ALRO

2024 ANNUAL REPORT

Specialists in the metal of the future.

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2024 Annual Report

Financial and operational highlights for the year 2024

ALRO Group

Indicator	2024	2023
Primary aluminium production (tonnes)	248,059	196,438
Processed aluminium production (tonnes)	120,049	92,558
Primary aluminium sales (tonnes)	77,260	64,742
Processed aluminium sales (tonnes)	119,205	91,860
Sales (RON '000)	3,408,037	2,849,717
EBITDA[1] (RON '000)	344,645	-164,320
EBITDA margin (%)	10%	-6%
Net result (RON '000)	10,337	-561,746
Adjusted Net Result[2] (RON '000)	15,312	-472,023
Earnings per share (RON)	*0.014*	*-0.785*

ALRO S.A.

Indicator	2024	2023
Primary aluminium production (tonnes)	248,059	196,438
Processed aluminium production (tonnes)	87,687	58,034
Primary aluminium sales (tonnes)	113,960	101,651
Processed aluminium sales (tonnes)	87,739	57,975
Sales (RON '000)	3,202,739	2,533,585
EBITDA[1] (RON '000)	314,628	-186,857
EBITDA margin (%)	10%	-7%
Net result (RON '000)	15,321	-539,116
Adjusted Net Result[2] (RON '000)	19,319	-408,931
Earnings per share (RON)	*0.021*	*-0.755*

[1] ***EBITDA:*** Earnings before interest, taxes, depreciation, amortization and impairment.

[2] ***Adjusted Net Result:*** represents the net result plus/(minus) non-current assets impairment, plus/(minus) the loss/(gain) from derivative financial instruments for which hedge accounting was not applied, plus/(minus) deferred tax.

2024 Annual Report

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CAUTIONARY STATEMENT

This Report is supplied to you solely for your information and may not be reproduced in any form, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, by any medium or for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws.

Certain statements included within this Report may contain (and oral communications made by us or on our behalf may contain) forward-looking information, including, without limitation, those relating to (a) forecasts, projections and estimates, (b) statements of management's plans, objectives and strategies for ALRO/ ALRO Group, such as planned expansions, investments or other projects, (c) targeted production volumes and costs, capacities or rates, start- up costs, cost reductions and profit objectives, (d) various expectations about future developments in ALRO/ ALRO Group's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, as well as (i) statements preceded by "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar statements.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward- looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized.

Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream aluminium business; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in ALRO/ ALRO Group's key markets and competition; and legislative, regulatory and political factors. No assurance can be given that such expectations will prove to have been correct.

ALRO/ ALRO Group disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Note 1: In this report, the terms "ALRO Group" and "the Group" are sometimes used for convenience where references are made to ALRO S.A. and its subsidiaries, in general, and the terms "Company" and "Parent-company" are sometimes used for convenience where references are made to ALRO S.A.

The financial statements included in this report are audited and present the individual and consolidated financial results of Alro and Alro Group that have been prepared in accordance with the Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, is in accordance with the IFRS Accounting Standards, as adopted by EU, with the exception of IAS 21 The effects of changes in foreign exchange rates regarding functional currency, the provisions of IAS 20 Accounting for Government Grants regarding the recognition of revenue from green certificates, the provisions of IFRS 15 Revenue from contracts with customers regarding the revenue from taxes of connection to the distribution grid and except IAS 12 Income Tax regarding the treatment of the Minimum Turnover Tax as an income tax expense. Starting 1 January 2024, the Group applied the requirements of the minimum tax on turnover (see Note 12), treating it entirely as income tax, whereas under IFRS Accounting Standards, the taxable profit component would be recognized as current income tax expense and the excess as an operating expense, resulting in a RON 5,759 thousand decrease in profit before tax and income tax expense, with no impact on net profit. The other exceptions do not impact the compliance of financial statements of the Group and Company with the IFRS Accounting Standards, as adopted by EU.

The indicators/ figures included in this report may be rounded to the nearest whole number and therefore minor differences may result from summing and comparison with exact figures mentioned in the financial statements.

Note 2: A list of all abbreviations and definitions used in this report can be found on 63.

Letter to shareholders

Marian NĂSTASE,
Chairman

Marin CILIANU,
Chief Executive Officer

Dear readers and shareholders,

The year 2024 has been a year of progress and transformation for ALRO, demonstrating resilience, innovation, and a strong commitment to a sustainable future. Our financial results reflect our continuous efforts to strengthen our market position and improve operational efficiency. With a preliminary consolidated turnover of RON 3.4 billion and a positive EBITDA of RON 344 million—compared to a negative EBITDA in the previous year—we have successfully enhanced our financial performance and strenghten our presence in the highly competitive and crisis-challenged international aluminium market.

This progress has been driven by our clear development strategy and consistent investments. Our decision to continuously expand the production of high and very high-value-added aluminium has delivered the expected results.

Sales of processed aluminium products increased by 30%, while sales of primary aluminium products recorded a 19% growth. Additionally, we managed to double the production of liquid aluminium from recycled waste—an essential step in optimizing costs and reducing energy consumption.

In 2024, we also commissioned CUTSMART SYSTEMS, a state-of-the-art processing unit that enables us to diversify our product portfolio and better respond to customer demands.

Alongside financial and operational performance, we have remained firmly committed to sustainability.
We have implemented measures to significantly reduce energy and water consumption, while our investments in technology have supported energy efficiency and a lower environmental footprint. The USD 24 million investment program approved in 2024 has allowed us to develop new

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Letter to shareholders (cont.)

technological solutions, increase the share of high-value-added products in our production mix, and strengthen our market competitiveness.

At the same time, we continued to invest in our people. We conducted professional training programs, reinforced our organizational culture based on excellence, and promoted initiatives to support the development of our team. We recognize that ALRO's success is closely linked to the expertise and dedication of our employees, which is why we are committed to their continuous professional growth.

Corporate social responsibility remains a key pillar of our strategy. In 2024, we actively supported the local community through projects in education, healthcare, and social responsibility. We firmly believe that success is measured not only by economic performance but also by the positive impact we have on the community and the environment.

Looking ahead to 2025, the year in which ALRO will celebrate 60 years of uninterrupted activity, we will continue to focus on operational efficiency, with a strong emphasis on technology, reducing specific consumption, and further strengthening our position in international markets.

We move forward with confidence, committed to sustainable growth, continuously adapting to market challenges, and staying true to our vision of being a leader in the aluminium industry.

Thank you for your support and for the trust you place in us!

Marian NĂSTASE,
Chairman of the Board of Directors

Marin CILIANU,
CEO

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Main events in the financial year 2024

January - December 2024

Market overview

Market evolution

Aluminium price continued to face headwinds in 2024, especially in the first quarter, thus started the year moving sideways, but managed to close the year on an uptrend that seems to continue into the new year. Overall, in 2024, LME 3-month quotation increased by 7.5% YoY to USD 2,457/t (compared to USD 2,285/t in 2023), with the fastest increase witnessed in Q4 2024. Overall in 2024, support came from the rate cuts implemented by both FED and ECB, but also some recovery in demand for both primary and processed aluminium products.

The LME quotation increased, firstly, after the new sanctions on Russian metal were implemented in early April. September Fed rate cute came in above expectations (50 basis points) and supported a price recovery for commodities overall. Another major boost was given by the measures announced in China to support local economy in Q3 2024. It closed the year on a softer note, as volaility in the LME price dropped in December 2024 and the price slightly declined towards a key support level at USD 2,500/t.

The year started with some demand pick-up, partly fueled by restocking and geopolitical issues. In primary aluminium, better recovery in demand was seen throughout the year for wire rod, accompanied by an increase in premiums. Demand for billets also improved but remained hampered by the slugghish demand from building and construction sector.

In Europe, the flat-rolled market activity 2024 was stronger versus 2023, and the European macroeconomic context was favorable most of the year. However, some weakness was identified in the soft economic data tracked by CRU towards the end of 2024, namely consumer confidence, Economic Sentiment, and PMIs disappointed, while inflation picked up in December above the ECB's 2% target rate. Their impact on the aluminium product demand is still to be seen.

On the pricing side, conversion fees were supported by the stable ingot DP premium and the upward trend in LME aluminium prices. Weakness in the European automotive market became a major threat and the sector underperformed. In North America, demand for flat-rolled started the year strong but slowed in the second half.

Demand for extrusion products was rather weak compared to previous years in 2024, but long term growth prospects remain attractive.

Since 1 December 2024, China removed the export tax rebate for aluminium and copper, a significant shift in global trade dynamics. This means that most aluminium and copper products no longer have a tax rebate when exported out of China, so they will become more expensive when sold externally. Impact is however to be felt in 2025. China's price advantage helped boost exports of aluminium products by 17% in 2024 to a record 6.7 million tons, according to industry participants. That's likely to dissipate after tax rebates' removal. According to Shanghai Metals Marke (SMM), overseas sales may drop as much as 9% in 2025, which could mean higher international prices of the lightweight metal.

Primary aluminium production increased, according to International Aluminium Association (IAI) data, steadily throughout 2024. It closed the year up by 3% YoY, with the biggest increases registered in China (+4.1%), in Western & Central Europe (+4.2%) and in Russia and Eastern Europe (+3.8%). China's factory activity continued to expand in December, marking a third consecutive month of growth and fabricators struggled to export after the VAT rebate removal.

However, currently, smelters are cutting production or delaying ramp ups (China, Russia, Indonesia) due to high alumina prices, according to market participants. So, looking at 2025, we see limited supply growth due to high alumina prices, China capacity cap and a limited project pipeline. China's aluminium industry, the world's largest, is nearing an inflection point this year, as limits on capacity begin to curb production and entice firms to expand overseas. The government capped annual capacity at 45 million tons in 2017 to tackle excess supply and emissions. That ceiling's already been reached, and 2024 output figures already hit a record of more than 43 million tons (43.3 million tons according to IAI). It means production growth has to moderate, which may leave less metal available for export and support prices at a time when sanctions on aluminium from Russia, historically another big exporter, could be about to tighten further. Chinese output is likely to expand only 2% in 2025, from an estimated 3.9% last year, according to SMM, before shrinking to just 0.7% in 2026.

For the abovementioned reasons, China's aluminium industry is looking overseas for opportunities. Smelters have expanded their operations into regions like Indonesia, for the abundance of the bauxite resources. However, these projects raise concerns about carbon-heavy coal power usage and slow infrastructure development, which could impact their long term viability and environmental sustainability.

Aluminium holdings in the London Metal Exchange warehouses increased in May - June 2024, after the U.S. and UK governments announced a new sanctions package on 12 April, which prohibited either the LME or CME exchanges from accepting deliveries of Russian metal produced after that date. In Q3 2024, inventories decreased by 7- 9% MoM each month. In Q4 2024, they continued to drop by 6 – 8% monthly and closed the year some 40% down from the peak witnessed in May 2024.

Aluminium is 100% recyclable and can be reused indefinitely, which makes it a decarbonization vector for all the other industries where it is used

Main events in the financial year 2024 (continued)

Energy market updates

The liquidity from the beginning of the year was very low and the markets in Europe were very volatile and illiquid. The Romanian Market was in the price range of 550-565 lei/MWh, and finally, for 2024 the average base price on the day ahead market was 515 lei/MWh.

MACEE Mechanism

The low liquidity in Romania has to do mainly with the ongoing regulatory framework for transactions (OUG 27/2022), whereby energy producers are no longer obliged to sell energy on the MACEE mechanism, but they could either sell through MACEE or directly on the market with higher prices. Therefore, the quantities sold on MACEE for 2024 where much lower than the previous year, with nil quantities for the majority of the monthly procedures. The mechanism of centralized purchase of energy (MACEE) was applied between 1 January 2023 and 31 December 2024. Trough this mechanism, producers of electricity with an installed capacity of at least 10 MW could sell electricity to OPCOM at the fixed price of RON 450/MWh, which could be subsequently sold, at the same price of RON 450/MWh, to electricity suppliers that had contracts with final consumers, as well as to the transport and system operator and the distribution system operators, for covering the technical consumption of the electricity grids operated by them. From 1 April 2024, the MACEE price was changed from 450 lei/MWh to 400 lei/MWh and the obligation for producers to sell all their energy from MACEE was removed, such that the producers, due to the price increase, no longer sold energy from MACEE and preferred to try to sell it in the market.

The EU-ETS Scheme

The EU-ETS scheme supports companies in the sectors and subsectors considered to be exposed to a significant risk of carbon leakage due to the transfer of greenhouse gas emissions ("GHG") costs into the electricity price. It was introduced by the Emergency Ordinance no. 138/12.10.2022 ("EO 138/2022") to cover indirect emission costs incurred in the years 2021 to 2030. The support scheme was approved by European Commission decision C(2022) 6586 final in SA.102431, it is based on the European Commission's Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2021 and compensates certain undertakings for increases in electricity prices resulting from the inclusion of the costs of greenhouse gas emissions due to the EU ETS, so called indirect emission costs.
Alro prepared its files and applied for the compensation every time according to the guidelines and schedules. In 2024, due to the cap 2 (insufficient funds) in the scheme budget to compensate all eligible costs, the compensation for 2023 was granted only partially to eligible companies, covering 41.7% from the total eligible costs.

CfD Scheme

Romania adopted the Government Decision No. 318/2024 in April 2024, introducing a Contracts for Difference (CfD) scheme to support low-carbon emissions technologies. Throughout the summer of 2024, ANRE set out the methodology for determining and collecting CfD contributions, and the value of 0,128 lei/MWh was included in the bills starting 1 October 2024. It had no impact for 2024 as of 17 December 2024, Law no. 312/2024 was published in the Official Gazette no. 1270 that set the postponement of the application of the CfD contribution starting 1 April 2025 so the suppliers proceeded to cancellation and recalculation of invoices.

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Main events in the financial year 2024 (continued)

January 2024

31 January 2024 - ALRO S.A. informed the public on the commencement of the project called "Long-term development of Alro SA through the achievement of sustainable investments" achieved via the Minimis Aid Scheme "Support granted for the implementation of the Program for increasing the industrial products competitiveness". Specifically, the objective of the financing project „Long-term development of ALRO SA through achievement of sustainable investments" is to equip the testing and calibration laboratories existing in ALRO SA with state-of-the-art instrumentation in line with the requirements of the Community standards and provisions in the field of application. Total value of the project: 2,323,287 lei ex VAT, of which: co-financing from the beneficiary: 1,329,504 lei and Financing from the State Budget: 993,783 lei. The project was completed by the end of 2024.

February 2024

- Alro concluded a partnership with an IT provider, to implement a customized Salesforce solution for the digitalization of ALRO's sales processes and lead management, in order to improve the performance of sales teams;

- Alro purchased an aluminium aging furnace with electric heating. This state-of-the-art electric furnace will replace three furnaces powered by natural gas with the aim of streamlining the heat treatment operations within the Alro Processed Aluminium Division and represents an important step towards achieving ALRO's goal of becoming a greener producer. The total value of the investment, including equipment, installation works and commissioning, is of USD 2.75 million.

April 2024

Annual General Meeting of Shareholders ALRO

ALRO (ALR, Premium segment): On 26 April 2024, ALRO's Ordinary ("AGSM") General Shareholders' Meeting took place. During the meeting, among the items that were approved by the shareholders, such as the Annual Report for 2023, the Remuneration report for 2023, as well as the Budget for 2024, the Investment plan for 2024 and the Activity program for 2024.

ALUM (BBGA, AeRO segment): ALUM held its Ordinary General Shareholders' Meeting on 25 April 2024. Some of the business and administrative items included in the meeting's agenda and subsequently voted for were: the Directors' Report and the financial statements for 2023, the Income and Expense Budget, the Investment Plan and the Activity Program for 2024.

June 2024

Sustainability report 2023

On 28 June 2024, ALRO published its Consolidated Sustainability Report for 2023, which outlines the Group's contributions in various areas, including environmental protection, education, health and development of local communities.

Complying with the requirements imposed by EU and by the national legislation, in accordance with the best available techniques (BAT), ALRO Group made significant progress in several key areas in the reported year 2023:

- **Reduction of greenhouse gas emissions (GHG)**: significant reduction of total GHG emissions in 2023, compared to the previous year;
- **Responsible waste management:** the percentage of recovered, recycled and recirculated waste reached 95.55%;
- **Water recycling:** The Group's actions are aimed at achieving a level of industrial water recycling of over 80%.
- **Community support:** ALRO Group has supported various community initiatives through valuable contributions, covering areas such as education, health, community welfare and youth development, as well as environmental protection. In 2023, the total contribution amounts at 9 million RON.

This report is available on the sustainability section of ALRO's website: Sustainability Reports | Alro and was prepared in accordance with the Romanian legislation regarding the non-financial reporting, Ministry of Public Finance (MPF) Orders No. 1938/ 2016 and No. 2844/2016 and in accordance with the Global Reporting Initiative (GRI) Core Option Standard and GRI G4 Mining and Metals Sector Supplement.

ALRO's participation to ILA Berlin as exhibitor

ALRO participated as an exhibitor with the support of the Association of Romanian Aeronautical Companies, at the ILA Berlin event, held from 5 to 9 June 2024. The primary goal of ALRO's sales team was to strengthen existing partnerships, explore new opportunities, and attract potential customers at one of the most prominent events in the aluminium industry.

July 2024

ALRO's participation to Farnborough International Airshow 2024

Between 22 and 26 July 2024, ALRO participated as an exhibitor at the Farnborough International Airshow. This event provided ALRO's sales and marketing team with the opportunity to engage with existing collaborators and establish new business relationships.

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Main events in the financial year 2024 (continued)

October 2024

Commissioning of its state-of-the-art aluminium processing facility, CUTSMART SYSTEMS

ALRO announced the opening of its new cutting-edge aluminium processing facility, CUTSMART SYSTEMS, which is set to further diversify the Company's production capabilities. This state-of-the-art facility, operational following a RON 13.7 million investment, will focus on precision cutting of aluminium products tailored to the specific needs of clients across industries. With this investment, ALRO not only expands its operational capabilities but also strengthens its reputation as a forward-thinking, reliable partner in the market.

ALRO rebranding process

In October 2024, Alro also finalized a rebranding process: it launched a new logo and a new visual identity, in line with the current growing vision with strong, sustainability focus. The action is deemed to contribute to a new, fresh perception of Alro as an industry player that is capable to transform itself and adapt to any challenges that the unpredictable economic environment might expose it to.

Participation to Aluminium Exhibition Düsseldorf 2024

Between 8 and 10 October 2024, ALRO participated as an exhibitor at Aluminium Exhibition Düsseldorf, where ALRO`s team engaged in strategic meetings with their long-term partners and new clients.

November 2024

ALRO signed new loans with banks: an investment loan of up to 40 million USD and a working capital loan of 400 million RON to replace old loans that were reimbursed within their schedules, including a credit line that was repaid before maturity for the company to take advantage of new credit conditions that were more favourable.

December 2024

ALRO’s participation to Aeromart Toulouse

Between 3 and 5 December 2024, ALRO participated as an exhibitor at Aeromart Toulouse. By showcasing its aluminium products, ALRO aimed to foster new business relationships and demonstrate its capabilities to meet the high standards of the aerospace sector.

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General information

ALRO S.A.

Company	ALRO S.A.
Company's address	116 Pitesti Street, Slatina, Olt County
Telephone number	+40 249 431 901
Fax number	+40 249 437 500
Registration number in the Trade Register	J1991000008282*
Fiscal code	RO1515374
Class, type, number and main features of the financial instruments issued by the company	Registered dematerialised and ordinary shares
Subscribed share capital, fully paid up	RON 356,889,567.5
The European Unique Identifier (EUID)	ROONRC.J1991000008282*
Legal Entity Identifier (LEI) Code	5493008G6W6SORM2JG98
Organised market on which shares and stocks are traded	Bucharest Stock Exchange: Regulated Market (BSE symbol: ALR)
Total market value for each class of shares	Premium Tier Category 1,074,237,598.2[1] RON

ALRO Group – entities (as of 31 December 2024)

Company	Parent	Shareholding (%)
ALRO S.A.	Vimetco PLC	54.19
Alum S.A.	ALRO S.A.	99.40
Conef S.A.	ALRO S.A.	99.97
Vimetco Extrusion SRL	ALRO S.A.	100.00
Vimetco Trading SRL	ALRO S.A.	100.00
CCGT Power Isalnita SA	Associate	40.1

*[1]Calculated based on the BSE quotation available on 30 December 2024 - the last day of 2024 when ALRO's shares were traded (713,779,135 shares * 1.505 RON/ share)*

**The EUID and the Registration number in the Trade Register have been changed starting 6 February 2025 in accordance with new legislation.*

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Overview

Information about the Group

ALRO S.A. together with its subsidiaries ("ALRO Group" or "the Group") is one of the largest vertically integrated aluminium producers in Europe, measured by production capacity.

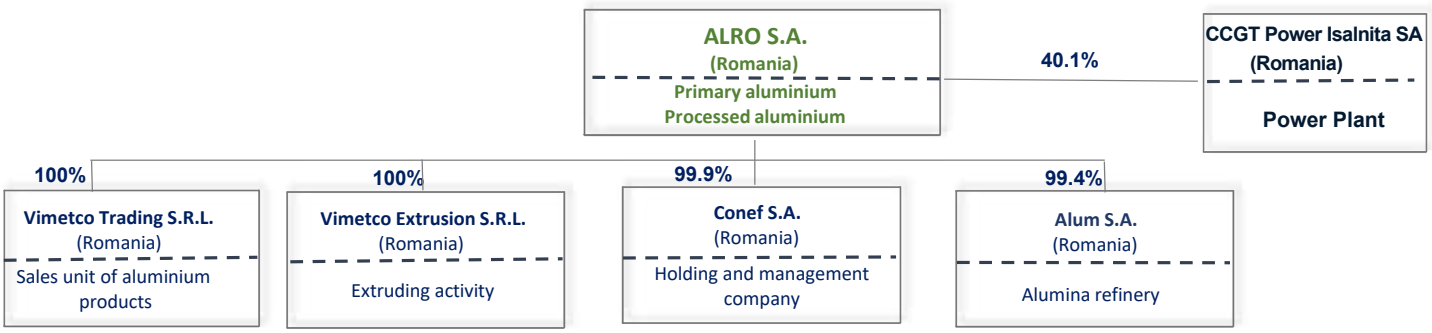
ALRO ("the Company" or "the Parent-company") was established in 1961 under the form of a joint-stock commercial company following the Romanian Government Decision no. 30 of 14 January 1991 on the establishment of commercial companies in the non-ferrous metallurgy sector. The Company's administrative and managerial offices are located in Romania.

The Company was registered under the trade name "ALRO S.A." and has been listed on the Bucharest Stock Exchange ("BSE") since 16 October 1997. The Company's shares are traded on BSE under the symbol "ALR".

The major shareholder of ALRO S.A. is Vimetco PLC (Republic of Cyprus), which holds 54.19% of the Company's share capital. Vimetco PLC is a public limited company and the registered office of Vimetco PLC is at Navarinou,18, Navarino Business Centre, Agios Andreas, 1100, Nicosia, Cyprus. The Company's ultimate controlling entity is Maxon Limited (Bermuda).

ALRO Group included the following companies at 31 December 2024:

- **ALRO** – manufacturer of aluminium – primary & processed ("FRPs") products (a company listed on the Bucharest Stock Exchange, Premium Tier Category);
- **ALUM** – producer of alumina (a company listed on BSE, ATS market, AeRo Category);
- **Vimetco Extrusion** – extrusion business line;
- **Conef** – holding and management company;
- **Vimetco Trading** – aluminium products sales company;
- **CCGT Power Isalnita SA** – associate, electricity plant.



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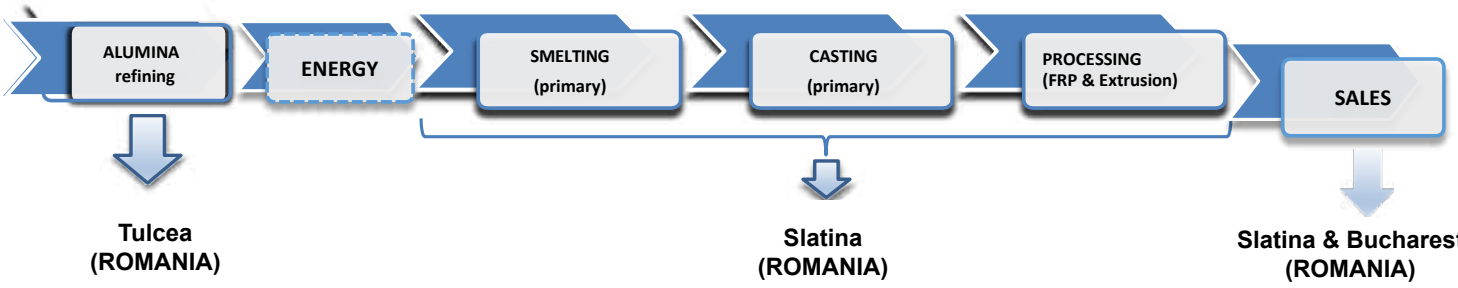
The Group is vertically-integrated, with its operations being organized, for management purposes, in three segments: **Alumina, Primary Aluminium** and **Processed Aluminium**. In this way, the resources are efficiently allocated and the segment performance is properly evaluated, while being the basis on which the Group reports information to its management.

