disposal in 2023 were: baked and raw anode waste, refractory brick waste, silicon carbide waste, non-ferrous slag melt, concrete mixes, bricks, tiles and ceramics, WEEE, carbon-containing waste and unburnt crust waste.

The total quantity of these types of waste was 16,854 tonnes. Their management and recovery was carried out in accordance with the current national and European legislation, more specifically taking into account Law no. 17/2023 for the approval of GEO 92/2021 on the waste regime and GEO no. 114/2023.

ESRS E5-6

In the first 12 months of 2023, revenues amounting to RON 3,927 thousand were generated in ALRO, RON 3,517 thousand in ALUM and RON 3,928 thousand in VE. By increasing recycling, we reduce the financial impact caused by disposal costs.

EM-MM-150a.9

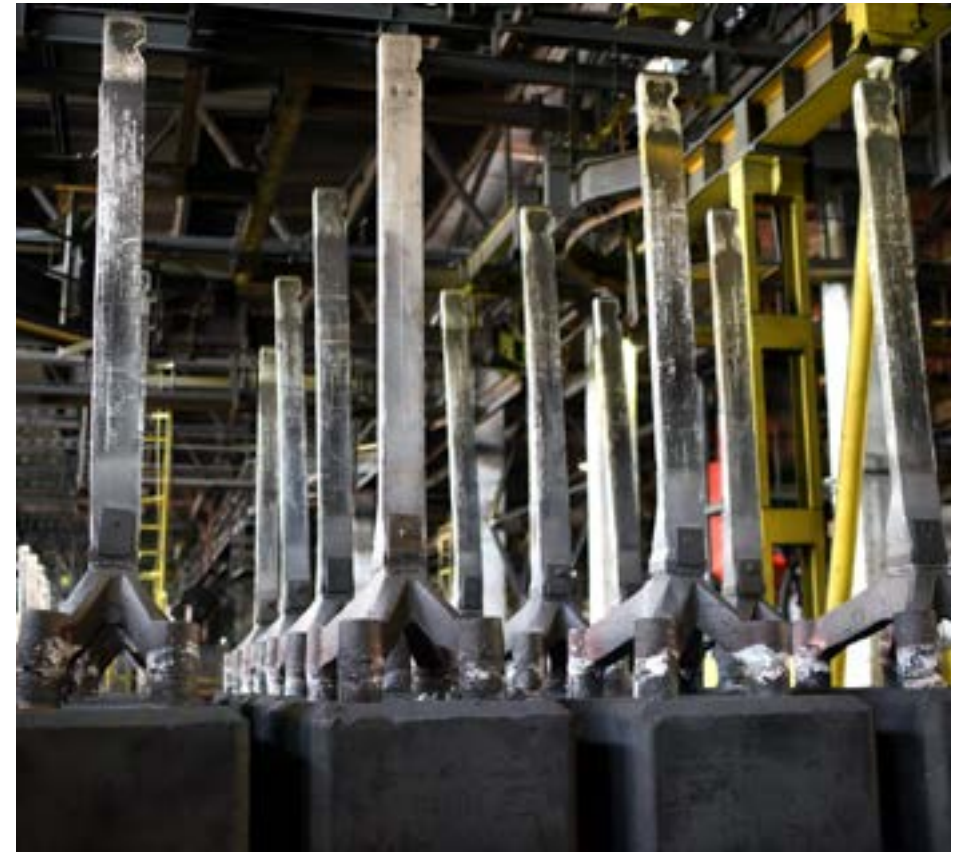
There were no significant incidents associated with hazardous materials and waste management during the reporting year.

GRI 306-3 EM-MM-150a.7

WASTE GENERATED (t)

	2023			2022			2021		
	ALRO	ALUM	VE	ALRO	ALUM	VE	ALRO	ALUM	VE
Total non-hazardous waste generated	75,311 ¹⁰	2,558 ¹¹	8,933 ¹²	78,056	119,505	7,270	81,623	558,719	111,808
Total hazardous waste generated	97.54	0.03 ¹³	683	97.20	2,033	597	75	6.34	616

¹⁰ Of which 34,378.25 tonnes are aluminium waste recycled by the FRP Division at the Eco-Smelter.
¹¹ Red mud, metal, paper, household, biodegradable, limestone, filter material, non-hazardous medical waste.



¹² Plastic packaging, wood, paper and cardboard waste, Al, scrap.
¹³ Caustic soda waste; hazardous packaging waste (spray cans, empty oil drums, hydraulic oil waste).

GRI 306-4 EM-MM-150a.8

RECOVERED WASTE (t)

	2023 ¹⁴			2022 ¹⁵			2021		
	ALRO	ALUM	VE	ALRO	ALUM	VE	ALRO	ALUM	VE
Total non-hazardous waste recovered	37,598	5,540	8,933	36,942	11,196	7,270	75,551	11,980	7,179
Preparation for re-use (on site)	18,485 ¹⁶	3,229 ¹⁷	0	24,704	11,084	0	56,847	11,091	0
Recycling (off-site)	447 ¹⁸	0.2 ¹⁹	8,933	138	2	7,190	319	2	7,117
Other recovery operations (off-site)	18,666	2,311	0	12,100	110	80	18,385	887	62
Total hazardous waste recovered	78.62	0	683	58.84	13.74	597	50	10.63	616
Preparation for re-use (on site)	0	0	0	58.84	0	0	50	0	0
Recycle	0	0	683	0	0	597	0	0	616
Other recovery operations (off-site)	78.62	0	0	0	13.74	0	0	10.63	0

¹⁴ According to the Annual Environmental Report 2023¹⁵ According to the Annual Environmental Report 2022¹⁶ Amount recirculated in stream in ALRO Primary¹⁷ Amount recirculated in stream in ALRO Primary¹⁸ According to Order 794 of 2012. Annual reports on packaging and packaging waste, Annex 1 and 2B¹⁹ According to Order 794 of 2012. Annual reports on packaging and packaging waste, Annex 1 and 2B

GRI 306-5

WASTE DIRECTED TO DISPOSAL (t)

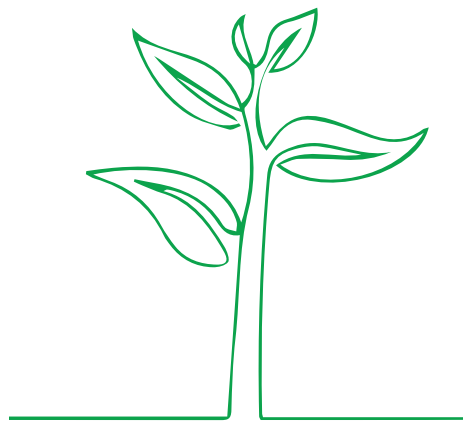
	2023			2022			2021		
	ALRO	ALUM	VE	ALRO	ALUM	VE	ALRO	ALUM	VE
Total non-hazardous waste sent for disposal	3,336	247	106	3,759	108,308	80	6,072	546,739	62.40
Landfilling (on site)	2,474	0	0	2,781	107,978	0	4,594	546,188	0
Landfilling (off-site)	584	0	0	0	0	0	0	0	0
Other disposal operations (off-site)	0	247	106	978	330	80	1,478	551	62.40
Total hazardous waste sent for disposal	18.92	0.028	0	38.36	0.942	0	25.24	0.076	0
Incineration (without energy recovery) (off-site)	0	0.028	0	0.18	0.942	0	0.46	0.076	0
Other disposal operations (off-site) ²⁰	18.92	0	0	38.18	0	0	24.78	0	0

²⁰ Wood waste handed over to the population for their heating needs

7.4. Climate Change and Business Resilience

Climate change and business resilience are crucial issues for our company. We take responsibility for reducing our environmental impact and adapting to climate change. We address these challenges through measures such as reducing greenhouse gas emissions, using renewable energy and developing resilience plans to ensure our business is prepared to face future climate risks.





OBJECTIVES



Green energy

TARGETS



- Domestic electricity production from renewable (solar) sources by 2030.

ACTIONS



defined
in 2022

- Domestic electricity production from renewable sources (solar) by 2030. (ALRO)

PROGRESS in 2023



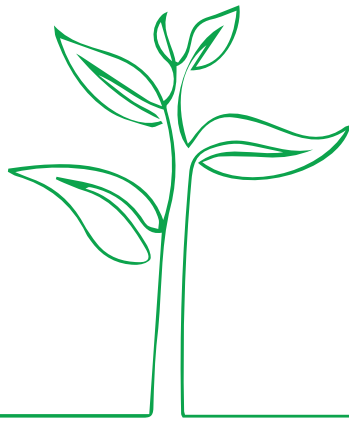
- The projects on “Energy efficiency of ALRO S.A.’s electricity supply” were continued in 2023 by obtaining the necessary approvals and drafting the documentation related to the installation of two photovoltaic parks within ALRO, one of 23.3 MW and the other of 26.9 MW, so that the projects can be submitted for potential grant funding dedicated to large energy consumers and prosumers (ready for construction).
- As a first step towards the autonomous generation of electricity from renewable sources, the design and execution contract for the investment project “Increasing the energy efficiency of the electricity supply system of ALRO S.A. through the installation of a photovoltaic power plant in the ALRO S.A. car park, 116 Pitești Street” was signed. The project consists in the design and installation of a photovoltaic park with an installed power of 1,465 MW on a metal structure of the carport type and two electric charging stations in the ALRO Primar car park, using own funds.

Short-term TARGETS (2024-2025)



- The documentation for the submission of the project has been prepared. The opening of the funding axis from the modernization funds is awaited in order to assess the eligibility conditions.
- The procedure for obtaining the Building Permit for the investment project “Increasing the energy efficiency of the electricity supply system of ALRO S.A. by installing a photovoltaic plant in the parking lot of ALRO S.A., 116 Pitești Street” will be started. (ALRO)





OBJECTIVES



Green energy

TARGETS



ACTIONS



defined
in 2022

- Contracts for the purchase of electricity from renewable sources for up to 15 years.

- Ongoing analysis of the current and potential green energy market with a view to establishing long-term partnerships with renewable electricity producers.

PROGRESS in 2023

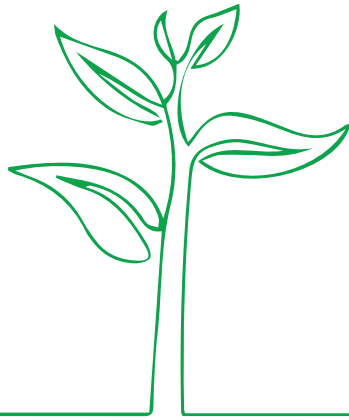


Short-term TARGETS (2024-2025)



- ALRO has signed a contract for consultancy services with AFRY Management Consulting Austria GmbH to support us throughout the entire process of securing long-term renewable energy purchase agreements (PPAs).
- In August, ALRO launched an RfP to potential PPA suppliers. Forty-eight offers were received and only 18 were advanced to the second round of negotiations. In the next round 4 finalists were selected for further discussions and negotiations. The process of contracting a PPA is lengthy and is expected to take several months.

- Ensure predictability of electricity costs. (ALRO)
- Ensuring that at least 30% of own electricity consumption is covered by carbon-neutral sources. (ALRO)



OBJECTIVES



Green energy

TARGETS



- The construction within ALRO of a CCGT plant of an 470 MW by 2027.

ACTIONS

defined in 2022

- Implementation of long-term projects for domestic renewable (solar) and combined cycle gas turbine (CCGT) power generation. (ALRO)

PROGRESS in 2023



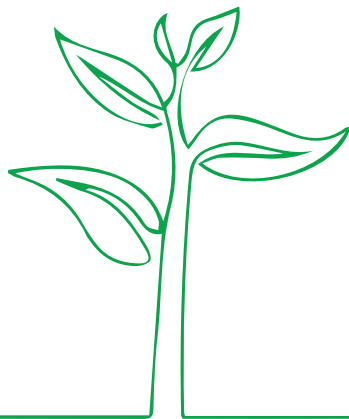
- 470 MW CCGT project:
 - The project has made progress in obtaining the necessary permits and authorizations.
 - To this end, in 2023, the Zoning Urban Plan was approved by the Slatina City Council and the Urban Planning Certificate was issued.
- The procedure for obtaining the Environmental Agreement has been initiated, as well as the procedure for connecting the future power plant to the National Energy Grid (SEN).

Short-term **TARGETS** (2024-2025)



- For the 470 MW CCGT project, the Environmental Agreement procedure and the SEN connection procedure will continue into 2024 so that the project is ready for construction and can be submitted for grant funding when the authorities launch the Modernization Fund – Key Program 2: Coal Replacement and Grid Balancing – Support for the construction of combined cycle gas turbine power plants that can run on hydrogen, necessary to achieve the transition from coal and gas to grid balancing.





OBJECTIVES



Green energy

TARGETS



- Development, design, construction, connection, ownership, operation, operation and maintenance of an 850 MW Combined Cycle Natural Gas Turbine (CCGT) power plant in Isalnita.

ACTIONS

defined
in 2022

- Development, design, construction, connection, ownership, operation, operation and maintenance of an 850 MW combined cycle gas turbine (CCGT) in Isalnita.

PROGRESS in 2023



- In September 2023, CCGT Power Isalnita S.A. was registered (SPV – “Special Purpose Vehicle”), following the signing of the shareholders’ agreement and articles of association. The shares are divided between ALRO S.A., holding 40.1% of the shares, and Complexul Energetic Oltenia, holding 59.9% of the shares. The new CCGT will be developed by SPV and will have a total installed capacity of 850 MW, representing an improvement in the energy efficiency of the power systems, including by reducing CO2 emissions. Under the contract for consultancy services (Owner’s Engineer) signed in 2023, SPV will benefit from support from a company specialised in the implementation of such projects. In particular, the Owner’s Engineer will represent the SPV in all actions and will coordinate the implementation in three phases:
 - Preparation of tender documents for Design, Procurement and Construction (EPC), EPC contract award documents and conclusion of a turnkey contract;
 - Monitoring and coordination of construction, installation and commissioning works, and
 - Consultancy services during the warranty period of the power plant.
- The project is in the first of three phases, i.e. the tender documents have been prepared by the owner’s engineer and reviewed by joint ALRO S.A. and CEO teams.

Short-term TARGETS (2024-2025)



- For the 850 MW CCGT project, in 2024, the EPC tender documentation must be approved by the SPV company and will be uploaded to the dedicated Public Procurement application (SICAP). The next project implementation activities are scheduled to take place in 2024:
 - Analysis/verification of submitted bids;
 - The EPC Contractor procurement and selection process;
 - Sign the contract with the successful bidder;
 - Preparation of technical documentation.



Explaining the material topic

In the materiality analysis for the reporting year 2023, at Group level, the material aspect on “Climate change and business resilience” has been differentiated from the separate material aspect “Optimal resource management”. In this sense, energy supply is a prerequisite to reduce the climate impact of activities and to ensure business resilience to climate change, the two aspects have been addressed separately due to their complexity.

Under the ‘Climate Change and Business Resilience’ material aspect we have been looking at reporting our performance on our carbon footprint and reporting on how we manage climate risks.

Managing the material topic

GRI 2-27 GRI 3-3

Greenhouse gas emissions are constantly monitored for **ALRO**, as the company has the most greenhouse gas intensive activity in the entire Group.

The main source of greenhouse gases is the production of baked anode through the use of packaging material (calcined petroleum coke) and the process of coating raw anode made from coke and pitch in baking ovens. If the electrolytic bath has a very low alumina content, perfluorinated and polyfluorinated chemicals are generated as a result of the production of anode effects, which are manifested by an increase in vat tension. Other major greenhouse gas generating processes include the thermal decomposition of calcined soda ash, which generates carbon dioxide emissions.

The greenhouse gas monitoring methodology used in previous years has been maintained, with monitoring being carried out individually for each stream, by calculating fuel combustion and mass calculation for raw materials and materials, following the procedures and guidelines established by the certified Integrated Management System and the legislative provisions in force.²¹

²¹ Commission Implementing Regulation (EU) 2020/2085 of 14 December 2020 amending and correcting Implementing Regulation (EU) 2018/2066 on monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council.



Thus, the calculation of greenhouse gas emissions is done on two streams: for CO₂ from natural gas flaring and for other greenhouse gas emissions from technological processes.

For the calculation of CO₂ emissions from the fossil fuel combustion stream are used: normalized volumes of natural gas used by the company (recorded by the company's meters) and the results of determinations for weekly gas samples (lower and upper calorific value, density and methane content, determined by an accredited laboratory).

The determination of process emissions is based on EN-19694-4 Stationary source emissions – Determination of greenhouse gas (GHG) emissions in energy-intensive industries – Part 4: Aluminium industry. Inputs for this determination are activity data measured using weighing platforms and microcomputers, and the equipment used is metrologically verified. More information on monitoring energy consumption can be found in section **7.1 Optimal Resource Management**.

In addition to this methodology, which is used to meet the legal obligations required for reporting to authorities, the process of calculating ALRO's emissions according to the Corporate Standard of the Greenhouse Gas Protocol (GHG Protocol) has started in 2023. Thus, direct (Scope 1) and indirect (Scope 2 and limited Scope 3) emissions were calculated. This calculation was done in preparation for a future commitment to set registered decarbonization targets in the SBTi (Science-Based Targets Initiative) scheme.

The same consumption data as for the other calculation are used for the calculation of Scope 1 and Scope 2, however, the calculation method according to the EU ETS directive has a different composition and other values involved, given that the GHG Protocol uses emission factors from the databases of the software used for CCF or LCA, so some of a general nature, while the methodology calculation based on EU TES Directives is very technical and rigorous, with weekly qualitative determinations as well as quantitative records results from material balances verified year by year by verifiers external accredited based on COM regulations.

The Scope 3 corporate carbon footprint includes indirect emissions associated with upstream and downstream activities in the company's value chain.

At **ALRO**, we evaluate the performance of the emissions management system in accordance with the requirements of the Integrated Environmental Permit and the Greenhouse Gas Emissions Permit.

In addition, adequate monitoring is also ensured through reporting to the authorities: Emission Monitoring Results Report (monthly and annually), Greenhouse Gas Monitoring Report (annually, verified by the accredited auditor), Activity Level Report (annually, verified by the accredited auditor). These reports are part of the legal obligations for operators participating in the EU Emissions Trading Scheme (EU-ETS) and are centralised in the single EU registry managed by the European Commission in order to accurately monitor and account for all allowances issued under the scheme.

At the same time, in 2023 the process of uploading the Greenhouse Gas Emission Permit No. 90 for the Headquarters and the Monitoring Plan on the EU ETS – Declare platform was completed. This platform is intended to allow representatives of the Directorate-General for CLIMA (of the European Commission) to monitor and verify greenhouse gas emissions.

In addition to these reports that are subject to verification by the authorities, ALRO carries out a series of audits that allow us to assess the effectiveness of the emissions management system. In 2023, 2 internal audits and 8 external audits (4 pre-audits and 4 audits) were carried out on the management of greenhouse gas emissions. The internal audits are carried out by certified personnel, which aimed at compliance with legal obligations, permit provisions and ISO 14001 requirements; the external audits are carried out by the accredited body SRAC Cert and are closely related to the audit of the energy management system according to ISO 50001.



Within **ALUM** the main source of greenhouse gases is alumina production through natural gas combustion processes. Monitoring of greenhouse gas emissions is carried out through a continuous monitoring system for stationary source emissions calculations based on current legislation²² and the internal operational procedure “Monitoring and reporting of greenhouse gas emissions”.

At the same time, annual reports on the greenhouse gas emission inventory and activity level in the EU-ETS installation are made, verified by accredited bodies and subsequently submitted to the National Agency for Environmental Protection.

In order to validate the annual CO₂ emissions, for the year 2023, ALUM has prepared two GHG emissions reports, verified by a certified auditor in an annual external audit, namely the GHG Emissions Monitoring Report 2023 and the Activity Level Report 2022-2023. The GHG emissions monitoring reports as well as the activity level reports validated by the external verifier are submitted to the National Environmental Protection Authority and then uploaded to the COM platform.

In order to reduce greenhouse gas emissions, in addition to the actions implemented to reduce energy consumption, presented in section **7.1 Optimal Resource Management**, we are also focusing on increasing the amount of renewable energy used. Thus, to support this target at Group level, we are channelling our actions in two main directions:

- investment in the development and implementation of long-term projects for domestic renewable energy production
- establishing long-term partnerships with renewable electricity producers.

At the **VE** level, the main direct source of greenhouse gases is the extrusion process, but the values are low and within the limits allowed by law.

²² idem 21



Renewable energy is currently being used within ALRO by purchasing electricity from national suppliers. Data on the energy mix and reporting on the company's consumption needs for 2023 will be available at the end of July 2024. In 2022, renewable energy accounted for 48.31% of the company's total consumption and energy from Low Carbon sources (nuclear energy) was 16.43%.

We are pursuing the development of electricity supply from renewable sources, and for this reason in 2023 we launched a call for tenders for a new power purchase agreement (PPA) at ALRO, which resulted in 48 offers, of which 18 were advanced to the second phase of negotiations. In the next phase 4 finalists were selected for further discussions and negotiations.

ESRS E1-9

At the same time, in line with the commitment stated in the previous sustainability report and in line with the eligibility of the primary aluminium and secondary aluminium manufacturing activities according to the EU Taxonomy, a climate risk and opportunity analysis was carried out for **ALRO**, taking into account the TCFD recommendations.

Based on this analysis, climate risks will be included in the company's overall risk management process, including the same governance

process as for any other risk category. In this way we aim to integrate the aspect of climate change adaptation into business management at company level.

The climate risk assessment was based on the analysis of short (2025), medium (2030) and long (2035) term scenarios. Climate scenarios from the series were used:

- SSP (Shared Socioeconomic Pathways) developed by the IPCC (Intergovernmental Panel on Climate Change) in its Sixth Assessment Report on Climate Change;
- RCP (Representative Concentration Pathway) developed by the IPCC in its Fifth Assessment Report on Climate Change;
- Scenarios developed by NGFS (Network for Greening the Financial System).

The choice of parameters to be analysed for each risk and the choice of climate scenarios took into account the availability of information and the provisions of sustainability reporting standards:

- at least a high-emissions climate scenario for physical risks;
- at least one climate scenario in line with limiting global warming to a maximum of 1.5°C for transition risks.

By analysing the climate scenarios, it was possible to define potential impacts for the identified risks, on the basis of which the assessment was carried out according to ALRO's internal risk management procedure.



Performance in figures

For all carbon footprint calculations, the operational control with respect to the consolidation approach is used.

ALRO still has one of the lowest anode effect rates in the industry: 0.012 AE/cow/day in 2022 and 0.008 EA/cow/day in 2023.

GRI 305-1

Direct emissions (Scope 1) – ALRO²³

	2023	2022	2021
Total GHG Scope 1 (tCO₂e)	174,468	180,412	419,757
of which CO ₂ (carbon dioxide) (tCO ₂ e)	173,655	179,149	416,381
of which PFCs (tCO ₂ e)	813	1,263	3,376
SF ₆ (Sulphur hexafluoride) (kg)	1,059	1,059	1,059

²³ ALRO operates in accordance with:

- Commission Implementing Regulation (EU) 2020/2085 amending and correcting Commission Implementing Regulation (EU) 2018/2066 on monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council;
 - Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Regulation (EU) No 601/2012 of the Commission.
- GHG emissions are calculated annually and are verified and approved by an external authority accredited in accordance with Commission Implementing Regulation (EU) 2020/2084 amending and correcting Commission Implementing Regulation (EU) 2018/2067 on verification of data and accreditation of verifiers, pursuant to Directive 2003/87/EC of the European Parliament and of the Council and ISO 14066 Greenhouse gases – Competence requirements for greenhouse gas validation teams and verification teams.
- Data as per the Greenhouse Gas Emissions Monitoring Report for the year 2023 – SRAC Cert. Calculation formula used: Stream 1 (natural gas) + Stream 2 (packaging material) + Stream 3 (baked anodes) + Stream 4 (calcined soda) + Stream 5 (baked anodes) + Stream 6 (PFC).
- GWP CF4 = 6630 – global warming potential of CF4 (as per Regulation 2020/2085).
- GWP C2F6 = 11100 – global warming potential of C2F6 (as per Regulation 2020/2085).

Thus, through the implementation of measures to reduce resource consumption (*presented in section 7.1*), those aimed at increasing the use of renewable energy sources and the reduction of activity by shutting down certain electrolysis plants, a reduction in total direct emissions (Scope 1) of 3.3% (5,944 tonnes of GHG) can be observed in the reporting year compared to the previous year.



Direct emissions (Scope 1) – ALUM²⁴

	2023	2022	2021
Total GES Scope 1 (tCO₂e)	54	65,752	261,745
of which CO ₂ (carbon dioxide) (tCO ₂ e)	54	65,752	261,745

²⁴ For the year 2023, data is reported according to the GHG Emissions Monitoring Report for the year 2023. Tonnes CO₂ emitted = methane gas consumption (Nm₃) x net calorific value (MJ/Nm₃) x FE (t/TJ) x FO. The source of CO₂ emissions is the natural gas burned in power boilers for steam production and in furnaces for the calcination of aluminium hydroxide. The emission factor used is 56.08 tCO₂/TJ, and the oxidation factor is 1, according to EU Regulation no. 2066/2018. The net calorific value is 37.254 MJ/Nm₃.

The significant reduction in direct emissions from **ALUM** activity resulted from the cessation of alumina production in 2023.

At the same time, the process of calculating the carbon footprint for **VEs** has started from 2023 and will be monitored in parallel with the carbon footprints of other companies.

Direct emissions (Scope 1) – VE²⁵

	2023
Total GES Scope 1 (tCO₂e)	3,430
of which CO ₂ (carbon dioxide) (tCO ₂ e)	3,430



²⁵ VE uses a tool – recognized ASI-GHG Emission Calculation and the emission factors used are taken from the databases UK DEFRA și EPA – "Emission Factors for Greenhouse Gas Inventories" from 2019 and 2018 respectively. For Scope 1 calculation, the direct emissions CH₄ and NO₂ are not material.

GRI 305-2

INDIRECT EMISSIONS (SCOPE 2)

	2023			2022			2021		
	ALRO	ALUM	VE	ALRO	ALUM	VE	ALRO	ALUM	VE
Total GES Scope 2 (tCO₂)	141,965²⁶	896²⁷	4,048²⁸	246,369	10,814	–	741,847	30,894	–

²⁶ The value is market-based and is calculated using the ALRO energy label for 2022. Scope 2 value using the country emission factor of 223.25 g/kwh (location-based) is 221,573 tCO₂.

²⁷ For the calculation of the indirect emissions indicator Scope 2 at ALUM, the location-based emission factor was used.

²⁸ VE uses a tool – recognized ASI-GHG Emission Calculation and the emission factors used are taken from the databases UK DEFRA și EPA – “Emission Factors for Greenhouse Gas Inventories” from 2019 and 2018 respectively. For Scope 2 calculation, the direct emissions CH₄ and NO₂ are not material.

In the case of ALRO’s indirect Scope 2 emissions, they were reduced by 46.5% (tonnes GHG) compared to 2022, following the implementation of measures to increase the use of energy from renewable sources and decrease electrolysis activity in the reporting year.

With the cessation of alumina production, ALUM’s indirect Scope 2 emissions decreased significantly in 2023 as purchased electricity is used in non-production and administrative activities.

GRI 305-4

GHG emissions intensity

	2023	2022	2021
ALRO²⁹ (tCO₂e/t aluminium)	5,6296	5,789	6,586
ALUM³⁰ (tCO₂e/t alumina)	0	0,593	0,555

²⁹ The data has been updated in accordance with the requirements of ASI Standards version 3/2022. The energy label used is the one in the ANRE report of December 2023. These values will be adjusted according to the specific CO₂ emission (kg/MWh) that will be included in ALRO’s own energy label.

³⁰ For ALUM: cessation of alumina production in year 2023 resulted in 0 emission intensity value; value for year 2022, CO₂ eq = tonnes CO₂ emitted in reporting year/tonne calcined alumina produced in reporting year.

Specific GHG emissions associated with aluminium produced by electrolysis

	2023	2022	2021
ALRO³¹ (tCO₂e/t aluminium)	1.527	1.39	1,57

³¹ Calculated according to the technical criteria laid down in the Delegated Act 2139/2021 for the implementation of EU Regulation 852/2020. Previously reported data have been updated accordingly.





GRI 2-27 ESRS E1-9

The climate risk analysis was carried out for ALRO S.A., due to the eligibility of the activities of primary aluminium production (by alumina electrolysis) and secondary aluminium production (by recycling aluminium waste), according to the Climate Delegated Act no. 2139/2021.

Climate change risks are addressed within the Risk Management System, a component of the Integrated Management System (IMS). By integrating the climate risk analysis process into the overall Risk Management System implemented at ALRO level, this process becomes part of a mature and effective centralised risk management system at company level. Thus, climate change adaptation becomes an integrated part of ALRO's business development.

The following climate risks and opportunities have been identified as a result of the analysis:



CATEGORIES	TERM			RISK NAME	ACTIVITY/PROCESS POTENTIALLY IMPACTED						DEGREE OF RISK ³²
	Short	Medium	Long		Operational	Financial	Commercial	Reputational	Legal	EN	
Market transition risks	x	x	x	Rising electricity prices	x	x	x	x	x		● raised
	x	x	x	Rising natural gas prices	x	x	x	x	x		● medium
			x	Rising insurance prices		x	x				● low
		x	x	Increasing competitiveness in the market for sustainable products	x	x	x	x			● medium
Legal transition risks	x	x		Strengthening non-financial reporting obligations	x	x	x	x	x	x	● medium
		x	x	Enhanced obligations under the EU-ETS Directive	x	x	x	x	x	x	● raised
			x	Enhanced obligations under the CBAM Directive	x	x	x	x	x	x	● raised
Technological transition risks		x	x	Transition to decarbonised manufacturing technologies	x	x	x		x	x	● medium
Chronic physical risks		x	x	Change in air temperature, Thermal stress, Change in precipitation patterns, Hydric stress	x	x					● low
Acute physical risks	x		x	Heat waves, Cold waves/germs, Floods, Vegetation fires	x	x	x				● low

³² Following the analysis of the climate risks, they have been classified for the purpose of this report in the categories: low, medium, high, taking into account the severity of the impact (magnitude) and the likelihood of occurrence, conditions aligned to the specific ALRO activity.



The choice of climate scenarios took into account the selection of at least one high-emission climate scenario for physical risks and at least one low-emission climate scenario consistent with limiting global warming to a maximum of 1.5°C for transition risks.

SCENARIO TYPE	SCENARIO NAME	DEVELOPER
 Increased emissions	SSP5-8.5	IPCC
	RCP 8.5	
	Current Policies (CP)	NGFS
 Moderate emissions	SSP2-4.5	IPCC
	SSP3-7.0	
	CPR4.5	NGFS
 Low emissions	Nationally Determined Contributions (NDCs)	NGFS
	SSP1-2.6	IPCC
	CPR2.6	
	Net Zero 2050 (NZ50)	NGFS

Following the analysis of the climate scenarios for the presentation of potential physical risk developments, they were classified **as minor risks**, taking into account the specifics of the activity and the measures already implemented. In this respect, it is not considered that the economic performance of the activities and equipment may be affected during their lifetime.

In the case of transitional climate risks, these were assessed by analysing climate scenarios for specific risks of interest and **the impacts of all identified risks were aligned to the processes and activities carried out by the company.**

Rising prices of utilities such as electricity and natural gas are risks of interest to our business, and these have already been taken into account in the risk analyses already carried out as part of the integrated management system.

In this regard, according to the analysis of climate scenarios, the annual unit prices of electricity show fluctuations in the short, medium, and long term. Thus, the unit price in 2035 may decrease by 1.78%, reaching 0.0987 USD/KWh compared to the reference price of 0.1005 USD/KWh recorded in 2021, in the Current Policies scenario. At the same time, the highest price increase is 13.58% in the Net Zero 2050 scenario, reaching 0.1141 USD/KWh.



In the case of natural gas, the largest potential price increase was determined in the medium term, with prices in 2030 potentially reaching USD 0.4483/mc in the Net Zero 2050 scenario, which represents an increase of 20.30% compared to USD 0.3726/mc in the reference year 2021.

In the long term, there may be a slight decrease compared to the base year for the Nationally Determined Contributions scenario.

Two climate opportunities have also been identified:

- **Chronic physical opportunity:** Increased availability of wind energy due to the trend of increasing annual average wind speed in the medium to long term under the NDC and NZ50 scenarios.
- **Legal Transition Opportunity:** Increase the available quantities of aluminium packaging waste, which relates to the easy recovery of these quantities from the municipal waste stream. This process is supported by legislative mechanisms dedicated to the implementation of extended producer responsibility, namely: increasing the progressive recycling target for aluminium packaging to 60% in 2030 from 30% in 2023, set by Law 249/2015 (transposing the Packaging Directive 94/62/EC), and the implementation of the Return Guarantee System at national level from 2023 onwards, by Resolution 1074/2021.

In the context of developing sustainability performance and sustainable business development, ALRO is implementing a series of cross-cutting measures that support not only climate change adaptation, but also mitigation of environmental impacts, increased operational performance, legal compliance and maintaining high competitiveness.

Most cross-cutting measures aim at optimising consumption, while addressing the risks related to increasing electricity and natural gas supply costs and the risks related to meeting decarbonization targets. Thus, all actions (implemented and planned) presented in the sustainability report contribute to our resilience to climate change.

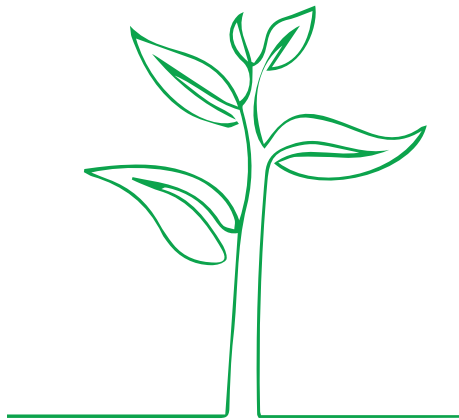


7.5.

Water and Effluent Management

Water is a particularly important resource for ALRO's activities, being indispensable for production processes. At the same time, all Group companies ensure efficient management of wastewater generated in order to reduce environmental impact. At the same time, we invest in recirculation and consumption efficiency methods to reduce the consumption of this very important resource.





OBJECTIVES



Keep water consumption low

TARGETS



- Achieve a water recycling rate of over 80%.

ACTIONS



defined in 2022

- Implementation of water efficiency projects.
- Development and implementation of technical measures to increase the degree of recirculation of industrial water.
- Continue to assure that wastewater effluent parameters are in line with quality standards as required by legislation.

PROGRESS in 2023



- For the water main replacement project, all permits and authorizations have been issued, except for the Forestry Guard, and landowner approval has been obtained. The procedure for obtaining the Forestry Guard permit has been initiated and the documentation has been submitted (ALRO).
- In order to prepare the necessary documents for the promotion and approval of the project "Improvement of the energy efficiency of the Repair and Spare Parts Section (SRPS) by upgrading the induction furnace and installation of a cooling/water recirculation system", discussions with potential bidders have been started in order to identify optimal solutions that can be adapted to the existing process in ALRO.

Short-term TARGETS (2024-2025)



- Forest Guard approval to be issued in 2024, and industrial water pipeline replacement scheduled for 2024. (ALRO)
- Continuing our commitment to reduce the impact of our operations on the environment and community, ALRO will initiate the implementation of an industrial water recirculation plant in the Repair and Spare Parts Section to reduce the amount of water used in the cooling system and increase water recirculation.
- Approval of the project "Improving the energy efficiency of the Repair and Spare Parts Section (SRPS) by upgrading the induction furnace and installing a cooling/water recirculation system". (ALRO)
- Solicitation of binding bids, preparation of technical analysis of bids received, contracting of equipment and commissioning of the project during 2024. (ALRO)
- Continue actions to increase the safety of water supply installations and the degree of water recirculation in technological processes. (ALUM)
- Implementation of a measure to collect rainwater from the platform as a source of water for wetting the slurry pond (after resumption of alumina production). (ALUM)
- Starting in 2025, cooling water will be fully recirculated in the Repair and Spare Parts Section. (ALRO)



Explaining the material topic

Water is an indispensable and essential resource for the Group's activities, being used for industrial, drinking and domestic purposes. Thus, the correct management of water consumption and the provision of adequate supplies is a prerequisite for carrying out the activity in optimal conditions. At the same time, compliance with the quality standards of the wastewater discharged is a necessary condition for ensuring legal compliance.

Managing the material topic

GRI 3-3 GRI 303-1 GRI 303-2

The largest water consumer at Group level is ALRO, which is supplied with water from the surface source of the Olt River and from underground sources.

For the 116 Pitești Street site, the water households consist of:

- **The drinking water supply (extracted from underground) consists of:** ten deep boreholes, two 100 m³ and 400 m³ buried reception tanks, a chlorination station, a network water pumping station, a water tower and a network of underground metal pipes for distribution;
- **The industrial water supply (from the surface source) consists of:** two supply intakes (Lake Arcești intake and a temporary intake on Lake Slatina), treatment and pumping plant (equipped with desander, decanters, tanks and pumping station), 10,000 m³ semi-buried reservoir, four underground tanks of 500 m³ each, water tower and a network of underground metal pipes for distribution. The water tower contains at least 1,000 m³ of intangible fire reserve at all times.

For the 1 Milcov Street site, the water households consist of:

- **Drinking water supply:** four deep boreholes, two underground storage tanks of 200 m³ each, one above ground tank of 1,000 m³, water chlorination station, pumping station and underground distribution network;
- **Industrial waterworks:** four medium-depth boreholes, catchment front on the left bank of the Milcov stream, four underground tanks of 400 m³ each for fire-fighting, one underground basin of 200 m³, two pumping groups, cooling system, demineralization station and underground distribution network.

Technological wastewater generated on the site at 116 Pitești Street comes from the flushing of recirculated water household installations, cooling water from installations, anode or flue gas, washing water, water resulting from the domestic and sanitary circuit and rainwater resulting from the washing of external platforms following rainfall.

The system for the management of technological and storm wastewater consists of:

- common underground collection network;
- final concrete tube sewer with discharge into the Howling Valley (Milcov stream) equipped with flow meter;
- pH meter;
- automation installations.

The domestic wastewater management system consists of:

- collection network of concrete tubes;
- underground pumping station;
- final discharge connection into the municipal sewer.



The wastewater management system at the head office site is also equipped with a number of treatment and pretreatment facilities: three hydrocarbon separators, grease separator, final mechanical treatment stage equipped with a decanter-separator, floating filter to retain the residues and residue recovery tanks. The waste water disposal at the premises in 1 Milcov Street is carried out by the internal sewage system, which is equipped with a pumping system and a treatment system consisting of an emulsion filter and two settling tanks. Domestic and technological wastewater is discharged into the city sewage network, and stormwater is collected from the platform and discharged into the Milcov stream through the designated connection. In addition, the demineralised water required for the technological process is provided by a closed circuit recirculation station.

The physico-chemical indicators monitored to assess the quality of the industrial water resulting from ALRO's activity are: pH, fluorides, aluminium, chlorides, CCOCr, filterable residues at 105 °C, suspensions, substances extractable with organic solvents. The indicators monitored for domestic water are: pH, CCOCr, CCOMn, BOD₅ and ammonia nitrogen.

In order to manage water consumption efficiently, water recirculation measures are applied in all ALRO production divisions. At the same time, pumping stations at the surface source are equipped with frequency converters that adjust the speed of the pumps according to the water demand, thus reducing the amount of wastewater discharged. In order to reduce the amount of water used in the cooling system and increase the water circulation rate, from 2025 onwards, cooling water will be fully recirculated in the Repair and Production Units.

At the same time, **ALRO** has calculated the Water Stress Index (WSI) value for the Olt river basin in accordance with the European Aluminium organization rules. This index is defined as the ratio of total water use to water availability. The specific result is 0.0689, which is classified as a minor impact on the river basin.



At **ALUM**, under normal operating conditions, the main process for which water is used is the production of alumina through steam generation (except for the calcination process) and for cooling the plant. Industrial water is supplied from surface sources (Danube River – Tulcea arm), from a “pocket” type basin in which a pumping station is located. Efficient water management is achieved through a program of actions to reduce water consumption and a self-monitoring program of effluent quality.

Thus, under normal operating conditions, this results in: technological wastewater, rainwater and domestic water. Technological wastewater is treated by the neutralization plant before being discharged into the Danube, while domestic wastewater is discharged into the municipal network and rainwater is discharged into the Somova gorge.

In 2023, due to the cessation of alumina production activity, no technological wastewater was generated and no water was consumed for industrial purposes, except for water used for wetting the slurry pit to prevent dust emissions into the atmosphere.

Water supply and sewerage service within the **VE** is provided by ALRO, with water used for drinking and industrial purposes (including softened water). The highest consumption is for industrial water, which is recirculated throughout all technological processes.

We ensure the quality of drinking water extracted from underground sources through physico-chemical and microbiological tests, carried out in accordance with water management permits. In the case of wastewater, we ensure that it complies with the quality standards NTPA-001 for wastewater discharged into natural receptacles and NTPA-002 for wastewater discharged into municipal sewage networks. We ensure these quality standards through regular physico-chemical analyses, carried out by laboratories accredited according to ISO 17025 and RENAR and certified according to the legal provisions in force. Water quality monitoring is carried out in accordance with the requirements of water management and environmental permits, and analysis reports are reported to the competent environmental authorities.

Any situation that may affect water quality (including groundwater) is reported immediately to the Water Management Authority.

Within **ALRO** the analysis bulletins related to the quality of discharged water and groundwater are sent to the Olt Water Management System and the Olt Water Basin Administration.

In ALRO's Primary Aluminium Division, wastewater parameters are tested daily by the in-house laboratory and monthly analyses are performed in an external ISO 17025 accredited laboratory. For the ALRO Processed Aluminium Division, wastewater quality is analysed every two weeks by the in-house laboratory and monthly by an external accredited laboratory.

Domestic water is monitored in the internal laboratory (daily for the Primary Aluminium Division and weekly for the Processed Aluminium Division) and monthly by the OLT Water Company.

Groundwater is analysed quarterly by our laboratory and semi-annually by an externally accredited laboratory.

The results of the measurements shall be reported in an appropriate form to the competent environmental protection authorities, thereby verifying compliance with the authorised operating conditions and the emission limit values set.

For **ALUM**, the evaluation of the efficiency of the water management system is carried out under normal operating conditions by tracking water consumption per tonne of alumina, with an annual assessment of water efficiency included in management's analysis. Due to operational conditions in 2023, monitoring activities only included testing of domestic wastewater quality as required by the permits held.

In order to avoid any potential negative impact that could result from the management of water resources on any of our sites, we implement strict procedures and measures to maintain the integrity of the water management, update and properly implement the Accidental Pollution Prevention and Control Plan, including supporting the work of the Accidental Pollution Response Team. The implementation of all these measures significantly reduces the likelihood of soil and groundwater contamination with pollutants (such as petroleum products or fluoride) following an accidental spill. However, natural hazards or emergency situations could lead to degradation of the integrity of water households, resulting in accidental pollution.

In the case of **VT** and **CONEF** no water consumption is recorded.





Performance in figures

In 2023, within **ALRO**, water extracted for industrial purposes from surface sources was 1,415 million litres (2022: 1,829 million litres), and water extracted from underground sources, was 522 million litres (2022: 537 million litres), specifically 365 million litres were for primary aluminium production and 157 million litres for processed aluminium production.

In the case of **ALUM**, in 2023, the total water discharge was 13.12 million litres (compared to 1,114 million litres in 2022). This difference is due to the cessation of alumina production activity.

For **VE**, in 2023, industrial water totalled 6.66 million litres (2022: 6.09 million litres) and drinking water totalled 2.95 million litres (2022: 2.46 million litres).

Within ALRO, a water recirculation rate of 81.7% was achieved in the reporting year, totalling 8,647,127 m³, and within VE the recirculated water totalled 6,659 m³.



GRI 303-3

WATER EXTRACTED BY SOURCE (ML)	2023			2022			2021		
	ALRO	ALUM	VE	ALRO	ALUM	VE	ALRO	ALUM	VE
Total water extracted	1,937	390	9.6	2,366	1,129	8.55	3,027	2,932	10
of which surface water	1,415	376	0	1,829	1,129	0	2,386	2,932	0
of which groundwater	522	0	0	537	0	0	641	0	0
of which water from third party sources	0	14	9.6	0	0	8.55	0	0	10

GRI 303-4

WATER DISCHARGED BY DESTINATION (ML)	2023			2022			2021		
	ALRO	ALUM	VE	ALRO	ALUM	VE	ALRO	ALUM	VE
Total water discharged	1,391.18	13.12	3.0	2,097	1,114	2.46	2,680	2,593	1.90
of which surface water	1,092.63	11.63	0.0	1,804	1,114	0	2,385	2,593	0
of which groundwater	298,55	0	0.0	293	0	0	295	0	0
of which to third parties	0	1.49	3.0	0	0	2.46	0	0	1.90

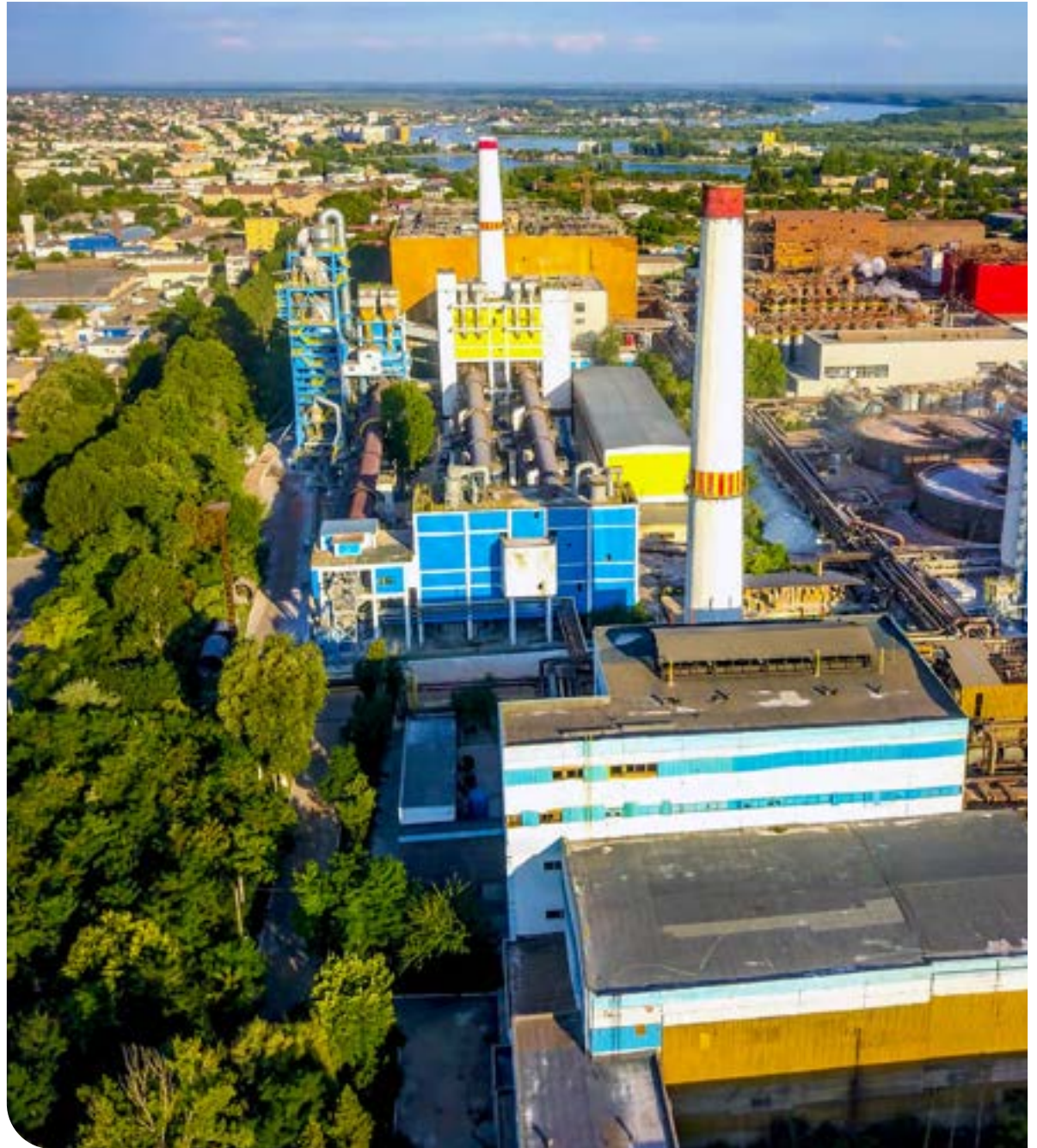
GRI 303-5

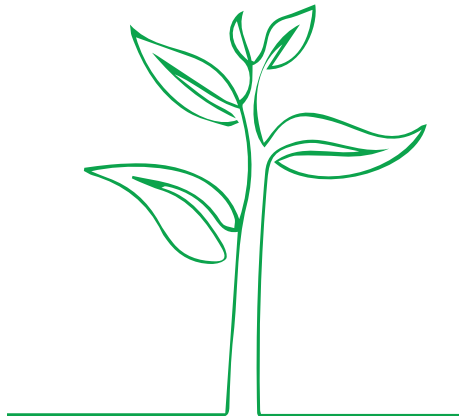
WATER CONSUMPTION (ML)	2023			2022			2021		
	ALRO	ALUM	VE	ALRO	ALUM	VE	ALRO	ALUM	VE
Total water consumed	545.82	376.88	6.6	269	15	6.09	347	339	8.10



7.6. Biodiversity and ecosystems

Projects in the aluminium industry can impact on natural habitats, affecting animal and plant species. These sectors are important users of natural resources and proper management of impacts on biodiversity and ecosystems has an important role to play in protecting sensitive sites and minimising potential ecological disturbance.