- **Alumina segment** consists of the Group's alumina production operations, which is the main raw material for aluminium smelting. This segment includes ALUM.
- **Primary Aluminium segment** manufactures primary aluminium products such as wire rod, slabs and billets and mainly includes the Anodes section, the Electrolysis section, the Casting House and the Eco Recycling Facility.
- **Processed Aluminium segment** develops flat rolled products ("FRPs") such as plates, sheets, coils and strips, and extruded products.

Both smelting and processing mills are located in Slatina, while the alumina refinery is located in Tulcea Romania (Europe).

The following chart shows the vertical flow of the Group's upstream and downstream divisions:



Location	Function	Capacities @ 31 December 2024
Tulcea	Alumina refinery	600,000 tpa of alumina (temporarily idled)
Slatina	Smelting and Casting	265,000 tpa of electrolytic aluminium (4 of 6 potrooms currently idle) 100,000 tpa of recycled aluminium 315,000 tpa primary cast aluminium
Slatina	Processing	100,000 tpa of cold and hot FRPs and 35,000 tpa of extruded profiles

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In respect of Alro, the Company is structured in **two divisions**:

- **Primary Aluminium Division** includes the Company's primary aluminium internal division, and comprises the anodes and electrolysis sections, the cast house, an Eco-recycling facility, repairs and spare part production units, road and rail transportation and other ancillary sections. After investing in modernizing its equipment and in new technology throughout the years, ALRO reached a production capacity of 265,000 tpa of electrolytic aluminium (out of which 180,000 tpa were idle since 2022 by strategic decision). The Eco-Recycling has a melting capacity of 100,000 tpa, and the Cast-House has a capacity of 315,000 tpa. At the same time, all necessary anodes for the electrolysis of alumina are internally produced.

- **Processed Aluminium Division (FRP)** the Group's facilities generally have a capacity of 100,000 tpa of FRPs (that depends on the specific product range produced at any one time) and 35,000 tpa of extruded products.

ALRO produces a diversified range of products, as detailed below:

- aluminium and aluminium alloy wire rod;
- aluminium and aluminium alloy billets;
- aluminium and aluminium alloy slabs;
- aluminium and aluminium alloy plates (heat treated and not heat treated);
- aluminium and aluminium alloy plates (heat treated and non heat treated) tailored to customers' specific formats, particularly targeting end uses from aerospace and general engineering sectors;
- aluminium and aluminium alloy sheets, coils and strips;
- aluminium alloy cladded sheets, coils and strips.

Regarding the product portfolio evolution, further steps were done in 2024, such as:
- qualification and deliveries achieved for the 7050 alloy;
- shop trials with various service centres and OEMs for qualifying 2219 alloy;
- pre-qualification programs for aerospace plates in alloys 7475, 2124.

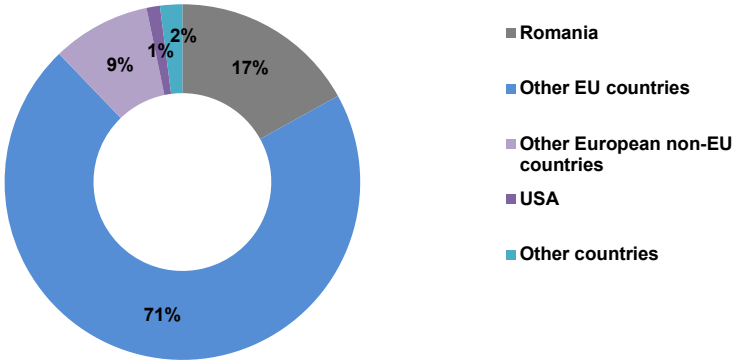
ALRO produces value added primary aluminium products for its customers and part of the primary aluminium production is also used as raw material by the processed aluminium facilities (the rolling mill). The Company sells aluminium alloys billets to its subsidiary, Vimetco Extrusion, that further produces extruded products.

Sales and market presence

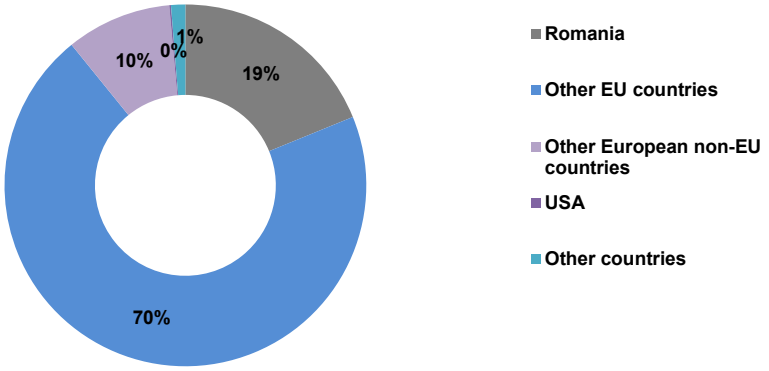
In ALRO Group has a strong presence in many industry sectors of the international markets. The focus is to penetrate or increase the market share in the most sophisticated industries such as aerospace, automotive, marine, and construction with VHVAPs that embed higher premiums during the past years. To this end, in the latest years Alro has continuously invested in property, plant and equipment, and also in expertise, in order to meet specialized technical and production standards required by specific customers.

The geographical distribution of Alro group sales shows a significant presence in Europe (including non-EU countries and the Romanian market).

ALRO Group Sales by geographical location 2024 (RON th)



ALRO Group Sales by geographical location 2023 (RON th)



Alro has a Marketing Department that is fully dedicated to promoting the company's products by anticipating the market trends and supporting the Sales division bring value to Alro clients. In the context of the new brand identity launched on the occasion of the most significant aluminium fair in Europe (Aluminium Exhibiiton Dusseldorf, October 2024), one of the main objectives of the Marketing department is the increase of the brand awareness globally by developing and implementing certain branding strategies. A major step was the launching of a new website of Alro in October 2024.

At the same time, by participating in conferences and events, Alro pursues the increase of client database, the identification of new business opportunities, and the promotion of its existing products.
In 2024 Alro participated, either as an exhibitor or as a visitor, in a series of large-scale fairs and events, among which we mention: the Rome Economic Forum, MECSPE Bologna, CRU Wire and Cables, BSDA Bucharest, ILA Berlin, Eurosatory Paris, Harbor – The Aluminium Summit in Chicago. Farnborough Airshow UK, Aeromart Toulouse.

Alro's active participation at these conferences and events (both as exhibitor or visitor) is instrumental in identifying and materializing new business opportunities, in particular for high value-added products, aligned with our long-term strategic objectives. We have remained steadfast in expanding our high-value-added products portfolio to address specific demands

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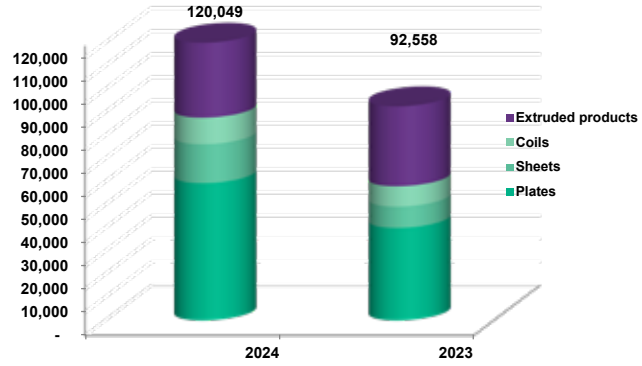
of the market, particularly from the aerospace sector. Alro has continued to consolidate its position in this market, by concluding deals with new customers and progressing in the commercial and technical discussions with other entities, whether we speak about end users, engineering shops, service centers, or distributors. Swiftly adapting to changing market conditions and customer preferences has been essential in sustaining our global footprint and fostering enduring partnerships. In 2025, Alro will maintain an active involvement in fairs and prestigious B2B events, with a focus on the aerospace industry, such as: MECSPE fair (an international fair related to precision mechanics and various production industries), Aerospace and Defence Meetings Central Europe – Rzeszow; Paris Air Show - Salon International de l'Aéronautique et de l'Espace du Bourget; Aerospace and Defense Meetings Torino.

Production

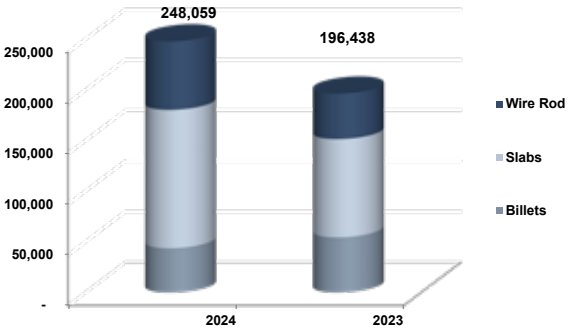
In 2024, Alro achieved impressive production targets, on the background of its operations at still reduced capacity (only 2 electrolysis potrooms open). It produced 68,252 tonnes of electrolytic aluminium in 2024, compared to 65,038 tonnes in 2023. Further on, Alro remained committed to its strategy of using more recycled aluminium to save electricity costs, and it doubled its output of liquid aluminium: 92,076 tonnes in 2024 compared to 42,613 tonnes in 2023. In this way, it used the additional aluminium to increase its Primary aluminium output (248,059 tonnes in 2024 compared to 196,438 tonnes in 2023, with a focus on wire rod (+56%) and slabs that are used for FRP (+41%)), and to increase its processed products (including the extruded aluminium from Vimetco Extrusion) also by 27,000 tonnes.

The FRP output (flat rolled aluminium products) was 51% higher than in 2023. This substantial growth was supported by large order volumes, reflecting customers' confidence in the company's ability to deliver high-quality products. This performance is a direct result of the strategic investment projects implemented by the Group.

Processed Aluminium Production (tonnes)



Primary Aluminium Production (tonnes)



ALRO continues to engage all its capabilities in order to deliver advanced solutions that meet the evolving demands of its customers. One of the key milestones in 2024 was the commissioning in March, of the aluminium plate processing equipment within the CutSmart Systems project. The new equipment commissioning was followed by the related construction works to fit out the accommodating building and related product warehouse and the line was completed and officially opened in October. This line is designed to handle high-volume, precise cuts, thus allowing the processing of plates according to the exact dimensional specifications of customers and ensuring that customers receive bespoke solutions of the highest quality, thereby improving the efficiency and competitiveness of ALRO's products in the market.

The launch of CUTSMART SYSTEMS is a significant milestone in ALRO's journey toward innovation and excellence. This facility will not only expand our capabilities but also help us respond with higher efficiency to the increasingly complex demands of our customers. Moreover, the new facility contributes to the decrease of CO_2 emissions by optimising the transportation and by supplying the exact metal quantity that is necessary.

The Group's subsidiaries hold several certifications. For example, ALRO is ISO 9001, ISO 14001, ISO 45001, ISO 50001 certified and has NADCAP certifications for laboratory tests and special processes, as well as EN 9100 certification for aerospace production, and the IATF 16949 certification for automotive industry, with its products being certified according to the applicable international standards for quality (e.g. CE Mark for products used in construction, Pressure Equipment Directive/2014.68/EU - acc AD2000 – Merkblatt, certification for the products used in the marine industry). For more information in this respect, please see the websites of ALRO and of each of the Group's subsidiaries.

In 2024, ALRO Group successfully passed all the quality and customers audits. Among the essential ones, for ALRO it could be mentioned SRAC (ISO 9001, ISO 14001, ISO 45001 and ISO 50001); DQS-Aero (EN 9100); TUV SUD CE Mark; DQS Auto (IATF 16949). In 2023 Alro obtained ASI certification, being the first company in Europe to be certified based on the version 3 (2022) of ASI performance standard and second in the world. In 2024 a surveillance audit done by the accredited certification body (DQS-CFS) was successfully conducted. Additionally, NADCAP HT and NDT-UT (for both we maintained the "Supplier Merit" status) re-accreditation audits are planned for 2025.

Furthermore, the Company qualified new products during 2024 as: 7475 T7351 plates, 2219 T851 plates, 5083 H131 plates and cladded 2024 O sheets. The qualification of new products will continue in 2025 with major aerospace and automotive OEMs. Moreover the Company obtained the certification according to the Law 232/2016 in order to be able to deliver products for the defense industry.

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Investments

The Investment Programme was approved by the General Shareholders' Meeting on 26 April 2024.

Alro investment achievements in 2024 included the completion of some projects that had been started prior to 2024 and also the commencement of new investments, with the following main objectives:

- improving the energy efficiency of the equipment and technological processes;
- Increasing ALRO profitability by ensuring the equipment necessary to diversify the range of value added products (cast plates and precision plates) and to manufacture complex products that match the customers' requirements in terms of dimensions, thus adding the highest possible value to the metal produced by ALRO prior to be marketed;
- pursuing the strategy to increase of the percentage of high value added products in the production mix, namely of the flat rolled products in Alro Processed Aluminium Division;
- Reduce the carbon print of the process activities in ALRO Processed Aluminium Division;
- Support the existing process and current production capacity by providing safe and reliable equipment / operating conditions for the technological processes, in accordance with the maintenance schedules and standard regulations.

Amongst the major achievements, in March 2024 the equipment was commissioned within the investment project called "Improve ALRO products efficiency by purchasing an aluminium plate processing plant able to process ALRO products as close as possible to the customers dimensional requirements", followed by the complete commissioning of the entire workshops in October.

The equipment within the project "Cutting saw for aluminium plates" was delivered in June and the installation activities were started, with the equipment being commissioned at the end of December 2024.

In February 2024, CCGT POWER IȘALNIȚA S.A. (SPV) signed the financing contract with the Ministry of Energy, in the framework key programme - Construction of combined cycle gas turbine (CCGT) electric capacities that can be adapted to run on hydrogen, necessary to achieve the transition from coal and to balance the network. The project benefits from funding from the Modernization Fund of the Romanian State and the value of the contract is EUR 253 m.

Furthermore, after the completion of the award documentation related to the EPC and LTSA contract award procedure and after it was assessed by the National Agency for Public Procurement (ANAP), in June 2024, it was uploaded in SEAP for the bidding and award procedure. Since the offer submission term of 08.11.2024 passed without any offer being submitted within the EPC and LTSA supplier public tender procedure launched by CCGT Power Isalnita, the procedure will be launched again after the SPV alongside the consultants consortium and personnel of the Project Implementation Unit will have conducted a market analysis on potential suppliers' current technologies and conditions as well as updated costs and commercial terms. After a positive assessment by the Ministry of Economy of ALRO's project proposal, ALRO concluded with the Ministry of Economy, Entrepreneurship and Tourism, as Administrator of the De Minimis Aid Scheme the financing contract 29 /RUC/MEAT/28.12.2023, with ALRO being granted non-reimbursable financing under the De Minimis Aid Scheme "Support for the implementation of the Program for the increasing of the industrial products competitiveness" for the implementation of the project "Long-term development of ALRO SA through achievement of sustainable investments". This aims at equipping the existing testing and calibration laboratories within ALRO with high-performance equipment in line with the requirements of the Community standards and provisions in the field of application.

The value of the non-reimbursable financing is 993,783 lei and based on the final value of the contracted equipments, in 2024, ALRO requested the reimbursing of 895 thousand RON, out of which 172 thousand RON was already paid by the Ministry of Economy, Entrepreneurship and Tourism. Within this project, in the course of 2024, 6 contracts were signed with the winning suppliers for the supply of the following equipment: laboratory mill with grinder and pestle, milling cutter for non-ferrous metals, XRF spectrometer, X-ray diffractometer, modernization of the traction machine specific for analysis in the physico-chemical testing laboratory, calcination furnace for samples, the project being completed by the end of 2024.

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At this point it is also worth mentioning that, in 2024, the monitoring timeframe for the project ”Investments in the R&D Department of ALRO SA aiming at improving the research infrastructure for the aluminium alloy heat treated plates with high qualification industrial applications”, cofinanced by European funds has ended and the Final Durability Report was released without any comments, showing Alro’s compliance with all the requirements and parameters set in the financing contract.

In line with the strategy of reducing the consumptions and improving energy efficiency, Alro started a new investment project for revamping the induction furnace and installing a water cooling / recirculation system. The project "Improving the energy efficiency of the Repair and Spare Parts Section (SRPS)” followed the planned schedule and the equipment was installed and was commissioned in February 2025.

Projects for increasing the percentage of HVAPs and VHVAPs

Alro has remained focused on consolidating its position on the international markets, targeting new market segments and customers, by continuing the investments in technology that will bring the company closer to the end customers of our products, in terms of dimensional requirements, with Alro being thus able to offer tailored solutions for sophisticated industries. In this respect, in 2024, Alro successfully completed the projects ”Improve ALRO products efficiency by purchasing an aluminium plate processing plant able to process ALRO products as close as possible to the customers’ dimensional requirements” and ”Cutting saw for aluminium plates”.

This strategic development programme continued with the project ”Development of ALRO product portfolio by purchasing a processing equipment for precision plates longitudinal cutting and milling” where all the machines within this project, namely the longitudinal cutting machine, the milling machine and the related chips suction and pressing equipment were contracted by the end of 2024 and the project reached the engineering stage, being scheduled to be commissioned in 2026.

A part of the ongoing investments in 2024, the two projects aiming at improving the quality process efficiency in the Processing Division, namely the projects "Purchase of an Ultrasound Scanning System II" and "Double-Sided Conductivity Scan for Aluminium Plates" have reached an advanced stage in their implementation by the end of 2024, with all the involved equipment, foundations, civil works and installation contracts being concluded and work in progress. These projects will bring additional benefits in terms of quality and process control for the company and are scheduled to be launched in production in the first semester of 2025.

In the Primary Aluminium Division, Alro has started the implementation of two new investments, namely ”Modification of the billets casting machine such that it can cast both billets and slabs” and ”Purchase a band saw for aluminium alloy slab cutting” aimed at providing the critical slab production capacities for the coming period so as to fulfil the objectives of ALRO’s strategy of increasing the percentage of high value added products (flat rolled products) in the production mix and deliver the estimated production level.

Eco-Recycling updates

Following the commissioning in June 2023 and December 2023 of the two scrap melting furnaces within the project aiming at ”Developing the aluminium scrap remelting capacities in Eco-Recycling Facility by installing two double chamber furnaces, one holding furnace and the related fume collection and treatment plant”, in 2024 ALRO continued to optimise the operation of the new furnaces by commissioning the new charging machine that serves the furnaces, and, as a result of these investments, ALRO has taken an important step into a low-emission world as the company has steadily increased its aluminium scrap recycling output reaching 92,076 tonnes of recycled aluminium solid scrap in ECO Recycling Facility in 2024.

In order to prepare the next development stage of ECO Recycling Facility, namely to optimise the scrap remelting operation by installing a scrap processing line comprising shredding, separation and de-lacquering equipment, in September 2024, Alro submitted the application for financing the project under the National Recovery and Resilience Plan.

Climate-change consideration from production and investments perspective

As part of Alro's strategy to secure its own energy production from sustainable resources, in 2023, Alro signed the sales, design and manufacturing contract for the investment project "Increasing the energy efficiency of ALRO S.A.'s electricity supply system by installing a photovoltaic power plant in the parking lot of ALRO S.A., 116 Pitești Street", a project consisting in the installation of a photovoltaic power plant with a capacity of 1,460.5 kW on a carport structure and two electric charging stations on the Alro Primary Aluminium Division parking space. For the implementation of the project, in 2024, the Town Planning Certificate was issued and Alro is currently in process of applying and obtaining the necessary permits for construction.

Given Alro's strategy to increase the energy efficiency and maximize the reuse of resources, in 2024, the equipment within the investment objective "Improving the energy efficiency of the Repair and Spare Parts Section (SRPS) by upgrading the induction furnace and installing a water cooling / recirculation system" was installed and was commissioned in February 2025. This will increase the energy efficiency in this production department by using advanced, energy efficient equipment and increasing the recirculation of the industrial water thus reducing also the related energy and water consumption.

As part of the project to replace the water pipelines supplying ALRO equipment, the second phase of the industrial water supply diversion from Olt River Intake to Alro Primary Aluminium Division, on the segment of the Curtișoara Hill Base - Upper Hill Flat Connection, was completed in 2024. Using the new supply route will eliminate the water losses recorded in the past due to the poor technical condition of the old pipes and water pumping equipment, thus ensuring a safe and reliable supply to the equipment of Alro Primary Aluminium.
Within the same objective of increasing the energy efficiency, Alro continued the investment project "Increasing the efficiency of aging operations by replacing its furnaces with a new aging furnace", which involves the purchase and installation of a CO_2 emission-free electrical furnace to replace three gas-fired furnaces that will be decommissioned. The new heat treatment furnace for artificial aging equipped with electric heating systems was completely installed by the end of 2024 and the commissioning and Acceptance Tests are to take place by April 2025. The installation of the aging furnace for the specific heat treatments of aluminium products, powered by electricity without CO_2 emissions, will allow ALRO SA to optimize the process of

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heat treatment (artificial aging) which the aluminium products undergo, through increased efficiency and more precise control of temperature and other critical parameters, which will lead to a more efficient output of high added value aluminium of superior quality. Furthermore, this electrical aging furnace has replaced three outdated gas-fired furnaces which will be decommissioned, this being a significant step in increasing the energy efficiency of the technological processes and strengthening the Company's efforts to produce low carbon aluminium, suitable for future market requirements.

RTA project (AP12LE – advanced low energy technology for electrolysis)

ALRO Group is committed to continue its energy efficiency programme as part of a safe, responsible and profitable business, one of the Group's major projects being the implementation of AP12LE technology over the next years, until all the smelter pots are relined with this advanced, low energy technology, which is being implemented in collaboration with Rio Tinto Aluminium Pechiney. The contract for this project was concluded in 2018 with Rio Tinto Aluminium Pechiney, the company who developed this technology and the AP12LE pot design is based on RTA "Brick Technology" approach and uses new relining materials, cathodes, busbar assemblies and slotted anodes. This innovative technology is expected to bring energy efficiency and environmental benefits to the electrolysis sector, the sector with the highest energy consumption of all ALRO processes and aims at reducing the specific energy consumption by approximately 300 kWh/tonne of aluminium, while maintaining the same level of pot production. A new series of 37 pots were relined in 2024, constantly adapting these works to the repair programme and production requirements.

After commissioning 37 more pots with AP12LE technology in 2024, ALRO reached 252 pots fully relined with this technology, out of which 153 are in production, with the number of relined pots being adapted to the number of pots in operation to ensure electrolysis operation with improved energy efficiency.

In 2024, the Company reported an increase by 5% of the electrolytic aluminium **production** (68,252 tonnes in 2024 and 65,038 tonnes in 2023), and a significant increase in the liquid aluminium output, which is produced from melted scrap aluminium: 92,076 tonnes in 2024 compared to 42,613 tonnes in 2023, i.e. an increase by 116.1 %).

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Procurement and Logistics ("PLD")

After three years of extreme volatility, commodities prices broadly stabilized in 2024, but they still remain above pre-pandemic level. However, adverse weather conditions, escalating geopolitical tensions and soaring shipping costs are among the risks to watch to commodity price forecasts.

Prices of raw materials, although they registered a decrease compared to 2023, remained at high levels.

Procurement and Logistics Department (PLD) main objectives in 2024 were:

- Keeping the prices of the main raw materials under control, without jeopardizing production program due to stock out,
- Efficient sourcing of main raw materials: timely and with the lowest costs in terms of prices, logistics, and payment terms

Cost reduction and strategy implemented in this respect

In 2024, the Procurement and Logistics division had the following objectives:

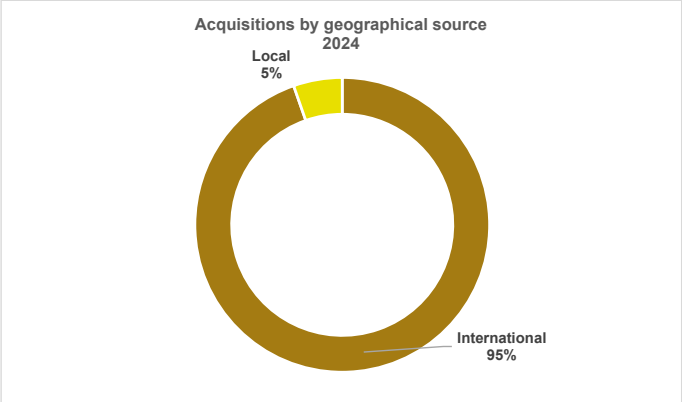
- control of main raw materials prices and keeping a safe supply chain (the expenditures for main raw materials decreased by 13% in 2024 compared to 2023, considering only the price difference, while aluminium LME increased by 8;
- Alro's main reaction to massive increase of electrical energy price is efficient recycling of aluminium scrap both internally generated and acquired from domestic and European suppliers. The acquisition price of aluminium scrap decreased in 2024 vs 2023 by 2.64% in terms of percentage of LME. In aggregate with the investments in scrap processing, that means Alro managed to secure a reliable and cost-efficient alternative source of liquid metal;
- acquisition of 78,055 Mt of aluminium ingots from the market to offset the impact of the temporary production shutdown of the 3 electrolysis lines;
- acquisition of 129,081 mt of Alumina from market to compensate for the suspension of ALUM's production activity;
- planning and scheduling in order to avoid stock-outs or over-stocks and where possible dual and/or multiple sourcing in order to improve the supply assurance;
- to ensure the quality of goods and services.

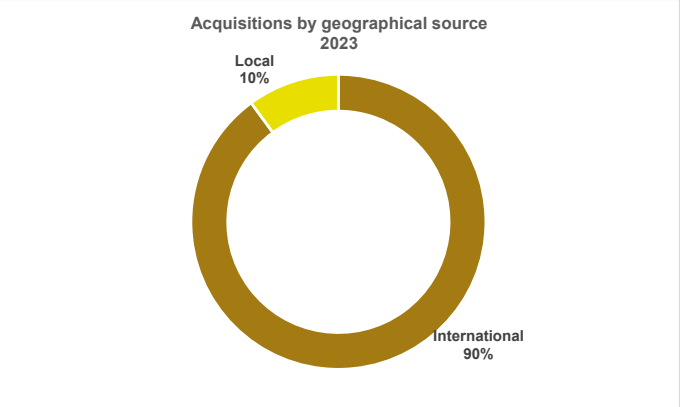
Climate change considerations from the procurement perspective

The requirements by the Chinese Government, urging the magnesium sector to make technological upgrades for transforming the current set-up into a more eco-friendly one had a heavy impact on magnesium availability especially at the beginning of 2022 and also an extreme price increase. This impact on availability and price surge was due to the fact that China is a major player in worldwide magnesium production accounting for approximately 85% of world production. According to China's Ministry of Industry and Information Technology, nonferrous sector CO2 emissions must be reduced by 18%, between 2021-2025 and by 2025 approx. 4,000 non-ferrous metal furnaces must be upgraded to target a clean production, with an aim to meet carbon neutral goals by 2030.

Acquisition of Aluminium ingots in 2024 was performed considering the carbon footprint of each source, minimizing the purchase of the coal-fired power smelter brands.

Raw materials acquisition structure, including alumina, shows 8% coming from local market and the balance of 92% from overseas.





All raw materials ALRO purchases from domestic and/or foreign suppliers are in strict compliance with European Union (EU) safety and environmental protection legislation including, but not limited to, European Commission (EC) legislation No.1907/2006 (REACH) and EC legislation no. 1272/2008 (CLP).

Actual geo-political context impact is reflected in the procurement process in that:
1. Price increases on all raw materials and all other auxiliary materials (metallurgical products, electrical and mechanical items, consumables and so on;
2. Sharp increase of lead time;
3. No long term contracts were possible due to market volatility.

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Financial and economic review

ALRO GROUP

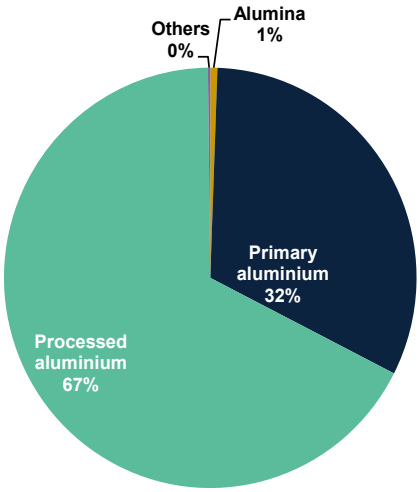
Financial review

In 2024, Alro achieved significant improvements from the operational standpoint, compared to 2023, which yielded results in the bottom line financially as well. Its output of aluminium was by 27% higher than the previous year, with an emphasis on value added products (FRP by 51% more) and on the sustainable processes (a double production of liquid aluminium from recycled scrap instead of the energy intensive electrolytical aluminium).

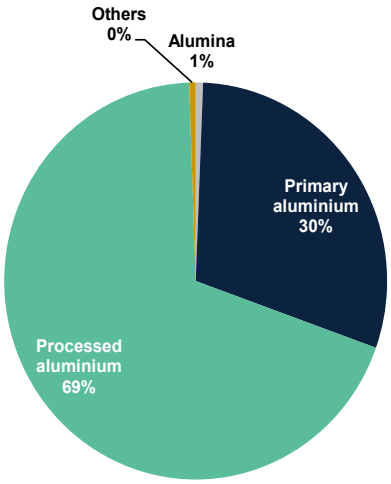
Alro Group reported a **turnover** of RON 3,408,037 thousand in 2024 (20% higher compared to 2023), a positive EBIT of RON 225,137 thousand (in 2023 a negative EBIT of RON 363,908 thousand) and a consolidated net profit of RON 10,337 thousand as compared to a net loss of RON 561,746 thousand recorded in 2023. The adjusted net result for the period was RON 15,312 thousand, compared to the negative one for 2023 of RON 472,023 thousand. Alro on a stand-alone basis recorded a turnover of RON 3,202,739 thousand in 2024 (higher than the RON 2,533,585 thousand for 2023), a positive EBIT of RON 217,703 thousand (compared to the negative EBIT of RON 477,230 thousand in 2023) and a net profit for the period of RON 15,321 thousand (compared to a net loss in 2023 of RON 539,116 thousand). The adjusted net result for Alro stand alone was RON 19,319 thousand for 2024 and a negative one of RON 408,931 thousand for 2023, respectively.

Alro Group obtained positive EBITDA of RON 344,645 thousand in 2024, considerably higher than the negative EBITDA of RON 164,320 thousand in 2023, while Alro alone obtained an EBITDA of RON 314,628 thousand in 2024 and RON 186,857 thousand negative in 2023.

In 2024, **sales** of aluminium products saw significant increases compared to the same period in 2023, with processed aluminium products witnessing a 30% growth in sales volume and primary aluminium products experiencing a rise of 19%, and with the company using more slabs internally to support the increase in value-added production.



Alro Group sales by segments 2023 (RON th)



The **Cost of goods sold** were almost flat, and on the background of higher sales, the **gross margin** improved to a positive one of 5% in 2024 compared to a negative gross margin of -8% in 2023.

These results represent the consequence of the strategic decisions made by the Group focused on investments aimed at reducing specific consumptions and dependence on external electric energy sources and improving its added value products' portfolio.

Furthermore, the Group managed to keep its **G&A expenses** under control in 2024 despite significant inflation worldwide: RON 367,411 thousand, while in 2023 these expenses were of RON 329,108 thousand.

The Group recognized revenue from compensation scheme of RON 302,382 thousand in ***Other operating income*** in the Income statement for 2024 (in 2023: RON 373,980 thousand), which were recorded by the Group on an accrual basis for high energy costs as per EU legislation on the EU-ETS scheme. Further details are provided in Note 8 Other operating income to the Consolidated Financial Statements for 2024. Additionally, in 2024, the Group obtained revenues from the sale of carbon dioxide emission certificates of RON 195,948 thousand (2023: RON 8,997 thousand).

The Group incurred ***Other operating expenses*** as well, but lower than in the similar period of last year (RON 56,825 thousand in 2024 and RON 164,495 in 2023), that included idle plant depreciation expenses (RON 18,696 thousand in 2024 and RON 36,593 thousand in 2023) in Alro and Alum for the suspended production facilities. These decreased in Alum in 2024 due to the fact that at the end of 2023, Alum recognized some impairment expense for the property, plant and equipment, which led to a lower balance of the assets. Other expenses included here are running costs for Alum of RON 11,904 thousand in 2024, i.e. lower than RON 35,700 thousand incurred in 2023), as the company has a reduced activity.

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The ***profit before tax*** turned positive to RON 29,277 thousand in 2024, compared to the loss of RON 506,833 thousand in 2023. Nevertheless, due to the recent legislation regarding the minimum tax chargeable in Romania, the Group incurred income taxes, of RON 18,940 thousand aggregated in 2024 (compared to 2023 when it ended up with a loss and incurred tax income of RON 48,430 thousand).

The reconciliations of the **Adjusted Net Result** at ALRO Group level, and for ALRO, respectively are detailed below:

ALRO Group

	2024	2023
NET RESULT	**10,337**	**(561,746)**
Impairment of non-current assets	1	85,177
Plus/(minus) Impairment of goodwill	-	63,206
Plus/(minus) deferred tax expense/ (income)	4,974	(58,660)
ADJUSTED NET RESULT	**15,312**	**(472,023)**

ALRO

	2024	2023
NET RESULT	**15,321**	**(539,116)**
Plus/(minus) charge/(reversal) of investments impairment expense/(income)	-	189,144
Impairment of non-current assets	-	(491)
Plus/(minus) deferred tax expense/(income)	3,998	(58,468)
ADJUSTED NET RESULT	**19,319**	**(408,931)**

The reconciliations of **EBITDA** for ALRO Group and for ALRO, for 2024 and 2023 are detailed below:

ALRO Group

Description (RON th)	2024	2023
EBIT	**225,137**	**(464,696)**
Depreciation, amortisation and impairment	119,508	300,376
EBITDA	**344,645**	**(164,320)**

ALRO

Description (RON th)	2024	2023
EBIT	**217,703**	**(477,230)**
Depreciation, amortisation and impairment	96,925	290,373
EBITDA	**314,628**	**(186,857)**

The Group's **total assets** were RON 3,247,654 thousand as of 31 December 2024, higher than RON 2,920,605 as of 31 December 2023. For Alro alone, the total assets were RON 3,023,705 thousand at 31 December 2024 and 2,667,634 thousand at 31 December 2023.

The Group **non-current assets** RON 1,438,038 thousand as of 31 December 2024 versus RON 1,285,481 thousand 31 December 2023, and for Alro alone they were RON 1,373,568 thousand at 31 December 2024 and RON 1,227,642 thousand at 31 December 2023, increasing mainly due to the payment of the balancing amount of share capital of RON 108,233 thousand in equity investments (the associate CCGT Power Isalnita).

The **current assets** of the Group were RON 1,809,616 thousand at 31 December 2024 (31 December 2023: RON 1,635,124 thousand). These were reflected by **ALRO**, which reported higher current assets, of RON 1,650,137 thousand at 31 December 2024 compared to RON 1,439,992 thousand at 31 December 2023, increasing on the background of cash (mainly compensation scheme received in the end of the year).

Group's total liabilities are higher, i.e. RON 2,237,115 thousand at 31 December 2024 from RON 1,917,992 thousand at 31 December 2023. For Alro stand-alone, the liabilities were of RON 2,141,804 thousand at 31 December 2024 and RON 1,798,274 thousand at 31 December 2023. These are higher due to the trade payables, which is a normal course of business during the year. Trade and other payables were of RON 443,242 thousand at 31 December 2024 and RON 240,807 at 31 December 2023 for the Group and RON 428,521 thousand at 31 December 2024 and RON 192,561 thousand at 31 December 2023 for Alro stand-alone.

Bank and other loans increased from RON 1,483,540 thousand at 31 December 2023 to RON 1,554,643 thousand at 31 December 2024 for the Group (including long term and short term borrowings and leases, see note 28 to the Financial statements), as new facilities were signed at the end of the year. For Alro alone, the balance increased from RON 1,476,565 thousand at 31 December 2023 to RON 1,531,285 thousand at 31 December 2024. In January 2024, one of the Group's subsidiaries signed the extension until January 2026 of the overdraft facility of EUR 9,000 thousand with a commercial bank and additionally, signed a facility of EUR 4,800 thousand with maturity until January 2027 for financing an investment in progress. In the end of 2024, Alro obtained a USD 40,000 thousand CAPEX loan from a commercial bank and a RON 400,000 thousand working capital facility guaranteed 80% by the Romanian state. Prior to that, Alro repaid a RON 470,000 thousand working capital facility that had been contracted in March 2022, ahead of its schedule.

In 2024, the **net cash generated by operating activities** was positive, of RON 423,092 thousand for Alro Group (compared to a negative cash movement in 2023 of RON 53,509 thousand), and for Alro as well: RON 469,392 thousand in 2024 compared to a negative operating cash outflow in 2023 of RON 119,130 thousand). This is mainly due to better operating results and a good management of payables and payments.

The **net cash used in investing activities** was RON 241,632 thousand in 2024 and RON 191,574 thousand in 2023 for the Group, as the Group strived to pursue its strategic objectives of diversification, quality, efficiency. In Alro it was of RON 231,286 thousand in 2024 and RON 176,375 thousand in 2023.

The **net cash flows generated by financing activities** in 2024 was of RON 43,717 thousand for the Group (in 2023: cash used was of RON 178,856 thousand) and RON 24,933 thousand generated by Alro in 2024 and RON 144,304 thousand used in 2023. These cash inflows represent the draw downs of new loans mainly, and the outflows represent the repayment of loans and leases.

As of 31 December 2024, the Group reported **cash and cash equivalents** of RON 431,303 thousand (31 December 2023: RON 206,126 thousand). At **ALRO's level, the cash and cash equivalents** were of RON 423,320 thousand at 31 December 2024 (31 December 2023: RON 160,281 thousand).

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ALRO Group Operational overview

ALRO Group

In 2024, Alro Group continued with a reduced production capacity initiated in 2022, namely 2 operational electrolysis potrooms out of 5. Meanwhile, it compensated the missing metal by buying ready made aluminium from the market and by increasing its scrap remelting capacity. The alumina plant at Alum, Tulcea, remained idle throughout 2024, with only small quantities of hydrate and special alumina being produced.

In spite of the tightening of its traditional operations, Alro Group strongly focused on its long-term strategy of concentrating of high value-added products and on new markets, in Alro for flat rolled products and in Vimetco Extrusion for extruded products. The investments made in the recent past for increasing the liquid aluminium melting (from recycled aluminium) became a priority, for the group to be able to reduce its overall production costs.

The year 2024 was dedicated to new projects in the direction of electricity integration and cost diminishing: Alro formed a partnership with Complexul Energetic Oltenia SA for the set up of a power plant.

ALRO

In 2024, the output of liquid aluminium (mainly from recycled aluminium scrap) doubled compared to the previous year: 92,076 tonnes in 2024 compared to 42,613 tonnes in 2023. At the same time, the electrolytical aluminium was quite flat (68,252 tonnes in 2024 and 65,038 tonnes in 2023), with Alro operating at lower smelting capacity (2 out of 5 electrolysis halls) in order to save costs and render its operations efficient.

Alro sold 77,260 tonnes of primary aluminium in 2024 to 3rd party clients (in 2023: 64,742 tonnes), with an increase in wire rod by 23,732 tonnes including the wire rod processed under tolling contracts (offset by a decrease in billets). On the processed side, it sold 87,739 tonnes FRP being closer to its target of increasing the volumes and percentage of processed sales (in 2023: 57,975 tonnes FRP were sold, so the increase in 2024 was significant, i.e. 51%). The advancement was recorded mainly in plates (+18,956 tonnes), which is a good evolution, having in view that the plates are the company's most value added product.

Sales of **primary products**: were not at the level of expectations until the middle of February due to the stocks accumulated at the end users and reduced orders, a usual situation for the beginning of the year. Still, the trend became positive in February and has remained so throughout 2024. This evolution was also supported by the tense situation in the Red Sea, an important supply route from alternative suppliers in Asia and the Middle East.

Considering the geopolitical context and the company's long-term development strategy, the second wire rod mill was restarted in March, with the target of increasing wire rod production and sales by about 80% compared to the previous year. Having in view the sanctions imposed on Russian wire rod suppliers in Europe, but also the changes in the supply behaviour of European consumers in the sense of reorientation mainly towards local producers, ALRO succeeded in regaining the client portfolio in the sector of the production of low, medium and high voltage aluminium cables. However, the competition of wire rod producers from Asia and the Middle East remains important.

Considering the permanent concern for reducing the carbon footprint, the company has in progress an important project to include wire rod scrap from customers in the production of wire rods, following the trends shown at the global level.

The cable market is expected to remain stable as far as the demand and prices are concerned throughout 2025.

Regarding the sales of billets in 2024, they were reduced as a result of the significant increase in the prices of the scrap required for their production. Against the background of the increased emphasis on decarbonisation, the increase in the degree of recycling in the aluminium industry, and implicitly the demand for scrap, but also the intensification of the export of scrap to Asia due to more attractive prices, the prices of scrap in Europe have increased considerably from Q2 2024, affecting the profitability of the production of billets, despite the increase in billets prices, a trend that has been maintained since February until now. Nevertheless, the demand deteriorated from August and premiums decreased by 40-50$/mt at the end of 2024, making the billet production even less efficient.

Market demand sentiment seems less pessimistic so far in 2025, with a rising number of extruders starting to express some "reserved" optimism about B&C sector order levels (especially in Southern Europe), while pessimism surrounding the transportation sector extrusion demand lingers. Nevertheless, the tight scrap market/ prices together with alternative cheaper exotic sources would continue to put pressure on the profitability of billet producers.

The sales of **flat rolled products** in 2024 saw a steady improvement in the first half of the year, driven by heightened industrial activity and restocking within the main European distributors, in the context of the reduction of metal stocks at the end of 2023. Starting the second half of the year, however, the market faced a visible downturn in demand, attributed to challenges in the automotive and aerospace industries supply chains.

The current geopolitical context continued to put significant pressure on supply chains (still complex situation in the Red Sea), which contributed substantially to metal supply sources reconsideration by the main European players. Recent announcements from the Chinese authorities with regard to the export tax rebate cancellation has also accelerated this process (in November 2024, the China Ministry of Finance and the State Taxation Administration released the Announcement on the Adjustment of Export Tax Rebate Policies. Effective from 1 December 2024, the 13 percent export tax rebate for refined oil, photovoltaic products, batteries and certain non-metallic mineral products were reduced to 9 percent. In addition, export tax rebates for aluminium and copper products, as well as chemically modified oils and fats were terminated.

In these new market realities, the competition between the European rollers remained elevated, with continued pressure on prices, eroding the margins in all industrial sectors.

Conversely, the North American market presented opportunities for European exporters. The imposition of increased tariffs on Chinese aluminium imports by the United States created a more favorable environment for European suppliers. Recently, the Trump Administration has substantially raised tariffs on steel and aluminium imports on 10 February 2025, to a flat 25% "without exceptions or exemptions". The proclamation is raising the US tariff rate on aluminium to 25% from the previous 10% rate and eliminating country exceptions and quota deals, as well as other product-specific

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tariff exclusions for both metals. The new tariffs will take effect for any products entered for consumption or withdrawn from warehouse for consumption starting with March 2025. While it is too early to assess the real impact of this decision, in the medium and long term, the new tariff rate affects the competitiveness of our products on the US market, having a direct impact on final prices for customers and on our commercial partnerships with the US entities.

In summary, 2024 was a year of mixed outcomes for the aluminium flat rolled products market. While early gains were driven by industrial activity and restocking efforts, the latter part of the year highlighted vulnerabilities due to sector-specific downturns and geopolitcal factors. The industry adaptability to these evolving conditions will be crucial as it navigates the complexities of the global market in the coming years.

From these considerations, Alro continued to adapt its sales strategy according to the new realities and to ensure a high dynamism of the product portfolio offered in the market, succeeding throughout the entire year in focusing on high value added products sales to the traditional industrial sectors, but also in capturing new demand from new markets, thanks to the development of cut to size plates intended primarily for the aeronautical industry, through partnerships with prestigious foreign and domestic companies.

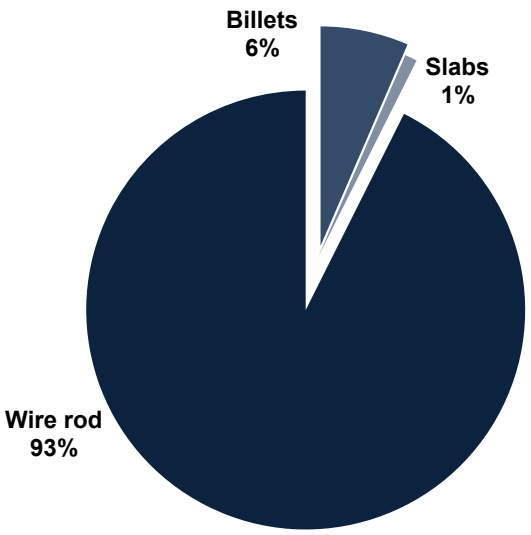
In 2024, the Company reported a slight increase by 5% in the electrolytic aluminium production, but doubled its liquid aluminium production (from scrap aluminium and ingots purchased independently from the market) (variation of 116.1%).

By balancing its acquisition and own production resources, Alro managed to increase the primary aluminium output from last year, i.e. 248,059 tonnes of primary aluminium in 2024, compared to 196,438 tonnes in 2023.

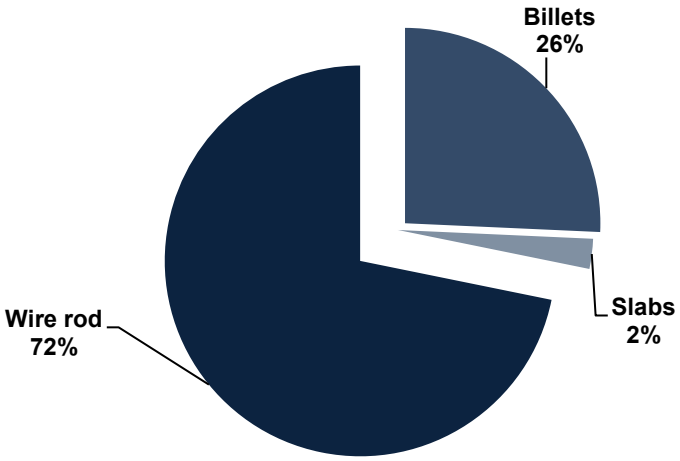
Moreover, in spite of a difficult market for value-added products, Alro output of processed products was of 87,687 tonnes in 2024, compared to 58,034 tonnes in 2023.

The structure of **primary aluminium sales** based on product types in 2024, compared to 2023 is presented below:

Revenues from sales of Primary aluminium 2024 (RON th)



Revenues from sales of Primary aluminium 2023 (RON th)

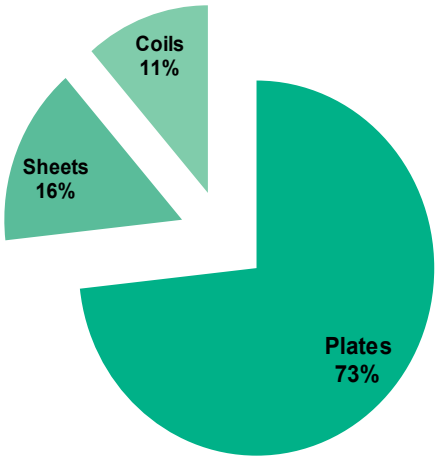


Processed Aluminium Segment – FRPs and extruded products

Flat-rolled products (FRPs)

The structure of processed aluminium sales based on product types in 2024, compared to 2023 is detailed below:

Revenues from sales of flat rolled products 2024 (RON th)



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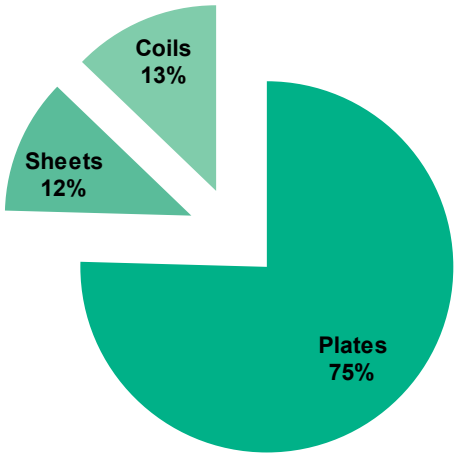
Revenues from sales of flat rolled products 2023 (RON th)



Extruded Products (VE)

The extrusion shop operated by Vimetco Extrusion ("VE") represents the largest extruder in Romania and a significant player in the Western European extrusion market. Starting September 2006, Vimetco Extrusion was organized as a separate subsidiary company of ALRO Group to focus on the Group's extrusion business. The company's administrative and managerial offices are in Romania, headquartered in 1, Milcov Street, Slatina, Olt County, Romania.

Through Vimetco Extrusion, the Group uses the billets produced by ALRO in its primary aluminium division. VE manufactures and sells a wide range of extruded profiles, such as aluminium bars, tubes, etc. Aluminium extrusion is a technique used to transform aluminium billets into objects with a defined cross- sectional profile for a wide range of uses. In the extrusion process, heated aluminium is forced through a die. Extrusions can be manufactured in many sizes and in almost any shape for which a die can be created. The extrusion process makes most of aluminium's unique combination of physical characteristics. Its formability allows it to be easily machined and cast, yet aluminium is one-third the density and stiffness of steel, so the resulting products offer strength and stability, particularly when alloyed with other metals.

Within extruded products, the Group considers its special products to be HVAPs and the machined, painted, and anodized or powder coated products to be VHVAPs. Vimetco Extrusion's products are used in various industries, such as transport, construction, different aluminium metal structures, photovoltaic panels. The Group's extruded products are also used in the building and interior design industries, with curtain-walling, ceilings, partitions, railings, and panels being some of the various aluminium applications. Also, extruded products are used in lighting, air conditioning/ ventilation systems, reflectors, and the photovoltaic energy industry.

Extruded Products

After a relatively stable first half of 2024 from incoming orders point of view, demand began to strongly decline in key industries where VE operates, including the solar sector. Moreover, the end of 2024 was very challenging with almost no demand in December, warehouses closing at the beginning of the month. According to European Aluminium statistics, the results reached a -7.1 % decrease compared to 2023 at European Market level.

In Standard profiles industry the stocks continued to be high, filled with material purchased in the past with a higher Conversion price, which makes the cost base relatively high. This becomes problematic in a weak market because companies are unable to adapt to falling prices caused by reduced demand, forcing them to lower prices unsustainably just to clear excess inventory. Sales towards end customers where extremely weak therefore new material was/is not needed to be produced.

- Extruders strive to keep production running in lack of orders, with high price competition, prices not justified by actual production costs or market value, but rather by the pressure to fill available extrusion capacity.
- Buyers are dictating the prices: manufacturers offer spot deals just to book any quantity available.

Solar industry: despite the optimistic predictions from Intersolar exhibition, it registered a huge drop (80-90% decrease, according to main manufacturers for mounting panels) when it comes about aluminium profiles demand. Roof top projects were down, and the main driver was the ground installation systems, that were mainly produced out of steel, rarely in aluminium.