OBJECTIVES



Zero biodiversity incidents

TARGETS



- Zero environmental incidents by 2024. (ALRO & ALUM)

ACTIONS



defined in 2022

- Maintain the continued integrity and security of the slurry pit to avoid potential negative impacts on biodiversity and reduce environmental impacts. (ALUM)
- Continue to implement measures to maintain the integrity and security of the slurry depot to avoid the occurrence of accidents that could have an impact on biodiversity and to reduce environmental impacts.

PROGRESS
in 2023



- Further implementation of the requirements of the ASI Performance Standard V3, which includes provisions to monitor and reduce impacts on biodiversity. (ALRO)
- The consolidation work on the dams at the slurry ponds has been completed. (ALUM)

Short-term
TARGETS
(2024-2025)



- Continue monitoring and mitigation of impacts on biodiversity as required by the ASI Performance Standard. (ALRO)
- Continuation of the monitoring of the performance of the dams in order to keep the slurry ponds in a safe condition as required by the regulatory acts. (ALUM)



Explaining the material topic

Biodiversity conservation is an important material issue for the industry in which we operate. We therefore aim to properly analyse biodiversity in the area of our sites so that we can identify and reduce any negative impacts that may be generated by our activity early on.

Managing the material topic

GRI 3-3 GRI 304-2 GRI 304-3 ESRS E4 SBM-3 IRO-1

There are two main ways in which we ensure the reduction of negative impacts on biodiversity: specific assessments and compliance with environmental protection requirements as laid down in legislation.

Thus, the measures and actions we implement to monitor and keep industrial emissions and wastewater quality within permitted limits are some of the cross-cutting measures that also contribute to biodiversity protection.

Thus, monitoring and reporting on the quality of the indicators mentioned in the regulatory acts, and tracking the values within the required limits helps to reduce the disturbance of natural ecological conditions.

In addition to these measures, we have ensured that we have properly assessed the potential impacts on biodiversity related to the activity at our sites in Slatina and Tulcea.

These assessments were carried out for each operational site and included identification of associated risks, presentation of measures taken to mitigate impacts and description of monitoring and reporting practices.

As far as the operational sites in Slatina are concerned, **ALRO**'s head office is located at a distance of 4,497 m from the boundaries of the Lower Olt Valley Site (ROSPA0106).

Investments on the ALRO site have an insignificant, temporary and reversible impact on Natura 2000 sites.

With the achievement of ASI Performance Standard V3 Certification for its Slatina operations, it has ensured that the criteria of principle "8. Biodiversity and Ecosystem Services". Thus, a Biodiversity and

Ecosystem Services Risk and Impact Assessment was conducted, which resulted in a negligible impact on biodiversity adjacent to ALRO sites.

Another comprehensive analysis carried out for ALRO's operational sites in Slatina was the assessment of compliance with the Do No Significant Harm (DNSH) principle in line with the Commission Communication – Technical Guidance on the application of the "Do No Significant Harm" principle under the Recovery and Resilience Mechanism Regulation (2021/C 58/01) and the Commission Delegated Regulation (EU) (C (2021) 2800/3), under the Taxonomy Regulation (EU) (2020/852), reflects our overall vision and the concrete actions we are taking to meet our social and environmental responsibilities in our operations.

Following this analysis, the main conclusions and results were:

- any project to be developed in ALRO will have an insignificant impact on the site under the following conditions:
- it does not reduce the area of habitats or populations of the species of wild fauna and flora for which the site of Community interest has been designated;
- no loss of percentage of habitat areas used for the feeding, resting and breeding needs of species of Community interest;
- fragmentation of habitats of Community interest does not occur.

Projects implemented in ALRO are not located in or near biodiversity sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and key biodiversity areas and other protected areas).

Projects will not affect arable land and cultivated land with moderate to high levels of soil fertility and below-ground biodiversity, land that is recognised as having a high biodiversity value or land that serves as habitat for endangered species (flora and fauna) or forest land (whether or not covered by trees), other wooded land or land that is partially or fully covered or intended to be covered by trees.

All these conclusions remain unchanged as long as the conditions under which these insignificant impacts occur remain unchanged.

According to the assessments carried out, in the case of ALRO, no specific measures were required to reduce the impact on biodiversity as no risks to biodiversity associated with the company's activities were identified.



Once we have ensured compliance with environmental protection obligations and the provisions of environmental permits, prior to any new construction or expansion of activity on our sites, we obtain the approval of the authorities, including environmental authorities. Where necessary, a biodiversity impact study may be required prior to the issue of permits. This was also the case for the approval of the project to raise the embankments at the **ALUM** slurry ponds, so an environmental impact study was requested before the environmental consent for this project was issued.

The site is located in the vicinity of Natura 2000 sites (ROSPA0031 Danube Delta and Razim Sinoe Complex and ROSCI0065 Danube Delta). The tailing dump, identified as a potential biodiversity impact factor, is located near Minerii, south of DN22 Tulcea-Isaccea-Măcin, about 3.5 km from the alumina plant. Following impact studies for the slurry pit, involving accredited biodiversity experts:

- no species or habitats of Community interest or requiring a special level of protection have been identified
- the impact on biodiversity is considered insignificant by experts
- no risks to biodiversity associated with the company's activities have been identified
- long-term impacts on biodiversity have been analysed and assessed in all implemented projects.

Thus, no measures needed to be implemented as no risks to biodiversity associated with the company's activities were identified. However, in order to prevent potential impacts, ALUM is implementing measures such as reinforcing the dams of the lagoon and watering the surfaces to prevent dust immissions.

In the case of **VE**, which carries out its activities in a space rented from ALRO S.A., in the area of the location at 1 Milcov Street, the activities carried out have an insignificant, temporary and reversible impact on Natura 2000 sites. As no risks to biodiversity are generated, no specific measures had to be implemented.





Performance in figures

In 2023, there were no exceedances of monitored indicator limits at our sites. In this regard, we aim to reduce the impacts on environmental factors that could cause ecological disturbances by bringing wastewater emissions and effluents within the quality standards set by current legislation.

At the same time, following the provisions of environmental permits, we ensure the proper management of waste and hazardous substances used in our activities, and no significant incidents were recorded in this regard during the reporting year.



8

THE COMMITMENT of the ALRO Group from SOCIAL Point of View





Our main objective, included in the Corporate Social Responsibility Policy, is the maintenance and continuous development of the working environment we offer to all our employees. Health, safety, and professional satisfaction are of particular concern to us, and we undertake actions to support these essential values for our Group. Thus, we contribute to the well-being of our employees and constantly strive to improve their physical, emotional, financial, and social well-being by ensuring a safe working environment, supporting professional development, and providing benefits to enhance their lives.



Relevance of Material Aspects

GRI 3-1 GRI 3-2

MATERIAL ASPECTS

ECONOMIC IMPACT

SOCIAL IMPACT

ENVIRONMENTAL IMPACT

8.1. Human Resources Management

Job stability, fair compensation, and career development contribute to forming a productive workforce, benefiting both employees and our company. We manage the economic impact through our policies of fair compensation and career development programs, contributing to reducing unemployment rates and decreasing local migration. We provide stable employment opportunities, with increased attention during challenging periods, and maintain our commitment for the future.

We promote employee well-being by fostering a positive social impact and maintaining a balance between work and personal life, thereby contributing to wellbeing both within the workplace and in society.

Our activities and infrastructure can pose risks to the health, safety, and security of employees, as well as to neighboring communities in various production areas. We implement protective measures and resource management to ensure a healthy and safe working environment for employees, with attention to the surrounding environment.

8.2. Health and Safety in the Workplace

We anticipate risks, identify priorities, and contribute to the development of practices and policies in the field of health and safety at work, in line with the rapid changes in the economic and demographic environment.

Our Activities and infrastructure can pose risks to the health, safety, and security of employees, as well as to neighboring communities in various production areas. We implement protective measures and resource management to ensure a healthy and safe working environment for employees, with minimal risks to the community.

The impact of the environment on health and safety in the workplace is a major concern in the current context of transitioning to a sustainable economy. Therefore, we anticipate and manage the impact of these environmental changes on the health and safety of workers.

8.3. Human Rights, Diversity and Equal Opportunities

Our organizational culture promotes diversity and provides equal opportunities, contributing to increased employee engagement and satisfaction. Employees who feel valued and respected in the workplace are more productive and make a significant contribution to the organization's success.

We respect human rights and promote diversity, thereby contributing to improving the quality of life for all employees and community members.

Encouraging behavior change regarding sustainability is easier achieved in an environment that values diversity and respects human rights. Through our diverse and equitable workforce, we stimulate innovation in problem-solving, including environmental issues.

8.4. Commitment to the community

We build stronger communities and create a lasting financial impact through CSR campaigns, donations, and sponsorships.

Social responsibility campaigns have a significant positive impact. These campaigns are conducted by our Group to contribute to improving social issues and to bring benefits to our communities.

We protect the environment and constantly monitor the risks that may arise from our companies' activities. Through close collaboration with the communities in which we operate, we have the opportunity to implement effective measures to reduce negative impact and enhance benefits.



8.1.

Human Resources Management

Within our Group, we consistently make efforts towards effective human resource management while we are also facing specific challenges that arise within our industry and economy. Operating in heavily industrialized areas, we encounter a wide range of workforce opportunities, yet simultaneously face a need for skilled labor. Therefore, retaining and continuously developing our staff is a priority for us.

We are aware of the responsibility we have to maintain the motivation and dedication of all our employees, and we will continue to focus our efforts on providing a safe, stable workplace with professional and personal benefits, thereby contributing to a balanced work environment.



OBJECTIVES: The main objectives of our human resources team focus on ensuring the presence of a skilled workforce, maintaining our status as a top employer, and facilitating ongoing professional development. All these aspects are carefully managed to align with the medium and long-term requirements of the entire ALRO Group. To achieve these objectives, we focus on the following key aspects:

OBJECTIVES



Securing the skilled labor force in accordance with the medium and long term needs of the Group



TARGETS



- 2 dual education classes during the period 2020 – 2024.
- 2 chemical operator classes during the period 2020 – 2024 and one class of technology masters during the period 2019-2022 (named: „Foreman in the production of non-ferrous metals“).
- Providing technological internships for high school students.
- Offering scholarships for students in professions of interest to the ALRO Group.

ACTIONS

defined in 2022



- Establishment of dual education classes. (ALRO)
- Offering study scholarships. (ALRO)
- Assessing competency needs and addressing them through on-the-job training, external training, and certification.

PROGRESS in 2023



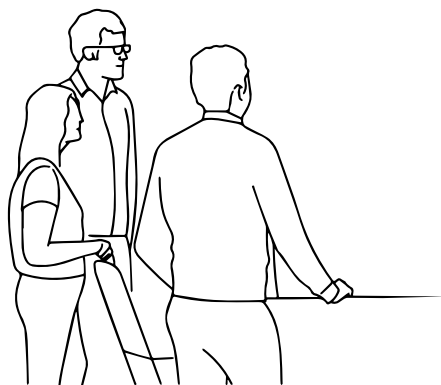
- ALRO S.A. will provide financial support to students during their internship period by granting study scholarships in the amount of 200 RON per month per student. (ALRO)
- The study scholarship is awarded each school year based on contracts concluded between ALRO S.A., the Metallurgical Technical High School Slatina, the student, and the parent/guardian exercising parental authority over the minor student. (ALRO)
- Maintaining and improving the programs conducted within the dual education classes – a total of 87 students were trained under this program.
- Training students according to approved education partnerships – technological internship programs were facilitated for a total of 35 students from vocational schools in Slatina.
- We conducted technological internship programs for a total of 28 students from the Metallurgical High School in Slatina, specializing in mechanics.
- During the internship period, ALRO S.A. will provide work equipment and hot meals. Starting from August 2023, ALRO has employed a total of 13 graduates from the vocational school in the dual system. (ALRO)
- In 2023, partnerships for internships were established with the „Henri Coandă” Technical High School in Tulcea (2 partnerships: „Enhancing Competencies through Innovative Internships” and „Innovative Internships for Sustainable Development”). (ALUM)

Short-term TARGETS (2024-2025)



- Maintaining and improving the training programs offered to students and pupils. (ALRO)
- In 2024, professional training and specialization of employees involved in the AERO and AUTO projects will continue. Additionally, emphasis will be placed on changing employees’ mindset regarding self-control, quality, cost reduction, efficient use of resources required for activities, compliance with system and operational procedures, improving communication, and continuing internal training programs for employees on sustainability policies and procedures, namely: Cybersecurity Policy, Human Rights Policy, Anti-Bribery and Anti-Corruption Policy, Code of Ethics, Procedure for Handling Requests, Complaints, and Appeals, Equal Opportunities, etc. (ALRO)
- Hiring graduates from vocational school in the dual system and providing their professional training under the monitoring and guidance of designated tutors. (ALRO)
- Courses in the field of professional ethics, human rights. (ALRO)
- Courses in the field of equal opportunities and non-discrimination. (ALRO)
- Courses in the AERO and AUTO fields. (ALRO)
- Initiation, qualification, requalification, authorization, improvement, specialization, postgraduate MBA courses, etc. (ALRO)





PROGRESS in 2023

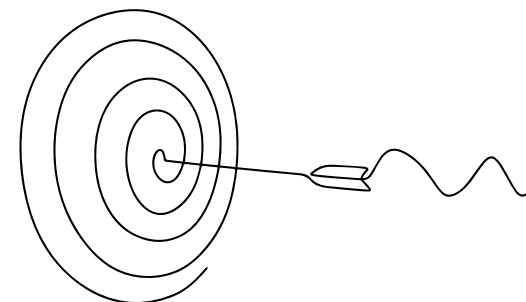


- At the ALUM Vocational Training Center, a training course was organized for the prevention and exclusion of emergency situations caused by man-made disasters in the collection systems in the frontier area of the Danube Delta, with 57 participants. The training session focused on „Prevention in Human-Induced Disasters” and was organized by the Lower Danube Euroregion Cooperation Association as Beneficiary 2 and organizer of cross-border cooperation activities in the field of increasing emergency response capacity. This is part of the „Clean River” Major Infrastructure Project funded by the European Union through the Romania-Ukraine 2014-2020 Joint Operational Program, „CLEAN RIVER” Project. (ALUM)
- Training courses / upgrading sessions for the Railway Industrial Line Safety Officer were organized by CENAFER Bucharest, and training and authorization courses for the position of safety advisor for the transport of dangerous goods by rail were organized by AFER Bucharest. (ALUM)
- Authorization course for IDM (Movement Register Employee) – specific activity for railway transportation. (ALUM)
- Forklift driver authorization course. (ALUM)
- Port Facility Security Officer (Port Security Officer) authorization course. (ALUM)
- Boilerman authorization course (for maintaining employee certifications). (ALUM)
- Authorization and Verification Course for P.R.A.M. (Protection by Automation Relays and Measurement). (ALUM)
- Seminar on Digitization of Activities (Occupational Health and Safety and Environmental Protection fields). (ALUM)
- Conference in the energy field (targeting the energy manager, as the energy manager of the company). (ALUM)
- In 2023, VE concluded partnerships with the Polytechnic University of Bucharest and the University of Craiova to develop internship programs within the company. (VE)
- During June-July 2023, an internship was conducted within the Human Resources department. (VE)
- In 2023, at the VE level, the following training programs were conducted:
 - authorization: Crane operator authorization course, crane operator reauthorization, forklift operator authorization, forklift operator reauthorization;
 - technical training: Mold design, CISCO Infrastructure, Non-destructive testing, Welder certification, Extrusion standards interpretation, Defect cataloging, Profile control in VE, Non-conformance result control, ISO 14001:2015 course, ISO 19011:2018 auditor course, Occupational Health and Safety Inspector course, Payroll Inspector course, Environmental Manager course, Waste Management Specialist course;
 - transversal competencies: English language course, Charisma HCM training, Effective business meetings. (VE)

Short-term TARGETS (2024-2025)



- Continuation of partnerships for the training of vocational school students and their employment upon course completion. (ALRO)
- Employees’ participation in courses mandated by legislative provisions, as well as initiation, qualification, requalification, improvement, specialization, and authorization courses for employees performing specific activities (e.g., crane operators, forklift operators – ISCIR authorized, or electricians – ANRE authorized), as well as courses required for obtaining credits by medical staff (ALUM)
- Courses in the field of human rights. (ALUM)
- Courses in the field of working in radiation environments (chemical laboratory). (ALUM)
- According to the professional training procedure within VE, employees are included in annual professional training programs tailored to their specific needs, which will continue into 2024. (VE)
- In 2024, the training program will focus on soft skills development, through in-house or online courses. (VE)
- Authorization, qualification and requalification courses, legislative update for the Human Resources, Financial, HSE departments. (VE)





OBJECTIVES



Maintaining a top employer brand

TARGETS



- Maintaining the position achieved in the top employers ranking in the industry.

ACTIONS



defined in 2022

- The continuous promotion of our Group's brand through active presence in the mass media and various contexts with visibility in this regard.

PROGRESS in 2023



- We continued to undertake actions to maintain and offer employment while adhering to the same standards and values that guide us.
- Through specific actions, we contributed to maintaining a satisfactory and motivating work environment.
- We continued to offer attractive salary packages commensurate with professional qualifications.
- We provided professional development programs, encouraging progress and career advancement.
- In 2023, ALRO continued its collaboration with educational institutions to facilitate access to the programs offered by the company (specialized internships, study visits/documentation, internship programs, scholarship grants, etc.). For recruitment, ALRO participated in Job Fairs organized by AJOFM or the National University of Political Studies and Public Administration (Polijobs).
- We also participated in the project „Shaping Academic Employment Skills for Young Roma” (recruitment action among minorities and disadvantaged groups). (ALRO)
- On November 15-16, 2023, ALRO participated as an exhibitor at the PoliJOBS UPB student job fair. ALRO's marketing and human resources teams sought enthusiastic students or graduates to join a unique opportunity to gain metallurgical experience, develop new skills, and provide interested individuals with access to training and participation in research programs. (ALRO)

Short-term TARGETS (2024-2025)



- Within the ALRO Group, we continue to provide a safe and comfortable working environment, competitive salary packages, and opportunities for continuous professional development. We have managed to maintain and offer jobs in 2023, while also adhering to essential principles such as human rights, equal opportunities, and workplace health and safety conditions.
- Promotion of job offers on recruitment websites, participation in job fairs, organizing informational visits for students attending courses at faculties specializing in fields of interest for ALRO, etc. (ALRO)
- Considering that some positions may be more difficult to fill than others and that the shortage of skilled labor has intensified, VE will continue to prioritize practical skills, motivation, and, in certain cases, field experience over obtained diplomas. (VE)





OBJECTIVES



Continuous professional training and professional development programs

TARGETS



- Providing professional development programs to all employees.
- Identifying potential and offering specific specialization programs.
- Enhancing efficiency through addressing themes such as : responsible resource usage, quality improvement, knowledge and adherence to operational procedures, and self-control.

ACTIONS



defined in 2022

- Implementing an Annual Professional Development Program.
- Implementation of a motivation system for all employees and encouragement of employees to develop professionally.

PROGRESS in 2023



- ALRO's Human Resources strategy was closely aligned with our business objectives, with a strong focus on recruiting and retaining a skilled workforce essential for our operational activities.
- In 2023, the Annual Professional Training Program was implemented, ensuring that all employees have continuous opportunities for skills development (ALRO).
- We continued to offer training and professional development program, for TESA employees and also for production (Executive MBA) (ALRO)
- We focused on developing programs aimed at changing the collective mindset regarding continuous professional development.
- Focusing only on necessary professional training courses and/or maintaining current licenses and authorizations for ALUM.
- In VE, in 2023, the professional training plan for employees consisted of a diverse range of implementation methods:
 - Periodic professional training sessions with production staff – organized at department level, with lecturers from the company;
 - Professional development and specialization programs, team-building program – organized for TESA personnel, participation in conferences, workshops, trade fairs, and exhibitions, etc.;
 - Acquisition of specialized consultancy services. (VE)

Short-term TARGETS (2024-2025)



- Continuing the professional training programs for employees to allow for the development of skills and professional abilities, creating a pool of qualified/authorized/specialized personnel according to internal needs.
- Considering that employees are a key factor in the success of an organization, VE consistently supports the creation of professional training opportunities and a conducive learning environment. (VE)
- We will continuously ensure that all aspects related to human resources management within the Group are governed by clear and transparent policies and procedures, thus contributing to our long-term success.



Explaining the material topic

Within the **ALRO Group**, human resources management coordinates a complex of activities aimed at efficiently utilizing human capital to ensure the company's success, without neglecting individual goals and the well-being of each employee. Through human resources management policies and procedures, we ensure the efficiency and sustainability of personnel-related processes, contributing to our company's long-term success.

Managing the material topic

GRI 3-3

Within the ALRO Group, we are guided by clear policies and procedures that support us in achieving our objectives regarding human resources management. We believe that only through a structured and well-established approach can we maintain the level of performance that characterizes us.

Thus, we conduct our activities following the clear model of a sustainable business, and in this regard, we have developed the following policies:

- Code of Ethics and Conduct;
- Human Rights Policy;
- Corporate Social Responsibility Policy.

In terms of concrete actions regarding human resources management, we emphasize the following:

- Conducting recruitment and selection processes responsibly;
- Synchronizing the need for human resources with operational requirements to ensure the achievement of our objectives;
- Constant evaluation of the professional performance of all our employees;
- Continuous improvement of the motivation and reward system for all our employees;
- Providing a favourable environment for career development;
- Promoting diversity and social inclusion;
- Maintaining a safe and healthy working environment.



8.1.1. The people from ALRO Group

GRI 2-7 GRI 2-8

At ALRO, activities and services related to human resources management are carried out within the Human Resources & General Services Department. At the Group level, we manage Individual Employment Contracts through the Personnel Office – Professional Training.

In 2023, activities in this area were strongly influenced by the operational needs of our companies, which faced various challenges specific to the industry and the economy we operate in.

All figures presented in the tables below have been calculated using the Full-Time Equivalent (FTE) method, as it is important for us, as a Group, to have a unified vision:

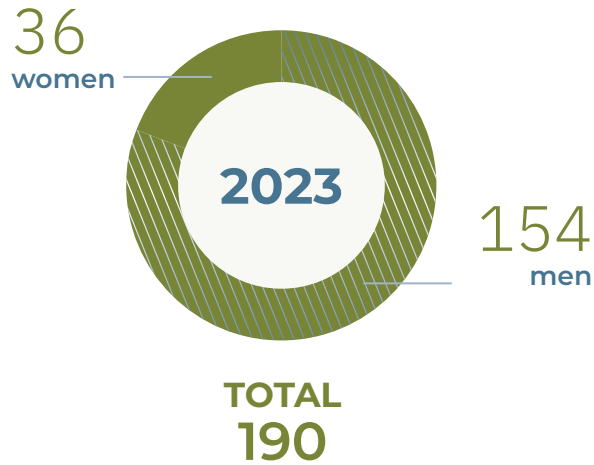
Total number of employees



	2023	2022	2021	
With an indefinite-term employment contract, full-time	women	356	367	397
	men	1,617	1,731	1,997
	TOTAL	1,973	2,098	2,394
With an indefinite-term employment contract, part-time	women	4	5	3
	men	3	1	0
	TOTAL	7	6	3
With a fixed-term employment contract, full-time	women	18	3	31
	men	62	9	154
	TOTAL	80	12	185
With a fixed-term employment contract, part-time	women	0	0	0
	men	1	2	1
	TOTAL	1	2	1



ALUM employees



2022

women men

46 225

TOTAL 271

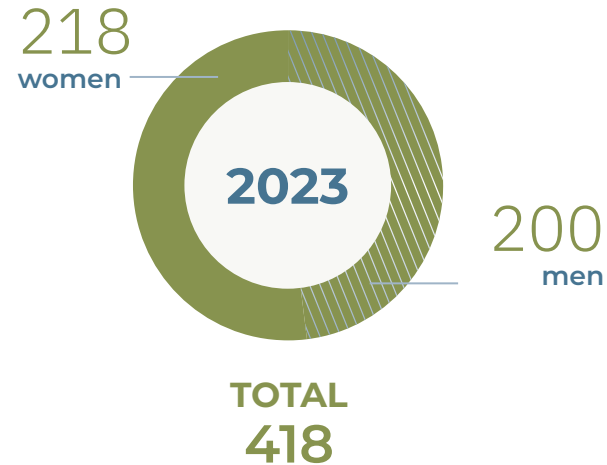
2021

women men

126 667

TOTAL 793

VE employees



2022

women men

168 184

TOTAL 352

2021

women men

134 151

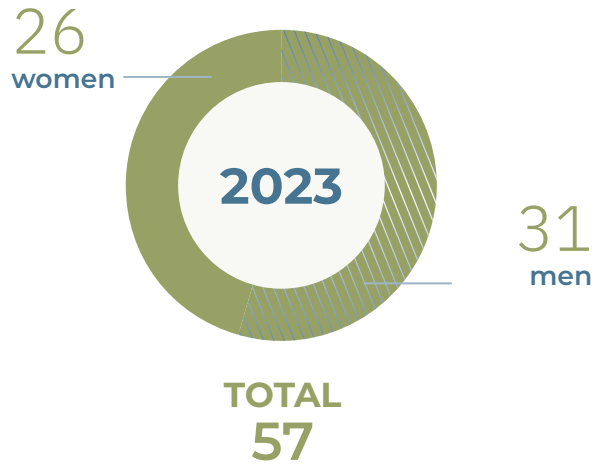
TOTAL 285

	2023	2022	2021	
With an indefinite-term employment contract, full-time	women	35	42	109
	men	149	215	547
	TOTAL	184	257	656
With an indefinite-term employment contract, part-time	women	1	1	1
	men	3	1	3
	TOTAL	4	2	4
With a fixed-term employment contract, full-time	women	0	3	19
	men	0	7	111
	TOTAL	0	10	130
With a fixed-term employment contract, part-time	women	0	0	0
	men	2	2	2
	TOTAL	2	2	2

	2023	2022	2021	
With an indefinite-term employment contract, full-time	women	210	164	139
	men	198	185	151
	TOTAL	408	349	290
With an indefinite-term employment contract, part-time	women	1	1	0
	men	1	1	1
	TOTAL	2	2	1
With a fixed-term employment contract, full-time	women	7	6	2
	men	1	5	2
	TOTAL	8	11	4
With a fixed-term employment contract, part-time	women	0	1	0
	men	0	1	0
	TOTAL	0	2	0

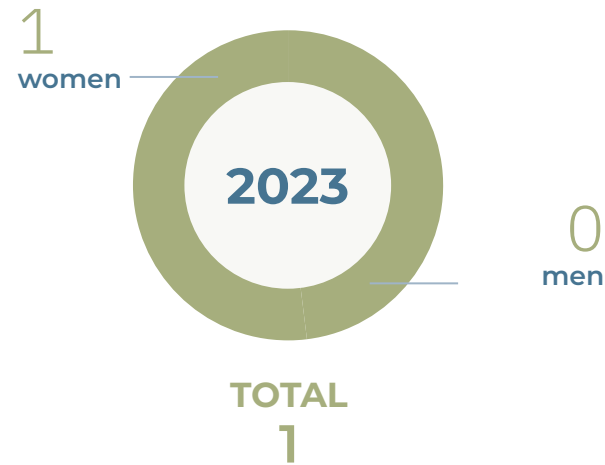


VT employees



2022	
women	men
24	30
TOTAL 54	
2021	
women	men
n/a	n/a
TOTAL n/a	

CONEF employees



2022	
women	men
1	0
TOTAL 1	
2021	
women	men
1	0
TOTAL 1	

	2023	2022	2021	
With an indefinite-term employment contract, full-time	women	23	21	n/a
	men	28	26	n/a
	TOTAL	51	47	n/a
With an indefinite-term employment contract, part-time	women	3	3	n/a
	men	2	4	n/a
	TOTAL	5	7	n/a
With a fixed-term employment contract, full-time	women	0	0	n/a
	men	1	0	n/a
	TOTAL	1	0	n/a
With a fixed-term employment contract, part-time	women	0	0	n/a
	men	0	0	n/a
	TOTAL	0	0	n/a

	2023	2022	2021	
With an indefinite-term employment contract, full-time	women	0	0	0
	men	0	0	0
	TOTAL	0	0	0
With an indefinite-term employment contract, part-time	women	1	1	1
	men	0	0	0
	TOTAL	1	1	1
With a fixed-term employment contract, full-time	women	0	0	0
	men	0	0	0
	TOTAL	0	0	0
With a fixed-term employment contract, part-time	women	0	0	0
	men	0	0	0
	TOTAL	0	0	0



The percentage of contractors (versus the total number of employees) (%)

ALRO	ALUM	VE	VT	CONEF
29.45	26.84	19.14	0	0

The total number of workers who are not employees and whose activities are controlled by the organization

ALRO	ALUM	VE	VT	CONEF
607	63	80	0	0

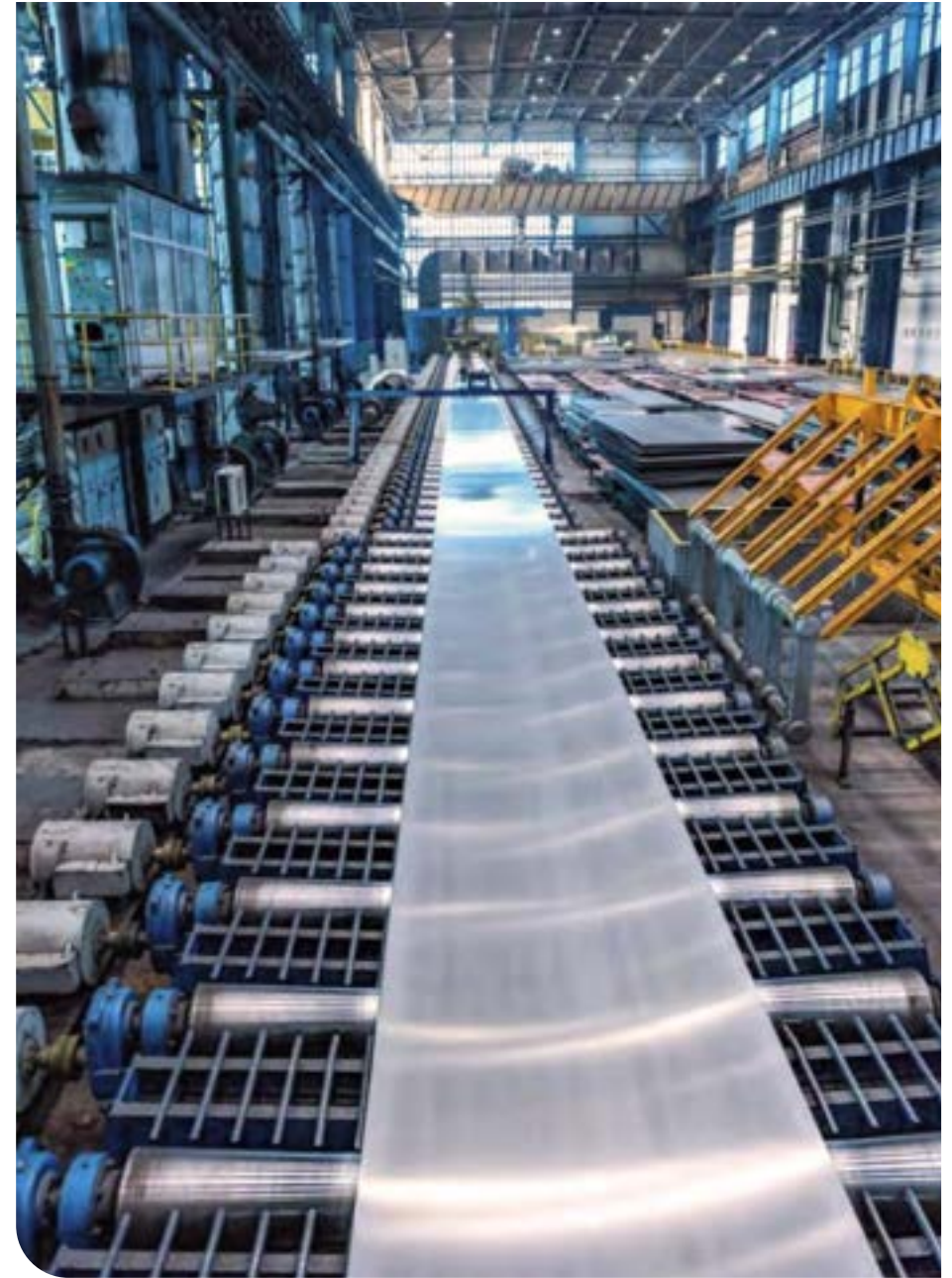
Turnover rate in 2023

GRI 401-1

Although we make efforts to minimize personnel turnover, we are aware of certain market challenges in which we operate. In 2023, personnel turnover within our Group was not significant and consisted of both voluntary and involuntary turnovers.

Group turnover rate in 2023 (%)

ALRO	ALUM	VE	VT	CONEF
6.80	24.35	0.60	4.13	0



Turnover rate in details:

	Age	Year	WOMEN		MEN		
			Number	Rate (%)	Number	Rate (%)	
ALRO	Bucharest	<30	2021	0	0.00	0	0.00
			2022	0	0.00	0	0.00
			2023	0	0.00	1	9.52
	30-50	2021	2	100	2	100	
		2022	3	7.00	0	0.00	
		2023	2	14.29	1	66.67	
	>50	2021	0	0.00	0	0.00	
		2022	1	2.00	0	0.00	
		2023	1	18.18	2	28.57	
ALUM	Slatina	<30	2021	1	0.30	30	13.00
			2022	5	29.00	73	45.00
			2023	0	0.00	14	12.90
	30-50	2021	4	11.00	55	24.00	
		2022	14	8.00	182	19.00	
		2023	5	3.07	46	5.41	
	>50	2021	30	86.00	149	64.00	
		2022	37	18.00	163	20.00	
		2023	21	11.57	107	14.56	
<30	2021	1	11.76	19	39.58		
	2022	5	0.95	36	6.80		
	2023	2	0.87	0	0.00		
30-50	2021	4	5.83	35	12.11		
	2022	44	8.32	170	32.14		
	2023	4	1.74	28	12.50		
>50	2021	2	4.00	2	0.62		
	2022	35	6.62	235	44.42		
	2023	4	1.74	41	17.79		

	Age	Year	WOMEN		MEN	
			Number	Rate (%)	Number	Rate (%)
VE	<30	2021	2	0.70	9	3.40
		2022	1	0.33	11	3.67
		2023	0	0.00	11	2.91
	30-50	2021	5	1.80	19	7.10
		2022	14	4.68	14	4.68
		2023	13	3.44	39	10.32
	>50	2021	1	0.30	2	0.70
		2022	1	0.33	2	0.66
		2023	3	0.79	6	1.59
VT	<30	2021	nr	nr	nr	nr
		2022	0	0.00	0	0.00
		2023	0	0.00	0	0.00
	30-50	2021	nr	nr	nr	nr
		2022	3	5.55	0	0.00
		2023	0	0.00	0	0.00
	>50	2021	nr	nr	nr	nr
		2022	1	1.85	0	0.00
		2023	0	0.00	2	3.51

Methodology used for calculation:

$$\text{Personnel Turnover} = \frac{\text{Number of departures during the reference period}}{\text{Average number of employees during the reference period}} * 100$$

$$\text{Average number of employees} = \frac{\text{No. of employees at the beginning of the period} + \text{No. of employees at the end of the period}}{2}$$

Voluntary turnover rate in 2023 (%)

ALRO	ALUM	VE	VT	CONEF
3.60	6.51	0	1	0

$$\text{Voluntary Personnel Turnover} = \frac{\text{Number of voluntary departures during the reference period}}{\text{Average number of employees during the reference period}} * 100$$



8.1.2. Parental leave

GRI 2-27 GRI 401-3

We promote a stable family environment, encourage employees to be there for their children during the critical period of their care, and facilitate the balance between family and professional life. We ensure that all employees benefit from their rights under the law when it comes to parental leave.

During parental leave, parents are entitled to a monthly allowance paid by the state, determined based on their previous income and other specific criteria. Throughout parental leave, we protect the parent’s job by law for when they return to work.

Upon recommendation from a family doctor/specialist, a pregnant employee who cannot fulfill the normal duration of work due to health reasons, hers or her unborn child’s, is entitled to reduce her normal working hours by one quarter, with full salary maintained, fully covered from the employer’s salary fund, according to legal regulations.

ALRO grants paternity leave to the father of the newborn child under the conditions provided by Law no. 210/1999 on paternal leave, with subsequent amendments and completions. The employer is obliged to grant paternal leave upon the written request of the employee, in compliance with legal provisions.

The allowance for paternal leave is paid from the employer’s salary fund and is equal to the salary corresponding to the respective period.

The situation of parental leave within our Group:

The total number of employees entitled to parental leave

	WOMEN	MEN
ALRO		
2023	7	21
2022	2	29
2021	6	35
ALUM		
2023	2	3
2022	2	5
2021	1	9
VE		
2023	11	1
2022	3	0
2021	4	2
VT		
2023	1	0
2022	2	0
2021	n/a	n/a
CONEF		
2023	n/a	n/a

The total number of employees who have benefited from parental leave

	WOMEN	MEN
ALRO		
2023	8	10
2022	5	13
2021	8	8
ALUM		
2023	2	1
2022	1	0
2021	1	0
VE		
2023	11	1
2022	4	2
2021	3	0
VT		
2023	1	0
2022	2	0
2021	n/a	n/a
CONEF		
2023	n/a	n/a



The number of employees who returned to work during the reporting period after the end of the parental leave

The number of employees who returned to work during the reporting period after the end of the leave and who are still employed after 12 months from their return

The return-to-work rate (%)

The retention rate of those who took parental leave (%)

	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
ALRO								
2023	9	11	8	10	100	100	100	100
2022	6	12	6	11	100	92	100	100
2021	3	5	3	5	100	100	100	100
ALUM								
2023	1	0	0	0	100	100	100	100
2022	1	1	1	1	100	100	100	100
2021	1	2	0	0	100	100	100	100
VE								
2023	5	1	5	0	100	100	100	100
2022	3	0	3	0	100	0	100	0
2021	2	1	1	1	100	100	50	0
VT								
2023	1	0	1	0	100	100	100	100
2022	1	0	1	0	0	0	0	0
2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CONEF								
2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



8.1.3. Selection and recruitment of employees

GRI 401-1

Recruitment of personnel is a complex process that is part of the human resources strategy of each company within the ALRO Group and represents an essential aspect of human resources management that can significantly influence our success. Its objective is to recruit and hire qualified and specialized personnel in various areas of the organization's activities.

At the management level, we develop clear policies and procedures that all stages of the recruitment and selection process, which we follow as outlined below:

- Identifying personnel needs based on business strategy, current and future projects, or filling vacant positions. This stage often involves collaboration between the Human Resources Department and relevant department managers;
- Developing a job profile that describes the responsibilities, required qualifications, and other job requirements;
- Internally identifying potential employees who have qualifications, specializations, and authorizations, where applicable, suitable for filling vacant positions;
- Contacting potential candidates who have previously worked in our organization and for various reasons have terminated their employment relationships;
- Posting job vacancy announcements on various platforms, including recruitment websites, company career pages, social networks, and other communication channels, to attract interested candidates.

The recruitment process follows a well-defined structure and involves several essential steps that help us make timely decisions in each specific situation. Among the procedures we use are telephone or online screening, individual or group interviews, aptitude tests, and personality assessments. All these tools help us evaluate the compatibility of each candidate with our Group. It is very important for us that our values are shared by all our employees and collaborators, which is why we approach each step of the recruitment process with care and objectivity.

Furthermore, we ensure that new employees are well integrated into the organization and benefit from training programs specific to their agreed job responsibilities.

Moreover, we are involved in programs aimed at controlling and reducing workforce migration. For this purpose, we have entered into collaboration agreements with local economic operators, thus joining forces in the complex process of influencing and guiding the labor market.

An important challenge we faced in 2023 was the situation of the ALUM company. Its activity was suspended, requiring the implementation of a collective program of layoffs and contract suspensions. This put considerable pressure on all human resources management processes, but at the same time, we gained valuable experience that helps us shape the strategic future of our business.



8.1.4. Employee Retention within Our Group and New Hires

Day by day, we carry out specific actions aimed at increasing employee retention. We believe that by streamlining the recruitment processes, we will succeed in finding suitable resources for key positions within our companies. At the same time, we have resorted to rehiring individuals who have had previous work experience within our Group. Additionally, we have reviewed internal skills and qualifications and provided opportunities for professional retraining.

Employee retention within ALRO Group

	2023	2022	2021
ALRO	90.56%	81.65%	100%
women	92.27%	80.48%	100%
men	90.19%	87.33%	100%
ALUM	70.11 %	34.43%	100%
women	76.60%	35.66%	100%
men	68.75%	34.19%	100%
VE	79.25%	84.62%	87.23%
women	90.06%	84.44%	93.55%
men	69.89%	84.77%	82.00%
VT	100%	100%	100%
women	100%	100%	100%
men	100%	100%	100%
CONEF	100%	100%	100%
women	100%	100%	100%
men	100%	100%	100%

The calculation methodology used is as follows:

$$RR = \frac{\text{No. of employees at the start of the reference period} - \text{No. of employees who left during the reference period}}{\text{Number of employees at the start of the reference period}} * 100$$

RR = Retention Rate

To efficiently support the recruitment process, we have promoted our job opportunities through advertisements on specialized recruitment websites, social media platforms, and by actively collaborating with recruitment agencies, thus facilitating the identification of the most suitable candidates.

To ensure successful integration of new employees, we subject them initially to a structured onboarding process. This program includes interaction with colleagues from various departments they will collaborate with, allowing them to familiarize themselves with the company's specific procedures and methods of work, as well as to establish essential connections for effective communication in the future. Additionally, we organize periodic internal courses to maintain and update the technical knowledge of the team.

Regarding new employees, we ensure that they are warmly welcomed and integrated into the organization, paying close attention to all processes related to their accommodation.

Moreover, to provide continuous development opportunities for employees and support their long-term growth within the organization, according to procedure PO 407/2021 on professional training within ALRO, new employees, employees at the beginning of their careers, or employees with professional potential are included in professional training programs or job rotations. The activities carried out by employees included in such programs are directly coordinated and monitored by designated responsible persons (tutors/mentors). The programs consist of multiple training stages. At the end of each training stage, theoretical and practical knowledge is assessed, and a report with the obtained results is prepared.

The percentage of senior management employees recruited from local communities

	2023	2022	2021
ALRO	73%	73%	73%
ALUM	63.70%	87.81%	80.36%
VE	42.86%	54.54%	-
VT	100%	100%	n/a
CONEF	100%	100%	100%

The geographic definition of "local" refers to the region, county where each operation is located, and neighboring counties for each company. The information is related to the existing management personnel in the company during the reporting period.



The new employees within our Group

Age	An	WOMEN		MEN	
		Number	Rate (%)	Number	Rate (%)
<30	2021	0	0,00	0	0,00
	2022	0	0,00	0	0,00
	2023	1	14,29	0	0,00
30-50	2021	0	0,00	0	0,00
	2022	1	33,33	0	0,00
	2023	3	42,86	2	28,57
>50	2021	0	0,00	0	0,00
	2022	0	0,00	2	66,66
	2023	1	14,29	0	0,00
<30	2021	9	2,73	71	21,52
	2022	0	0,00	2	20,00
	2023	5	3,79	29	21,97
30-50	2021	41	12,42	150	45,45
	2022	4	40,00	3	30,00
	2023	17	12,88	60	45,45
>50	2021	16	4,85	43	13,03
	2022	0	0,00	0	0,00
	2023	4	3,03	17	12,88
<30	2021	0	0,00	26	22,03
	2022	0	0,00	0	0,00
	2023	0	0,00	0	0,00
30-50	2021	9	7,62	33	27,97
	2022	0	0,00	2	50,00
	2023	1	100	0	0,00
>50	2021	3	2,54	47	39,83
	2022	0	0,00	2	50,00
	2023	0	0,00	0	0,00

Age	An	WOMEN		MEN	
		Number	Rate (%)	Number	Rate (%)
<30	2021	2	35,00	6	75,00
	2022	3	2,54	21	18
	2023	7	5,07	17	12,32
30-50	2021	11	61,20	7	38,80
	2022	36	30,51	36	30,51
	2023	52	37,68	40	28,99
>50	2021	2	50,00	2	50,00
	2022	9	7,63	13	11,02
	2023	10	7,25	12	8,70
<30	2021	n/a	n/a	n/a	n/a
	2022	n/a	n/a	n/a	n/a
	2023	n/a	n/a	n/a	n/a
30-50	2021	n/a	n/a	n/a	n/a
	2022	3	50	1	16,67
	2023	2	40	2	40
>50	2021	n/a	n/a	n/a	n/a
	2022	0	0,00	2	33,33
	2023	0	0	1	20
CONEF				n/a	

The calculation methodology used is as follows:

$$\text{The rate of new employees in each age and gender category} = \frac{\text{Total number of new employees in each age and gender category}}{\text{Total number of new employees}}$$

For ALRO, the rate is calculated at the regional level, respectively ALRO Bucharest and ALRO Slatina.



8.1.5. Consolidating Employee Engagement and Loyalty within Our Group

GRI 404-2

Our performance as a top employer is maintained thanks to the results we achieve in these human resources management processes, which include employee retention, offering competitive salary packages, and continuously improving working conditions.

In 2023, through the renegotiation of the Collective Labor Agreement (CLA), substantial increases were granted both in salaries and bonuses and other benefits. These were granted to all employees.

Our Group adopts various strategies and practices to retain and engage employees, as well as to create a favorable working environment.

Among the most important retention actions, we can mention:

- **Competitive compensation and benefits packages:** We offer competitive salaries and attractive benefit packages, including medical insurance, pension plans, meal vouchers, bonuses, and other perks.
- **Professional development:** We provide training and professional development opportunities, investing in enhancing our employees' skills and advancing their careers.
- **Positive organizational culture:** We contribute to creating a positive organizational culture that encourages collaboration, recognizes individual efforts, and balances professional and personal life.
- **Advancement opportunities:** We provide clear advancement and growth prospects within the organization.
- **Mentorship programs:** Implementing mentorship programs helps employees feel supported in their professional and personal development. Each new employee is assigned a mentor for the adaptation and training period.
- **Continuous feedback and evaluation:** Open communication, constant feedback, and periodic performance evaluations contribute to improving our relationship with our employees.

- **Work-life balance benefits:** We offer flexibility in work schedules, remote work, and other benefits aimed at helping employees maintain a healthy balance between their professional and personal lives.
- **Recognition and rewards:** In addition to providing professional development actions, we have created and implemented a reward system based on attractive remuneration packages, including monthly fixed pay, bonuses, and special allowances according to collective labor agreements. We reinforce our employees' commitment by publicly recognizing achievements and offering rewards for significant contributions.
- **Employee satisfaction monitoring:** Through periodic satisfaction surveys, we identify potential issues and take proactive measures to address them.
- **Promotion of organizational values:** We promote ethical values and social responsibility to attract and retain employees who share the same principles.

Through these approaches, we develop a work environment where employees feel valued and motivated to stay and contribute to the organization's success.

Within the ALRO Group, all employees benefit from the personnel and salary rights granted according to the current Collective Labor Agreements.

- Holiday bonuses for Easter and Christmas;
- Metallurgist Day bonuses;
- Vacation bonuses;
- Meal vouchers and gift vouchers;
- Funeral assistance for employees/family members;
- Social assistance for employees/family members;
- Antidote meals provided to all employees;
- Provision of work equipment and protection;
- Private medical insurance and provision of medical services through the company's clinic;
- Private pension;
- Paid days off for special occasions such as birth, marriage, or family death;
- Care and upbringing leave – parental leave;
- Longevity allowances.



BONUSES AND OTHER BENEFITS

ALRO

Easter, Metallurgist Day, Christmas, holidays, for the previous year's financial results, childbirth, loyalty; gift vouchers and meal vouchers; treatment voucher worth 2.800 RON/employee, granted to employees with occupational diseases; third pillar pensions; daily provision of a hot meal for each employee; work equipment; medical assistance through ALRO medical dispensary; supplementary medical insurance.

VE

Meal and holiday vouchers (for production area employees and TESA employees), 60% coverage of public transportation subscriptions (for production area employees), Easter bonus, Metallurgists' Day bonus, Christmas bonus, Children's Day bonus, back-to-school bonus, hospitalization aid, loyalty bonus, performance bonus, childbirth bonus, hygienic-sanitary materials.

ALUM

Seniority allowance; bonuses: Easter, Christmas, Metallurgists' Day, March 8th for women, holidays; meal vouchers; gift vouchers; private pension; paid days off for family events (birth, marriage, death), hygienic-sanitary materials; antidote; free annual medical check-up.

VT

Easter, Metallurgists' Day, Christmas, March 8th (International Women's Day), for the financial results of the previous year, childbirth, loyalty; holiday; gift vouchers and meal vouchers; third pillar pensions, medical insurance.

In addition, the ALRO Group supported its own employees through social assistance provided to them, with ALRO assisting over 300 employees with a total of 696,120 RON; ALUM supported employees in difficulty with various social assistance totaling 250,955 RON, while VE supported its own employees by providing social assistance totaling 10,400 RON.