In 2024 solar companies were still specifying old contracts closed in 2023, as the demand did not allow them to specify the orders in due time. Many companies released personnel, reduced the working schedule, small players even went in bankruptcy according to market information.

Building and Construction market had a very poor performance with a demand that continued to fall constantly. Projects were postponed or even cancelled; several of our customers in this industry have informed us about a decrease in their activity by more than 20%.

Under general market context, VE sales volumes for 2024 registered a considerable decreased compared to 2023, i.e. by 7%. The focus was in fulfilling the press capacity and optimizing the product mix.

Vimetco Extrusion sold 31,466 tonnes of extruded products in 2024 and 33,885 tonnes in 2023.

Vimetco Extrusion is expanding the focus to new geographical areas and products, developing advanced alloys like 6101B and 6061, and working towards AS 9100 certifications to meet industry standards. The goal is to enter the military, defense, and electrical (busbar) sectors, creating new opportunities for growth and innovation.

By diversifying products and services, Vimetco Extrusion continues its growth strategy ensuring high unique selling advantages that provides a strong position on the market, differentiated from the competitors. Targeted approach of different markets as a continuous effort of product range development with complex requirements and tailor-made design – used in various industries.

VE development strategy is targeting increase of the value-added products and high value-added products: the newest

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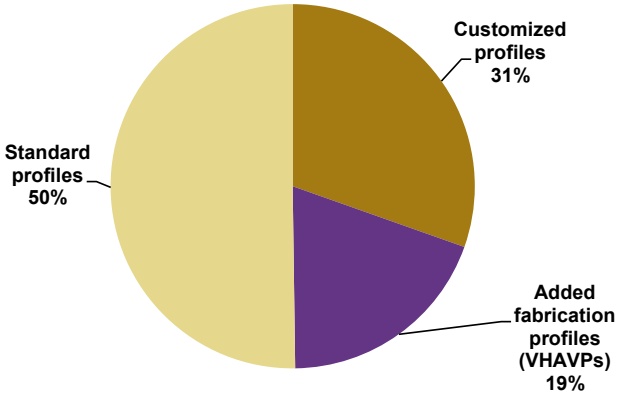
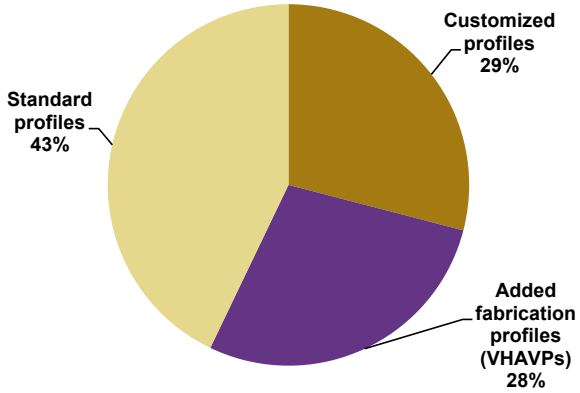
welded products – tail lifts platforms for trucks are in expanding stage, scaffolding structures made from 6082 profiles- green field department, solar assembled parts, solar hook systems, advertising panels profiles, construction beams, aluminium hinges, telescopic columns, professional cleaning trolleys, hi-tech loudspeakers.

The structure of extruded products sales based on product types in 2024, compared to 2023, is detailed below:

Vimetco Extrusion Sales by Product in 2024 (RON)



Vimetco Extrusion Sales by Product in 2023 (RON)



Vimetco Extrusion Executive Management is composed of Mr Igor Higer – General Director, Mrs. Stefania Yaksan – Finance and HR Director, Loredana Iacob – Sales Director, Daniel Ion – IT Director, Loredana Achim – Production Director, Bazhanau Daniil- Technic and Investment Director. At the date of this Report, Vimetco Extrusion Board of Directors is composed of three members: Mr Igor Higer (Chairman), Mr. Ovidiu Goran (Member), Mr Per Lyngaa (Member).

Vimetco Extrusion remains the main supplier for the most important names in the distribution field in terms of standard profiles and customized products and for important end-users.

ALUM

ALUM refinery is located in Tulcea, Romania, and has a production capacity of 600,000 tonnes of alumina per year, being the sole alumina producer in Romania and one of the largest in Central and Eastern Europe. During its usual production process, the refinery uses bauxite to produce it into alumina at its own plant in Tulcea.

While primarily supplying alumina to the Group, ALUM sells its by-product, i.e. aluminium hydrate and other alumina special products (including calcined alumina with different granulations, alumina "low soda," and alpha-alumina) to third party customers. In 2024, Alum produced 3,671 tonnes of dry hydrate and 456 tonnes of sieved dry dydrate), according to the specifications provided by the clients.

In August 2022 the Group management decided the temporarily shut down the production activities until the production and input cost of Alum were to be reasonable enough to allow for an efficient business. Since August 2022, Alum has been procuring Alumina from the market for Alro. In September 2023 Alum sold its mining subsidiaries (i.e. GAL Group), to a third party. Since March 2024, Alum has changed its pattern of procurement of alumina to Alro from sale for a margin to sale for a commission.

During 2024, Alum repaid all its debts to banks and incurred expenditures at the minimum.

Current stage of ReActiv project, carried forward: „Industrial Residue Activation for sustainable cement production"
ReActiv project, 01.10.2020 – 30.04.2025, where ALUM is one of the industrial partners together with 6 other international companies in the alumina industry and 14 academic partners, is coordinated by Lafarge Center De Recherche by SAS.

ReActiv project aims to create a novel sustainable symbiotic value chain, linking the by-product of the alumina production industry and the cement production industry. Bauxite residue (BR) is the main by-product of the alumina sector, obtaining approximately 7 million tonnes per year in the EU, while recycling capacities are below 200 thousand tonnes per year. The ReActiv project aims to modify the properties of bauxite residue turning it into an active material used to obtain new cements with a low CO_2 fooprint.

Alum participated online in the 8th progress meeting of the ReActiv H2020 project in October 2024.

Between 2020 - 2024 the company collected non-refundable funds in the amount of EUR 145,622 (out of the total of EUR 171,320).

ALUM has been listed on the BSE on the ATS segment, AeRO category, BBGA symbol since May 2015 and is governed in a unitary system. The Board members are elected based on the vote of shareholders under OGSM and by full compliance with the legal requirements in force.

At the date of this report, ALUM's Executive Management is composed of Mr Gheorghe Dobra - CEO and Mrs Mihaela Duralia, CFO. ALUM's Board of Directors is composed of five members: Gheorghe Dobra (Chairman), Igor Higer (member and Vice-Chairman), Marian Cilianu (Member), Mihaela Duralia (Member) and Ioan Popa (Independent Member).

Conef S.A.

Conef is a joint-stock company established based on GD no. 30/1991. The company's shares are not traded on a regulated market, Conef being a closed-end company. The share capital is of RON 6,692 thousand, representing 2,676,661 ordinary nominative shares with a nominal value of RON 2.50, fully paid in by the shareholders.

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At the end of 2018, ALRO's majority shareholder of that time, Vimetco N.V. together with the shareholder Conef S.A. carried out an accelerated private placement offer for a package of ALRO shares, representing a cumulative percentage of 33.77% of the share capital of the issuer. Following this operation, Conef S.A. disposed of its entire shareholding in ALRO.

ALRO's project for vertical integration in terms of ensuring the electricity necessary for its own consumption is aimed to be developed through the Group's subsidiary, Conef SA. In this regard, one of the Group's main projects is the building and commissioning of a 470 MW gas-fired combined cycle power plant inside ALRO's premises in Slatina. The estimated benefits for ALRO will be reflected both in the efficiency of the company's electricity supply, but also in its ability to ensure a safe and continuous reserve for the power system regulation of the new renewable energy sources in South-West Oltenia region by the power grid operator. In addition, this project will support Romania's transition to the extensive use of green energy, without greenhouse emissions, thanks to the replacement of the coal-fired electric power production capacities with new electric power production based on natural gas, and, after the hydrogen/ synthetic natural gases (green gases) production technologies will have been defined, these new electric power production capacities can be converted to use the new type of fuel with minimum costs (hydrogen-ready gas turbines).

The Executive Management of Conef is provided by Mr. Marian Nastase – CEO, Mr. Serghei Catrinescu – Deputy CEO. The Board of Directors of Conef is composed by 3 members (Mrs. Alina Rusanu – Chairman, Mr. Ovidiu Balu – Vice-Chairman and Mr. Dragos Voncu- member).

Vimetco Trading SRL

Vimetco Trading S.R.L. is a company organized under the Romanian law and was incorporated in 2008, with its headquarters in Bucharest. The company mainly provides sales agent services for the benefit of Alro S.A., which consist of various actions such as: negotiation activities with potential customers, monitoring the execution of sales contracts, fulfilling any other necessary actions in connection with the preparation and execution of sales contracts.

The executive management of Vimetco Trading is provided by two directors (Mr. Marian Nastase and Mrs. Svetlana Pinzari) and one General Manager (Mr. Florin Verboncu).

ALRO has a fully operational Fire Brigade inside the production facility and its own healthcare office. ALRO has benefited from substantial support from its affiliated companies Rivergate Fire and Centrul Rivergate, such as administrative services, security and fire prevention during the past years. These entities are on full alert 24/7.

Other information

- the Group is not dependent on a client or a group of clients due to its diversified portfolio customer base;
- in 2024, the Group did not buy or hold its shares;
- throughout 2024 no mergers or reorganizations took place;
- in 2024, there were no increases or decreases of the shares held in affiliated entities, except for the payment of a part of the share capital of the associate CCGT Power Isalnita, as mentioned above and as explained in Note 17 to the Consolidated Financial Statements of Alro Group for 2024;
- the equipment status ensures safe operation and the achievement of the proposed objectives, with no problems related to the ownership of the Parent-Company or other Group's subsidiaries tangible assets;
- by upgrading its production machines and equipment, the Parent-Company and/or other Group's subsidiaries are technically and technologically similar to the main aluminium producers in the international market.

Other information in accordance with FSA Regulation no. 5/2018 - Financial Instruments and Investments Sector

Analysis of the trends or events that might have an impact over the Group and/ or Company's current activity

As of 31 December 2024, the Parent-Company and subsidiaries were parties to various litigations or legal proceedings arising in the ordinary course of their business, in which they are either defendants or plaintiffs. The Group Companies are not involved in any litigation or court proceedings and are unaware of any actions of a judicial, arbitral, or administrative nature that could reasonably be expected to materially and adversely affect the Group's business, financial condition, or results of operations.

EU-ETS Compensation Scheme

EU-ETS Scheme is based on Emergency Ordinance no. 138/12.10.2022 ("EO 138/2022") for establishing the support scheme for industrial sectors exposed to carbon leakage due to indirect emission costs included in the electricity price, with subsequent amendments. The support scheme was approved by decision C(2022) 6586 final in SA.102431, it is based on the European Commission's Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2021 and compensates certain undertakings for increases in electricity prices resulting from the inclusion of the costs of greenhouse gas emissions due to the EU ETS, so called indirect emission costs. The measure covers indirect emission costs incurred in years 2021 to 2030.

RES support (Renewable Energy Sources) reduction for energy-intensive users

The state aid scheme in the form of a reduction in funding for RES support for energy-intensive users (EIUs) in Romania introduced by the Government Decision No. 495/2014 is currently under procedure of being extended. The scheme was approved by European Commission (State Aid SA.110166). At this moment the implementation into Romanian legislation is in progress.

CBAM Legislation

Regulation (EU) 2023/956 establishes a Carbon Border Adjustment Mechanism to European Commission that led to imports of prealloys from countries outside the EU. In 2024, ALRO prepared 5 CBAM reports according to this regulation.

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At the same time, throughout 2024, ALRO provided its customers the Scope 1 and Scope 2 emissions, calculated in accordance with the Regulation (EU) 2023/956 establishing a Carbon Border Adjustment Mechanism to European Commission, as a result of the sale of products delivered outside the EU and returned processed in the EU.
Furthermore, in 2024, ALRO provided its clients the GHG Intensity values, which are based on data validated by external verifiers for process emissions.

Concomitantly, letters were submitted to the EU representatives, including by the European Aluminium Association, by which several claims were made such as: adapting the CBAM requirements to the current market demands, the creation of a clear system of emission monitoring, which should help the aluminium producers adapt to the new regulations.

In 2024, in the field of environmental legislation on the intra- and extra-community shipment of waste, ALRO implemented the new "Regulation (EU) 2024/1157 on shipments of waste, amending Regulations (EU) No 1257/2013 and (EU) 2020/1056 and repealing Regulation (EC) No 1013/2006" as well "Commission Delegated Regulation (EU) 2024/2571 supplementing Regulation (EU) 2024/1157 by establishing the information to be provided in the certificate confirming the completion of a subsequent interim or non-interim recovery operation or a subsequent interim or non-interim disposal operation".

Other relevant regulatory updates

Sustainability

The provisions of the Sustainability legislation are applicable to ALRO Group. Starting the year 2024, we conform to the new European legislation, namely the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards ; Directive EU 2022/2464 of the European Parliament and of the Council dated 14.12.2022, which is transposed in the national legislation by the Order of the Ministrer of Public Finance no. 85/2024 that regulates some aspects regarding the sustainability reporting and amends and completes:

- The accounting regulations regarding individual annual financial statements and consolidated annual financial statements, approved by Order of the Minister of Public Finance no. 1802/2014.
- Minister of Finance no. 2844/2016 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards.

At the same time, under the same context, we abide by the EU Regulation no. 2020/852 regarding a framework to facilitate the sustainable investments.

The Consolidated Sustainability Report of Alro Group for the year 2024, prepared in accordance with the Order by Ministry of Public Finance no. 85/2024, is part of this Directors' Consolidated Report and is published with this Annual report as "Annex 1 to Alro 2024 Annual Report".

Changes with impact on share capital and on the Group's management

Changes in the Board of Directors and Executive Management within ALRO Group

During the reporting year, the following changes took place within the Board or in the management structure of the Group:

On 26 September 2024, Mr. Marin CILIANU was appointed as the new Chief Executive Officerfor a mandate until 31 July 2027, succeeding to Mr. Gheorghe DOBRA, who decided to step down after over three decades of exemplary service. Mr. Gheorghe DOBRA continues to contribute to ALRO's strategic direction as a member of the Board of Directors.

In November 2024, Mr. Ovidiu Balu and Mr. Razvan Pop were appointed as Deputy Managing Directors.

Starting 15 May 2024, Mr. Bogdan Sorcoata was appointed Operational Director Processed Aluminium after the step-out of Mr. Dumitru Sinca.

During 2024, the Board of Directors consisted of the following members: Nastase Marian Daniel - president, Pinzari Svetlana - vice president, Dobra Gheorghe, Nastase Genoveva, Higer Igor, Voncu Dragos Adrian, Iuga Vasile, Burduja Marinel, Cheta Voicu, Paval Darius, Fercu Adrian. The mandates are for 4 years starting 26 April 2023.

Other information regarding ALRO and ALRO Group

ALRO, governed in a unitary system aligns its activity with the global corporate governance best practices and has three committees in place to sustain and complete its activity, i.e. the Audit Committee – with powers delegated by the General Shareholders Meeting, Remuneration and Nominations Committees and Risk and Sustainability Committee. These three committees inform regularly the Board of the adequacies and effectiveness of the specific requirements outlined in the Committee's terms of reference.

During the reporting period, the Group's companies did not face the situation of not being able to meet their financial obligations.

In 2024 there were no amendments regarding the share owner rights.

In 2024, the Board of Alro held 23 meetings that were attended by all Board members except for: Mr. Marinel Burduja who participated in 18 meetings, Mr. Vasile Iuga who participated in 19 meetings and Mr. Igor Higer and Mrs. Genoveva Nastase who attended 22 sessions, each.

The Audit Committee (consisting of: Mr. Vasile Iuga, Mr. Adrian Manaicu and Mr. Dorel Paraschiv) met in 10 meetings in 2024, which were attended by 3 out of 3 members.

The Remuneration and Nominations Committee (consisting of: Mr. Marian Nastase, Vasile Iuga, Mr. Marinel Burduja) met in 4 meeting attended by 3 out of 3 members.

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The Risk and Sustainability Committee (consisting of: Mr. Vasile Iuga, Mr. Marinel Burduja, Mrs. Svetlana Pinzari, Mr. Adrian Fercu and Mr. Darius Paval) met in 5 meetings attended by 5 out of 5 members, except for Mr. Marinel Burduja who attended 4 meetings.

Internal audit

In December 2023, the Board of Directors of ALRO SA decided to appoint an external company as internal auditor of Alro for a 3-year mandate. The internal audit activity is regulated by the Guide on the Implementation of International Internal Audit Standards (Ghidul privind Implementarea Standardelor Internaţionale de Audit Intern, "the Guide") issued by CAFR in order to contribute to maintaining high quality standards for the organization, management and practice of internal audit missions by financial auditors, members of CAFR, who coordinate internal audit activities, as well as those who are part of the internal audit mission teams. The internal audit company reports directly to the Board of Directors of ALRO and its activity is coordinated by the Audit Committee of Alro.

Related Party transactions

The Group and the Company enter under normal terms of business, into certain transactions with shareholders, companies under common control, directors and management. The transactions between the related parties are based on mutual agreements, are not secured, and the management considers such transactions to be under normal terms. According to the legislation, the transactions with the related parties are public on the Company's website when these exceed 5% of the net asset value.

The balances of acquisitions, debts and receivables (if applicable) regarding significant transactions with related parties on 31 December 2024 are presented in the Consolidated and separate financial statements for 2024 for Alro and its subsidiaries. Regarding the nature of these transactions, they refer to goods sold and services rendered by the Group or acquired by the Group, if the case, from related parties. These are Vimetco PLC, Paval Holding SRL, Alum S.A., Vimetco Extrusion SRL, Conef S.A., Vimetco Trading SRL, Vimetco Management Romania SRL, Vimetco Power Romania SRL, Conef Gaz SRL, Conef Energy SRL, Centrul Rivergate SRL, Rivergate Fire SRL.

For more information, about significant transactions with related parties as defined by IAS 24 Reporting Transactions with Related Parties under IFRS Accounting Standards at the date of this Report, please see *Note 35 Related party transactions of Alro Consolidated and separate financial statements for 2024.*

Corporate Governance

Corporate Social Responsibility

Corporate Social Responsibility represents the management commitment materialized in several processes, policies, procedures, actions, and initiatives that represent an integrated part of the Group's business strategy. The business contributes to developing a sustainable and performing society in every area. The concept of corporate social responsibility also refers to the companies' involvement in solving some of the communities' problems where it operates.

The benefits of implementing the social responsibility management system are:

- it demonstrates commitment to business ethics and social responsibility;
- it protects the corporate brand;
- it enhances reputation as a responsible corporation;
- Consumers' confidence and positive perception by investors;
- Better employee morale;
- A proper working environment, safe and fair; it promotes the principles of professional ethics;
- Improved working conditions;
- Commercial risk management mitigation;
- Differentiation from other global competitors.

ALRO Group is actively involved in communities' lives by engaging in corporate responsibility programs, from providing social assistance or goods for events following natural disasters to education, sports, and health programs. The Group's management believes in the sustainable development of society, being constantly concerned with improving and developing partnerships and sponsorships, promoting and encouraging CSR practices and principles, protecting the environment, and contributing to the well-being of the community members.
The Group has a policy that constantly identifies individuals interested in its activities, recognizes their legal rights, and encourages their cooperation with the companies within the Group to create wealth and jobs and ensure the sustainability of a financially sound enterprise. ALRO publishes a CSR Report each year, which details all the actions and measures implemented for the community. Partnerships, donations, and sponsorships are some of the main interaction with the community. Based on the existing internal procedure available at each company level, we have established a transparent and non-discriminatory system for selecting and granting sponsorships.

Thus, within each company, we established a Sponsorship Committee, which meets every month and analyses the requests received based on the following criteria:

- the legal nature and object of activity of the applicant
- the value of the sponsorship
- the use and justification of the sponsorship
- other specific criteria.

We have a specific department within each company that is responsible for receiving, registering, and submitting sponsorship requests. All requests are redirected to the Sponsorship Commission's Secretary to be analyzed by the members of the Commission. To verify the purposes for which the various sponsorships were granted, we established a monitoring and verification system that contains both specific contractual clauses and the realization by the beneficiaries of detailed implementation reports and on-site visits.

The Group is aware of the critical role in the communities in which it activates, so it acts with the responsibility to positively influence them through its operations ALRO has a decisive role in the community's economic, social, cultural, and sports life.

Moreover, ALRO, the Parent-Company, due to its economic and financial potential and because it is the only producer of aluminium and aluminium alloys in Romania, is a representative company not only for the area in which it activates, but for the entire Romanian industry. ALRO is an example of how technical and financial management are blended with the one related to environmental protection and stakeholder management.

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At the same time, the Group is responsible for the safety of its products and customers. ALRO Group contributes to the Romanian capital growth and the development of the national economy while ensuring a large number of jobs. ALRO is also a significant contributor to local and national budgets.

In 2024, ALRO continued to contribute and provide support in various humanitarian, social and educational actions and activities. These sponsorships were achieved through partnerships with associations and foundations, with activities in the health, educational and social-humanitarian fields.

The other Group subsidiaries are actively involved, as well, in the activity and welfare of the communities in which they operate.

Despite the current difficult situation facing the society, **ALUM** proves to be an active partner of the local community, getting involved in various social activities in the area, acting on several directions:

- In order to maintain a close and continuous relationship with the local community in which ALUM operates, a series of internal procedures have been developed: for the development of the mechanism regarding the resolution of petitions (procedure for the resolution of petitions), the organization of hearings, as well as the procedure regarding the relationship with mass media. In this way, the Company shows its openness to listening and solving the problems of the community and/or other interested parties (citizens, employees, local authorities, collaborating companies, etc.). The society is involved in education, training and other activities of social utility.
- A procedure has also been developed regarding the granting of sponsorships that members of the local or national community can benefit from (educational units, students, talented students or students with special potential, hospital units, etc.). Sponsorships are carried out in compliance with the legislation in force.
- Questionnaires were developed and distributed regarding the way in which the Company is perceived within the community by the various interested parties with whom it comes into contact (public administration, financial-banking institutions, cultural and sports organizations, religious, educational, protection the environment, etc.). Following the feedback received from such entities, it resulted that Alum is actively involved in the life of the local community, having a determining influence.
- Considering ALUM's policy regarding staff consultation in the field of quality, environment, health, occupational safety and energy, according to procedures PS-09 "Communication, consultation, participation" and PO-134-04 "Evaluation of customer satisfaction and other ALUM stakeholders", an analysis of the degree of satisfaction of the employees was carried out in order to improve the activity, as well as the external recognition of the quality of the activities carried out. The result was satisfactory.
- Maintaining a continuous dialogue with the local community, ALUM representatives being actively involved as members of various organizations (Romanian Red Cross - Tulcea branch, County Commission for Equal Opportunities between Women and Men, Local Social Partnership Development Committee Tulcea, Advisory Council Tripartite constituted at the level of the Tulcea Territorial Labor Inspectorate, etc.), as well as voluntary activities in which employees of the company participate (charitable actions, blood donations, etc.).
- Maintaining, further, a sports-educational partnership for training the children of Alum employees in sports activities (swimming) while also supporting the organization and participation of children in sports competitions (swimming, triathlon).
- At the level of the Local Social Partnership Development Committee (CLDPS), ALUM has 2 representatives (one full member and one alternate). To support actions to support educational institutions and professional training at the local level, the company was actively involved in establishing and approving the annual activity plans in school and professional education (for the school year 2023-2024);
- ALUM participated, through its representatives, as evaluators in the professional qualification certification exams of the vocational education graduates within the LTHC (Technological High school "Henri Coanda") from Tulcea, for electromechanics, electronics and automation and electrical specializations;
- ALUM is part of the County Commission for Equal Opportunities (COJES), having one member and one alternate. Through its members, ALUM participates in various meetings and information sessions which it later disseminates to employees.

ALUM was involved in the relationship with the community and by providing material support to disadvantaged population categories.

Employees are encouraged to participate in various charitable activities, donations. Thus, at the initiative of ALUM employees, during the Easter holidays, voluntary actions were carried out to collect material goods (clothes, sweets, books, toys, etc.) for children from disadvantaged families, as well as food for several needy families.

Also, during the Easter holidays, ALUM offered food and gifts to institutionalized children and elderly people.

The professional training of our company's employees is a permanent concern, and the authorization of workers in different fields is always a priority.

Within ALUM, an Energy Manager plays with a very important role in energy efficiency at the company level, contributing to finding solutions to reduce energy losses, as well as optimizing consumption. The Energy Manager is certified by the Energy Efficiency Directorate of the Ministry of Energy, and in January 2024 the validity of the certificate was extended by decision of the Ministry of Energy for another 3 years.

During June 2024, the specialist from ALUM (Energy Manager) participated in a specialization course on energy efficiency, having as theme the financial support given to investments for energy efficiency in the industrial sector and electricity storage capacities. The course was organized by the Directorate of Energy Efficiency (DEE) within the Ministry of Energy, together with the Society of Energy Auditors and Managers from Romania (SAMER), intended for auditors and energy managers, as well as all interested parties for sustainable recovery and improving the economic and social resilience of Romania.

For the operation of electrical installations related to the energy capacities owned by ALUM, a number of 6 electricians were authorized by ANRE and a number of 5 workers from ALUM attended courses and were authorized as forklift operators.