We believe that all these benefits play a key role in retaining our employees. We are directly interested in ensuring their satisfaction and making them feel appreciated, which is why the range of benefits remains an area where we invest and aim to continuously develop.

At the same time, there are no differences between the benefits offered to full-time employees compared to those offered to temporary employees. Benefits are granted to all employees in accordance with the applicable Collective Labor Agreement.



8.1.6. Professional Training of ALRO Group Employees

GRI 404-1 GRI 401-2

Professional training of employees is carried out based on the Annual Professional Training Program, whose main objective is to enhance the professional skills of all employees, aiming to improve their individual and team performances. An important focus has been placed on in-house training programs aimed at operators and front-line managers, with the goal of enhancing the performance of production teams.

The professional training plan for employees consists of a diverse range of implementation methods: periodic professional training sessions involving all categories of personnel, organized at the level of activity sectors, with internal certification per position. Thus, depending on the needs, we organize:

- Introductory courses;
- Qualification/requalification courses;
- Improvement courses;
- Specialization courses;
- Authorization courses – with practical hours conducted in the production area;
- In-depth studies, such as postgraduate programs, EMBA, etc.

The topics of these trainings can cover a wide range of subjects, including improving product quality, cost reduction, optimizing resource utilization, adopting new technologies and techniques, environmental protection, compliance with systemic and operational procedures, as well as enhancing communication.



In 2023, the Professional Training Plan was developed in accordance with the current legislation regarding the professional training of employees, the provisions of the Labor Code, and the Collective Labor Agreement at the level of each company within our Group. To create this plan, we inventoried the training and development needs of employees correlated with the organization's development strategy. When identifying these needs, the following factors were taken into account:

- Results highlighted in professional evaluations;
- Suggestions received from departments;
- Changes within operational activities;
- Reorganization of activity sectors;
- Qualifications/requalifications.

The annual professional training program is flexible and can be supplemented or modified within the approved budget and certain emerging opportunities.

Employees and consulting firms participating in professional training programs are selected based on the provisions of procedure PS-407, regarding professional training in **ALRO**, and procedure PS 04 – competency, awareness, and training. Additionally, external professional training programs, qualification, requalification, and authorization programs are allocated a corresponding number of hours according to current legislation.

In 2023, at ALRO, we continued the professional training and specialization of employees involved in the AERO and AUTO projects, programs through which internal certification at the workplace is obtained, valid for two years.

Moreover, ALRO is an authorized provider of professional training for courses in non-ferrous metallurgy operators and rolling mill operators, qualifications specific to our field of activity but in short supply in the labor market. Programs focused on acquiring new skills have been maintained and developed, aiming to change the mindset regarding self-control, quality, cost reduction, efficient resource utilization, compliance with system and operational procedures, awareness of sustainability principles and their implementation, as well as respect for human rights, promotion of equal opportunities, and application of health, safety, and security principles in the workplace, especially adherence to the principles outlined in the Code of Ethics and Conduct.

Within the ALRO Skills Academy, we provide employees with a portion of these specific training programs, ensuring the creation of a pool of employees with special qualifications.

In ALRO, in the period from January to December 2023, an average of 12,76 training hours per employee per year were conducted.

The effectiveness of the professional training programs is measured semi-annually, in two steps:

1. Measuring the effectiveness of short-term professional training:

- Through the evaluation conducted at the end of professional training programs, both internally and for qualification, requalification, authorization, improvement, and specialization programs. This is achieved through the results obtained at the end of the professional training programs (by the grades obtained in the evaluation sessions at the end of the courses, results recorded in the course documents, as applicable, obtaining diplomas, certificates, and authorizations related to course completion) and through the passing and graduation rate of the courses;
- By assessing employees' adaptation to technical and technological modernizations made at the organizational level, quantitative and qualitative accumulation of information, and skills development;
- By ensuring correct execution of activities, with employees adhering to work procedures and occupational health and safety standards.

2. Measuring the effectiveness of long-term professional training:

- Through the results obtained as a result of the activities of all departments, achieved by quantifying indicators and parameters such as production indicators, quality, consumption, costs, analysis of quality complaints, products sold, or profit;
- Through the ratings obtained by employees as a result of the annual evaluation of individual performance;
- Through the proper conduct of activities by employees, respecting work procedures and health and safety regulations, in this regard, the percentage of employees who did not comply with technological discipline and did not properly perform their duties, is measured;
- Through questioning and interviewing department heads and participants in professional training programs;
- Through the application of questionnaires addressed to all employees.



Summary of the main professional training programs organized in 2023 within our Group:

Professional Training Program Title	Participants	Organizing company	Professional Training Program Title	Participants	Organizing company
1 Course for extending the validity of ISCIR authorizations for forklift and platform operators	Operators	RINA SRL + ISCIR	20 Useful tools for economic operators under EU ETS (online course)	TESA	ASE Buc
2 Qualification course for crane operators (group E)	Operators	RINA SRL + ISCIR	21 Carbon footprint calculation of products according to ISO 14067	TESA	SRAC
3 ISCIR authorization course for furnace operators	Operators	RINA SRL + ISCIR	22 Preparation, verification, and validation of greenhouse gas emission reports (ESG) – ISO 14064	TESA	SRAC
4 Qualification course for railway and earthmoving machine operators	Operators	RINA SRL + ISCIR	23 PPA Academy – operating system for renewable energy players	TESA	PEXAPARK
5 Training and authorization for CNC operators	Operators	GreenBau Tehnologie	24 PPA – Power Purchase Agreements – Introduction	TESA	AFER Academy
6 Training and authorization for NDT operators	Operators	AEROSTAR	25 eLearning courses in leadership, management, communication, etc.	TESA (Managers, department heads, executive positions)	THE e-Learning Company
7 Training and authorization for electrical technicians grade IV	TESA	ANRE	26 Sustainability training (for management)	TESA (Managers, department heads, executive positions)	DENKSTATT
8 Training course for RSVTI operators	TESA	Muntenia Association + ISCIR	27 Sustainability training, compliance, and current trends (sustainability dimension, European Green Deal, legal environment: reporting, GDC, taxonomy regulation, CSRD, risk rating, etc.)	TESA (Managers, department heads, executive positions)	DENKSTATT
9 Accounting and taxation, updates applicable for 2023	TESA	Craiova University	28 Sustainability training (inputting data required for sustainability report into DATA MODULE platform)	TESA (Managers, department heads, executive positions)	DENKSTATT
10 EMBA – Executive Business Administration	TESA (Managers, heads of departments)	ASSEBUSS	29 Training on sustainability principles (understanding the importance of sustainability projects, stakeholder analysis, GANTT review, roles and responsibilities, etc.)	TESA (Managers, department heads, executive positions)	DENKSTATT
11 Energy Manager	TESA	Faculty of Electrical, Energy and Applied Informatics Engineering, Iasi	30 Internal professional training programs for operators and internal certification on the job	Operators	ALRO
12 Accounting and taxation, updates applicable for 2023	TESA	WTIB	31 Internal training programs for employees on Internal Regulations, Code of Ethics and Conduct, Human Rights Policy, Anti-Bribery and Anticorruption Policy, CSR Policy, Cybersecurity Policy, PO 426, handling requests and complaints, PO 427, organizing hearings, PO 431, combating bribery and corruption	Operators (Managers, department heads, executive positions)	ALRO
13 ACCA Training and Evaluations	TESA	BBP Rom			
14 ESG Sustainability Training, Level 2 ISB Certification	TESA	ESG Exponential Education			
15 Seminar on medical leave	TESA	Rentrop si Straton			
16 Risk, hazard, and vulnerability in SEVESO systems	TESA	Meda Consulting			
17 Assessment of accident and occupational illness risks	TESA	Oriana Consulting			
18 Risk management according to ISO 31000:2018	TESA	TUV Thuringen Karpat			
19 SSM Inspector	TESA	Profesional New Consult			



At **ALUM**, professional training in 2023 was not based on specific criteria or standards. At the company level, there is a professional training program developed based on the needs communicated by each department.

Due to the difficult economic situation in recent years, we have limited ourselves to providing only the professional training required for authorizations or mandated by specific legislation, namely:

- IDM (Movement register clerk) authorization course – specific activity related to railway transportation;
- RSC (Traffic safety officer) authorization course – activity absolutely necessary and specific to railway transportation;
- Forklift operator authorization course;
- Port facility officer authorization course (port officer);
- Boilerman authorization course;
- P.R.A.M (Protection through Relay Automation and Measurement) verification authorization course;
- Digitalization of activities seminar (SSM and RU domains);
- Energy conference (addressed to the energy manager, as the energy responsible for the company).

At **ALUM**, we couldn't provide professional retraining programs for those who have been laid off, but we actively collaborate with the authorities in the field, namely the AJOFM (Employment Agency). The agency organizes meetings with employees who are about to be in this situation, during the notice period, offering pre-counseling services at our organization's headquarters and support in finding a new job. The Human Resources Department informs about these services provided by the AJOFM through promotion within the company, posting notices in frequently visited areas. Additionally, our Human Resources Department helps employees with the preparation of unemployment files.

At **VE**, external professional training programs are allocated a set number of hours according to current legislation. According to the professional training procedure, employees are enrolled in such programs which consist of multiple training stages. At the end of each stage, theoretical and practical knowledge is evaluated.



In 2023, the following training programs were conducted at **VE**:

- authorization: crane operator authorization course, crane operator reauthorization, forklift operator authorization, forklift operator reauthorization;
- technical training: mold design, CISCO Infrastructure, non-destructive testing, welding certification, extrusion standards interpretation, defect cataloging, profile control at VE, non-conforming results control ISO 14001:2015 course, ISO 19011:2018 auditor course, Occupational Health and Safety Inspector course, Salary Inspector course, Environmental Officer course, Waste Management Specialist course;
- cross-functional skills: English language course, Charisma HCM training, Effective Business Meetings training.





The total number of training hours per year at the ALRO Group level

EMPLOYEES

	2023	2022	2021
ALRO	25,851	13,230	34,043
women	6,463	2,362	5,825
men	19,388	10,868	28,218
ALUM	2,824	2,323	22,808
women	248	378	3,102
men	2,576	1,945	19,706
VE	10,677	10,534	2,171
women	4,881	1,586	1,280
men	5,796	8,948	891
VT	144	504	n/a
women	48	216	n/a
men	96	288	n/a

MANAGEMENT

	2023	2022	2021
ALRO	n/a	n/a	0
women	n/a	n/a	0
men	n/a	n/a	0
ALUM	208	56	820
women	80	16	118
men	128	40	702
VE	446	657	365
women	318	486	229
men	128	171	136
VT	n/a	520	n/a
women	n/a	232	n/a
men	n/a	288	n/a



Average number of training hours per year, per employee

At the ALRO Group level, the professional training of employees is carried out based on the annual professional training program. This includes initiation, qualification, requalification, multi-qualification, improvement, specialization, and authorization courses; internal professional training programs organized at the level of activity sectors; programs dedicated to operators involved in the production of aluminium products and aluminium alloy products for AERO, AUTO, and general use industries, culminating in internal certifications. For the early preparation of the workforce, we annually implement professional training programs in partnership with educational institutions, vocational schools, specialized high schools, as well as universities.

In **VE**, during the period of January to December 2023, an average of 25,56 training hours per employee was completed.



The average number of training hours per employee

	2023				2022				2021			
	ALRO	ALUM	VE	VT	ALRO	ALUM	VE	VT	ALRO	ALUM	VE	VT
The average number of training hours per employee	12.76	14.86	25.56	0	6.3	4.2	2.5	11.72	13.18	28.8	26.27	n/a
The average number of training hours for women	12.76	6.89	22.38	0	6.3	4.2	2.5	10.8	13.18	36.97	19.35	n/a
The average number of training hours for men	12.76	16.73	28.98	0	6.3	4.2	2.5	12.52	13.18	27.26	19.95	n/a
The average number of training hours for management	12.76	18.9	18.58	0	6.3	4.2	2.5	47.27	13.18	28.8	26.27	n/a



8.1.7. Evaluarea performanței și dezvoltarea carierei profesionale

GRI 404-3

Performance evaluation is an important stage in the management process and its main goal is not only to provide a rating but also to improve performance both at an individual and organizational level.

Our compensation system is based on evaluating employees' performance, conducted annually through a dialogue between each employee and their direct manager. Priority is given to feedback, promoting continuous and open communication between managers and team members, with an emphasis on increasing the frequency of this process.

At **ALRO** and **VE**, the process of evaluating individual employee performance is based on HR procedures, and the criteria for evaluation include how tasks and responsibilities are fulfilled, the degree of achievement of objectives, and, if applicable, an assessment of competencies, namely:

- For TESA (Technical and Administrative Staff) in executive positions, the evaluation includes the level of responsibility related to task completion, attitude towards work and self-improvement, degree of initiative, and problem-solving skills.
- For TESA in managerial positions, in addition to the criteria mentioned above, managerial competencies such as planning, organizing, and control are also evaluated.

The results of the individual evaluation are communicated upon the signing of the evaluation form by the evaluated employee. This evaluation form contains a section called "Training and Development Needs", where the hierarchical superior fills in, as appropriate, the areas of development for the evaluated employee.

After the evaluation forms are signed by both the evaluated employees and their evaluators, they are archived and managed by the Human Resources Department. The evaluation results are then used for:

- identifying employees with professional potential;
- identifying and developing individual competencies and skills;
- establishing training and professional development programs;
- motivating and promoting employees;
- creating a professional work environment.

The evaluation of individual employee performance is conducted once a year. However, evaluations can also be conducted at other times during the year in exceptional circumstances imposed by internal mobility or other changes. To ensure the most objective evaluation of employees, ALRO employs the same evaluation system for all employees.

Similarly, at **ALUM**, performance evaluations are conducted annually according to the established procedures. The major criteria used include professional competence, work discipline, and involvement in completing current job tasks. The results are communicated directly to the employee, who acknowledges receipt by signing, and they have the right to contest the evaluation. Through the assessment of skills and competencies, the aim is to address any gaps through on-the-job training and certification, as well as external training and certification.

In Vimetco Trading, we are currently in the process of implementing a performance evaluation procedure.



Number of promoted employees in 2023

ALRO	ALUM	VE	VT	CONEF
23	0	2	16	0

The percentage of employees who underwent performance evaluations (%)

EMPLOYEES

	2023	2022	2021
ALRO	88	90	84
women	15	17	13
men	73	73	71
ALUM	99.5	100	100
women	99.5	16.33	15.90
men	99.5	83.67	84.10
VE*	n/a	0	65.96
women	n/a	0	28.68
men	n/a	0	37.28
VT	5	100	n/a
women	5	100	n/a
men	5	100	n/a

MANAGEMENT

	2023	2022	2021
ALRO	n/a	n/a	100%
women	n/a	n/a	100%
men	n/a	n/a	100%
ALUM	0%	100%	100%
women	0%	16.33%	14.28%
men	0%	83.67%	85.72%
VE³³	0%	0%	33.30%
women	0%	0%	11.07%
men	0%	0%	22.20%
VT	100%	100%	n/a
women	100%	100%	n/a
men	100%	100%	n/a

³³ Within VE, the performance evaluations for the year 2023 are currently underway, aiming to cover a minimum of 85% of all employees.

We are confident that all these processes contribute significantly to the effective management of human resources within our Group. We will continue to make the necessary efforts to ensure a safe, healthy, and motivating work environment for all our employees.



8.2. Health and safety at work

OBJECTIVES



Promoting and maintaining a culture of health and safety in the workplace



PROGRESS in 2023



- Increasing digitization in the field of occupational health and safety across the Group by uploading essential information to digital platforms.
- Continuous promotion of health and safety in the workplace within our Group.
- Reassessment of departmental work instructions and adaptation to current needs.

TARGETS



- Continuous education of all employees on the importance of health and safety in the workplace.
- Significant reduction of incidents compromising workplace safety.
- Zero fatal workplace accidents.

Short-term TARGETS (2024-2025)



- Continuation of health and safety promotion campaigns.
- Participation in national sessions with specialized topics in OSH (Occupational Safety and Health), addressing modern approaches to major work-related health and safety risks, as well as prevention and mitigation methods. (ALRO)
- Continued implementation of legal requirements on the digital platform, alongside increased integration of digitization in health and safety within ALRO. (ALRO)
- Automation of the packaging line (VE) with the following benefits:
 - Ergonomics: profiles are automatically picked up and packaged, reducing the need for manual lifting by employees;
 - Minimization of accident risks: forklifts will only have access to the sales area.
- Addition of an automatic emission evacuation system with the following benefits:
 - Emissions are extracted from machines and evacuated, improving the working environment for employees;
 - Workplace risk assessment by an authorized company: after all works, the workplace will be reassessed for each job by an authorized risk assessor. Following the assessment, appropriate measures and PPE (Personal Protective Equipment) will be determined based on the new working technology.
- Revision of work instructions.
- Training provided by the occupational health physician on providing first aid.
- Fire drills organized by the specialized and authorized company: Rivergate.
- ASI (Accident and Sickness Insurance) policy review.

ACTIONS



defined in 2022

- Implementation of the EHS Policy for each company within the Group.
- Development of instructions for employees to prevent unwanted incidents in the workplace and reevaluation of these instructions following changes in the production process.
- Internal promotion of values focused on health and safety in the workplace.
- Although production activity is currently suspended at ALUM, the organization has always taken care of the health and safety of its employees. The health and safety committee continues its program for remaining employees in accordance with the specific health and safety regulations. (ALUM)
- Reassessment of work instructions across departments, establishment of work instructions for activities involving both VE employees and external suppliers, as well as improvement of these instructions and organization of first aid courses. (VE)



At the Group level, our objective is to promote a culture of health and safety, and we focus on improving working conditions in terms of safety and health. By implementing strict policies and conducting regular inspections, we ensure that all employees work in an environment that not only meets but also exceeds legal standards for safety and health in the workplace.

Updating protective equipment, attending specialized sessions, organizing periodic courses and health and safety promotion campaigns, integrating digitization into the field, and risk assessments—all these efforts are aimed at continuously maintaining and improving our standards of safety and health in the workplace.

Explaining the material topic

Safety and health in the workplace are fundamental aspects for our Group and are an integral part of the Collective Labor Agreement. We are committed to providing a working environment where all employees can carry out their activities in a safe and healthy manner. This involves implementing and maintaining safety procedures, providing appropriate training to prevent accidents, and constantly improving working conditions.

Managing the material topic

Our activities and infrastructure can pose risks to the health, safety, and security of employees, as well as to the neighboring communities in various production areas. We promote a culture of health and safety and implement proactive protection and management measures to ensure a healthy and safe working environment for employees.



8.2.1. Occupational Health and Safety Management System

GRI 3-3 GRI 403-1

Occupational health and safety is a fundamental chapter included in the Collective Labor Agreement (CLA), thus we have implemented an Occupational Health and Safety (OHS) management system for each company within the Group, integrated into the sustainability management system (ASI V3 certification).

In 2023, we continued the campaigns to promote health and safety within the Group and participated in national sessions with specialized papers in the field of OHS, addressing in a modern manner the main risks of occupational illness and injury, as well as methods of prevention and mitigation thereof.

Ensuring safety and health in the workplace within our Group

Workplace health services are implemented within the ALRO Group in accordance with applicable regulations and norms. These services encompass measures and activities aimed at promoting and maintaining the health of our employees during their professional activities.

Some of these include:

- Periodic medical examinations to assess health status in relation to specific job requirements: physical exams, blood tests, vital function assessments, and other similar investigations;
- Activities to identify and assess health risks associated with specific workplaces such as analysis of exposure to chemicals, physical hazards, psychosocial stress, and other environmental factors;
- Provision of information and programs for preventing illnesses and conditions associated with the workplace, including stress manage-

ment programs, mental health programs, and programs promoting healthy lifestyles;

- Provision of periodic training and education on workplace safety, use of personal protective equipment, ergonomic techniques, and other aspects related to health and safety at work;
- Counseling and psychological assistance services for addressing issues related to stress, anxiety, depression, or other mental health issues associated with the workplace;
- Programs and services aimed at reducing absenteeism and managing disability cases through medical interventions, job adaptations, and rehabilitation programs;
- Monitoring and evaluating employees' exposure to chemicals or other hazards in the workplace and taking appropriate measures to minimize associated risks;
- Providing access to first aid services by making available a well-equipped medical dispensary and trained personnel to respond quickly to medical emergencies in the workplace.

Within our companies, a medical office is available to provide continuous medical assistance. The **ALRO** medical office, which also serves **VT** workers, is staffed by specialized medical personnel available 24 hours a day, 7 days a week, along with an administrative staff member responsible for monitoring employees with health issues in the workplace. Medical services are provided in all three shifts at both company locations, within the specially equipped medical dispensary, which also includes an ambulance, equipment, and medications necessary for providing first aid. Any emergency beyond the competence of the medical staff is transported to the Slatina Emergency Hospital.





To respect the confidentiality of health data, considered special categories of personal data under GDPR, appropriate technical and organizational measures have been implemented within the Group:

- It is prohibited to use instant messaging applications (such as WhatsApp, Messenger, Telegram, Signal, etc.) for transmitting personal data (such as test results, diagnoses, medical records, consultation register photos, etc.);
- Transmission of personal data between users within the organization or outside of it is done via email using encrypted files with passwords exchanged between users, or through SMS;
- Transmission of medical analysis sheets (periodic medical examination records) to ALRO employees is done in individual sealed envelopes;
- Access to medical records is permitted only to those users within the Medical Assistance Office who need to know, solely for the purpose of performing their duties;
- Users within the Medical Assistance Office are obligated to maintain the confidentiality of personal data encountered during the performance of their duties. To this end, users of personal data have signed a confidentiality agreement;
- Users receive periodic training on compliance with data processing procedures and Regulation (EU) 2016/679;
- Disclosure of login data to information systems and applications with access to personal databases is prohibited;
- Users are required to close work sessions and lock workstations (computers) when leaving their workplace;
- Printing of personal data is only allowed if strictly necessary for fulfilling job duties.

At **ALUM**, we facilitate employees' access to medical services through the operational procedure "Monitoring the Health Status of Employees in accordance with applicable legislation" Code: PO 42-05/Rev.4/2019. ALUM operates a medical office for occupational medicine within the Occupational Health and Safety Service (SSM-M) and has a contract for medical services with an occupational medicine physician. Annual periodic medical examinations of employees are conducted through medical service providers.

We engage in voluntary health promotion programs through:

- Continuing a sports and educational partnership for training the children of our employees in sports activities (such as swimming), while also supporting their organization and participation in sports competitions (swimming, triathlon).
- Voluntary blood donation campaigns.
- With the support of the trade union organization, employees can relax after work hours on the sports field and in the fitness room within ALUM.

At **VE**, we monitor the health status of our employees by conducting regular health checks (at hiring, periodically, when changing jobs, and if any conditions arise during the check-ups that result in certain incapacities, specific measures are taken to protect the health of those employees based on the indications from the occupational health physician).

Each employee is provided with job-specific personal protective equipment, acquired after an evaluation period. Additionally, each facility is equipped with properly stocked first aid kits, and medical records are managed and maintained by the occupational health physician, without personnel within the company having access to them.

We also implement procedures for employee training, monitoring their health status, establishing minimum requirements for workplace hazard reporting, investigating and recording occupational health and safety events, and a program of measures to prevent workplace accidents. Furthermore, we have acquired new protective equipment and improved the company's pedestrian marking system.



Identifying and mitigating hazards that could affect health and safety in the workplace within the ALRO Group

GRI 2-27 GRI 403-2

Identifying hazards, assessing risks, and investigating incidents are essential steps in the process of managing health and safety at work within our Group. We identify all potential sources of hazards that could affect employees, the work environment, and overall health by:

- Regular workplace inspections, ranging from equipment used to general working conditions, to identify potential physical, chemical, or biological hazards;
- Conducting risk assessments for various activities and processes involving the evaluation of potential harm and the likelihood of its occurrence;
- Involving employees in the hazard identification process – employees have detailed knowledge of the workplaces and can provide valuable insights into potential risks and solutions;
- Analyzing previous incidents to identify causes and contributing factors;
- Analyzing how tasks are performed to identify potential ergonomic issues. Aspects such as posture, repetitiveness, and working conditions can contribute to health problems in the workplace;
- Identifying chemicals used in work processes and assessing associated risks;
- Considering control measures, such as the use of appropriate protective equipment and implementing safe handling procedures.

We periodically update and review the hazard identification process because risk factors can evolve with changes in organizational activities or the introduction of new technologies, and we measure performance in health and safety.

In the risk assessment process, we consider aspects such as legal requirements, work organization, non-conforming incidents, accidents, audit results, employee opinions and feedback, medical observations,

relevant statistics, as well as best practices both nationally and internationally.