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Furthermore, the downstream subsidiary, Vimetco Extrusion, plays an essential role in the local community through different educational, cultural, and corporate social responsibility actions.

According with the core values of Vimetco Extrusion, this year the programs for sustainability, supporting the local community have continued. Vimetco Extrusion provided support in five different areas:

- Slatina Emergency Hospital in purchasing medical equipment, a Motor System for plastic surgery CD8 and related accessories. The CD8 engine system will double the ability to perform surgery in the Plastic Surgery section where doctors use a device purchased about four years ago.
- EngiNeerds team of robotics from Radu Greceanu high school: support was provided for development and the participation at the national Olympiad. The goal of the project, based on participation and direct involvement in the alternative educational act, which implies initiation and application, more than the accumulation of knowledge, is the creation under the guidance of simulated working environments of robots;
- Center for victims of domestic violence and children with special needs Sf. Stefan. The donation of different equipment's destined for the kitchen area and items necessary in the daily activity came as support for the people that come to the center. The fluctuation of people creates a necessity for basic items, and this was the area where Vimetco Extrusion was able to contribute effectively;
- CNIM Association
- Slatina Motorcycle Family Association – it's the second year in which the company is involved through sponsorship in supporting the annual Motorcycle festival, event that gathers participants from Slatina and the surroundings.

Human resources development

The Group encourages and promotes projects aimed to ensure the personal and professional development of its employees, as well as the communities in which they operate. Commercial relations with local suppliers are supported and encouraged within the Group, contributing to their development.

The Company has implemented annual employee performance assessments to track specific indicators of employee activity, and subsequently, those with outstanding performances can be encouraged and rewarded.

ALRO Group promotes values such as the accountability of own actions, respect between team members, the priority of the common interest, appeal to honor, creative initiative, the right to a second chance, and continuous professional and personal development.

At the Group's level, it aims to develop and implement a culture and business accountability regarding both environmental responsibility and the community. The Group's management considers that implementing healthy principles of sustainable development and a firm corporate social responsibility policy is meant to generate long-term positive and sustainable results. In this way, the Group can get in the position to generate "win-win" situations for the entire organization and its shareholders, the environment, and, last but not least, the communities in which it operates.

Moreover, internal safety and health audits are performed daily at ALRO's level.

ALRO's position is to show mutual respect for the dignity of the other and not tolerate any form of abusive behavior, harassment, threat, or violence. Employees are welcomed and encouraged to report any irregularities, abuses, or violations to their supervisor, management, HR, or any other department. ALRO undertakes to respect the principles of national and international legal requirements of human rights as stipulated in the Labor Law, European Convention on Human Rights, Universal Declaration of Human Rights, Declaration of the International Labor Organization on fundamental principles and rights at work, the United Nations Global Compact and the UN Guiding Principles on Business and Human Rights.

When it is profitable and the economic conditions allow it, Alro contributes to local communities directly by sponsorships.

In 2024, Alro implemented a new organisation structure involving a few changes with a view to improving the decision making chain and increase the synergies within some of the functional departments. At the same time, we aimed at ensuring a controlled succession and continuity process by appointing deputy managers for each management position. By implementing these changes and by adapting the new organisation chart to the new production capacities commissioned, i.e. the enhancement of the eco-recycling by adding 3 furnaces, the start of production in the CutSmart Systems workshop, the increase of plate cutting capacity, etc. Thus, the company created 140 new work places.

ALRO Group training policy

The professional training of the employees is carried out based on the annual professional training program approved by the ALRO management. Its main objective is to increase professional skills to improve employees' individual and team performance.

In the 2024, the professional training of the employees was carried out according to the Annual Training Program. The training activity within the Group is based on:

- Annual programs for professional development;
- Operational procedures on professional development, competencies, awareness and training, certifications, and professional assessments;
- Collective Labor Agreement;
- Human resources – specialized organizational structure within the Parent-Company and each subsidiary.

Continuous professional training of ALRO Group's employees is carried out based on the annual training programs, which consist of a diverse range of implementation ways:

For workers, in 2024, qualification and requalification courses were organized, programs that allow the establishment, at the organizational level, of a reserve of qualified personnel in deficient trades and the provision of sections with specialized technologist staff. Thus, qualification courses were organized in the trades of laminitis, foundry, track, earthmoving machinist, etc. Great attention was paid to the ISCIR authorization of the operator for exercising the professions of crane machinist and fork lifter, NDT operators' authorization, and electricians' ANRE authorization. The employees of the Quality Inspection Department, CNC operators, participated in a professional training course on

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operating Okuma machines (lathe and milling), organized in collaboration with GreenBau.

In 2023 / 2024, eight employees participated in the EMBA postgraduate program, organized in collaboration with ASEBUSS Bucharest.

ALRO employees mainly participated in programs in the following areas:

- Management, leadership, communication, etc., programs developed through the eLearning platform;
- Programs in the aluminium technology, from extraction to recycling;
- Production Shop Floor Managers participated in the "Effective Leaders" program, the theme of which was the development of communication, leadership, and problem-solving skills;
- Activity coordinators and employees with managerial potential participated in the "ASSEMENT CENTER" program, which aimed to evaluate skills and identify professional areas that needed to be improved and/or developed;
- Sustainability, compliance, and trends (European pact, legal reporting environment, taxonomy regulation, etc.);
- Professional training on policies, procedures, and regulations in the field of sustainability (Code of ethics and conduct, Human Rights Policy, CSR Policy, equal opportunities, and non-discrimination, procedure for solving requests, notifications and complaints, etc.)
- Accounting and taxation;
- Human resources, occupational safety and health;
- Environmental protection, SEVESO systems;
- ANRE authorization of electricians and ISCIR authorization of RSVTI officials;

Vimetco Extrusion also places significant emphasis on human resource development. For digitalization point, the first part of the year was a statement for the use of Info devices in the plant where employees are currently making their holiday request, can print their pay slips, request various certificates. At company level, the annual training plan approved was conceived based on the improvement of knowledge, to be up to date with the legal requirements and most importantly to strengthen the team. The professional training of the employees is carried out with external suppliers of training and also internal trainers.

For production workers, in 2024, qualification and re-qualification courses were organized, for crane operators and forklift drivers. In 2024 two new internal trainers were certified and prepared, which will contribute to the commitment of the company to support their employees to work more efficiently, leading to higher outputs and better performance.

A special attention was dedicated to the Quality team of inspectors, who benefited from internal trainings developed according to their specific needs. This year there three new trainings were created.

TESA employees participated in training sessions across various fields, including purchasing, human resources, and finance, to stay current with legal requirements and benefit from specialized programs that provide access to the latest information and financial practices.

Anticipated professional training

The main goal is to offer advanced training to future potential employees (i.e. pupils from vocational and high schools, students, other categories of young people, etc.).

Alro has active partnership with the Slatina Metallurgical High School for the vocational school, partnership with the National University of Science and Technology Politechnica Bucharest, the Transilvania University of Brasov and the University of Craiova.

Vimetco Extrusion has active partnerships with 2 large universities in the area: The National University of Science and Technology, Politehnica Bucharest and the University of Craiova, with the aim to develop programs dedicated the students.

In 2024, Vimetco Extrusion took into account the active collaboration with universities and had the first presentation at the Technical University from Craiova. The scope of the presentation was of sharing expertise and insights with students, to contribute to their education and development and a commitment to supporting the next generation of engineers.

In collaboration with The National University of Science and Technology Politehnica Bucharest, Vimetco Extrusion participated at the Material FEST 2024 a branded event where the most important players in the field meet. Companies from different industries presented innovations in the field of materials but also career opportunities for graduates.

Vimetco Extrusion reinstated the collaboration with the educational institutions from Slatina in 2024. Presentations were sustained to two of the local technical High Schools, Metallurgic High School and Alexe Marin Technical Collage, to create awareness and debates with the students.

Dual professional education The Academy Skills Project

ALRO and the Slatina Metallurgical Technical College started the first dual professional educational class in Olt County in 2017. Through this partnership, ALRO became an active part of the training and professional qualification process, providing qualified staff, workshops, and space for practical classes and providing logistics and equipment so that students can obtain and apply the skills required to perform the qualifications chosen.

ALRO, in partnership with the Metallurgical Technological High School Slatina, collaborated in the development and implementation of the project "Dual Vocational Education" by organizing two classes of students in the profession of "Mechanics of machinery and installations in the industry", "Appliance electronics and equipment" and the profession of "Electrician operating low voltage". Alro hired a number of 13 graduates of the vocational school in dual regime, in the professions of mechanic and electrician.

ALRO financially supports vocational school students in dual regime, in the professions of mechanic and electrician. ALRO will financially support the students, during the internship, by awarding scholarships for RON 200/month/student. The scholarship is awarded every school year based on the contracts concluded between ALRO, the Metallurgical Technical College, the student

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and the parent/person/guardian who exercises parental authority for the minor student. ALRO provides the internship, work equipment and hot meal and, depending on needs, it offers the possibility to hire students after graduating from the qualification exam that will be held at the end of the schooling period.

Subsequent events

As of 10 February 2025, the Trump Administration has substantially raised tariffs on steel and aluminium imports to a flat 25% “without exceptions or exemptions”. The proclamation is raising the US tariff rate on aluminium to 25% from the previous 10% rate and eliminating country exceptions and quota deals, as well as other product-specific tariff exclusions for both metals. The new tariffs will take effect for any products entered for consumption or withdrawn from warehouse for consumption starting 12 March 2025. While it is too early to assess the real impact of this decision, in the medium and long term, the new tariff rate affects the competitiveness of our products on the US market, having a direct impact on final prices for customers and on our commercial partnerships with the US entities.

In February 2025, the Group’s subsidiary, Alum S.A., contributed RON 18 thousand to the establishment of a joint-stock company named Stocare Energie Tulcea S.A. (“SET”), with a share capital of RON 90 thousand. SET is owned 80% by Vimetco Management Romania S.R.L. and 20% by Alum S.A., with its registered office in Tulcea. The company was founded with the purpose of developing a battery energy storage facility.

In ALUM, in February 2025, following the resignations from the Board of Directors of Mr. Gheorghe Dobra and Mr. Marin Cilianu, Mrs. Genoveva Nastase was appointed as interim director and chairman of the Board of Directors and Mr. Răzvan-Sebastian Pop as interim director. Also, Mr. Gigi Pîrlog was appointed as General Manager of the Company for a four-year mandate valid from the appointment date, following the expiration of the mandate of the former general manager.

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Code compliance statement

Status of compliance with the Bucharest Stock Exchange's Corporate Governance Code at 31 December 2024	Compliance	Non-compliance or partial compliance	Reason of non-compliance
Section A - Responsibilities			
A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of this Section.	YES		
A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	YES		
A.3. The Board of Directors should have at least five members.	YES		
A.4. The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors should be independent, in the case of Premium Tier Companies. Each independent member of the Board of Directors, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgement and according to the provisions provided by the art. 4.1-4.9 from the Code.	YES		
A.5. Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	YES		
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	YES		
A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.	YES		
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	YES		
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	YES		
A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors.	YES		
A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.	YES		

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Code compliance statement (continued)

Status of compliance with the Bucharest Stock Exchange's Corporate Governance Code at 31 December 2024	Compliance	Non-compliance or partial compliance	Reason of non-compliance
Section B - Risk management and internal control system			
B.1.The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	YES		
B.2. The audit committee should be chaired by an independent non-executive member.	YES		
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	YES		
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES		
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	YES		
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.	YES		
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	YES		
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES		
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES		
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.	YES		
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	YES		
B.12. To ensure the fulfilment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES		

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Code compliance statement (continued)

Status of compliance with the Bucharest Stock Exchange's Corporate Governance Code at 31 December 2024	Compliance	Non-compliance or partial compliance	Reason of non-compliance
Section C - Fair rewards and motivation			
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in due time.	YES		
Section D - Adding value through investors' relations			
D.1. The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including: D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures; D.1.2. Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions; D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports) - at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the Code; D.1.4. Information related to general meetings of shareholders; the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken; D.1.5. Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions; D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request; D.1.7. Corporate presentations (e.g. investor presentations, quarterly results presentations etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	YES		

Code compliance statement (continued)

Status of compliance with the Bucharest Stock Exchange's Corporate Governance Code at 31 December 2024	Compliance	Non-compliance or partial compliance	Reason of non-compliance
D.2. The company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.		NO	The Company has no dividends policy and shall take the adequate measures in order to comply with CGC.
D.3. The company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.		NO	The Company has no forecasts policy and shall take the adequate measures in order to comply with CGC.
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES		
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES		
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES		
D.7. Any specialist, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.		NO	The Company is working for the amending of the GC Rules in order to comply with the new CGC.
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES		
D.9. The company should organize at least two meetings/ conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.	YES		
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	YES		

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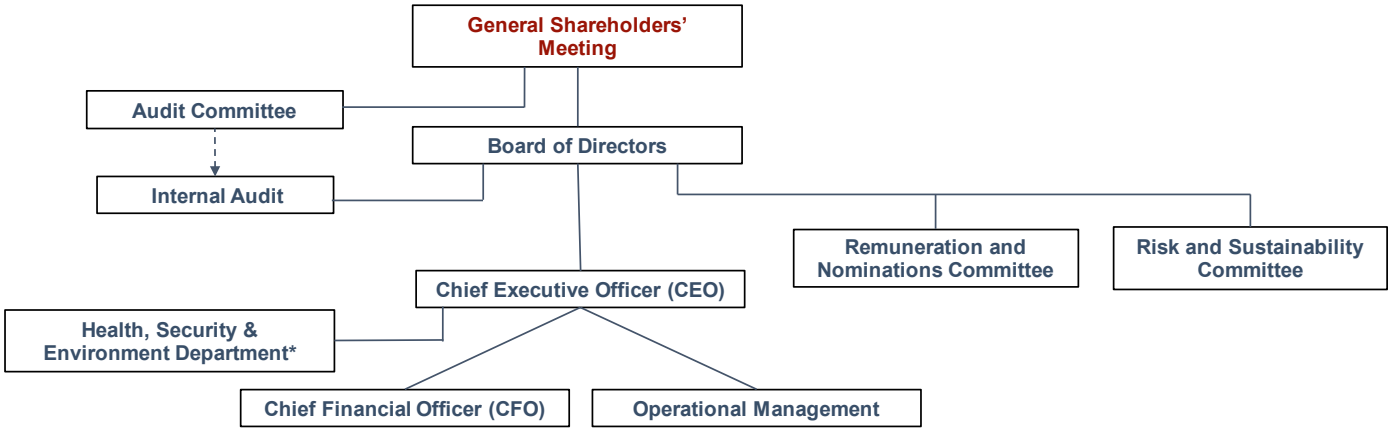
Corporate governance structures

General presentation

During the reporting period, the Company had the following corporate governance structures: Board of Directors and Executive Management, Audit Committee, Remuneration and Nominations Committee, Risk and Sustainability Committee, ruling structures that represent the interests of the Group, of the Parent-company and its shareholders and is responsible for the overall management of the business.



Notes:
** From an operational point of view, this function is directly subordinated to the CEO*
The Audit Committee supervises the Internal Audit Team

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General Shareholders' Meeting is convened by the Board and held at the Company's headquarters or in another place announced by the convening notice, at least once a year, not later than four months after the end of the financial year, or whenever is needed. This can be convened at the request of shareholders representing at least 5% of the share capital, in which GSM shall be convened within not more than 30 days and will meet in less than 60 days from the date of the received request. The meeting date will not be earlier than 30 days from the published notice in the Romanian Official Gazette. The notice must be published in the Romanian Official Gazette, Part IV, and in one wide circulation newspaper from Romania. In exceptional circumstances, when it is in the Company's interest, the Board can convene EGSM. The convening notice will be sent to the BSE and FSA, following the capital market regulations. The convening notice will also be available on the company website, in the section "Investor Relations - Shareholder Meeting", together with any explicative document related to the items included on the GSM's agenda, such as the annual financial statements, the Board's annual report and the proposal to distribute dividends etc. are made available to shareholders at the Company's headquarters and on the website with at least 30 days before the GSM takes place and these documents are approved.

Planning the General Shareholders' Meeting - the Chairman of the Board usually leads GSM; in certain situations, the Chairman may appoint another person to lead the meeting. The meeting's chairman will nominate a secretary, and the attending shareholders will vote on the Chairman's proposal. The meeting's secretary verifies the fulfilment of the formalities required by the law for holding the GSM and prepares the minutes of the meeting. The Chairman signs the minutes of the meeting, and the secretary represents the proof of the fulfilment of the formalities of the convening notice; they mention the date and the place of the GSM, shareholders' request, the shareholders' statements made within the GSM. To be opposable to third parties, GSM decisions will be filed within 15 days from their approval at the Trade Registry to be included within the register and published in the Romanian Official Gazette, Part IV. Decisions will be published at the same time on the Company's website.

GSM decisions are sent to BSE and FSA within 24 hours of approval, following the capital market regulations. Moreover, these decisions are available on the Company's website, within the section "Investor Relations - Shareholders Meeting."

The main responsibilities of the General Shareholders' Meeting are:

- approves or amends the Company's financial statements, after having analysed the Board of Directors and the financial auditors' reports;
- approves the profit's allotment, under the law stipulations;
- appoints and dismisses the directors;
- settles the directors' remuneration for the current financial year;
- settles the general limit of the remunerations granted by the Board of Directors to the directors appointed with specific positions and to the managers;
- rules over the liability of the directors;
- appoints and dismisses the financial auditor of the Company and rules over the minimum duration of the financial audit contract;
- approves the income and expenses budget and, if applicable, the activity program for the next financial year;
- decides the pledging, renting, or dissolution of one or more of the company units;
- fulfils any other responsibility deemed by the law to be its duty.

Extraordinary General Shareholders Meeting is held at the Company's headquarters or in another place announced through the convening notice, whenever it is necessary for a decision regarding:

- the change of the Company's legal status;
- the change of the main scope of business;
- the merger with other companies or the split-off of the Company;
- the dissolution of the Company;
- the increase of its share capital;
- the decrease of its share capital or its replenishment by issuing new shares;
- the issue of bonds;
- the conversion of a class of bonds into a different class or in shares;
- the conversion of the nominative shares into bearer stock shares or of the bearer stock shares into nominative shares;
- the conversion of the shares from one class into another;
- the approval of the conclusion of legal documents by which assets in the Company's patrimony, whose value exceeds half of the Company's assets book value as of the date of concluding the legal document, are alienated, rented, exchanged or encumbered under pledge, or by which assets whose value exceeds the above value are acquired;
- the approval of the conclusion of documents by which assets in the category of non-current assets of the Company, whose value exceeds, separately or jointly, during a fiscal year, 20% of the aggregate non-current assets less the accounts receivable, are acquired, alienated, exchanged or encumbered under pledge;
- the approval of the conclusion of documents by which tangible assets are rented for a period exceeding one year, whose value, separately or jointly, as to the same co- contractor or related or person acting together, exceeds 20% of the value of total non-current assets less the accounts receivables at the date of concluding the legal document, as well as the associations for a period exceeding one year, exceeding the same value;
- the approval of the conclusion of legal documents by which a director or a manager alienates or acquires assets to or from the Company, with a value exceeding 10% of the company net assets value as well as legal documents regarding the renting or leasing of such assets;
- the approval of the organisation and operation by-laws of the Board of Directors;
- the approval of the establishment or dissolution of secondary offices-branches, agencies, representative offices or other similar offices having no legal personality;
- the appointment and dismissal of the members of the Audit Committee, the approval of the Audit Committee's terms of reference, the establishment of the mandate duration and the remuneration of the Audit Committee's members;
- any other responsibility deemed by the law to be its duty.

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Shareholders - rights and obligations

The current legislation adequately protects the rights of the Company's minority shareholders in force. Shareholders have the right to obtain relevant information about the Company on time and a periodical basis. They have the right to be informed about the decisions regarding the changes of any kind occurring in the Company to understand how these may affect their rights. Each share subscribed and paid in by shareholders gives them the right to vote in the GSM, the right to elect and be elected in the management bodies, and the right to participate in the distribution of profits according to the Company's Articles of Association to the legal provisions.

Also, several critical decisions are exercised by the shareholders, such as:

- ***Summoning of the GSM:*** shareholders representing at least 5% of the share capital have the right to request the convocation of GSM, a situation in which the GSM will be convened not later than 30 days and will take place in less than 60 days from date of the request;

- ***Adding new items on GSM agenda***: one or more shareholders representing, individually or collectively, at least 5% of the Company's share capital have the right to introduce new items on the GSM agenda (each new item will be accompanied by a rationale or by a decision draft proposed for resolution by the GSM) and to present decision drafts for the points included or proposed to be included on the GSM agenda, within 15 days from the day when the convocation was published in the Romanian Official Gazette;

- ***GSM participation:*** Company's practice is to promote the participation of its shareholders in the GSM actively and they are invited to address questions on issues to be discussed during such meetings. Shareholders may attend the General Shareholders' Meeting in person, by correspondence or through a representative having a mandate.

The mandate can be: (i) special, using a particular mandate model that will be provided by the Company or (ii) general, valid for maximum of three years, which allows their representative to vote on all issues under discussion within the Company's General Shareholders' Meeting or several companies identified in the mandate, including as regards acts of disposal, on the condition that the shareholder grant the mandate, as a client, to a lawyer or an intermediate - financial investment services companies authorised by FSA, credit institutions authorised by the National Bank of Romania, in accordance with the applicable banks' regulations, as well as similar entities authorised in EU member or non-member states to perform financial investment services. Shareholders registered in the shareholders' register may vote by correspondence before the GSM meeting, using the voting form used for the correspondence voting provided at the Company's headquarters and/ or on the company website. More information can be found in the Company Procedures o regarding the exercising of voting rights by shareholders in GSM;

Shareholders' questions: The Company's shareholders, no matter the number of shares held, have the right to send written questions to the Company headquarters regarding the GSM agenda. The questions shall be submitted or sent in an enclosed envelope to the Company's registered office so that the Registration Office of the Company may record them, at least seven calendar days before the date of the meeting, with the following specification written in capital letters "FOR THE ORDINARY AND/ OR EXTRAORDINARY GENERAL SHAREHOLDERS MEETING AS OF / /.

To be able to identify the shareholder capacity of the person who has sent the questions or making proposals to supplement the agenda, the legal representatives of the Company may ask the respective person to present some documents supporting his/ her identity, and the statement of account proving the shareholder capacity and the number of shares held, issued by the Central Depository or, as applicable, by participants providing custody services. More information regarding the documentation necessary to exercise this right might be obtained from the Regulations regarding the exercise of voting rights by shareholders within the GSM or addressing questions to the Investors Relations responsible person. Any sensitive information of the Company that may lead to loss or a competitive disadvantage to the Company will be avoided when the responses are communicated to protect the shareholders' interest.

Agreements between shareholders

In respect of the agreements between shareholders known by the Company and which can lead to restrictions in securities and/ or voting rights transfer, we mention that as of 31 December 2024, ALRO did not have pledged shares in the lending banks with which it signed loan agreements (31 December 2023: nil).

Shareholders

ALRO Group is permanently developing and adapting its corporate governance guidelines to the latest regulations and best practices. In this way, it will benefit from new opportunities that could occur and may generate benefits for the Group and the Company. Therefore, the management considers that a transparent decision-making process based on clear rules ensures an efficient administration of operations and enhances the confidence of shareholders and third parties interested in the Group's activity. Moreover, this type of organisation contributes to protecting the shareholders' rights. This means an improvement of the Group's overall performance, which is reflected in time, both in positive signals from the market and in more accessible access to financing facilities.

ALRO adheres to and complies with a significant part of the provisions stipulated in the new Corporate Governance Code issued by BSE. Code requirements are more comprehensive than the legal requirements for listed companies. This report also includes the Appendix regarding the Statement regarding the compliance with the provisions of the Corporate Governance Code issued by BSE. The Code contains the explanations for the provisions of the BSE Code, where it did not comply with the requirements.

ALUM is listed on the secondary market, ATS segment – AeRO – however, it applies the same best practices when it comes to corporate governance rules and complies with all the regulations in force for listed companies on BSE.

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Responsibilities of the Board of Directors

The ***Board of Directors*** represents the highest forum in respect of the Company's management and along with its executive directors ensures the smooth running of day-to-day operations and is directly involved in the strategic decisions that have a direct impact on the Company's activities. The members of the Board are in a permanent dialogue with the executive directors and are taking into consideration the interests of the Company, its shareholders and the interests of the Company's employees.

The Board of Directors has to keep the public informed at least about:

- the role and obligations of the Board;
- the Board's structure, mentioning the number of administrators (executive and non-executive, independent members);
- the manner of appointment of the Board members and the procedure of electing them;
- the prerogatives and responsibilities of each corporate governance structure;
- the Board and Executive Management members' remuneration policy;
- the manner of appointment and the procedure of electing the members for the Audit Committee, Remuneration and Nominations Committee, Risk and Sustainability Committee.

The Board current structure ensures that a balance between executive and non-executive members is maintained. The Board of Directors has several members that guarantee the efficiency of its ability to oversee, analyse, and evaluate the work of managers and the fair treatment of shareholders. Moreover, the Company considers the independence of its members, applying the evaluation criteria established by the Corporate Governance Code. Thus, during 2024, ALRO's Board had at least two independent members, and since December 2020, the Board of Directors of ALRO counts three independent members.

Nevertheless, the decision-making process remains a collective responsibility of the Board, which will be held responsible for all decisions made while carrying out its competencies. The Board is responsible for reviewing relevant documents to achieve the Company's main scope of the business, except the ones required by law and statutory for GSM or the Company's Management.

The election of Board members is made through a formal, rigorous, and transparent procedure, and it is based on the recommendations made by the Remuneration and Nominations Committee. The Company publishes on its website the CVs of the candidates proposed for being elected as Directors and the qualifications they hold. Also, information on personal and professional qualifications for current members of the Board and Executive Management can be found on the Company's website, www.alro.ro.

Every time a Board member is nominated, GSM aims to ensure a balanced structure of the management body, in line with the Company's activity. As a principle, the nomination of a Board members takes into consideration the graduation of long-term higher education studies, as well as one or more from the following personal and/ or professional qualifications:

- holding a technical qualification in the field in which the Company activates;
- significant management experience, no matter the field in which it was obtained;
- economic education, specialisation or training classes;
- practical communication skills;
- ability to contribute to the Company's development strategies;
- good moral conduct.

The Board of Directors activates following the Company's Articles of Association, the Rules of Organization and Operation of the Board and other internal policies for the consultative Committees. The Board meets at least once every month or whenever the situation requires it. The agenda of these meetings complies with the role and obligations of the Board of Directors following the law and the Articles of Association.

The main competences of the Board of Directors are:

- enforces the decisions taken by the GSM;
- decides the main activity and development directions of the Company;
- determines the accounting and financial control system and approves financial planning;
- endorses the Company's annual financial statements;
- submits to the financial auditor with at least one month before the day scheduled for the GSM, the annual financial statements for the previous financial year, together with the Board's report and the supporting documents;
- annually submits for the approval of the OGSM, within four months from the closing of the financial year, the report regarding the activity of the company and the financial statements for the previous year;
- annually submits for the approval of the OGSM the revenues and expenditure budget and the activity programme for the following financial year, if the case;
- approves the signing of any legal documents on behalf of the Company, except for those that need, as per the compulsory provisions of the law and the company's articles of association, the approval of the GSM, and except for those that the CEO, acting alone or together with the CFO, may sign without the approval of the Board of Directors, as per the limits settled by the provisions of the articles of association or by the Board of Director's decision;
- approves the change of the registered office of the Company;
- approves the change of the Company's secondary scope of business;
- establishes the additional remuneration of the Directors in charge with specific positions, as well as the executive directors' remuneration, within the general limit approved by the OGSM;
- approves the organisational structure and the internal rules and regulations of the Company;
- appoints and dismisses the CEO and the CFO;
- establishes how the activity of the CEO and the CFO is organised;
- supervises the activity of the CEO and the CFO;
- organises the internal audit activity;
- establishes the Company's marketing strategy and tactics;
- approves the investment plan of the Company;

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- decides concerning the market on which the securities issued by the Company shall be quoted and decides over the private independent authorised to hold the registry of the shares issued by the Company;
- submits the request for opening the insolvency procedure of the Company as per Law no. 85/2014 regarding the insolvency procedure prevention and insolvency procedure;
- decides on any other issues within its competence.

The Biography of the Board's members

The Board of Directors represents both the interests of the Company and of its shareholders and is responsible for the overall management of the Company.

At 31 December 2024, ALRO's Board of Directors consisted of 11 members and its structure is as described below:

BOARD OF DIRECTORS	RELEVANT EXPERIENCE AND SKILLS	OTHER PROFESSIONAL COMMITMENTS
Marian-Daniel NĂSTASE Birth year: 1972 Date of first appointment: November 2002 Reappointed: April 2023 Term of office expires in: April 2027 ***Position held within the Company*:*** Chairman and Non-Executive Member of the Board of Directors since April 2019 **Member in other Committees within the Company** Chairman of the Remuneration & Nominations Committee since August 2019	Marian Năstase graduated from the Academy of Economic Studies in Bucharest where he majored in foreign trade and subsequently obtained an INSEAD Diploma for Board members. Marian Năstase has extensive experience in financial consulting and auditing. He has worked at Deloitte & Touche in Romania, amongst other advisory firms. In 2002, Marian Năstase joined ALRO as the Executive Director in charge of all financial affairs of the Company. Mr. Năstase was subsequently appointed as Vimetco Country Manager Romania and his current mandate covers all Vimetco Group's operations in aluminium, natural gas and electric power in the country.	Marian Năstase is Board or Management member within the following companies: Vimetco PLC, Vimetco Management Romania SRL, Vimetco Trading SRL, Everwide Industrial Ltd and he is the Chairman of the Association of Big Industrial Energy Consumers Romania (ABIEC).
Svetlana PÎNZARI Birth year: 1961 Date of first appointment: March 2018 Reappointed: April 2023 Term of office expires in: April 2027 *Position held within the Company*:* Vice-President since November 2019 and Non-Executive Member of the Board of Directors since April 2019 **Member in other Committees within the Company** Member of the Risk and Sustainability Committee since May 2022	Svetlana Pînzari graduated from Columbia University, New York where she majored in Economics. Ms. Pînzari performed an internship at International Monetary Fund and has large experience in banking. She held management positions for several commercial banks and for Central Bank being responsible for corporate governance, investments, treasury, and national payment system. She acted as Head of Assets and Liabilities Committee, member of Credit Committee and as a member of Board of Directors She joined ALRO as Deputy Financial Director; in 2006 she was subsequently appointed as Chief Financial Officer of ALRO Group and as member of Board of Directors for ALRO and ALUM until 2013. She was responsible for budgeting, reporting, accounting and treasury. She is director of Vimetco Trading.	Svetlana Pînzari is Board or Management member within the following companies: Vimetco Trading SRL and Everwide Industrial Ltd.

Note the position held within the Company as per last mandate*

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At 31 December 2024, ALRO's Board of Directors consisted of 11 members and its structure is as described below (cont.):

Gheorghe DOBRA Birth year: 1959 Date of first appointment: November 2003 Reappointed: April 2023 Term of office expires in: April 2027 **Position held within the Company*:** Executive Member of the Board of Directors since April 2019 **Member in other Committees within the Company** Member of the Risk and Sustainability Committee until 11 May 2023	Gheorghe Dobra, PhD, Executive MBA graduated from the Bucharest Polytechnic Institute, Romania in 1984 and joined ALRO where he passed through all stages of a successful professional career. Since 1993, Gheorghe Dobra is the Chief Executive Officer of ALRO. Mr. Dobra main achievements in the Company are: • successful privatization of the Company between 2000 - 2002; • increased the Company's economic and financial performance; • technical and technological upgrade to the highest international standards • increased high and very high added value production; • substantial investments in the environment, which led to improved working conditions and greening the whole company; • reduced costs, focusing on increasing energy efficiency; • re-engineering the organization with positive effects on business optimization; • ALRO accreditation as a supplier for the demanding market of aerospace and automotive industries; • increased the number of social programs for employees and the local community; • increased the Company's creditworthiness on aluminium international market; • vertical integration of production cycles within the Group.	Gheorghe Dobra is Board or Management member within the following companies: Vimetco PLC and Vimetco Power Romania and he was the Chairman and CEO of Alum SA until February 2025.
Vasile IUGA Year of birth: 1954 Date of first appointment: : April 2019 Reappointed:: April 2023 Term of office expires in: April 2027 **Position held within the Company*:** Independent Non-Executive Member of the Board of Directors since April 2019 **Member in other Committees within the Company** Chairman of the Audit Committee since April 2019 Member of the Remuneration & Nominations Committee since August 2019 Chairman of the Risk and Sustainability Committee since March 2020	Vasile Iuga is one of the most experienced business consultants in Romania, with over 28 years of extensive experience in the implementation of International Accounting Standards, financial audit, evaluation and business restructuring, corporate governance, in takeovers, mergers, business acquisitions, privatisations and strategic consultancy, in energy, finance, industry and capital markets, in Romania and Eastern Europe. Before, he worked for 12 years in the aeronautical industry, as testing engineer. He is a graduate of The Faculty of Aerospace Engineering of Politehnica University of Bucharest. He also attended executive trainings with Harvard Business School, INSEAD Paris and IMD Lausanne. Vasile Iuga began his consulting career in PwC Romania in 1991, where a long period of time (2004-2016) was Country Managing Partner for Romania, being the first local partner appointed Managing Partner in Central and Eastern Europe in PwC. He acted in PwC until 2016, last position held being member in the Management Board of PwC for Central and Eastern Europe. Mr. Iuga is a member of a number of professional bodies: Association of Chartered Certified Accountants from UK, The Chamber of Financial Auditors of Romania (CAFR), and The National Association of Authorized Romanian Valuers (ANEVAR). In 2012, in acknowledgement of his contribution to the development of entrepreneurship in Romania and the important role in development of the professional services in Romania, Vasile Iuga was awarded the title of Professor Honoris Causa from Babes-Bolyai University in Cluj-Napoca, Romania.	Vasile Iuga is an independent member of the Board of Directors of Patria Bank S.A. and MASREI (JSE) and observer of the Audit Committee of the European Investment Bank.

Note the position held within the Company as per last mandate*

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At 31 December 2024, ALRO's Board of Directors consisted of 11 members and its structure is as described below (cont.):

Marinel BURDUJA Year of birth: 1953 Date of first appointment: April 2019 Reappointed: April 2023 Term of office expires in: April 2027 **Position held within the Company*:** Independent Non-Executive Member of the Board of Directors since April 2019 **Member in other Committees within the Company** Member of the Remuneration & Nominations Committee since August 2019 Member of the Risk and Sustainability Committee since March 2020	Marinel Marinel Burduja graduated the Academy of Economic Studies, Faculty of International Business and Economics in 1976. Moreover, in 1982, Mr. Burduja obtained an international law degree from the Faculty of Law of the University in Bucharest. Mr. Burduja is a banker with an extensive experience and a prodigious career. Marinel Burduja was the mayor of Piatra Neamt municipality (in 1990) and the first president of the Romanian Federation of Municipalities, member of the Romanian Parliament and Vice-President of the Foreign Policy Commission (during 1990 - 1991), and in banking field Mr. Burduja held for 25 years several positions as an Executive Board member in prestigious institutions such as the Romanian Foreign Trade Bank, ABN-AMRO, Credit Anstalt, Raiffeisen Bank. Mr. Burduja has been a collaborating professor of the Romanian Banking Institute (RBI) and is a member of the Institute of International Finance (IIF) and a member of the Romanian Businessmen Association (AOAR). He has been the President of the Lauder-Reut Friendship Forum in Romania, currently being a member of this institution, too.	N/A
Adrian FERCU Year of birth: 1976 Date of first appointment: April 2023 Reappointed: N/A Term of office expires in: April 2027 **Position held within the Company*:** Non-Executive Member of the Board of Directors since April 2023 **Member in other Committees within the Company** Member of the Risk and Sustainability Committee since May 2023	Adrian Fercu is currently Management Consultant with Dedeman and member of the Investment Committee with Paval Holding. In 2019, he joined Dedeman/Paval 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 positions of Account Manager, Branch Manager and Regional Director. Adrian Fercu graduated from Al. I. Cuza University in Iași, Faculty of Economic Studies, with Bachelor's degree in Finance and Banking.	Adrian Fercu is also a non-executive member of the Board of Directors with Cemacon SA and Vrancart SA.
Darius PAVĂL Year of birth: 2000 Date of first appointment: April 2023 Reappointed: N/A Term of office expires in: April 2027 **Position held within the Company*:** Non-Executive Member of the Board of Directors since April 2023 **Member in other Committees within the Company** Member of the Risk and Sustainability Committee since May 2023	Darius Pavăl graduated from The American School in Switzerland (TASIS) in 2019 and subsequently, in 2022, from Bayes Business School (Cass) at the University of London, specializing in business management, digital innovation & entrepreneurship. In 2023 he obtained his master's degree in entrepreneurship from UCL School of Management. He has been involved in various activities across multiple departments at Dedeman since 2020. Currently, he is actively involved in the company's development and improvement projects.	

Note the position held within the Company as per last mandate*

At 31 December 2024, ALRO's Board of Directors consisted of 11 members and its structure is as described below (cont.):

Voicu CHEȚA Year of birth: 1981 Date of first appointment: April 2019 Date of reappointment: April 2023 Term of office expires in: April 2027 **Position held within the Company*:** Non-Executive Member of the Board of Directors since April 2019 **Member in other Committees within the Company** N/A	Voicu Cheța is a lawyer at the Bucharest Bar Association with a legal experience of over 15 years. His speciality practises covers various areas such as high-value commercial litigation, commercial arbitration, insolvency and restructuring, labour relations, public procurement, administrative litigation, debt recovery and corporate law. In the field of legal advice and representation before law and arbitration courts, he has gained an overall view and proven competences to approach commercial legal relationships in a manner that ensures their correlation with the needs of economic activity.	Voicu Cheța is board member within the following companies: S.N. Plafar S.A. and C.N. Administratia Canalelor Navigabile S.A.
Genoveva NĂSTASE Year of birth: 1975 Date of first appointment: April 2022 Reappointed: April 2023 Term of office expires in: April 2027 **Position held within the Company*:** Executive Member of the Board of Directors since April 2022 **Member in other Committees within the Company** N/A	Genoveva Năstase graduated from the Academy of Economic Studies Faculty of Commerce in 1999. She also graduated with the Executive MBA organized by ASEBUSS in partnership with Kennesaw State University, Atlanta, USA, in 2018. Genoveva Năstase has extensive experience in corporate finance, financial modelling & reporting and financial analysis, working previously at Deloitte & Touche in Romania and some other advisory boutique companies. Genoveva Năstase has been working with the ALRO Group since 2002, covering the financial affairs of the Group companies from a Deputy CFO position till 2013 and then from a CFO position till today.	

Note the position held within the Company as per last mandate*

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At 31 December 2024, ALRO's Board of Directors consisted of 11 members and its structure is as described below (cont.):

Igor HIGER Year of birth: 1978 Date of first appointment: April 2022 Reappointed: April 2023 Term of office expires in: April 2027 **Position held within the Company*:** Non-Executive Member of the Board of Directors since April 2022 **Member in other Committees within the Company** N/A	Mr. Higer has a wide multicultural international experience in several industries. From 2005 up to present including, Mr. Higer was focusing on business development and strategy advise to ALRO and companies comprising Vimetco Group but acting also as managing partner for projects in the areas of manufacturing, mining and real estate in various countries worldwide, including Israel and Romania. In 2007, Mr. Higer was appointed Chairman of the Board in Vimetco Extrusion. Starting 2009 he was appointed as CEO of the company, having as main achievements: • Overall increase company's financial and economic performance; • Technological upgrade in accordance with highest international standards; • Development of new markets with emphasize on production of very high added value products; • Significant investments related to environment which have led to improved working conditions; • Cost reduction actions with focus on increasing efficiency for energy and raw material consumption; • Boost social responsibility programs for both employees and local community; • Increase company's creditworthiness on the international aluminium market.	Mr. Igor Higer is a Vice-President of the Board of Directors of Alum SA.
Dragoș-Adrian VONCU Year of birth: 1974 Date of first appointment: April 2022 Reappointed: April 2023 Term of office expires in: April 2027 **Position held within the Company*:** Non-executive Member of the Board of Directors since April 2022 **Member in other Committees within the Company** N/A	Mr. Voncu has been working with the Company since November 2003, holding the position of Legal Manager, except for the period between June 2009 and August 2011, when he served as Legal Manager of Vimetco Management Romania. During the period from August 2011 to February 2014 Mr. Voncu practiced as an independent lawyer. Currently, Mr. Voncu also holds the positions of secretary of the Board of Directors, Audit Committee, Remunerations and Nominations Committee and Risk and Sustainability Committee and of Legal Manager within 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., Centrul Rivergate S.R.L. and Conef. Mr Voncu is a member of the Bucharest Bar since 2011. He graduated from the University of Craiova, Faculty of Law, in 1997 and attended the Romanian-American School of Business (ASEBUSS), in partnership with Kennesaw State University, US, where he obtained an Executive Master of Business Administration degree (EMBA) in 2018.	He is the titular lawyer for "Dragoș-Adrian Voncu" Individual Law Office. He is the Legal Manager within Alum and Vimetco Management Romania and the secretary of Alum's Board of Directors. Mr. Voncu is a member of the Board of Directors of Conef SA.

Note the position held within the Company as per last mandate*

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ALRO's executive management structure

The executive management of ALRO has delegated powers from the Board of Directors and is legally representing the Company, being responsible for managing the daily operations. The Executive Management term is of four years.

Marin Cilianu (1965) - Chief Executive Officer

Marin CILIANU, PhD., Executive EMBA, was appointed as Chief Executive Officer of Alro in September 2024 for a mandate until 31 July 2027.

Mr. Cilianu graduated from the Faculty of Materials Science at the Polytehnic University of Bucharest and holds a PhD obtained in 2004 with the thesis "Magnetohydrodynamic Phenomena in Industrial Molten Electrolytes". He also earned an Executive MBA from ASEBUSS & Washington University. Marin CILIANU joined Alro in 1994 and, throughout his tenure, he has held key positions, contributing significantly to the company's development by modernizing production processes, coordinating projects for ALRO to become a supplier to the aerospace industry, managing investment activities, and organizing operations for the company's subsidiaries in Romania and abroad. Marin CILIANU is a co-author of several patents and has presented papers at both national and international conferences. Additionally, he was a non-executive member of the Board of Directors of Alum Tulcea until February 2025.

Genoveva Năstase (1975) - Chief Financial Officer

Genoveva NĂSTASE graduated from the Executive MBA organized by ASEBUSS in partnership with Kennesaw State University, Atlanta, USA, and is the CFO of Vimetco Management Romania and worked as Deputy Finance Director for ALRO for over seven years, from 2002 until 2009.

Genoveva NĂSTASE has extensive corporate finance experience, financial modelling, financial analysis, and reporting. Genoveva NĂSTASE's mandate as Chief Financial Officer of the Company was extended in February 2025.

Other information required by the Code

Within the Statement regarding the conformity with the Code, the management of the Company states that, during 2024, an assessment of the Board members was conducted by the Chairman of the Remuneration and Nominations Committee (see the Statement regarding the conformity with the Code, section A.8.):

In 2024, the Board of Directors met in 23 meetings (2023: 20 meetings), during which decisions were adopted concerning mainly the following:

- Approval of contracts that are within the Board's competency;
- Adopting the executive management reports;
- Acknowledgment of the main economic and financial indicators of the Company;
- Adopting the Company's organisational structural changes;
- OGSM and EGSM convocation following the terms of the Articles of Association
- Approval of the Annual Report for 2023, including the financial statements for 2023 etc.

For these Board meetings, the quorum required by law as stipulated in the Company's Articles of Association was met, and the average participation rate was 96% (2023: 96%).

ALRO's Committees

ALRO has in place a one-tier system and three committees, i.e. the Audit Committee – with powers delegated by the General Shareholders Meeting, Remuneration and Nominations Committee and Risk and Sustainability Committee – designated by the Board of Directors.

Audit Committee

Annual General Shareholders Meeting held on 23 March 2018 approved by Decision no. 584/23.03.2018 the setup of the Audit Committee and by decision no. 587/23.03.2018 approved this Committee's Terms of reference. Subsequently, during the General Shareholders Meeting held on 21 January 2020 the Decision no. 653/21.01.2020, and also Decision no. 703 and 704 for 28 April 2022 and Decision no. 732 from 25 April 2023, updated the Audit Committee's Terms of reference and the composition of the Audit Committee is as follows: Vasile IUGA (Chairman – Independent Member), Adrian MANAICU (Member) and Dorel PARASCHIV (Member).

The Audit Committee is a committee elected by the Extraordinary General Shareholders Meeting of ALRO. It has powers delegated to it under the Articles of Incorporation and the applicable legislation and standards.

Among the Audit Committee's duties are:

- **Financial reporting** – the Committee's members shall issue an opinion on the management's actions and judgments, monitor the integrity and reliability of the financial information, review the reports from the external and internal auditors as appropriate, etc.

- **External audit** - the Committee shall oversee the Company's relations with the external auditors. It shall consider and make recommendations to the Board on their appointment, reappointment, or removal to annually assess the qualification, expertise, resources, independence, objectivity, and effectiveness of the external auditors and the external audit process, etc.

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- **Internal audit** - The Internal Audit performs an annual assessment of the internal control system to determine the effectiveness and scope of the internal audit function and the adequacy of risk management. It also assesses the management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and relevant reports are being submitted to the Board. The Internal Audit reports to the Board. The Audit Committee reviews periodic reports on the results of the internal auditors' work, considers the material findings of their investigations, examines management's response, etc.

- **Risk and internal controls** - review the scope 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 the external and internal auditors on the effectiveness and integrity of those systems to review the Company's procedures for detecting fraud and whistleblowing. It also has to ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or such other issues, etc.

The Committee regularly files reports to the Board on all matters within its duties and responsibilities. Moreover, Committee should file reports, mainly where there are matters for which it considers that actions or improvements are required, including recommendations as to the steps to be taken.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee has powers delegated by the Board of Directors. It is composed of three of the Board's non-executive members, out of which two of them have to be independent members and the Chairman of the Board has to be one of the members. The composition of ALRO's Remuneration and Nominations Committee is Marian NĂSTASE (Chairman), Vasile IUGA (Member), and Marinel BURDUJA (Member).

Among the Remuneration and Nominations Committee's duties are:

- 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 it considers this necessary;
- Determine and recommend to the Board the strategy and policy for the remuneration of the Board members, of the Executive Management and the Senior Management;
- Approve the design of, and determine targets for, any performance-related pay schemes operated by the Company, determine the relevance to achieve the performance of events not foreseen, or of factors not taken into account when setting the performance targets, and approve the payments made under such schemes;
- Establish guiding criteria for Board membership;
- Perform other tasks concerning the nomination or removal of members of the Board, as may be delegated by the latter etc.

Risk and Sustainability Committee

The Risk and Sustainability Committee is elected by ALRO's Board of Directors and has powers delegated by it. Among the Committee's main objectives are:

- Overseeing and making recommendations to the Board regarding the Company's general risk management policy, and
- Assisting the Board in reviewing the adequacy, effectiveness, and compliance of the Company's risk management policies.

The composition of ALRO's 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 Risk and Sustainability Committee's duties are:

- **Risk management** - Review any periodic risk management reports prepared by the executive management and present to the Board at least semi-annually the overall assessment results, review and monitor the operational contingency planning and assurance processes within the Company to ensure all material risks and critical systems and processes are identified and that appropriate contingency plans are in place and are effective, liaise with the Audit Committee on risk management processes for the identification and management of material financial risks, as these are the responsibility of the Audit Committee etc.

- **Sustainability** - Identify the strategic risks to business continuity in the medium and long run. Contribute to the business strategy development in the short, medium, and long run, proposing adequate measures and actions from a risk and sustainability perspective. Identify any other key factor that may endanger the development of the Company's business and operations due to the dynamic evolutions of different elements with impact on the Company's activity, etc.

- **Health, Safety, Environment and Social Responsibility** Review and monitor the processes in place designed to ensure compliance with all Company Health, Safety, Environment, and Social Responsibility Policies and Standards. Monitor the adequacy of safety, environment, and Social Responsibility reporting systems for actual or potential incidents, breaches, and trends. Oversee the preparation by the executive management of the environmental protection plan within the Company, which is designed to ensure that all material environmental risks are addressed by plans appropriately developed and implemented etc.

Risk management and internal control system

The management of the risk to which the Group is exposed

According to the BSE's Code of Corporate Governance adopted by the Company and the Group, ALRO Group meets the requirements of:

- Transparency, financial reporting, risk management and internal audit;

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- Having Board members with the necessary professional training or a significant and relevant managerial experience, allowing them to analyse the overall financial position of the Company and the Group;
- Risk management processes and corporate governance, ensuring that these mechanisms are functional and effective.

The Board members support, coordinate, and actively improve the risk management system through continuous and direct monitoring. The risk management is conducted under policies approved by the Board. The treasury department identifies, evaluates, and hedges financial risks in close collaboration with the operational units of the Group. The Board provides written principles for overall risk management and written policies covering specific areas such as currency risk, interest rate risk, credit risk, and price risk.

At the same time, risk management is an integral part of the decision-making process within the Parent-company, ALRO. Each major project or the implementation of a new strategy or direction (respectively regarding the investments area or, for example, changing the production mix) involves organising meetings with the Company's top management and the Group engaged in the respective project.

These meetings aim to examine these decisions from all points of view and, implicitly, assess the risks associated with them and determine whether the expected results to be obtained after implementing a new project will be beneficial for the Group's business model. Moreover, third-party experts' opinions are considered (e.g. internal audit and/or external consultants, depending on the situation). They are subsequently used for making the final decisions so that the final verdict is based on a comprehensive and objective analysis.

The Group's risk management system goals seek to secure the daily operations and provide economic value-added in the medium and long term. This is possible by effectively managing the risks the Group companies are exposed to and estimating their potential impact on cash flows by meeting the limits set by management regarding the risk appetite.

The Group and the Company activities expose them to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group and the Company overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group and the Company financial performance. The Group and the Company may use derivative financial instruments to hedge certain risk exposures.

The Audit and Risk&Sustainability Committees carry out risk management throughout the organisation. Please see the other relevant sections dedicated to these committees' duties in this respect.

Operational and Commercial Risk

The Group’s results depend on the market for primary aluminium, a highly cyclical commodity affected by global demand, international environment political factors, and supply conditions. The price of aluminium has historically been volatile and subject to wide fluctuations in response to relatively minor changes in supply and demand, market uncertainty, the overall performance of global and regional economies, currency fluctuations, and speculative actions. In addition to the Primary Aluminium market, the Group's results depend on the flat rolled aluminium market. Moreover, the primary and processed aluminium market is global and highly competitive.