The results obtained from the risk assessment process are communicated to the company's management and production division managers, and these results are integrated into the annual prevention and protection plans developed by each production division, including appropriate preventive measures. The risk assessment process is continuous, and after each workplace accident, risk assessment sheets are reviewed and supplemented with potential new risks. We thus identify the specific manifestation of risk for each category and evaluate the risk level based on the maximum foreseeable consequences, severity level, and probability of occurrence.

Once hazards are identified, we develop and implement appropriate control measures to minimize or eliminate associated risks. These measures are clearly communicated to our employees, and we regularly monitor them to ensure a safe and healthy working environment.

The health and safety management system at ALRO and ALUM is recertified every three years and undergoes an annual surveillance process. Health and safety activities are coordinated in accordance with the management system certified to ISO 45001:2018, which includes the following types of procedures for:

- Identifying health and safety risks and hazards in the workplace;
- Investigating and recording health and safety-related events in the workplace;
- Conducting internal audits in the field of health and safety;
- Establishing corrective actions;
- Investigating accidents;
- Measuring performance in health and safety.

Within **ALRO**, the health and safety activity is ensured by the Occupational Health and Safety Office. The main threats to health and safety consist of exposure to hot materials, the risk of falling from heights, the possibility of being caught or struck by moving elements, the danger of electric shock, and exposure to dust or gases.



ALUM has an internal health and safety service, and the management of OSH is handled by the Occupational Health and Safety – Environment Service, directly reporting to the General Director.

According to the risk assessment sheets for workplaces, we have identified and monitored four categories of risks: chemical, mechanical, thermal and electrical risks, and for each component of the work system: work equipment, work environment, work task, and worker. Specifically, the main health and safety risks identified include: exposure to and/or handling of caustic substances (20%), the risk of free fall under the influence of gravity (11,5%), delays in performing essential work safety operations (10,5%), and neglecting the use of available protective equipment (8%). Activities with significant potential impact include those related to production processes and those related to repairs and maintenance.

The procedures used for investigating work-related incidents, including hazard identification and incident risk assessment processes, to determine corrective actions and necessary improvements in the occupational health and safety management system are:

- Operational Procedure “Investigation and Recording of Occupational Health and Safety Events Occurring in Alum S.A.” Code: PO 42-03/Rev.4/2019;
- Operational Procedure “Minimum Requirements for Safety and/or Health Signaling in the Workplace” Code: 42-01/Rev.3/2020;
- System Procedure “Hazard Identification, Risk Assessment, and Control Establishment” Code: PS-12/Rev.4/2019.

Risk identification is carried out by any employee who observes or identifies a risk, which is then reported to the internal Occupational Health and Safety Service (OHS). The risk assessment is conducted by a team appointed by Decision No. 2746/09.11.2022 using the INCDPM (National Research and Development Institute for Occupational Safety) method. This team includes internal auditors with recognized qualifications who have completed accredited training courses for this role. Auditors are authorized to lead the risk assessment process and collaborate with the occupational physician, production division managers, and employee representatives. A risk assessment form is completed, and the level of

risk is determined for each workplace. Accordingly, a set of measures is established for each identified risk to prevent, reduce, and/or eliminate it, included in an Action Plan specific to each workplace. At the beginning of the year, specific objectives for the integrated Quality-Environment-SSM-Energy management system are established. The progress of achieving these objectives is monitored and reported semi-annually. Monitoring of the SSM management system is conducted through internal and external audits. The results of the monitoring and the performance of the management system are detailed in the Annual Report for management analysis of the integrated Quality-Environment-SSM-Energy management system of ALUM.

Following the management analysis of the integrated Quality-Environment-SSM-Energy, a Plan of measures is developed to improve the performance of the management system.

At **VE**, OHS administration services are not outsourced but are carried out internally. Thus, the OHS-Environment Service is responsible for managing OHS. Within the working environment, we have identified specific health and safety risks, such as exposure to sodium substances, the risk of being caught or hit by moving equipment parts, the risk of electric shock, and the possibility of finger injuries caused by being caught in moving equipment parts. We have reviewed work instructions in departments, developing procedures for activities involving both our employees and external suppliers. We have improved these instructions and organized first aid training sessions.

At VE, during the reporting period, a minor workplace incident was recorded, which was promptly resolved on-site.

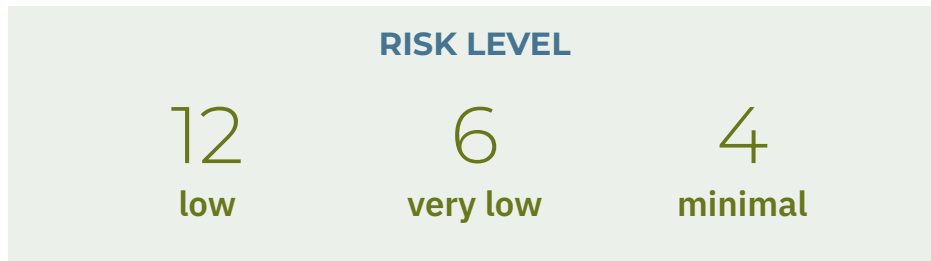
At **VT**, prevention and protection activities are organized at the internal prevention and protection service level, following the provisions of art. 14, lit. c) of HG 1425/2006 updated and consist of:

- Identifying hazards and assessing risks for each component of the work system, namely the worker, the task, the tools/equipment, and the work environment at workplaces/workstations;



- Developing and updating the prevention and protection plan;
- Developing specific instructions for completing and/or applying occupational health and safety regulations, taking into account the particularities of the activities and the company, as well as the workplaces/workstations;
- Checking the knowledge and application by all workers of the measures provided in the prevention and protection plan, as well as their duties and responsibilities in the field of occupational health and safety, established through the job description;
- Developing the training curriculum for all training phases, establishing appropriate periodicity for each workplace, ensuring the information and training of workers in the field of occupational health and safety, and verifying the knowledge and application by workers of the information received;
- Developing the training-testing program at the company level;
- Drafting reports on workplace accidents suffered by company workers, in accordance with the provisions of art. 12 para. (1) lit. d) of Law 319/2006;
- Monitoring the implementation of measures ordered by labor inspectors during inspection visits and investigations of events.

The value of the overall risk level calculated for TESA personnel is 2,61, thus considered an acceptable risk level. More specifically, out of all 22 identified risk factors, none exceeds the partial risk level. Their classification is as follows:



At the Group level, we understand and provide suitable working conditions for certain special groups of individuals, such as employees with disabilities, young employees, or pregnant women who may be exposed to a higher risk of injury. We assign them to workplaces where they can carry out their activities without being subjected to additional risks. Additionally, we adhere to the indications and restrictions outlined in the medical fitness certificate issued by the occupational health physician following the pre-employment or periodic medical examination, and we take technical and organizational measures to ensure that employees can perform their work safely without compromising their health. In the event that a female employee informs the employer about her pregnancy, we implement Procedure 432 – Maternity Protection in the Workplace, following Government Emergency Ordinance No. 96/2003 regarding maternity protection in the workplace. A commission is appointed to assess maternal risk, which prepares an evaluation report highlighting the list of agents, procedures, or working conditions identified as hazards to the employee’s health, as well as the technical, organizational, and hygienic-sanitary measures necessary to prevent and reduce risks. The employee is informed about the identified risks and the measures that will be implemented to protect her in the workplace.



8.2.2. Continuous Education of Employees Regarding Workplace Safety and Health

GRI 403-3

We are aware that only through the direct involvement of employees in processes aimed at supporting safety and health in the workplace, we will fully achieve our goals in this area. Therefore, we will continue to actively involve our employees in the development, implementation, and improvement of our health and safety system, as well as in the management of workplace risks. In this regard, we constantly consult employees regarding health and safety issues, respecting the requirements imposed by legislation. Our main goal is to always apply the optimal solution that contributes to maintaining and protecting the health and safety of our workers.

Employee participation and involvement in this activity effectively take place through the Health and Safety Committee present in each company within our Group. This Committee includes employee representatives, who serve as the voice of the employees, have specific responsibilities in the field of health and safety, and bring their perspectives into the decision-making process. The committee also includes the employer or their legal representative and/or their representatives in equal numbers with the employee representatives, as well as the occupational health physician.

The Committee is responsible for monitoring the current status of health and safety activities, proposing improvements based on the recorded performances, verifying compliance with legislation, analyzing employee suggestions for preventing workplace accidents and occupational diseases, as well as improving working conditions. Additionally, the committee oversees the implementation of health and safety instructions in the workplace.

To enhance prevention and control in this area, we also develop consultation sessions with employees on the subject of workplace safety and health. Thus, we facilitate feedback sessions, during which we can identify certain opinions and find opportunities for improvement. At the Group level, we involve employees in the development of policies and procedures regulating this area.

For example, at **ALUM**, through the two system procedures: “Communication, Consultation, Participation” Code: PS-09/Rev.6/2020; and procedure “Evaluation of customer and other stakeholders satisfaction at ALUM” Code: PO-134-04 /Rev.5/2021, annually we send a consultation questionnaire to all employees regarding quality, environment, occupational health and safety, energy, and social responsibility issues.

We establish with employees an accessible mode of communication for both parties, carefully analyze all employee requirements to identify their needs and expectations, and analyze their satisfaction level in analysis meetings, then we draw up an improvement plan to increase satisfaction. The company has a Health and Safety Committee (HSC) based on Decision no. 424/02.12.2021. It operates based on the Regulation on the organization and functioning of the Health and Safety Committee within ALUM S.A. Code: RCSSM 42-34/PO 42-04.

Employee training in occupational health and safety is an ongoing educational process that provides employees with the knowledge and skills necessary to work safely and healthily. The aim of this training is to prevent accidents, minimize risks, and create a working environment



that protects employees' health and contributes to improving the overall performance of our organization.

To ensure that we manage health and safety aspects correctly, the health and safety management system of **ALRO** and **ALUM** is recertified every three years and undergoes an annual surveillance process. In addition to the recertification process, we have developed specific mechanisms to assess the effectiveness of our management system.

According to the Annual Training Plan, we conduct specialized training sessions for our employees, aiming to provide knowledge on all aspects related to health and safety, as well as information on the rules they must follow to carry out their activities safely. We organize introductory and general courses, including assessments for newly hired personnel, visitors, and contractors, along with periodic training sessions for all employed staff.

At **ALUM**, the employee training process in the field of occupational health and safety takes place through the operational procedure "Worker Training in Occupational Health and Safety" Code: PO 42-02/Rev.5/2019 as well as through the annual on-the-job training plan-2023 Code: F3/PS-13/Rev.5/2020. For each job, a training agenda is drawn up Code: TI 42-27/PO 42-02/Rev.5/2019.

At **VE**, all employees are trained on health and safety topics, following the Annual Health and Safety Training Program. Additionally, we implement supplementary training programs in specific situations, such as when employees change roles or positions within the company. We also provide refresher training for those employees who have been absent from work for more than 30 days. These training sessions are conducted both before the start of special tasks or in response to events related to health and safety at work, such as incidents or workplace accidents. Regarding special jobs involving risks, each workplace supervisor conducts specific additional HSE training sessions.



The average number of hours of training in occupational health and safety in 2023

	ALRO	ALUM	VE	VT	CONEF
For employees with employment contracts	24	24	32	12	0
For full-time employees	19	24	26	2	0



8.2.3. Promoting Employee Health and Safety

GRI 403-6 GRI 403-4 GRI 403-5

Promoting employee health involves our efforts to encourage and support healthy behaviors and lifestyles among employees. The main goal of health promotion in the workplace is to improve the overall well-being of employees, reduce health risks, and increase the level of health and productivity in the workforce. We are committed to creating a work environment that encourages and supports healthy habits, through:

- Wellness programs that provide our employees with access to physical activities, nutrition programs, mental health counseling, and other resources to support them in adopting a healthy lifestyle;
- Information and awareness sessions on various aspects of health, including balanced nutrition, physical activity, stress management, adequate sleep, and more;
- Education on disease prevention by providing information and resources to help employees understand and prevent various illnesses such as cardiovascular diseases, diabetes, and others;
- Programs and resources to help employees quit smoking and improve their health;
- A work environment that promotes health, such as balanced meal spaces, facilities for physical activities, and our policies that encourage short breaks to promote movement;
- Special events where activities and resources dedicated to health promotion are offered;
- Health assessment services, through regular medical examinations or health evaluations, to help our employees monitor and improve their health.



Promoting employee health not only brings individual benefits to employees but also contributes to reducing absenteeism costs and increasing productivity. A healthy work environment and support for healthy lifestyle choices create a positive organizational culture and contribute to the long-term success of our organization.

Preventing and mitigating potential negative impacts in the area of health and safety at work, closely linked to our business, is not only a legal responsibility but also an important element for increasing productivity, employee satisfaction, and maintaining a positive reputation for our organization.

This concern is oriented towards ensuring a safe and healthy working environment for employees by reducing occupational risks and preventing work-related accidents and illnesses. By proactively addressing these issues, we develop a safe and healthy work environment, thereby benefiting from improved performance and reductions in costs associated with absenteeism and treatment of occupational diseases.

Before being employed within the Group, all candidates undergo a medical examination conducted by the occupational health physician, based on the analysis of specific occupational risk exposure records for the job they are applying for. Following this examination, future employees receive a fitness report which may specify whether they are considered fit or fit conditionally, with certain restrictions, such as prohibitions on working at heights or night shifts. Workplace managers are informed about the occupational health physician's assessment, and employees' activities are in accordance with the recommendations from the fitness report. Additionally, employees undergo periodic medical examinations, conducted at least once a year, to monitor their health status and implement the technical and organizational measures necessary to ensure the safe conduct of activities without jeopardizing their health.

We are continuously dedicated to finding the most effective solution to improve our performance in the field of health and safety at work. Therefore, following the annual evaluation, we develop an action plan to be implemented in this regard.

Among our basic principles, which represent cornerstones for a safe and healthy work environment, are:

- Zero tolerance for workers using improvisations to solve work tasks.
- Performing work activities without wearing personal protective equipment is not acceptable under any circumstances.
- Zero tolerance for workers showing up at the workplace under the influence of alcohol, hallucinogenic or narcotic substances, as well as for the introduction or consumption of alcoholic beverages, hallucinogenic or narcotic substances on our premises.
- Increasing the number of occupational health and safety inspections in production sectors to early detect non-conformities and take timely and adequate corrective measures.
- Disciplinary action against workers who deviate from compliance with occupational health and safety legislation, as well as against sector leaders who tolerate these deviations.
- Continuous improvement of safety indicators for injury risks in production sectors.

At **ALRO**, in order to improve the protection of our workers, we have implemented a health and safety alert system that provides details about potential risks or hazards. This system includes restrictive rules, identification and signaling of emergency exits and first aid points, as well as the distribution of necessary protective equipment. In this way, each employee receives individual protective equipment, specifically selected for each type of work, after careful evaluation. Additionally, each unit is equipped with fully stocked first aid kits and emergency showers. We ensure that employees in high-risk divisions benefit from adequate protective measures.

ALUM has developed and approved a Prevention and Protection Plan that is reviewed annually and whenever necessary, and the occupational health and safety management system has been internally audited.

Within our Group, all employees, both direct and those who are not direct employees but perform their professional activities on the premises of one of our operations, are covered by an Integrated Occupational Health and Safety Management System.



GRI 403-7 GRI 403-8 EM-MM-320a.1

The number of employees represented in the OHS committees, in 2023:

ALRO	ALUM	VE	VT	CONEF
2,061	190	418	0	0

The number of sick leave days

The number of working days of sick leave due to work-related accidents

ALRO	ALUM	VE	VT	CONEF
799	51	287	0	0

The number of days of sick leave (excluding work-related accidents)

ALRO	ALUM	VE	VT	CONEF
29,379	2,679	3,442	2,990	0

GRI 2-27 GRI 403-9

Work-related accidents

In our Group, in accordance with the provisions of Law no. 319/2006, in case of situations that may endanger the health and safety of workers in the workplace, all workers in the sectors of activity have the right to stop any type of professional activity and the obligation to immediately inform their hierarchical superior about the situation. Therefore, we encourage all our workers to communicate any potential situation or risk that may lead to a work accident.

According to the Safety Report issued by European Aluminium in December 2023, **ALRO** is included in the category of “top performing plants,” both for the Primary Aluminium Division and the Processed Aluminium Division, and **VE** is included in the same category for extruded aluminium products.

At **VE**, employees can report any work hazard situation to their direct supervisor, the HSE (Health, Safety, and Environment) responsible person, or they can communicate it to the Union. The union member is a member of the HSE Committee, which meets every 3 months or whenever necessary.

At **ALUM**, employees are provided with all the conditions necessary for carrying out the activities related to their positions, and in case an employee faces a situation where there are risks of injury, they can refuse to perform the respective activity and notify their hierarchical superior.

Within **ALUM**, in 2023, two work accidents occurred: one employee suffered a chemical eye burn, and another a fracture of the upper limb. Following the investigation of these work accidents, the causes that led to their occurrence were established, namely, splashing with alkaline solutions and slipping and falling at the same level.

In the minutes of investigation of work accidents, measures were established, responsible persons for their implementation were assigned, and deadlines were set for their completion in order to prevent similar situations. Also, the causes and circumstances of the work accidents were presented to all workers. According to the relevant legislation, the work accidents were reported to the Territorial Labor Inspectorate Tulcea. The HSE department prepared accident investigation files and submitted them to the Territorial Labor Inspectorate.

All work accidents that occur at our company’s premises in Romania must be reported to the Territorial Labor Inspectorate, as required by Romanian legislation. In the case of minor work accidents or accidents with temporary interruption of activity, an internal investigation committee is appointed to investigate the causes of the accidents and to propose improvement or corrective actions. The Territorial Labor Inspectorate investigates work accidents with serious consequences. In the case of serious accidents, an internal investigation is conducted to take urgent measures to prevent similar accidents. The Inspectorate investigates accidents, identifies causes, and establishes corrective measures that we are required to apply. The internal committee is composed of members from the HSE department, the legal department, the department where the accident occurred, and the human resources department. At the end of the investigation, a report is prepared and submitted to the general director for approval.





In the year 2023, the most common hazards encountered within our operations were:

- Same-level falls due to tripping;
- Non-compliance with internal traffic rules within the company;
- Failure to wear personal protective equipment;
- Improper positioning during work tasks;
- Non-compliance with occupational health and safety instructions;
- Improperly secured material rolling over;
- Falling of materials being handled with lifting/transportation equipment.

Actions taken to eliminate these hazards and minimize risks:

- Daily checks, using the hierarchy of controls, regarding the wearing of personal protective equipment and compliance with workplace safety and health instructions, as well as internal traffic rules;
- Regular and additional training of workers in the field of occupational health and safety;
- Continuous improvement of safety signage at workplaces;
- Raising awareness among workers about the risks associated with activities performed at the workplace that may lead to occupational accidents and training them on the organizational measures implemented for their protection;
- Improvement of work processes through digitization, technological advancements, and automation.



Work-related accidents

	NUMBER			RATE			
	2023	2022	2021	2023	2022	2021	
ALRO	Deaths as a result of workplace accidents	0	0	0	0	0	
	Work accidents with serious consequences (excluding fatalities)	0	0	0	0	0	
	Reportable work accidents	7	6	15	2.08	1.74	3.60
	Worked hours	3,364,463	3,723,828	4,165,352			
ALUM	Deaths as a result of workplace accidents	0	0	0	0	0	
	Work accidents with serious consequences (excluding fatalities)	0	0	2	0	1.48	
	Reportable work accidents	2	4	22	4.96	4.06	16.33
	Worked hours	403,014	914,204	1,347,190			
VE	Deaths as a result of workplace accidents	0	0	0	0	0	
	Work accidents with serious consequences (excluding fatalities)	0	0	0	0	0	
	Reportable work accidents	5	1	1	6.65	1.66	1.87
	Worked hours	751,492	601,034	535,348			
VT	Deaths as a result of workplace accidents	0	0	n/a	0	0	n/a
	Work accidents with serious consequences (excluding fatalities)	0	0	n/a	0	0	n/a
	Reportable work accidents	0	0	n/a	0	0	n/a
	Worked hours	82,865	79,944	n/a			
CONEF	Deaths as a result of workplace accidents	0	0	0	0	0	
	Work accidents with serious consequences (excluding fatalities)	0	0	0	0	0	
	Reportable work accidents	0	0	0	0	0	
	Worked hours	381	821	868			

The Rate is calculated for 1,000,000 worked hours.

For the collaborative staff reported on page 223, ALRO Group companies do not keep track of the indicators presented in the above table, which is why we do not report these data.



GRI 403-10

Occupational diseases

Occupational diseases are ailments or illnesses directly caused or influenced by exposure to risk factors in the workplace.

At **ALRO**, we have identified various health conditions related to our employees' health that can be considered occupational diseases:

- Bronchial asthma, generated and triggered by emissions resulting from the electrolysis process and the manufacture of anodes;
- Spinal conditions associated with activities such as lifting, pulling, pushing, repetitive bending, and twisting, as well as prolonged sitting at desks;
- Hearing loss caused by constant exposure to high levels of noise in certain production areas.

Professional hazards that have caused or contributed to cases of health deterioration in the workplace during the reporting period:

- Emissions generated during the primary aluminium production process (electrolysis) – these are at a minimum level, with Best Available Techniques (BAT) implemented, and workers are provided with respiratory protection masks of the 3M type;
- Repeated lifting, pulling, and pushing of tools and materials – the weight and number of manually handled tools and materials have been significantly reduced through the use of mechanized, automated equipment.

At **ALUM**, **VE**, and **VT**, no cases of occupational diseases were recorded in 2023.

2023 2022 2021

ALRO	The number of deaths due to work-related health issues	0	0	0
	The number of cases of work-related illnesses that can be recorded	12	6	1
ALUM	The number of deaths due to work-related health issues	0	0	0
	The number of cases of work-related illnesses that can be recorded	0	0	0
VE	The number of deaths due to work-related health issues	0	0	0
	The number of cases of work-related illnesses that can be recorded	0	0	0
VT	The number of deaths due to work-related health issues	0	0	nr
	The number of cases of work-related illnesses that can be recorded	0	0	nr
CONEF	The number of deaths due to work-related health issues	0	0	0
	The number of cases of work-related illnesses that can be recorded	0	0	0

At Group level, we carry out complex activities to support, through clear processes, all activities related to safety and health in the workplace. We will continue to constantly improve this area, which we consider essential for our long-term success.



8.3.

Human Rights, Diversity and Equal Opportunities



OBJECTIVES



Respecting Human Rights and Promoting Diversity and Equal Opportunities

TARGETS



- Respecting human rights.
- Zero incidents of non-compliance of Human Rights.

ACTIONS



defined in 2022

- Implementation of the Strategy and Policy at the Group level regarding Human Rights.
- Organizing training sessions for all employees on Human Rights.
- Continuous communication of the major importance of respecting Human Rights.

PROGRESS

in 2023



- Continuous monitoring of compliance of Human Rights within our Group.
- Organizing communication sessions for all employees regarding the importance of Human Rights.
- Completion of the Codes of Conduct for the organizations where they were in the process of development. (VE)

Short-term TARGETS (2024-2025)



- Organizing educational campaigns and awareness events to inform people about human rights, diversity, and equality of opportunities.
- Promoting active citizen participation in the decision-making process and supporting organizations and initiatives that fight for human rights and equality of opportunities.
- Monitoring the respect for human rights and diversity in various sectors and communities and reporting abuses or discrimination to relevant authorities or international organizations.
- Collaborating with governmental and non-governmental organizations, academic institutions, the private sector, and other stakeholders to develop and implement effective solutions for promoting human rights and equality of opportunities.



In 2023, we continued to provide and support stable employment, with a particular emphasis on respecting human rights and promoting equality of opportunities. This meant ensuring that all employees and candidates are treated fairly, regardless of gender, ethnicity, specific characteristics, or personal interests, thereby contributing to creating a diverse and inclusive work environment.

The **ALRO Group** places special emphasis on respecting human rights, aiming for inclusive development and recognizing individual worth. The Group has developed and published on its website the *Human Rights Policy*, applicable to all directors, managers, employees, and business partners. This policy reflects ALRO's commitment to respecting human rights, as well as national and international legal principles and requirements. The Group prohibits forced labor in any form and believes that every person has the right to choose their desired profession and occupation.

The ALRO Group takes responsibility for maintaining and improving its management system to prevent negative situations regarding human rights within its operations. By adhering to human rights and promoting equality of opportunities, the ALRO Group is committed to providing an ethical and respectful work environment where all employees and collaborators are treated fairly and have equal chances for professional development, regardless of personal characteristics.

It is important to emphasize that the ALRO Group recognizes and values diversity within the organization, considering it a factor that brings innovation and enhanced performance. By promoting these values, a positive work environment is built, which generates increased satisfaction among employees and improves the overall performance of the organization.



Explaining the material topic

We pay special attention to respecting human rights and social inclusion, and we promote equal opportunities for all, regardless of gender, ethnicity, religion, age, or economic status. Human rights are integrated into all the acts, processes, and internal procedures of the company. We continuously monitor compliance with the human rights policy, analyze all incidents of discrimination that occur, and implement concrete remediation plans. We organize communication and promotion activities, as well as new training sessions for employees.

Managing the material topic

GRI 3-3

We have an organizational culture that promotes diversity and provides equal opportunities, contributing to increased employee engagement and satisfaction. Employees who feel valued and respected in the workplace are more likely to be productive and contribute to the organization's success.

We are committed to maintaining and improving our management system to prevent the possible occurrence of situations that could have a negative impact on human rights resulting from our business activities or relationships within our operations.

We have a clear policy regarding the respect for human rights, against discrimination, and measures to prevent it. We recognize and value diversity within the Group, which brings different perspectives and encourages innovation and performance within the organization.

We are developing a work environment where every employee feels valued and capable of making essential contributions and maximizing their full potential. Social inclusion also means that all employees feel respected and integral parts of the organization.

We ensure that professional development and promotion processes are fair and merit-based, without favouritism or prejudice, and have implemented training and awareness programs to educate employees about the importance of diversity, equality, and social inclusion.

We monitor and evaluate policies and practices to ensure that equality, diversity, and inclusion are respected. This attitude is not just a matter of legal compliance but an essential aspect of a healthy and productive organizational culture.

By promoting these values, we develop a positive work environment, greater employee satisfaction, and overall better performance. Through our approach to respecting human rights and providing equal opportunities to all employees and collaborators, without discrimination, we demonstrate an ethical and respectful workplace environment that emphasizes equality, diversity, and inclusion.

Thus, we ensure fair treatment for all our employees and collaborators, offering them equal opportunities for professional development. Additionally, within our Group, all employees have the right to join one of the nine existing unions:

- ALUM Free Union;
- ALRO Free Union;
- Aluminist Free Union;
- Solidarity Union;
- Aluminium Processing Union;
- Alroproduct Union;
- UPS Union (Union Professional "Science");
- ALRO Workers' Union;
- Independent Alro Extrusion Union.

80,73% of the total number of **ALRO** employees are members of the Unions; 94,75% of the total number of **ALUM** employees are members of the ALUM Free Union; 54,16% of the total number of **VE** employees are members of the Independent ALRO Extrusion Union.

VT employees are members of the ALRO Unions and enjoy the same rights as **ALRO** employees. Annually, the Employer initiates the negotiation of the Collective Labor Agreement (CLA) at the unit level in accordance with legal provisions.



8.3.1.

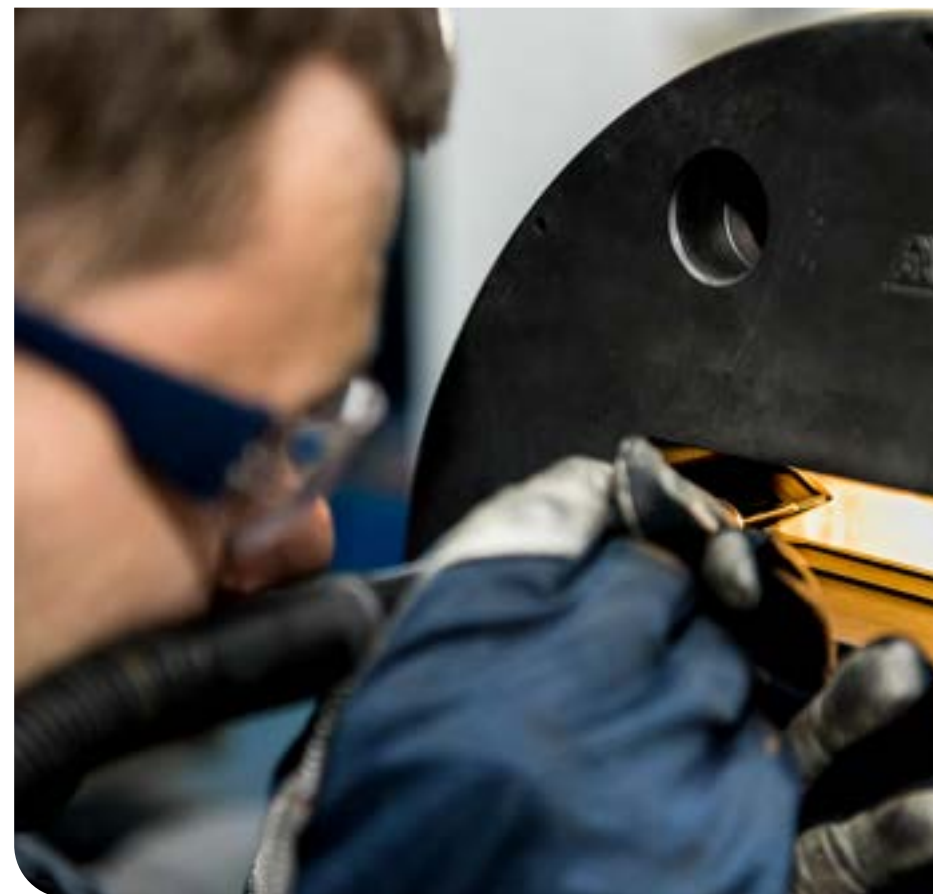
Policy on Human Rights at Our Group Level

We consider it of utmost importance that all human rights are respected, which is why we have developed the Group ALRO Human Rights Policy. This represents our commitment to upholding and protecting human rights in all situations. To ensure the effective implementation of this core value, we have extended the applicability of this procedure to all our employees as well as all our partners. Furthermore, to significantly increase awareness of this core value, we have included the principle of respecting human rights in all collective labour agreements, within the Sustainability Strategy, and within the Code of Ethics and Conduct.

The ALRO Group strongly condemns any form of forced labour, defined as any work or service imposed upon a person under threat or without their explicit consent.

The principles of respecting fundamental human rights are also reflected in the Group's recruitment, hiring, and promotion processes, rigorously based on the criteria of competence and performance of each employee. This approach constitutes one of our positive initiatives aimed at supporting the respect for fundamental human rights.

According to internal policies and procedures, all candidates participating in recruitment, selection, and hiring actions receive non-discriminatory treatment and are afforded equal opportunities. Throughout the year 2023, **VE** initiated the implementation of a platform that allows for the centralization, standardization, and automation of recruitment, training, and development processes, thus ensuring transparency in the opportunities offered within the organization, employee performance, and evolution.



According to national legislation, we commit to informing all employees about any major changes in our operations that could impact their jobs. In this regard, we ensure an adequate notice period, as stipulated in the Collective Labour Agreements of each company within the Group. According to our country’s laws, the minimum notice period is established in accordance with legal provisions and is included in collective agreements: approximately 60 days in total (8 weeks) – according to the Labour Code, and in the case of collective dismissals, the mandatory steps to be fulfilled are:

- The company notifies the union, AJOFM (County Agency for Labour Force Employment), and ITM (Territorial Labour Inspectorate) regarding its intention;
- Within 10 days of notification, the union must respond to the company’s notification and propose specific measures to reduce the negative impact on employees;
- Within 5 days of the union’s response, the Company will formulate its response;
- Notification to employees must be submitted at least 20 working days before the dismissal (~30 calendar days).

In 2023, there were no incidents of discrimination or violations of human rights within our Group.

GRI 405-2

We are also attentive to ensure that remuneration is fair and free from any form of discrimination. Therefore, when determining and granting salaries, we completely exclude any form of discrimination based on sex, sexual orientation, genetic characteristics, age, national origin, race, color, ethnicity, religion, political affiliation, social origin, disability, family situation, or responsibility.

Within the Group, the ratio between the base salary of women and the base salary of men in the company during the reporting period is 1:1. There are no differences in salaries based on the gender of the employee.



The ratio between the minimum salary in the company for entry-level employees and the minimum wage in the economy

		WOMEN	MEN
ALRO	2023	1.23	1.23
	2022	3.04	3.04
	2021	3.12	3.12
ALUM	2023	1.00	1.00
	2022	1.05	1.05
	2021	1.16	1.16
VE	2023	1.80	2.18
	2022	1.00	1.00
	2021	1.00	1.00
VT	2023	1.00	1.00
	2022	1.00	1.00
	2021	n/a	n/a



In 2023, at **ALRO**, no incidents of discrimination were recorded.

GRI 406-1 **ESRS S1-1**

Thus, in all processes within the organization, any form of direct or indirect discrimination based on criteria such as sex, sexual orientation, genetic characteristics, age, nationality, race, color, ethnicity, religion, political opinion, social origin, disability, family situation, or responsibility is strictly prohibited.

At **ALRO Group**, we commit to taking all necessary measures to prevent and combat acts of moral harassment in the workplace, including providing disciplinary sanctions for employees who commit acts or deeds of moral harassment in the workplace. In 2023, we did not record any incidents of discrimination or harassment of any kind within our companies.

Within **ALUM**, the personnel management system provides information about employees, including information related to their diversity.

At the organizational level in ALUM, there are 37 employees with positions (of which 35,14% are women) and 146 employees without positions (of which 23,28% are women).

In particular, the percentage of women in the company at the end of 2023 in various categories:

- Leadership (directors according to Law 31/1990 on companies, republished) = 50% women;
- Executive management = 18%;
- Level 2 management (heads of various work departments) = 42%;
- Non-managerial staff = 52%.



8.3.2.

Training Employees on Human Rights

GRI 410-1 GRI 412-1

Security personnel are periodically trained on policies or procedures regarding human rights. In 2023, all employees were trained on regulations, policies, and practices of non-discrimination: Internal Regulations, Human Rights Policy, Code of Ethics and Conduct. The thematic content of internal training programs includes topics from the earlier mentioned areas.

At **ALRO**, 2,466 hours of human rights training were conducted.

At **ALUM**, the security and protection of our organization are outsourced. Article 16 of the Internal Regulations stipulates that “the control will be carried out under conditions that do not constitute an offense to the person subjected to control.”



8.3.3. Employee Diversity

GRI 405-1

Aspects related to diversity regarding the governing bodies and employees of the organization are addressed in the Internal Regulations, which provide in Chapter IX “Rules regarding the respect of the non-discrimination principle and the elimination of any form of dignity violation”.

To promote diversity and inclusion within the organization, employees are trained on how to implement and respect procedures and policies regarding discrimination and human rights, as well as on the procedures and methods for reporting cases of discrimination or rights violations.

We also consider diversity in the leadership roles within our Group, with a percentage of 21% of employees in this area being women. Among other employees, the percentage is 18,7%. Referring to age criteria, 47% of the leadership roles are under the age of 50 years old, while among workers, 57,7% are under the age of 50 years old.

In **ALRO** and **ALUM**, aspects related to diversity regarding the governing bodies and employees of the organizations are also addressed and managed in the Internal Regulations and in the Human Resources Policy implemented at each company level. We promote supportive relationships with all members of the organization and combat any inappropriate behavior, respecting the principle of equal treatment for all employees.

We prohibit any direct or indirect discrimination against an employee, discrimination by association, harassment, or victimization based on criteria such as race, citizenship, ethnicity, color, language, religion,



social origin, genetic characteristics, gender, sexual orientation, age, disability, chronic non-communicable disease, HIV infection, political opinion, family situation or responsibility, membership or union activity, membership in a disadvantaged category.

ALUM has a representative in COJES – the County Commission for Equality of Opportunities between Women and Men, an informative and advisory structure with the main responsibility of promoting and implementing locally the values and principles of non-discrimination based on gender.

Regarding age and skills, we strive to maintain a balance between generations. The Code of Conduct of **VE** states: “We make every effort to be a company where the best people want to work, where people are hired and promoted based on merit, where there are development opportunities and a good balance between work and private life.”

Employees are trained on how to implement and respect procedures and policies regarding discrimination and human rights, as well as on the procedures and methods for reporting cases of discrimination or rights violations.

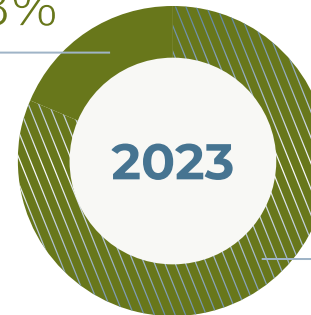
At **VE**, 47% of the leadership represents women, and regarding other employees, women represent a share of 52%. Referring to the age of leadership individuals, 79% are under 50 years old, while the rest of the staff is represented by 80% of individuals under 50 years old.

Considering the homogeneous demographic structure in the area, special monitoring was not necessary. There are policies in place with zero tolerance for discrimination.

The Diversity of the Board of Directors

ALRO

18.18%
women



81.82%
men

2022

women	men
27.27%	72.73%

2021

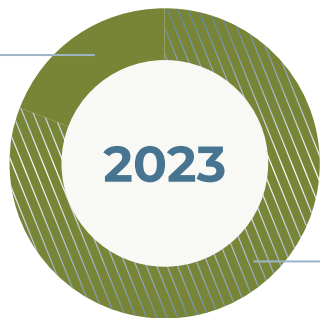
women	men
18.18%	81.82%

	2023	2022	2021
< 30 years	9.10%	0%	0%
30 – 50 years	45.45%	54.55%	54.55%
> 50 years	45.45%	45.45%	45.45%



ALUM

20%
women



80%
men

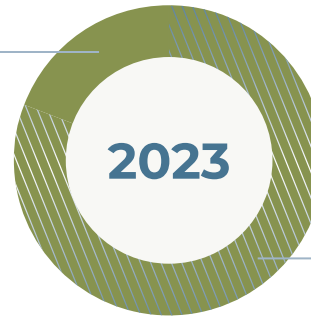
2022	
women	men
20%	80%

2021	
women	men
20%	80%

	2023	2022	2021
< 30 years	0%	0%	0%
30 – 50 years	40%	40%	40%
> 50 years	60%	60%	60%

VE

20%
women



80%
men

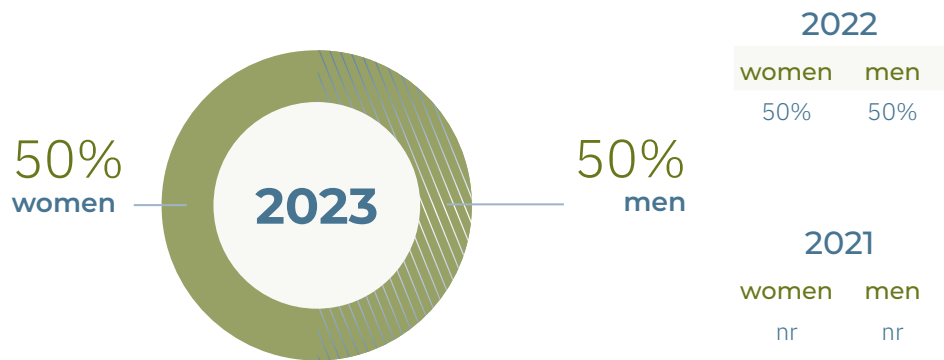
2022	
women	men
20%	80%

2021	
women	men
20%	80%

	2023	2022	2021
< 30 years	0%	0%	0%
30 – 50 years	80%	60%	60%
> 50 years	20%	40%	40%

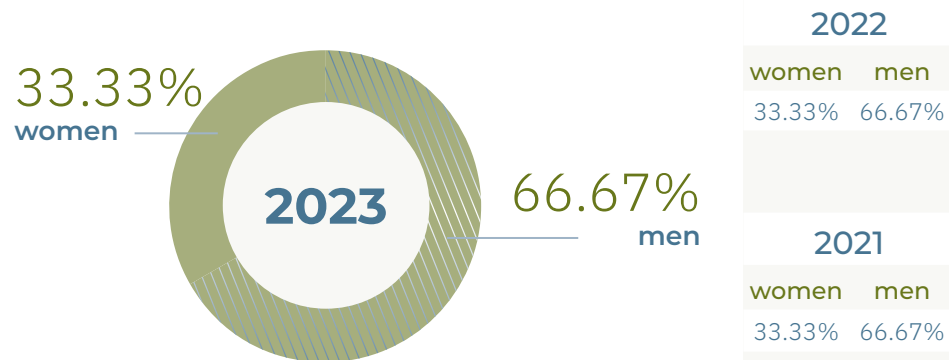


VT



	2023	2022	2021
< 30 years	0%	0%	nr
30 – 50 years	0%	50%	nr
> 50 years	100%	50%	nr

CONEF



	2023	2022	2021
< 30 years	0%	0%	0%
30 – 50 years	66.67%	100%	100%
> 50 years	33.33%	0%	0%



Employee diversity

TOP MANAGEMENT

		2023	2022	2021
ALRO	women	22%	22%	14%
	men	78%	78%	86%
ALUM	women	35.13%	14.29%	14.29%
	men	64.87%	85.71%	85.71%
VE	women	42.86%	37.5%	33.3%
	men	57.14%	62.5%	66.6%
VT	women	33%	33%	nr
	men	66%	66%	nr
CONEF	women	0%	0%	0%
	men	100%	100%	100%

LOWER MANAGEMENT

		2023	2022	2021
ALRO	women	20%	19%	19%
	men	80%	81%	81%
ALUM	women	0 %	1.82%	1.85%
	men	100%	98.2%	6.61%
VE	women	0%	12.5%	22.2%
	men	100%	87.5%	77.7%
VT	women	0%	0%	nr
	men	0%	0%	nr
CONEF	women	0%	0%	0%
	men	0%	0%	0%

MIDDLE MANAGEMENT

		2023	2022	2021
ALRO	women	31%	22%	20%
	men	69%	78%	80%
ALUM	women	42.3 %	31.25%	34.37%
	men	57.7%	68.75%	65.63%
VE	women	58.82 %	56.25%	54.5%
	men	41.18%	43.75%	45.4%
VT	women	37.5%	37.5%	nr
	men	62.5%	62.5%	nr
CONEF	women	100%	100%	100%
	men	0%	0%	0%

OPERATIONAL STAFF

		2023	2022	2021
ALRO	women	18%	40%	40%
	men	82%	60%	60%
ALUM	women	23.28%	15.12%	15.74%
	men	76.72%	84.88%	98.39%
VE	women	52.74%	47.67%	48.6%
	men	47.26%	52.33%	51.3%
VT	women	47.8%	46.5%	nr
	men	52.2%	53.5%	nr
CONEF	women	0%	0%	0%
	men	0%	0%	0%



8.3.4. Discrimination Incidents and Corrective Measures Taken

GRI 406-1

To ensure that discrimination is prevented, mitigated, and addressed if detected, as well as to promote diversity and inclusion, we periodically organize training sessions for all our employees on the implementation and adherence to procedures and policies regarding discrimination and human rights. Additionally, programs on non-discrimination policies and practices are included in our annual professional training schedule.

In 2023, **ALRO** participated in a Job fair for disadvantaged individuals from disadvantaged communities, organized as part of the “Shaping Academic Employment Skills for Young Roma” Project, aiming to recruit from minority and disadvantaged groups.

Through PO 426/Rev.2/22.06.2022 – “Procedure for addressing requests, notices and complaints”, methods of reporting both discrimination incidents and any violation of human rights, current legislation, or ALRO CCM provisions are established. There are two reporting channels: (a) Internal reporting; (b) External reporting.

For internal reporting, ALRO provides the following reporting channels for interested parties:

- In writing, by e-mail to the recipient: ALRO S.A., Pitești Street, No. 116, Slatina, Olt, postal code 230048;
- In writing, with submission at the ALRO Registry or in one of the designated petition boxes placed at the access gates of the company or in the activity sectors;
- Via email to the address: sesizari@alro.ro;
- By completing the contact form on the intranet portal: <http://10.0.3.137/sesizari/home/sesizari>, or website: www.alro.ro;

- Reporting can also be done through a face-to-face meeting between the reporting person and the person designated by the company’s management or the General Director of ALRO;
- By phone or through a voicemail system, with the consent of the reporting person.

External reporting can be made to authorities and public institutions which, according to special legal provisions, receive and address reports regarding violations of the law within their area of competence.

Furthermore, the criteria for defining and requirements for positions strictly refer to the tasks and duties of the positions, without mentioning any requirements related to group membership, ethnic groups, gender, or similar aspects.

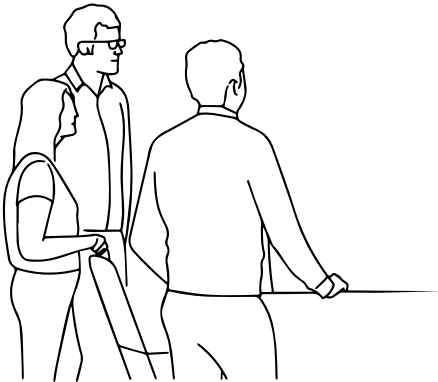
Additionally, within the Group, there are adaptations of the physical environment to ensure the health and safety of workers, customers, and other visitors with disabilities. For individuals with mobility disabilities, special parking spaces are allocated.

In 2023, all employees were trained on respecting human rights, equality of opportunities, and gender equality. There are reporting and information channels, and employees are protected, benefiting from anonymity.

Considering all the above, we believe that we make consistent efforts to ensure that Diversity, Equality, and Human Rights are respected, and we are determined to continue doing so in a consistent and efficient manner.



8.4. Commitment to the Community



OBJECTIVES



Continued improvement of the relationships we have established with the communities we interact with

TARGETS



- Continuous development of the communities we are part of, and beyond.

ACTIONS defined in 2022



- Continuous involvement in CSR activities.
- Facilitating a feedback system from communities within our Group.
- Developing a group strategy that considers managing our actions in relation to the community.

PROGRESS in 2023



- Informing and empowering local communities about various situations that can endanger human lives, such as fires, natural disasters, earthquakes, or missing persons.
- In 2023, a stakeholder survey was conducted, and the responses and conclusions obtained were used to determine the Group's future directions regarding the most sustainable development.

Short-term TARGETS (2024-2025)



- Continuing actions to inform and empower local communities.
- Supporting health programs, environmental protection, and programs for the development and well-being of young people.



Explaining the material topic

Our commitment to the community is an integral part of our corporate values. We actively engage in the communities where we operate, considering our impact on them. We aim to be a trusted partner, supporting local projects and initiatives, providing employment opportunities, and promoting social and economic development. We are eager to contribute to overall economic prosperity and to have a positive impact on improving the quality of life within the communities we are part of.

Managing the material topic

GRI 3-3 GRI 413-1 EM-MM-210b.1

The **ALRO Group** is constantly involved in addressing the social issues of the communities where it operates and takes into account the interests of society, being responsible towards employees, shareholders, the community, and the environment. We are active in the community by engaging in corporate social responsibility programs, ranging from rebuilding homes destroyed by natural disasters to education, sports, and health programs.

We maintain ongoing dialogue with local authorities, our employees, diverse community members, and other relevant stakeholders, including clients, employees, suppliers, and investors, as well as representatives from academia, industries, and society. We are receptive to the questions and concerns of stakeholders, initiating dialogues and participating in discussions whenever we plan to start a new project. These conversations provide us with insight into their expectations from us and help us identify the necessary measures to build and maintain trust, establish strong partnerships, and promote societal acceptance and the sustainability of our business activities. For significant projects, we systematically identify key stakeholders to address critical issues initially, thereby preventing conflicts and properly managing potential negative impacts.

At the **GROUP** level, we ensure that we transparently and responsibly manage feedback and concerns from the local community regarding the organization's activities through open communication channels, both internal and external. We have established a process and dedicated

channels for receiving complaints and reports from any interested person, as detailed in the *Business Ethics* section.

Over time, we have received various requests from the local community, which we have successfully managed without receiving complaints. Additionally, we have developed another means of communication by organizing meetings and audiences with the company's management, open to both employees and other citizens, to address requests, complaints, reports, and specific proposals. In this regard, we have developed customized procedures for each company within our Group.

Messages to us can be sent in writing through the registry, by phone, by accessing the ALRO website, or through the internal portal.

Furthermore, we have a dedicated department within each company responsible for receiving, recording, and transmitting sponsorship requests, which are redirected to the Sponsorship Committee secretariat for analysis. To verify the reasons for granting various sponsorships, we have implemented a monitoring and evaluation system, which includes specific contractual clauses and the obligation of beneficiaries to provide detailed implementation reports and allow on-site visits.

At **ALRO**, involvement in the local community is achieved through several methods, including charitable contributions, donations, and





funds allocated for the needs of the local community (social, medical, educational, sports). Thus, ALRO is involved in UNICEF's actions in Romania, supporting the Romanian Government in identifying and monitoring the needs and vulnerabilities of children and helping to establish "Blue Dot" centers, centers specially designed for refugee children and their families.

We have partnerships with various educational institutions (high schools, vocational schools, and universities). For example: the Metallurgical Technical College in Slatina, the National University of Science and Technology POLITEHNICA Bucharest, the University of Craiova, the University of Pitești, and Transilvania University in Brașov, to facilitate internships and study visits at ALRO for students conducting year-end, bachelor's, master's, and doctoral theses, as well as various research topics.

We develop partnerships with a range of associations, foundations, and public institutions to organize public interest actions such as Environment Day, National Environmental Guard Day, City Days, etc.