Also, the Group is vertically integrated and has a diverse and complex portfolio of assets, production capacities, inventories. The Parent-company, ALRO, ALUM, VE are particularly exposed to risks related to the safety of production processes and event risks like explosions, strategic equipment failure, etc. Thus, analyses are performed, incidence scenarios are developed and, afterward, safety plans are set in case of occurrence. For the strategic equipment spare parts, inventories were made. In the case of unforeseen events, the Group can resume operations as quickly as possible, and thus, the inherent losses in such situations are minimised.

In addition to these safety measures and plans, the Group has an active insurance policy that covers both the material damage for equipment and inventories and any possible losses resulting from equipment failures, which could lead to the interruption of the operations for a specific time.

Capital risk management

The Group and the Company's objectives when managing capital are to safeguard the Group and the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure so as to reduce the cost of capital.

The capital structure of the Group and the Company consists of debt, which includes the ***Total borrowings and leases*** disclosed in Note 28, net of ***Cash and cash equivalents, adjusted*** as disclosed in Note 25 and shareholders' equity.

The Group and the Company management reviews the capital structure on a regular basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Market risk

The Group and the Company's activities expose them primarily to the financial risks of changes in commodity prices, energy prices, foreign currency exchange rates and interest rates.

The Group and the Company are naturally hedged through the price of ingots and scrap material. The Group and the Company may enter into a variety of contracts for derivative financial instruments to manage their exposure to market prices, such as: - commodity options to protect Group and Company cash flows from the adverse impact of falling aluminium prices; - swaps to manage the needs of clients for fixed prices and the associated commodity price risks resulting from quotations of aluminium based on the London Metal Exchange price for High Grade Aluminium.

The Group is exposed to market risk through the prices of traded products and the variations in cash flows generated by its activities: refining alumina, obtaining primary and processed aluminium, and extruded products. Therefore, this is a significant risk for the Group and Company and should be considered a strategic component in determining the Group’s and Company’s risk profile, due to its effects directly visible in the Group’s cash flows, respectively of the Parent-

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company. Consequently, this risk is closely monitored and analysed. Reports that supervise the cash flows evolution are prepared regularly, so sufficient liquidities are permanently provided for the everyday running of operations.

When considered appropriate and economically efficient, ALRO may use hedging to reduce the level of exposure against market risk; it does not contract or trade derivative financial instruments for speculative purposes. When such contracts are concluded, derivative financial instruments are monitored and measured monthly at fair value. For further details, please see ***Note 36 - Risk management,*** included in this Report.for the year ended 31 December 2024 included in this Report.

Foreign currency risk

By considering the nature of the activities carried out, the Group and the Parent Company are subject to foreign currency risk. These risks refer to exposure to the volatility of the functional currency against other currencies such as USD and EUR (a share of the aluminium sales are denominated in USD or EUR, while a large part of the operating costs depends on the functional currency, RON). Foreign currency risk results from future commercial transactions of receivables and liabilities. Thus, the effect of foreign currency risk on cash flows and the correlation with the aluminium price on the international markets are constantly monitored. In this way, it is possible to hedge the anticipated cash-flows in foreign currencies to the extent that the market allows doing this with reasonable costs within the limits of the available trading lines. Considering the net exporter position of the Company, any depreciation of the local currency against USD and EUR is beneficial for the business.

The Group and the Company operate internationally and undertake certain transactions denominated in foreign currencies. Hence, the Group and the Company are exposed to foreign exchange risk arising from various currency fluctuations against the reporting currency, primarily with respect to the EUR and USD. Exchange rate exposures are analyzed and managed by natural hedge with transactions in foreign currencies by utilising spot or forward foreign exchange contracts or other types of derivatives. The risk management policy used by the Group and the Company is to hedge between 0 and 50% of anticipated cash flows in USD and EUR (Romanian sales and purchases) by practicing an active hedging policy and thus covering a variable percentage based on the market opinions regarding future exchange rates correlated with the net exporter position of the Company, as far as the Management considers it appropriate and the market allows this at reasonable costs.

The Group's exposure to currency risk results from:

- highly probable future transactions (sales/ purchases) denominated in foreign currency;
- firm commitments denominated in foreign currency, and
- monetary items (mainly trade receivables, payables, and borrowings) denominated in foreign currency.

No foreign exchange options contracts were entered into in 2024, and no option contract was outstanding. For further details, please see Note 36 – ***Risk management*** of the Audited Consolidated and Separate Financial Statements for the year ended 31 December 2024 included in this Report.

Interest rate risk

The Group and Company are also exposed to interest rate risk through its operations and financing agreements. Therefore, the volatility of interest rates such as EURIBOR, or ROBOR and CME Term SOFR (see Note 36) can generate variations of cash flow resources needed to make interest payments related to liabilities contracted by the Group. These interest rate risks are constantly monitored and quantified.

The Group has no significant interest-bearing assets, revenues, and cash flows being substantially independent of changes in market interest rates.

Commodity price risk

Commodity price risk is the risk that the Group and the Company's future earnings could be adversely impacted by changes in the market price of aluminium. The Group and the Company's internal policy is to manage the identified commodity price risk by natural hedge when possible. Also, the Company can enter for a part of the remaining quantity at risk into derivative contracts such as aluminium swap agreements and ratio-collar transactions on aluminium, when there are favourable market conditions. Commodity price risk receives special attention from the Group's management having strategic importance in the Group's risk profile because it directly impacts the short and medium-term liquidity of the Group and/ or the Company.

Commodity price risk is analysed in detail; its effects are constantly monitored and quantified. Thus, the potential adverse impact can be decreased for achieving the Group's medium and long-term goals.

For further details, please see Note 36 – ***Risk management*** of the Audited Consolidated and Separate Financial Statements for the year ended 31 December 2024 included in this Report.

Credit risk

The credit risk refers to the risk that the counterparty might default on its contractual obligations, resulting in financial losses for the Group. To minimise this risk, the Company sells most of its accounts receivable to financial institutions through non- recourse factoring.

ALRO Group has adopted a prudential policy, and it trades only when the potential risk of financial losses resulting from non- fulfilment of the contractual obligations is mitigated. Sales cover the credit risk against non-recourse factoring, and the Group trades only with reliable counterparties and guarantees such as a letter of credit, promissory note, or cheque. Furthermore, the accounts receivable consists of many clients from different industries and geographic areas. The credit risk exposure is controlled through limits imposed on each client, analysed and submitted to the Group's management approval, and monitored daily by a dedicated department. The Group permanently assesses their credit risk based on the clients' financial performance and their payment history. Please see Note 36– ***Risk management*** and Note 22 - ***Trade receivables, net*** of the Audited Consolidated and Separate Financial Statements for the year ended 31 December 2024 included in this Report.

Concerning the assets from derivative instruments, the maximum exposure to the credit risk is represented by the fair value at the reporting date.

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The Corporate Finance Department manages the credit risk resulting from the transactions with banks and financial institutions. Excess liquidity is invested only with approved banks and credit lines and limits assigned to each counterparty. The counterparty credit limits are annually reviewed by management and may be updated during the year. The limits are set to minimise the concentration risk and thus to decrease the possible financial losses from default by the counterparty. It is estimated that there is no significant exposure from failing to settle the contractual obligations by counterparties regarding financial instruments.

Liquidity risk

Considering the current business environment, the Group and the Company monitor the liquidity risk. The operational and financial cash inflows and outflows are being monitored and analysed monthly and, in some cases, daily to notice any unexpected change in the Group liquidity immediately. Based on this analysis, the management can make the best decisions on the financing necessities for the Group and Company to have the necessary capital to meet all current and future financial obligations and ensure their solvability.

Prudent liquidity risk management implies maintaining sufficient cash and tradable values financing availability with an adequate amount from committed credit facilities. The management regularly monitors rolling forecasts of liquidity reserves of the Company.

For further details, please see Note 36 – ***Risk management*** of the Audited Consolidated and Separate Financial Statements for the year ended 31 December 2024 included in this Report.

Taxation

Current income tax

The current tax payable is based on the taxable profit realised during the year. The taxable profit differs from the retained profit within the consolidated statement of profit or loss because of the revenues or expenses items taxable or deductible in some years and because of things that are never taxable or deductible.

The Group's and the Company's current income tax liability is determined using tax rates applied according to the legislation in force during the reporting period.

Deferred tax

Deferred tax is recognised based on temporary differences between the book value of assets and liabilities in the consolidated financial statements and the corresponding tax bases used to calculate taxable profit. Liabilities regarding deferred tax are generally recognised for all temporary taxable differences.

Deferred tax assets are generally recognised for all deductible temporary differences as far as it is probable that taxable profits will be available, against which the deferred tax receivables can be used. Deferred income tax assets or liabilities are not recognised if the temporary difference is generated by the initial recognition of goodwill or from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, does not affect the accounting profit, nor the taxable profit (tax loss).

Concerning investments in subsidiaries and associates, and interests in joint participation, deferred income tax liabilities are recognised as taxable temporary differences, except where the Group/ Company can control the restatement of the temporary difference and, probably, the temporary difference will not be restated in the predictable future. Deferred tax assets resulting from temporarily deductible differences associated with such investments and interests are recognised only if it is probable that there will be sufficient taxable profits for which to use the benefits of the temporary differences and they are expected to be restated in the predictable future.

The carrying value of the assets to which the deferred tax is applied is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to fully or partly recover the assets. Deferred tax assets and liabilities are measured at the tax rate presumed to be applicable in the period when the recovery of the liability or the realisation of the asset is estimated, based on the tax rates (and on the tax laws) that are effective or will be effective until the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences in terms of what tax is expected to arise from how the Group foresees to recover or deduct the accounting value of assets and liabilities at the end of the reporting period.

Annual current and deferred tax

Annual current and deferred tax are recognised in the consolidated statement of profit or loss unless they relate to items that are recognised in other comprehensive income or directly in equity. The annual current and deferred tax are also recognised in other comprehensive income, respectively in equity.

For further details, please see Note 12 – ***Income Tax*** of the Audited Consolidated and Separate Financial Statements for the year ended 31 December 2024 included in this Report.

Alro and its subsidiaris, being part of Vimetco Group, a multinational enterprize group is within the scope of the OECD Pillar Two model legislation, which was enacted in Romania, the jurisdiction in which Alro and subsidiaries are incorporated. Law no. 431/2023, published on 5 January 2024, transposes the provisions of Directive (EU) 2022/2523 to introduce into the Romanian legislation a complex system of rules for an effective minimum taxation of 15% for multinational enterprise groups and large-scale domestic groups with annual consolidated revenues of at least EUR 750 million in at least two of the four previous financial exercises. The law applies in respect of financial years beginning on or after 31 December 2023, except for the UTPR, which applies in respect of financial years beginning on or after 31 December 2024.

Under the legislation, the group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. In applying this law, the provisions of the Global Anti-Base Erosion (GloBE) Model Rules (Pillar Two), as issued by the OECD, must be considered, including the Administrative Guidance on GloBE Rules and the Safe Harbour and Penalty Relief Rules.

The group assessed its exposure to the Pillar Two legislation for when it comes into effect. Detailed information about the tax liabilities of the Group and related calculations can be found in Note 12 to the Alro Group Consolidated Financial Statements for the year 2024.

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Internal control system

The Group's and the Company's internal control system aims to ensure compliance with the regulations in force, the flawless operation of the internal activity, following the decisions made by the management. It also contributes to the effectiveness of the processes, the efficient use of resources, prevention, and control of the risk of failing to achieve its set goals.

Internal control is applicable through operations performed by the Group and/or Company before, during and after the operations are performed. The internal audit aims to achieve at least the following goals:

- compliance with the regulations in force;
- implementation of the decisions made by the management;
- the proper operation of the internal activity;
- the reliability of the financial information;
- the effectiveness of operations;
- the efficient use of resources;
- the prevention and control of risks to achieve the goals set.

Since 2018, the Company has had an Audit Committee, a committee elected by the EGSM of ALRO. The Audit Committee has powers delegated to it under the Articles of Incorporation and the applicable legislation and standards. The Audit Committee is made of three members, elected by the EGSM, and comprises at least two members that must be independent of the Company.

In 2024, the Audit Committee had the following objectives:

- to ensure that the interests of shareholders are properly protected concerning financial reporting and internal and external audit control;
- to inform the Board about the results of the statutory audit and to explain the way that statutory audit contributed to the integrity of the financial report process and what was the role of the Audit Committee in this process;
- to monitor the financial reporting process and to make recommendations or proposals for assuring its integrity;
- to monitor the effectiveness of the quality internal control systems and Company's risk management system and the internal audit regarding the Company's financial reporting, without breaking its independency;
- to monitor the statutory audit of the annual financial statements and the consolidated annual financial statements, especially their performance taking into consideration the findings and conclusions of the competent authorities;
- to evaluate and to monitor the independence of the financial auditors or the companies of audit according to the applicable legislation and especially the opportunity for receiving by the Company of some services that are not audit services;
- to be responsible for the procedure for the election of the financial auditor or of the audit company and to recommend to the Board of Directors and the Shareholders Meeting the financial auditor/ the audit company to be appointed;
- to analyse and evaluate the effectiveness of the Company's internal control policies and procedures for the identification, assessment and reporting of risks and to perform its valuation at least once per year;
- to review conflicts of interests in transactions of the Company and its subsidiaries with related parties;
- to evaluate the efficiency of the internal control system and risk management system;
- to monitor the application of statutory and generally accepted internal auditing standards. The Audit Committee should receive and evaluate the reports of the internal audit; to ensure the fulfilment of the core functions of the Internal audit function, it should report functionally to the Board via the Audit Committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, the Internal Audit should report directly to the chief executive officer, while remaining independent and informing the Audit Committee on a monthly basis about the activities which involved management interaction;
- to make periodical (at least annually) or ad-hoc reports to be submitted to the Board, subsequently to any reviews or analyses that have to be made by the Audit Committee;
- to present to the Board an opinion regarding the Company's transactions with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the Company.

The Group and the Company implemented an internal control system that includes various activities to prevent and detect unexpected events and risks, any potential fraud attempts, errors or omissions, damage, non-compliance, unauthorised transactions, incorrect or misleading financial reporting, activities that may negatively affect the Group's and/ or the Company's corporate brand, etc.

Through its internal procedures and regulations, which represent the basis for an integrated internal control system, the Group, and the Company have sought to include all relevant operations and activities that take place to ensure that:

- all its operations are conducted under the law in force for each area in which it operates and following the internal organisation and operation rules;
- controls are implemented to prevent, identify and solve in more efficient way frauds, errors, or omissions that may have significant consequences over the Group's and/or Company's activity;
- an organisational culture exists and is maintained concerning the risk of fraud or error. The employees are aware that providing misleading or wrong information can have severe consequences in the effective administration of daily operations.

Therefore, internal control procedures are designed:

- on one hand, to ensure the compliance of the Group's and Company's activity and the staff conduct with the framework of applicable laws, values, norms, and internal regulations of the Company and the Group's, respectively, and
- on the other hand, to verify the accuracy of reported financial, accounting and management information so that it can correctly reflect the Group's and Company's activity and position.

Internal control is also performed by the finance and internal financial control department, following the accounting policy manual, by monitoring, through a periodical program of reviews, the compliance with these accounting procedures and policies, with the applicable financial reporting standards, the awareness of and compliance with the financial accounting regulations, thus ensuring the accuracy and completeness of the accounting records through monitoring the presentation in the annual financial

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statements of quality information to answer to the needs of their users. An important role is also assigned to the internal audit, which, by its operating methodologies, ensures that the internal regulations regarding the risks associated with the different structures within the Group and the Company are complied with and are working.

Therefore, an internal control environment is the basis of an effective control system. It must be based on transparent methodologies, values, ethical principles, and measures for each employee's responsibility, authority, skills level, and duties.
The entire internal control system has the final goal of identifying and assessing the process and compliance risks to be prevented, mitigated, or considered acceptable, depending on the current risk policy. All these procedures and activities that are the basis of an internal control system are constantly reviewed and improved to meet the business needs and not become obsolete. All these internal control processes and verifications are supported by appropriate documentation and contain a clear description of all key control activities that have been implemented and performed.

Both the Company's Management and the internal audit department are structures within the Group responsible for the efficient evaluation and implementation of the internal control system.

Within the Group, both in the Parent-company, ALRO, and at the level of each subsidiary separately, the accurate accounting and reporting rules are applied to ensure the same treatment for the same types of transactions/ business-related activities. Depending on the evolution of the business and existing legislation, these rules/ accounting treatments are updated to ensure compliance with legal requirements and their relevance for the conducted operations. Moreover, the Group and the Company have separate departments for accounting reporting/ financial control, so there is a clear separation of roles and responsibilities to have the 'four eyes' principle and a different input for operations and authorisation of transactions.

Moreover, Management has constantly tried to use integrated reporting software and to have automated processes as much as possible, to reduce the risk of manual record-keeping, where the risk of error is higher. Setting standards at Group's level for preparing the annual, half-year, and quarterly financial statements also represents a crucial internal audit system component.

Internal audit

On 21 December 2023, the Board of Directors of ALRO SA decided to appoint an external company as internal auditor of Alro for a 3-year mandate. The decision was made after a bid and thorough analysis of costs/benefits and qualifications of the provider, when the specific internal audit company was found appropriate to comply with Alro's legal specifications. The internal audit activity is regulated by the Guide on the Implementation of International Internal Audit Standards (Ghidul privind Implementarea Standardelor Internaţionale de Audit Intern, "the Guide") issued by CAFR in order to contribute to maintaining high quality standards for the organization, management and practice of internal audit missions by financial auditors, members of CAFR, who coordinate internal audit activities, as well as those who are part of the internal audit mission teams. The internal audit company will report directly to the Board of Directors of ALRO and its activity is coordinated by the Audit Committee of Alro.

Management fair reward and motivation

Remuneration policy

In 2024, the remuneration of the Board members and/ or Executive Management was in line with the strategy and with the long-term interests of the Group and Company, and it was directly linked to the members' responsibilities and with the time spent performing their functions.

Since August 2019, ALRO has in place a Remuneration and Nominations Committee which has powers delegated by the Board of Directors and is composed of three of the Board's non-executive members, out of which two of them are independent members and the Chairman of the Board has to be one of the members. The set-up of this committee represents another example of best governance practices implemented by the Company with the main objective to protect shareholders' interests concerning the remuneration of the Board members, Executive Management (i.e. the managers having the right, according to the Bylaw, to represent the Company) and Senior Management (heads of divisions directly subordinated to the General Manager) by ensuring that the Company maintains and adheres to a remuneration strategy and policy that attracts and retains individuals of the highest quality, including as part of a succession planning for all the key functions of the organization, while at the same time avoiding the risk of overpayment.

Starting 2021, the Company drafted a Remuneration Policy in line with the provisions of the Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 amending the Directive 2007/36/EC regarding the encouragement of long-term shareholder engagement. Also, this Policy follows Law no. 158/2020, which modifies Law 24/2017. Law 158/2020 indicates that a Company shall establish the modality of remunerating its directors through a remuneration policy regarding Directors. Companies are obliged to submit the remuneration policy for the approval of the Ordinary General Meeting of Shareholders, as such is provided by art. 111 of the Companies' Law no. 31/1990 as republished and further amended the remuneration of Directors being paid by the Company only following the remuneration policy being approved under these circumstances. Law 158/2020 imposes to the issuers of Romanian securities to observe these mandatory provisions no later than 12 months from the effective date of Law 158/2020.

On 25 April 2024, the GSM of Alro SA approved the Remuneration Policy as proposed by the Board of Directors of Alro. The Remuneration Policy applies to the Directors and Management of the Company, it is subject to approval by the GSM whenever a significant amendment is proposed to it, and in any case, at least once in 4 years.

According to the Remuneration Policy, the remunerations are established as follows:

- The remuneration due to the members of the Board of Directors is a fixed amount established anually in the General Shareholders' Meeting, at the latest during the annual GSM. The Company may pay additional remuneration to the members of the Board of Directors on the basis of the GSM for the members of the Board Committees (a gross monthly amount) and for the chairmen of the Board Committees (a gross monthly amount);

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- The remuneration of the Management ia a fixed part that is paid monthly and a variable amount that is established by the Board of Directors.

Remuneration report

ALRO Group aims to gradually align to the corporate governance best practices in respect of Board of Directors' remuneration making in this way a step forward to its investors' expectations.

All the remuneration proposals for the Board members are being made by the Board of Directors and subsequently submitted for GSM's approval. The remuneration proposals for the Executives are made by the Remuneration & Nominations Committee and subsequently submitted for approval to the Board of Directors. For further details, please see also the *Statement regarding the compliance with the Code, section C.1.*

In line with the applicable legislation requirements, starting 2021, the Company has prepared a Remuneration Report outlining all the benefits and compensation granted to Directors and Managers. This Remuneration Report has to be submitted to the Annual General Shareholders' Meeting's approval (consultative vote). More details regarding this Remuneration Report are available in a separate document attached to this Annual Report and available on the Company's website.

Compliance with Whistleblower Legislation

Alro has an internal procedure regarding the handling of requests, complaints, and reports that was revised to comply with the requirements of Directive (EU) No. 1937/2019 – on the protection of persons who report breaches of Union law, and Law No. 361/2022 – the whistleblower protection law. By this procedure, channels are created and made available for whistleblowers to submit reports: on ALRO's website and intranet, informational pages are created regarding how reports can be made and the steps that will follow a report (complaint).

The channels made available to whistleblowers are as follows:

- A report collection form on the website/intranet pages;
- An automated phone line (telephone robot) for receiving complaints (0349.880.551);
- A dedicated e-mail address (sesizari@alro.ro);
- Specially created mailboxes at the company's gates for receiving complaints;
- Reports can also be sent by mail to ALRO's address: Str. Pitești, No. 116, Slatina;
- Reports can also be made in person to the person designated by ALRO to receive reports and initiate the subsequent actions for resolving the reports.
- In 2023-2024, no reports were registered on the reporting channels regarding violations of legislation or internal procedures.

Diversity

The Group supports diversity inside the Company and inside its subsidiaries concerning the administrative, executive management, and supervisory bodies, in respect of the age, gender or education, and professional experience.

The percentage of women in the total number of ALRO employees was around 21% in 2024 (2023: 18%). Even if this seems to be a small one at first sight, this is in line with the average for the aluminium industry and the activities carried out within ALRO production facilities. This percentage is not the result of any discriminatory policy. On the contrary, ALRO provides equal chances without discrimination for both females and males, but the attractiveness of the metallurgical industry, in general, is modest for women. However, there are departments within ALRO, such as finance, human resources, and commercial where the number of women is equal, or even higher than the number of men in the total number of employees.

Moreover, ALRO's Board has two female members, and ALRO's CFO, the Deputy CFO and the Marketing Director are women. Furthermore, around 26% of middle management positions are held by women. Additionally, within the Company, the persons holding executive positions are between 33 and 65, and their education and professional experience differ (i.e. engineering, economy, finance, law, etc.). Still, it is relevant for the position held.

Adding value through investor relations

Investor Relations Activities

During 2024, the Group has communicated with stakeholders through several press releases and participated in press conferences or meetings with investors, analysts, media, and specialized events.

Starting 2016, ALRO has organized conference calls with investors and analysts to present the annual and half-year results. These conference calls are conducted four times a year, after the annual, half-year, and quarterly results. Starting June 2017, these conference calls represent another step forward by ALRO to interact more with investors, analysts, and other stakeholders interested in the Company's results and activity. The dates when these conferences are held are included and announced through the annual financial calendar published on the Company's website and sent simultaneously to BSE and FSA. All interested parties in the Company's activity and updates are welcome to participate. Also, ALRO's representatives participate in at least one event dedicated to investors (institutional and/ or individual investors) organized in Romania or abroad.

Starting 2007, ALRO has reported to the capital markets consolidated financial statements prepared under IFRS Accounting Standards, which gives the financial reports a higher level of transparency and comparability from one period to another and with its peers, the other international companies in the aluminium industry. ALRO also publishes consolidated financial statements quarterly and separate financial statements for the annual and half-year results.

ALRO prepares its consolidated and separate financial statements following the Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, which is in accordance with the IFRS Accounting Standards, as adopted by EU, with the exception of IAS 21 The effects of changes in foreign exchange rates regarding functional currency, except for the provisions of IAS 20 Accounting for Government Grants regarding the recognition of revenue from green certificates, except for the provisions of IFRS 15 Revenue from contracts with customers regarding the revenue from taxes of connection to the distribution grid and except IAS 12 Income Tax regarding the treatment of the Minimum Turnover Tax as an income tax expense. These exceptions do not affect the compliance of the financial statements of the Group and the Company with IFRS Accounting Standards, as adopted by EU.

ALRO aims to ensure a permanent dialogue with third parties. Thus, it publishes in real-time, immediately after sending any price-sensitive information to BSE and FSA, such as the Company's financial reports, press releases, and all other relevant information for shareholders, analysts, investors, and other stakeholders on the Company's website within the Investors Relations section.

ALRO publishes press releases about its investments, sustainability, and corporate social responsibility initiatives, activities to reduce the Company's environmental footprint, and other actions and/ or partnerships with the local communities, aiming to create a positive impact on them.