Employees and the local community are involved in making key decisions of the organization and in developing new projects and initiatives as follows:

- Within a series of decision-making or consultative bodies at the local or county level, including representatives from ALRO (County Council, Local Council, County School Inspectorate, Commission for the Authorization of Vocational Training Providers, Tripartite Consultative Council alongside the Olt County Labor Inspectorate, etc.);
- Through partnerships with various associations and foundations, decentralized public institutions for organizing public interest actions such as Environmental Day, National Environmental Guard Day, City Days, etc.;
- Through local media channels – significant events taking place at ALRO are publicized within the local community.

In 2023, at ALRO, 30 individuals were involved in volunteering activities, totaling approximately 100 hours.

At **ALUM**, to maintain a close and continuous relationship with the local community where we operate, we have developed a series of internal procedures to enhance the mechanism for addressing petitions, organizing hearings, as well as the procedure for media relations. In this way, we demonstrate our openness to listening to and resolving community and/or other stakeholders' issues. Additionally, we are involved in education, training, and other social activities.

We maintain continuous dialogue with the local community, with our representatives actively involved as members of various organizations (Romanian Red Cross – Tulcea branch, County Commission for Gender Equality, Local Committee for Social Partnership Development Tulcea, Tripartite Consultative Council established at the level of the Tulcea Territorial Labor Inspectorate, etc.), as well as volunteer activities in which our employees participate (charitable actions, blood donations, etc.).

Unfortunately, during the reporting period, there were no financial resources for investment in the local community. However, we compensated for this responsibility to our communities through other activities. For example, we joined companies that provided humanitarian assistance by hosting a group of refugees from Ukraine, providing them with accommodation in rooms within the company's Professional Development Center, and also providing the necessary food for all individuals in this difficult situation.

At **VE**, we constantly strive to engage in solving the social issues of the communities where we operate and actively participate in community life through engagement in corporate responsibility programs, programs to support the use of solar energy, and health programs



The number of organizations benefiting from financial support:

ALRO	ALUM	VE	VT	CONEF
31	0	5	0	0

The total value of contributions

In 2023, the ALRO Group stood out through major contributions to various community programs, surrounding education, healthcare, community welfare, youth development, and environmental initiatives, with a total amount of 9,391,038 RON, as follows:

- 449,005 RON for supporting educational programs;
- 5,736,475 RON for healthcare programs;
- 2,231,263 RON for supporting youth development programs;
- 912,337 RON for community welfare programs;
- 61,958 RON for environmental programs.



	Company	Value of contributions (RON)
Total value of contributions	ALRO	9,391,038
	ALUM	0
	VE	116,045
	VT	0
Total value of contributions for community welfare programs	ALRO	878,737
	ALUM	0
	VE	33,600
	VT	0
Total value of contributions for educational programs	ALRO	449,005
	ALUM	0
	VE	0
	VT	0
Total value of contributions for environmental programs	ALRO	37,153
	ALUM	0
	VE	24,805
	VT	0
Total value of contributions for healthcare programs	ALRO	5,678,835
	ALUM	0
	VE	57,640
Total value of contributions for supporting youth development programs		0
	ALRO	2,231,263
	ALUM	0
	VE	0
	VT	0

Regarding potential negative effects on communities that may arise from our operations, the situation is as follows:

At **ALRO**, we ensure compliance with local, national, and international laws that protect community rights by consulting with stakeholders, organizing and participating in public meetings, and launching various investment projects, and meetings with employee representatives.

Additionally, investments in local communities, according to internal procedures, are analyzed and approved by committees nominated at the organizational level.

At **ALUM**, in managing risks and opportunities associated with community rights and interests, we take into account the specifics of the organization's value chain, sector, and geographic area in which our value chain partners operate, the company's ability to influence business relationships, and the possibility for our enterprise to increase its influence.

In recent years, there has been pressure or a trend from the local community to increasingly expand residential areas near industrial zones, which requires sustained efforts from our company to preempt potential negative effects. For the reporting period of 2023, no negative effects on the local community in terms of environmental protection were recorded.

Regarding the social aspect, since the production activity of calcined alumina has been suspended and the staff downsizing program has been implemented, the community has been affected by the lack of employment opportunities, both for the laid-off employees from ALUM, for collaborating firms, and for the local administration.

At the Group level we are aware that we can take appropriate measures considering the activities we conduct and our direct relationships with the business environment, adhering to both the directives issued by the European Commission and our own value chain.



8.4.1. CSR Campaigns

In 2023, there were no non-technical delays associated with community rights and interests in ALRO Group companies. Specifically, we are actively engaged in the life of the communities to which we belong through various activities. Below, we present some of these:



9

Report ASSURANCE



Independent Limited Assurance Report

To: Board of Directors of ALRO S.A.

Scope of the Independent Assurance Report

1. We were employed by ALRO S.A. (“ALRO” or the “Company”) to carry out a “limited assurance engagement” as defined by the International Standards on Assurance Engagements (the “Engagement”) to report on the Key Performance Indicators (“Key Performance Indicators”) listed below and presented in the ALRO Group Sustainability Report as defined in the section “About the Report” (“Group”) for the year ended at 31.12.2023 (“Sustainability Report”):

Key Performance Indicator	Company	Standard Global Reporting Initiative (GRI) afferent
A. Greenhouse gas emissions Scope 1	ALRO SA, ALUM SA, VIMETCO EXTRUSION SRL	GRI 305-1 Direct GHG emissions (Scope 1)
B. Greenhouse gas emissions Scope 2	ALRO SA, ALUM SA, VIMETCO EXTRUSION SRL	GRI 305-2 Energy indirect GHG emissions (Scope 2)
C. Industrial emissions	ALRO SA	GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
		GRI 306-1 Management of significant waste-related impacts
D. Waste	ALRO SA	GRI 306-3 Waste generated
		GRI 306-5 Waste directed to disposal
E. Water	ALRO SA, ALUM SA	GRI 303-3 Water withdrawal
		GRI 303-4 Water discharge
		GRI 303-5 Water consumption
F. Employment	ALRO SA, VIMETCO EXTRUSION SRL	GRI 401-1 New employee hires and employee turnover
G. Workplace safety indicators	ALRO SA, ALUM SA, VIMETCO EXTRUSION SRL	GRI 403-1 Occupational health and safety management system
		GRI 403-9 Work-related injuries



2. The scope of our reviews is limited to selected Key Performance Indicators for the one-year period ending at 31.12.2023. We have not performed procedures for previous reporting periods or for other data and information included in the Sustainability Report. Therefore, we do not express an opinion or conclusion on the Sustainability Report as a whole.

Applicable criteria

3. We assessed the selected Key Performance Indicators using relevant criteria, i.e. reporting requirements in accordance with the sustainability reporting standards published by the Global Reporting Initiative (“GRI Standards”), specific standards listed in the table above (“Criteria”).

Management Responsibility

4. The responsibility for the selection of the Criteria, as well as for the presentation of the Key Performance Indicators in all material respects in accordance with the Criteria, rests with the management of the Company.

This responsibility includes establishing and maintaining internal controls, maintaining adequate records and using reasonable estimates and judgments under the circumstances that are relevant to the proper assessment of the Key Performance Indicators covered by this Report so that they are free from material misstatement due to fraud or error.

The Company’s management is also responsible for ensuring that personnel involved in the preparation and presentation of the Key Performance Indicators in the Sustainability Report are adequately trained and that information systems are adequately updated to provide complete and accurate information.

Responsibility of the Independent Auditor

5. Our responsibility is to report on the Key Performance Indicators, according to the criteria and procedures performed and described in this report, in the form of an independent limited assurance conclusion based on the evidence obtained. Our engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) (“ISAE 3000 Revised”) – *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, which requires that we plan and perform the engagement so as to obtain limited assurance that the Key Performance Indicators are fairly stated and presented, in all material respects, in accordance with the Criteria, and issue a report including our conclusions.

Our Independence and Quality Control

6. We apply the International Standard on Quality Management 1 (“ISQM 1”) which requires us to design, implement and operate a quality management system, including policies or procedures related to compliance with professional standards, ethical requirements and applicable laws or regulations.



7. In carrying out our engagement, we have complied with the independence and other ethical provisions of the Code of Ethics for Professional Accountants, including the International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Description of procedures performed

8. The procedures carried out under a limited assurance engagement may vary in nature and timing, and are narrower in scope than those under a reasonable assurance engagement. As a result, the level of assurance obtained under a limited assurance engagement is significantly lower than the level of assurance that would have been obtained if a reasonable assurance engagement had been undertaken. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would have been necessary to provide a reasonable level of assurance.

Our procedures did not include tests of controls and did not include performing procedures to verify the aggregation or computation of data within IT systems.

A limited assurance engagement involves conducting interviews, particularly with the individuals responsible for preparing the Key Performance Indicators and related information, and applying analytical procedures and other relevant procedures.

9. The main procedures carried out by us included:
- Organize interviews with the Company's employees and collaborators involved in the calculation of the indicators and in the preparation of the relevant sections of the Sustainability Report, in order to understand the relevant systems, processes and internal control procedures that support the collection of data related to the Key Performance Indicators;
 - Testing, on a sample basis, how the data used in the calculation and presentation of the Key Performance Indicators are obtained, categorized, consolidated and reported;
 - Observation on a sample basis of how the databases used in the calculation of Key Performance Indicators are extracted;
 - Performing limited analytical procedures on a selective basis on Key Performance Indicators, such as recalculation and reconciliation with the Company's calculation;
 - Detailed sample-based tests by comparing the data used for the calculation of the Key Performance Indicators with various supporting documents and sources of information, such as reports to authorities or international databases.

We also performed other procedures that we considered necessary in the circumstances.

Reporting and evaluation methodology

10. Under the GRI Standards, there are a range of different but acceptable measurement and reporting techniques. Thus, the techniques used may lead to significantly different reporting results, which may affect comparability with other entities. The Key Performance Indicators should therefore be read in conjunction with the methodology used, as described in the Sustainability Report and for which the Group is solely responsible.



Basis for conclusion

11. Our conclusion has been formed on the basis of, and in relation to, the matters set out in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion of limited assurance.

Conclusion

12. Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Key Performance Indicators defined above under the section “Scope of the Independent Assurance Report” and presented in the Company’s Sustainability Report for the year ended at 31.12.2023 have not, in all material respects, been prepared, in accordance with the Criteria.

Other aspects

13. This report is provided solely for the purpose described in the first paragraph and is addressed to the Company’s Management. In issuing this report of findings, we do not accept responsibility for any other purpose or to any other party to whom this report may come. Our undertaking has been made in order that we may report to the Board of Directors of the Company those matters that we are required to report in an independent limited assurance report, and for no other purpose. To the extent permitted by law, we accept and assume responsibility and liability only to the Company for our engagement, for this report, or for the conclusion formed. This report relates solely to the items mentioned above and is unrelated to any other reports of the Company.

Bucharest, 26.06.2024

Mazars Romania SRL

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Bucharest, Romania
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*This is a free translation from the Romanian binding version.
Access the officially signed version of the Limited Assurance Report, in Romanian language.*



10

GRI and SASB Index





Statement of use

ALRO GROUP reported in accordance with GRI Standards for the period 1 January 2023-31 December 2023

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI sectoral standards

METALS & MINING

GRI Standard Reference / Alternative Source	Disclosure	Page
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GENERAL DISCLOSURES

	2-1 Organisation details	16, 17, 18
	2-2 Entities included in the organisation's sustainability reporting	11
	2-3 Reporting period, frequency and contact point	13
	2-4 Restatements of information	13
	2-5 External assurance	14
	2-6 Activities, value chain and other business relationships	68, 107
GRI 2: General disclosures 2021	2-7 Employees	220
	2-8 Workers who are not employed	220
	2-9 Governance structure and composition	77
	2-10 Nomination and selection of the highest governance body	78
	2-11 President of the highest governance body	78
	2-12 Role of the highest governance body in overseeing the management of impacts	79
	2-13 Delegation of responsibility for managing impacts	85
	2-14 Role of the highest governance body in sustainability reporting	78
	2-15 Conflicts of interest	98
	2-16 Communication of critical concerns	83
	2-17 Collective knowledge of the highest governing body	80



GRI Standard Reference / Alternative Source	Disclosure	Page
	2-18 Evaluation of the performance of the highest governance body	80
	2-19 Remuneration policies	84
	2-20 Process to determine remuneration	84
	2-21 Annual total compensation ratio	84
	2-22 Statement on sustainable development strategy	5-9
	2-23 Policy commitments	92
GRI 2: General disclosures 2021	2-24 Embedding policy commitments	92
	2-25 Processes to remediate negative impacts	96
	2-26 Mechanisms for seeking advice and raising concerns	93
	2-27 Compliance with laws and regulations	11
	2-28 Membership associations	137
	2-29 Approach to stakeholder engagement	57
	2-30 Collective bargaining agreements	91

LIST OF MATERIAL TOPICS

GOVERNMENT

GRI 2: General disclosures 2021	2-27 Compliance with laws and regulations	84, 99, 120, 122
GRI 3: Material topics 2021	3-1 The process of determining material topics	73
	3-2 List of material topics	73
Corporate Governance and Business Ethics		
GRI 3: Material topics 2021	3-3 Management of material topics	76
ESRS G1: Business Conduct	G1-3 Prevention and detection of corruption or bribery	92
GRI 415: Public Policy 2016	415-1 Political contributions	93





GRI Standard Reference / Alternative Source	Disclosure	Page
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	97
	205-2 Communication and training about anti-corruption policies and procedures	96
	205-3 Confirmed incidents of corruption and actions taken	93, 99
NON GRI	Code of Ethical Supply Chain Conduct	94
SASB EM-MM: Metals and Mining – Business ethics and transparency	510a.1 Description of the management system for prevention of corruption and bribery throughout the value chain	96
Economic Performance		
GRI 3: Material topics 2021	3-3 Management of material topics	101
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	101
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	101
	203-2 Significant indirect economic impacts	101
GRI 207: Taxes 2019	207-3 Stakeholder engagement and management of concerns related to tax	105
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	101
Supply Chain Management		
GRI 3: Material topics 2021	3-3 Management of material topics	107
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	113
GRI 308: Environmental Supplier Assessment 2016	308-1 New suppliers that were screened using environmental criteria	110
	308-2 Negative environmental impact in the supply chain and actions taken	110
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers identified using social criteria	110
	414-2 Negative environmental impacts in the supply chain and actions taken	110
Customer and Relationship Management		
GRI 3: Material topics 2021	3-3 Management of material topics	115, 117
NON GRI	Level of customer satisfaction	115, 116
	Business relations	117





GRI Standard Reference / Alternative Source	Disclosure	Page
Risk Management and Emergencies		
GRI 3: Material topics 2021	3-3 Management of material topics	120
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment and incident investigation	120
	403-5 Occupational health and safety training for employees	120
SASB EM-MM: Metals and mining -Health and safety of the workforce	EM-MM320a.1 (1) Total MSHA incidence rate, (2) Mortality rate, (3) Near Miss Frequency Rate (NMFR), and (4) Average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	122
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	124
PRODUCTS		
GRI 3: Material topics 2021	3-1 The process of determining material topics	142
	3-2 List of material topics	142
Product Quality and Continuous Development		
GRI 3: Material topics 2021	3-3 Management of material topics	144
GRI 416: Client Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	144
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	145
Innovative Products and Technologies		
GRI 3: Material topics 2021	3-3 Management of material topics	150
NON GRI	Innovative sustainable technologies	152
Responsible Communication		
GRI 3: Material topics 2021	3-3 Management of material topics	155
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labeling	157
	417-2 Incidents of non-compliance concerning product and service information and labeling	158
	417-3 Incidents of non-compliance concerning marketing communications	158
NON GRI	Number of non-compliance incidents	157
	Number of employees in marketing or PR departments	158





GRI Standard Reference / Alternative Source	Disclosure	Page
ENVIRONMENT		
GRI 2: General disclosures 2021	2-27 Compliance with laws and regulations	166, 182, 190, 196, 225, 244, 251
GRI 3: Material topics 2021	3-1 The process of determining material topics	161
	3-2 List of material topics	161
Optimal management of resources		
GRI 3: Material topics 2021	3-3 Management of material topic	166
	302-1 Energy consumption within the organization	168
GRI 302: Energy 2016	302-3 Energy intensity	169
	302-4 Reduction of energy consumption	170
SASB EM-MM: Metals and Mining – Energy Management	EM-MM-130a.1 (1) Total energy consumed, (2) % grid energy, (3) % renewable	168
Industrial emissions		
GRI 3: Material topics 2021	3-3 Management of material topics	172
GRI 305: Emissions 2016	305-7 Emissions – Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	173
Circular economy and waste management		
GRI 3: Material topics 2021	3-3 Management of material topics	179
GRI 301: Materials 2016	301-2 Recycled input materials used	182
	306-1 Management of significant wasterelated impacts	179
GRI 306: Waste 2020	306-3 Waste generated	180
	306-4 Waste diverted from disposal	184
	306-5 Waste directed to disposal	184
ESRS E5: Resource use and circular economy	E5-4 – Resource inflows – Absolute weight of reused or recycled secondary components, secondary intermediate products and secondary materials used for the manufacture of products and services of the enterprise (including packaging)	182
	E5-6 – Anticipated financial effects from resource use and circular economy related impacts, risks and opportunities	183



GRI Standard Reference / Alternative Source	Disclosure	Page
SASB EM-MM: Metals and Mining – Waste and Hazardous Materials Management	EM-MM-150a.7 Total hazardous waste generated	183
	EM-MM-150a.8 Total hazardous waste recycled	184
	EM-MM-150a.9 Number of significant incidents associated with hazardous materials and waste management	183
Climate change and business resilience		
GRI 3: Material topics 2021	3-3 Management of material topics	190
ESRS E1: Climate change	E1-9 Anticipated financial effects of physical and transitional material risks of potential climate-related opportunities	193, 196
	305-1 Direct (Scope 1) GHG emissions	194
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	195
	305-3 Other indirect (Scope 3) GHG emissions	195
Water and effluent management		
GRI 3: Material topics 2021	3-3 Management of material topics	201
	303-1 Interactions with water as a shared resource	201
GRI 303: Water and effluent management	303-2 Management of water discharge-related impacts	201
	303-3 Water withdrawal	205
	303-4 Water discharge	205
	303-5 Water consumption	205
Biodiversity and ecosystems		
GRI 3: Material topics 2021	3-3 Management of material topics	208
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	208
	304-3 Habitats protected or restored	208
ESRS E4: Biodiversity and ecosystems	E4-2 Policies related to biodiversity and ecosystems	208
ESRS 2 General disclosures 2022	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	208
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)	208



GRI Standard Reference / Alternative Source	Disclosure	Page	
SOCIAL			
GRI 2: General disclosures 2021	2-27 Compliance with laws and regulations	225, 244, 251	
GRI 3: Material topics 2021	3-1 The process of determining material topics	213	
	3-2 List of material topics	213	
Human Resources Management			
GRI 3: Material topics 2021	3-3 Management of material topics	219	
	401-1 New employee hires and employee turnover	223, 227	
GRI 401: Engagement 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	230	
	401-3 Parental leave	225	
	404-1 Average hours of training per year per employee	232	
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	232	
	404-3 Percentage of employees receiving regular performance and career development reviews	238	
	Occupational health and safety		
GRI 3: Material topics 2021	3-3 Management of material topics	242	
	403-1 Occupational health and safety management system	242	
	403-2 Hazard identification, risk assessment and incident investigation	244	
	403-3 Occupational health services	247	
	403-4 Worker participation, consultation and communication on occupational safety and health	249	
	GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	249
		403-6 Promotion of workers' health	249
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	251	
	403-8 Workers covered by an occupational health and safety management system	251	
	403-9 Work-related injuries	251	
403-10 Work-related ill health	254		
Human rights, Diversity and equal opportunities			
GRI 3: Material topics 2021	3-3 Management of material topics	257	
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	262	
	405-2 Ratio of women's basic pay to men's pay	259	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective action taken	260, 267	





GRI Standard Reference / Alternative Source	Disclosure	Page
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	261
ESRS S1: Own employees	S1-1 Own workforce policies	260
Commitment to the community		
GRI 3: Material topics 2021	3-3 Management of material topics	269
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	269
	413-2 Operations with significant actual and potential negative impacts on local communities	273
SASB EM-MM: Metals and Mining – Community Relations	EM-MM-210b.1 Disclosure of the process of managing risks and opportunities associated with community rights and interests	269
	EM-MM-210b.2 Number and duration of non-technical delays	273



Abbreviations

ABA Romanian Waters Basin Administration	Qualification Centre	GRI Global Reporting Initiative	PFC Perfluorocarbons
ACCA Association of Chartered Certified Accountants	CEO Oltenia Energy Complex	HPO High-Performance Organization	PLP Plate Laminate Products
AGA General Meeting of Shareholders	CHP Combined heat and power	IIF International Institute of Finance	PPA Power Purchase Agreement
AGOA Ordinary General Meeting of Shareholders	CJ County Council	INCDPM National Institute for Research and Development in Occupational Safety “Alexandru Darabont” Bucharest.	PRAM Relay Protection Automation and Measurement
AJOJFM County Agency for Employment	CLA Collective Labor Agreement	INSEAD European Institute of Business Administration	QMS Quality Management System
ANEVAR National Association of Authorized Appraisers of Romania	CO₂ Carbon Dioxide	IPCC Intergovernmental Panel on Climate Change	RCP Representative Concentration Pathway
ANR Romanian Naval Authority	COJES The County Commission for Gender Equality	IPJ County Police Inspectorate	RENAR Romanian Accreditation Association
ANRE National Energy Regulatory Authority	COM Certificate of Origin and Manufacturing	IQNet International Certification Network	RFP Request For Proposal
AOAR Romanian Businessmen’s Association	CP Current Policies	ISCIR State Inspectorate for the Control of Boilers, Vessels under Pressure Vessels and Lifting Installations	RIA Research and Innovation Action
APM Environmental Protection Agency	CSR Corporate Social Responsibility	ISO International Organization for Standardization	RTA Rio Tinto Aluminium Alcan
AQ Assurance and Quality	CSRD Corporate Sustainability Reporting Directive	ISU County Inspectorate for Emergency Situations	SASB Sustainability Accounting Standards Board
ARIR Romanian Association for Investor Relations	CSM Health and Safety Committee at Work	ITM Territorial Labour Inspectorate	SCADA Supervisory Control and Data Acquisition
ASCAR Association for helping children artists in Romania	DDP Delivery Duty Paid	MAI Ministry of Internal Affairs	SII Auditor Information System
ASEBUSS Romanian American Business School – Executive MBA	DNSh Do No Significant Harm	MFA Multifactor Authentication	SJA County Ambulance Service
ASI Aluminium Stewardship Initiative	DNV-GL Norwegian-German Certification and Classification Organization	MFP Ministry of Public Finance	SM Management Systems
ATS Advanced Transport Solutions	DQS GmbH Germany German Society for Management Systems Certification	NADCAP National Aerospace and Defence Contractors Accreditation Program of the Performance”	SMI Integrated Management System
BAM Medical Assistance Bureau	DSP Public Health Directorate	NDC Nationally determined contributions	SO₂ Sulfur Dioxide
BAT Best Available Techniques	EAA European Aluminium Association	NEVAR The National Association of Authorized Evaluators from Romania	SPV Special Purpose Vehicle
CA Board of Directors	EMBA Executive Master of Business Administration	NGFS Network for Greening the Financial System	SRAC Romanian Society for Quality Assurance
CAEN Classification of Activities in the National Economy	EnMS Energy Management System	NOx Nitrogen Oxides	SSM Health and Safety at Work
CAFR Chamber of Financial Auditors of Romania	EPC Engineering, Procurement and Construction	NZ50 Climate scenario “Net Zero 2050”	SSP Shared Socio-Economic Pathways
CAO Oltenia Water Company	EPI Personal Protective Equipment	OCDE Organisation for Economic Co-operation and Development	TASIS The American School in Switzerland
CapEx Capital Expenditures	ERP Personal Protective Equipment	OIM International Labour Organisation	TCFD Task Force on Climate-Related Financial Disclosures
CASS City, University of London – Cass Business School	ESG Environmental, Social, Governance	OIREP Organisation Implementing Extended Producer Responsibility Obligations	TESA Technical, Economic and Socio-Administrative
CCM Collective Labor Agreement	EU European Union	OpEx Operating Expenses	TPA Tons Per Year
CDP Climate Disclosure Project	FCA Free Carrier	OTD On-time Delivery	TÜV Rheinland Cert GmbH Association for Technical Supervision
CE European Conformity	FDS Safety Data Sheets		UKAS United Kingdom Accreditation Service
CENAFER National Railway Training and	FM Modernisation Fund		UNICEF United Nations Children’s Fund
	GCAM Global Change Analysis Model		
	GHG Greenhouse Gas		
	GNM National Environmental Guard		