As an acknowledgment of the efforts done in the same direction of improving the IR communication and practices, in 2024, ALRO received an award for its 2023 Sustainability Report during the annual ARIR Gala Awards Ceremony. Thus, ALRO proves once again that it is focused on improving the IR and communication area and wants to lead by example when it comes to applying best corporate governance practices and efficient communication with investors and other stakeholders.

Sustainable development and Corporate Social Responsibility (CSR)

Sustainable development

The constant involvement in environmental protection activities is part of the Group's long-term development strategy. The Group permanently monitors its environmental footprint and takes the necessary measures to comply with the specific environmental rules. Also, besides the particular investments in environmental protection programs, the Group uses modern technologies in line with the requirements in this field.

The Group holds in Romania the following environmental permits:

- ALRO holds Integrated Environmental Authorisation for both primary and processed aluminium sectors;
- ALUM holds the Integrated Environmental Authorisation, permanently under monitoring and reporting obligations. It also has about 46 other authorisations, certifications, attestations, and accreditations; and
- Vimetco Extrusion holds an environmental permit which is renewed when substantive changes occur under the environmental legislation.

At the same time, the environmental protection investment programs allowed ALRO to obtain ISO 14001 certification for environmental protection management. Investments in energy efficiency place ALRO at the top of aluminium producers with the lowest specific consumption rates in the European Union. On their return, ALRO's subsidiaries hold more certificates, among which we mention the following:

- ***ALUM***
    - certificate for quality management system according to SR EN ISO 9001:2015;
    - certificate for environmental management system according to SR EN ISO 14001:2015;
    - certificate for occupational health and safety management according to SR EN ISO 45001:2018;
    - energy management system certificate according to SR EN ISO 50001: 2019; ;in 2023 and 2024, ALUM obtained the annual visa, following surveillance audits I and II;
    - in October 2022, ALUM recertified the integrated quality - environment - health and safety at work - energy management system according to the following reference standards: SR EN ISO 9001: 2015; SR EN ISO 14001: 2015, SR EN ISO 45001: 2018 and SR EN ISO 50001: 2019.
    - Increasing the energy performance in ALUM is another primary objective of ALRO Group. Starting with 2017, we have implemented in ALUM an energy management system based on the ISO 50001 standard. Over the years, we have conducted various energy audits that have helped us improve our energy performance management. More information can be found in ALRO Group's Sustainability Report, available on the ALRO and ALUM websites.
    - Starting with the 3rd quarter of 2024, ALUM started the definition and implementation within SMI (Quality - Environment - OSH - Energy) of the standards: SA 8000:2014 Social responsibility management system and SR EN ISO/IEC 27001:2023 - Information technology, cyber security and privacy protection - Information security management systems and alignment with the standards: ISO 55001:2024 - Asset management — Asset management system, SR EN ISO/ IEC 17025:2018 - General requirements for the competence of testing and calibration laboratories and Aluminum Stewardship Initiative (ASI) – Performance Standard V3 (2022).

- ***Vimetco Extrusion***
    - Certificate for quality management system according to SR EN ISO 9001:2015;
    - Aluminum products and aluminum alloys for structures in construction according to EN 15088;
    - Quality requirements for fusion welding of metallic materials – Part 2: Comprehensive quality requirements according to ISO 3834-2:2021;
    - Execution of steel structure sand aluminium structures – Part 3: Technical requirements for aluminium structures according to EN 1090 -1:2009+A1:2011 & EN 1090-3:2019.

Within ALRO Group, measures to reduce energy consumption were implemented and continue to be in the entire production process chain. For example, ALRO operates a production facility that uses scrap aluminium which is currently being extended, this being another method of reducing energy consumption and actively contributing to scrap reduction. Besides this, ALRO significantly improved its CO2 emissions status within its electrolysis (which represents the division with the highest CO2 emissions for producing primary aluminium). It aims to situate within the first ten worldwide aluminium producers (except China) from an energy efficiency perspective for the electrolysis area after it finalizes the implementation of the AP12LE project.

Currently, the Group is not involved in lawsuits concerning the impact of its activities on the environment and does not expect such situations that might include any violation of environmental protection legislation.

Additionally, the management takes permanent measures

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within the entire Group to prevent significant accidents involving dangerous substances. Therefore, the Group monitors the implementation of the measures that lead to the elimination of the risks of events, which could harm the environment and agrees on the response action plan, if the case.

Environmental responsibility

Creating value by operating a sustainable and long-term business represents one of ALRO Group's development strategy's fundamental pillars. Being aware of its environmental impact, the Group has continuously monitored its carbon footprint and implemented specific measures to become a green factory, innovative and sustainable with near to zero emissions and waste. Aluminium can be considered a decarbonization vector for other industries due to its unique properties and potential uses. One of the main advantages of aluminium is that it is lightweight yet strong, making it an ideal material for transportation. Using aluminium instead of heavier materials such as steel can reduce the weight of vehicles and airplanes, which in turn reduces their fuel consumption and associated carbon emissions.

In addition to the transportation sector, aluminium can be used as a decarbonization vector in other industries, such as construction and packaging. In construction, aluminium can be used as a lightweight and durable material for building facades, roofs, and other structural elements. In packaging, aluminium can be used as an alternative to plastic, which is a significant contributor to plastic pollution and carbon emissions.

Furthermore, aluminium is highly recyclable, which makes it a sustainable material choice. Recycling aluminium requires significantly less energy than producing new aluminium from bauxite ore, and it can be recycled indefinitely without losing its properties. By using recycled aluminium instead of new aluminium, the carbon footprint of the material can be significantly reduced.

Overall, the unique properties of aluminium and its potential uses in various industries make it a promising decarbonization vector that can contribute to reducing carbon emissions and combating climate change.

ALRO Group's major environmental goals are:

- compliance with the environmental law adopted under the European requirements and strict compliance with all legal regulations in force;
- continuous improvement of activities, processes, products, and environmental performance;
- preparation for emergencies and the ability to respond, organize and conduct simulation drills for incidents involving classified substances;
- prevent pollution and reduce its environmental impact through investments, organizational measures, maintenance, repairs, and technological changes;
- continuous monitoring of environmental aspects of the production activity through weekly environmental programs.

Following the European Commission decision 2016/1032 as of 13 June 2016, establishing best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and the Council, for the non-ferrous metals industries, ALRO environmental permit was last revised April 2024.

Therefore, ALRO follows the most stringent requirements regarding emissions, using the best available techniques for the aluminium industry. A relevant example is that ALRO started using baked anodes with low sulphur content to comply with BAT 69 and BAT 69 (a) requirements. This circular economy creates new economic opportunities and stimulates the long-term competitiveness of the Group.

Following the same direction of increasing efficiency and lowering its impact on the environment, the Group continued to increase the amount of recycled and re-melted aluminium scrap in the Eco-Recycling Facility and the Cast-House.

At ALRO, there are two green waste dumps. The Company has removed asbestos as construction material, and inert wastes, such as crushed concrete generated during demolishing works, are recycled. At the Group level, metal scrap and carbon-containing wastes are recycled and hazardous wastes from oils, which relevant authorized operators recycle.

The Group is allocating significant resources to minimize the environmental footprint, identifying the best solutions for capitalizing on by-products and waste in all the companies. Aluminium can be recycled indefinitely without losing its properties. Thus, it can be used repeatedly for the same purpose; the Group is focused on promoting the principles of the circular economy to create new economic opportunities and stimulate the long-term competitiveness of the Group.

For greenhouse gas emission monitors 2021-2030, ALRO has implemented the following European regulations:

- (EU) 2020/2085 amending and correcting Implementing Regulation (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions according to Directive 2003/87/EC of the European Parliament and the Council;
- (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions according to Directive 2003/87/EC of the European Parliament and the Council and amending Commission Regulation (EU) No 601/2012;
- (EU) 2019/331 determining transitional Union-wide rules for harmonised free allocation of emission allowances according to Article 10a of Directive 2003/87/EC of the European Parliament and the Council.

ALRO has obtained approval from the NationalAgency for Environmental Protection for the new Monitoring Plans 2021-2030 related to the new GHG Permits. These are uploaded on the EC's platform using the EU Declaration tool.

ALRO complied with all air emissions requirements Commission implementing decision (EU) 2016/1032 establishing best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and the Council, for the non-ferrous metals industries.
Moreover, ALRO is monitoring the planning methodology for the fourth monitoring period of the EU ETS for 2021-2030 for ALRO Primary and ALRO Processed Divisions requested by EC.

ALRO Group continuously takes measures to operate following the highest environmental standards which apply to its activity. Another objective refers to environmental protection and ensuring the welfare of the Group's communities. Thus, Management has continued to invest in modernization and efficiency of its activity by implementing several measures, such as:

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- monitoring emissions on the premises and in the production
- promoting an organizational culture and an environmental protection mindset among employees, including specific training seminars (water production, storage, treatment, and distribution training; waste management training; environmentally responsible training, etc.); efficient waste management; ensuring the protection of human settlements and improving ecosystems.

The Group carries out a risk identification activity that considers environmental aspects and impacts and the attributes of each job, and simulations are performed to test the response capacity of employees in case of possible accidents.

Although ALRO Group does not directly assess its suppliers' environmental and social impact, a reputational risk assessment is performed in the supplier evaluation process, which consists of verifying the information regarding the possible legal problems or conflicts in which the evaluated supplier is involved. If the supplier has a legal history of incidents and actions in court, including violations of environmental legislation, these issues will be considered reputational risks.

Starting 2017, ALRO Group published, in addition to the Annual Report, a Sustainability Report in line with the G4 Core Global Reporting Initiative Guidelines (GRI). This report describes how ALRO Group performs, monitors and achieves the most important environmental, social and corporate governance issues. The Sustainability Report enhances the information provided on the Group, Parent-Company, and its main subsidiaries' actions realised in the sustainability area in the same transparent manner as the Annual Report and adds value to shareholders, other stakeholders and the communities in which the Group and its subsidiaries operate. This Sustainability Report is available for the public to consult on the Company's website, Sustainability Section, and Sustainability Reports Subsection.

ALUM is part of ALRO Group, and the mandatory requirement for preparing a Sustainability Report (i.e. a Non-Financial Report) is covered by the fact that the Parent-Company, ALRO, decided to prepare a Consolidated Non-Financial Report, i.e. ALRO Group Sustainability Report. This Report is available for the public to consult on ALUM's website.

In addition, the Group has a Sustainability Strategy, which represents the Group's commitment to reducing the negative impacts generated by its activities and its concern with creating a future for new generations. The pillars of Sustainability on which this strategy is based are: Safeguarding our Future, initiating a Healthy, fostered and prepared workforce, Creating Value for our Community, Research, Development and Digitization and Responsible and Sustainable Business. Through the Sustainability Strategy, ALRO Group has joined and will contribute to the achievement of the following UN Global Sustainable Development Goals:

- End poverty in all its form everywhere;
- Ensure healthy lives and promote well-being for all at all ages
- Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all;
- Achieve gender equality and empower all women and girls;
- Ensure availability and sustainable management of water and sanitation for all;
- Ensuring access to affordable, reliable, sustainable and modern energy for all;
- Promoting sustained, open economic growth and sustainable, full and productive employment of labour and decent work to all;
- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation;
- Reduce inequalities within and among countries;
- Ensuring sustainable consumption and production patterns;
- Take urgent action to combat climate change and its impact;
- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;
- Promoting peaceful and inclusive societies for sustainable development, access to justice for all and creating efficient, responsible and inclusive institutions at all levels.

Climate change refers to the long-term changes in the Earth's climate, including temperature, precipitation, and sea levels, as a result of human activities such as burning fossil fuels, deforestation, and industrial processes. The impacts of climate change are widespread and diverse, affecting natural systems, human societies, and the global economy in various ways. The impacts of climate change are far-reaching and require urgent action to mitigate and adapt to its effects.

Due to the growing concern on this topic, which is an actual subject for the current context, ALRO and ALRO Group set out to adapt their activity to align with the transition to a cleaner society. That supports, in fact, the management of a responsible and sustainable business model with a real concern for reducing carbon emissions but also obtaining economic benefits for local communities and the national economy. We are aware of the Group's potential impact on the environment; therefore, we continuously monitor emissions and implement specific measures given our strategy to become a green, innovative and sustainable factory with zero untreated emissions and waste deposited in the dump.

Therefore, since 20 years ago, ALRO has made significant investments in energy efficiency for the purchase of state-of- the-art equipment that has allowed a considerable decrease in the electricity consumption rates, an increase in the amount of recycled aluminium and a reduction in the Company's carbon footprint. At the same time, these investments have allowed high and very high value-added aluminium products to manufacture, so ALRO has become a member of the exclusive club of world aluminium producers that deliver products for the aerospace industry.

At present, ALRO and ALRO Group companies are giving even more importance to projects that can positively impact the environment, sustainable development projects or circular economy in the context of the European Green Deal, which aims to achieve climate neutrality by 2050. ALRO’s reference project, AP12LE, which was launched in 2018, represents a new design of the electrolysis pot with low energy consumption that will allow ALRO to reduce the amount of electricity needed to produce primary aluminium. After completing this project, ALRO will be in the top ten aluminium producers worldwide, excluding China, from the energy efficiency perspective in the electrolysis department, according to studies published by third parties. Also, increasing the energy performance in ALUM is another primary objective of ALRO Group. Starting 2017, we have implemented an energy management system based on the ISO 50001: 2018 standard in ALUM. Over the years, we have conducted various energy audits that have helped us improve our energy performance management. More information can be found in ALRO Group’s Sustainability Report, available on the ALRO and ALUM websites.

In addition, we aim to improve communication on climate change risks and opportunities. We are analyzing the work of international organizations that have developed principles and criteria for

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monitoring the measures implemented and the progress made in this area. We are aware of the importance of this topic in the stakeholder agenda and the complexity of the areas involved in closely monitoring all related implications; an additional corporate governance structure has been created at ALRO's level by setting up a Risk and Sustainability Committee. Climate risks and the organization's definition of a coordinated strategy at the Group level are priorities. Within the Group, several scenarios are analyzed to ensure the activity of the Group's companies sustainably and responsibly. Efficient carbon management of ALRO is one of our priorities directly affecting climate change mitigation and responsible resource management.

Also, starting with 2021, based on Article 8 of this EU Regulation 852/2020, ALRO Group included in its consolidated Sustainability Report how and to what extent its activities are considered eligible in line with the EU Taxonomy requirements. The European Commission established within specific Delegated Acts (Disclosures Delegated Regulation (EU) 2021/2178 and EU Climate Delegated Act 2139/2021) how to establish eligibility and alignment of economic activities and how to report to comply with EU Taxonomy requirements.

Starting with 2023, the Group analyzes to what extent will can report the alignment with the technical screening criteria according to the EU Climate Delegated 2139/2021. The Group's management is aware of the implications of these new reporting requirements and has initiated internal steps to ensure compliance with EU Regulation 852/2020.

In 2022, ALRO received the necessary favourable opinion from the Environment Fund Administration, considering the provisions of Ordinance no. 2/2021 on waste storage under art. 14 and 40 lit. b), for:

- the updated technical project for the closure and post- closure monitoring of the non-hazardous industrial waste dump ALRO Primary, with the address in Pitești Street no. 116, Slatina, Olt county;
- the quarterly chart with the explanation/detail of the amounts regarding the fund replenishment up to the value established by the updated technical project for monitoring closure and post-closure.

In 2022, ALRO completed the SIATD application of the Environment Fund Administration to receive aluminium waste for recovery based on Regulation (EC) no. 1157/2024 on waste transport. The shipments are registered in the ROAFM online application. The documents prepared in line with the abovementioned regulation are checked at entry points into the country by the National Environmental Guard and the Border Police.

In 2024, ALRO completed the Environmental Product Declaration (EPD) for two ALRO products (Aluminum Wire Rod and Aluminum Hard Plates 7xxx). These are valid until 20.01.2030. These are based on the related LCA (Life Cycle Assessment) and the data in the EPDs has been validated by an external verifier.

In 2024, ALRO prepared 5 CBAM reports according to Regulation (EU) 2023/956 establishing a Carbon Border Adjustment Mechanism to European Commission that led to imports of prealloys from countries outside the EU.

At the same time, throughout 2024, ALRO provided its customers the Scope 1 and Scope 2 emissions, calculated in accordance with the Regulation (EU) 2023/956 establishing a Carbon Border Adjustment Mechanism to European Commission, as a result of the sale of products delivered outside the EU and returned processed in the EU.

Furthermore, in 2024, ALRO provided its clients the GHG Intensity values, which are based on data validated by external verifiers for process emissions.

In 2024, in the field of environmental legislation on the intra- and extra-community shipment of waste, ALRO implemented the new "Regulation (EU) 2024/1157 on shipments of waste, amending Regulations (EU) No 1257/2013 and (EU) 2020/1056 and repealing Regulation (EC) No 1013/2006" as well "Commission Delegated Regulation (EU) 2024/2571 supplementing Regulation (EU) 2024/1157 by establishing the information to be provided in the certificate confirming the completion of a subsequent interim or non-interim recovery operation or a subsequent interim or non-interim disposal operation"

ALRO complied with environmental legislation by requesting an annual visa under art. 16 para. (2 ^ 4) and (2 ^ 5) of the Government Emergency Ordinance no. 195/2005 for environmental protection, approved with amendments and completions by Law no. 265/2006, with the subsequent modification.

Shareholders' information

General information

ALRO S.A. shares have been listed on the Bucharest Stock Exchange, Premium Tier Category under the ticker symbol "ALR" since October 1997.

Total market value for ALRO as of 31 December 2024 is RON 1,074,237,598.2 (calculated based on the BSE quotation available on 30 December 2024 - the last day of 2024 when ALRO's shares were traded: 713,779,135 shares*1.505 RON/share).

ALRO S.A owns 99.40% of ALUM S.A. shares, which is listed on Bucharest Stock Exchange since December 1997 on RASDAQ and migrated towards the ATS segment, AeRO category in May 2015. Its shares are traded under the symbol "BBGA".

Exchange rates and LME 3M

2024

Average USD per RON 4.5975
End of period USD per RON 4.7768
Average EUR per RON 4.9746
End of period EUR per RON 4.9741

LME 3 month-quotation average in 2024: 2,457 USD/tonne

2023

Average USD per RON 4.5758
End of period USD per RON 4.4958
Average EUR per RON 4.9475
End of period EUR per RON 4.9268

LME 3 month-quotation average in 2023: 2,285 USD/tonne

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Outlook for 2025 onwards

The outlook for aluminum presents both challenges and opportunities. Chinese data has shown ongoing pressure in the construction sector, despite various policy efforts to support it. In Europe, we have observed some recent shifts, such as a dip in the composite PMI and an upward revision of the inflation forecast, along with some political risks. However, expectations for rate cuts from both the ECB and the Fed could provide positive momentum.

Looking to the second half of the year, we anticipate a promising increase in demand from key European industrial sectors where Alro has strong ties, including general engineering, aeronautics, and automotive. Moreover, there is growing optimism for a more pronounced return of business opportunities from the North American market, particularly as commercial tariffs on Chinese suppliers continue to evolve.

While tariffs on EU imports may present certain challenges, Alro's strong reputation and established relationships in the US market continue to create avenues for growth. The ongoing adjustments to the global trade landscape offer us opportunities to leverage our product portfolio, particularly as North American industries seek reliable, high-quality alternatives to fulfill their needs. As a result, we remain confident in our ability to navigate these challenges and capture new opportunities in the region.

In addition, Alro has been strategically positioning itself for growth in emerging sectors and high-performance industries, where we have made significant progress to expand our product portfolio. These efforts have allowed us to strengthen our presence in areas where demand is expected to rise, such as precision engineering, aerospace innovation, critical infrastructure, and defense-related applications. Over the years, thanks to its international qualifications, Alro has also established itself as an accredited supplier for the defense industry, gaining solid experience that has enabled us to meet the complex needs of this sector. Given the current geopolitical context, we intend to bring our support and contribute with high quality products to the increased demand, particularly in the European and domestic markets. As we continue to align our capabilities with these high-potential markets, Alro is well-positioned to capitalize on the evolving opportunities ahead, ensuring long-term growth and value creation for both our company and stakeholders.

Despite the new import tariffs announced by the Trump administration for EU goods, which are set to be enforced March 12, Alro remains optimistic about the outlook for our aluminum sales. While the tariffs may introduce some short-term complexities, our good and long term presence in the market and key industries, such as aerospace and general engineering, positions us well to continue meeting market demand.

The evolving global trade environment, coupled with the ongoing uncertainty around potential further trade measures, has created some volatility in the market. However, we anticipate that businesses will adjust their sourcing strategies as the tariffs come into effect, and we expect a shift toward high-quality alternatives like Alro to navigate these changes. Despite the challenges, we are confident that our strategic investments in expanding our product portfolio, will provide opportunities for growth in North America. Our ability to adapt to market dynamics, along with our commitment to quality and reliability, will enable us to continue thriving even amid this period of uncertainty.

Green Deal

The Clean Industrial Deal is a central pillar of the EU strategy for the green transition and the preservation of the competitive of European industry in the long run. It involves the deployment of significant financial resources, including a 100 bn EUR fund for stimulating clean technologies, such as green hidrogen, batteries, critical materials and carbon capturing. We expect this plan to bring concrete benefits by simplified regulations on state aid, reduction of taxes on energy for industry and consumers, and elimination of administrative barriers that slow down the de-carbonization projects. While the EU engagements regarding the climate neutrality remain firm, the recent evolution of the regulatory framework indicate a re-calibration of the implementation pace for certain Green Deal measures. This adaptation reflects the necessity to maintain the economic competititvity and to assure the sustainable transition by the industries, this way avoiding excessive pressure in a difficul economic context.

Energy market

The state support scheme that waives some electro-intensive consumers from the application of law 220/2008 in Romania (a law that promotes renewable energy production, implemented by Government Decision 495/2014) ceased in the end of 2024. A new scheme to extend it was published for consultation on the site of the Energy Ministry, being already approved by the European Commission, and at the moment it is expected to be published in the Official Gazette. Alro is a beneficiary of this scheme, being an intensive electricity consumer through its production processes of electrolytic aluminium. Considering the specificity of its industry, Alro monitors the market and the regulatory framework and attempts to secure its energy acquisition for a longer period of time.

The Romanian Government has approved the Emergency Ordinance to extend the cap of electrical energy and natural gas. This was published in the Official Gazette on 28 February 2025. The scheme will extend the cap for energy prices by another 3 months (till the end of June 2025) and for natural gas by one year (until 1 April 2026).

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CBAM Legislation

In 2025, ALRO will further prepare the 4 CBAM reports in accordance with Regulation (EU) 2023/956 establishing a Carbon Border Adjustment Mechanism to the European Commission, which led to imports of prealloys from countries outside the EU.

In 2025 the Company must remain true to its sustainable development strategy, therefore ALRO's Investment Programme will include investments that are absolutely necessary to provide the capacity and technical conditions useful to support ALRO's strategy of increasing the value added production and reducing the carbon footprint of its technological activities and the electricity supply dependence of technological processes, by continuously decreasing the energy consumption, and to increase the reliability of critical production equipment.

The Group's Management closely monitors the evolution of the current context to take all necessary measures to adapt and improve its performance in real-time while keeping the investors and the interested public informed about the most recent evolutions in its activity.

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2025 Financial Calendar

EVENT	DATE
Trading Update Q4 2024	23 January 2025
Publication of 2024 Preliminary Annual Financial Results	28 February 2025
Conference Call for 2024 Annual Results proposed for shareholders' approval	28 March 2025
Trading Update Q1 2025	22 April 2025
Annual General Shareholders Meeting ("GSM") for the approval of 2024 results	29 April 2025
Publication of the Annual Report as at 31 December 2024	29 April 2025
Publication of the Quarterly Report for the first quarter of 2025 i.e. 1 January - 31 March 2025 ("Quarter I 2025")	14 May 2025
Quarter I 2025 Results Conference Call	16 May 2025
Trading Update Q2 2025	18 July 2025
Publication of the Half-Year Report for the six-month period ending 30 June 2025 i.e. 1 January - 30 June 2025 ("2025 Half-Year")	12 August 2025
2025 Half-Year Results Conference Call	14 August 2025
Trading Update Q3 2025	21 October 2025
Publication of the Quarterly Report for the third quarter 2025 i.e. 1 January - 30 September 2025 ("Quarter III 2025")	13 November 2025
Quarter III 2025 Results Conference Call	14 November 2025

Contact details

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Abbreviations and definitions used in this report

ANRE	The National Authority for Energy Regulations (Autoritatea Nationala de Reglementare in domeniul Energiei)
ASI	Aluminium Stewardship Initiative
ATS	Alternative trading system on BSE
BAT	Best Available Techniques
BR	Bauxite Residue
BSE	Bucharest Stock Exchange
CAFR	Chamber of Financial Auditors of Romania (Camera Auditorilor Financiari din Romania)
CBAM	Carbon Border Adjustment Mechanism
CfD	Contracts for Difference
CME	Chicago Mercantile Exchange
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, amortization and impairment
ECB	European Central Bank
EGSM	Extraordinary General Shareholders Meeting
EIU	Energy-intensive users
EO	Emergency Ordinance
EU ETS	European Union's Emissions Trading System
EUID	The European Unique Identifier
FED	Federal Reserve
FRP	Flat Rolled Product
FSA	Financial Supervisory Authority, Romania
GD	Government Decision
GHG	Greenhouse gas emissions
GSM	General Shareholders Meeting
H1/H2	Half-year
HVAPs	High value added products
IAI	International Aluminium Association
IATF	International Automotive Task Force
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
LEI code	Legal Entity Identifier
LME	Refers to LME 3 months (LME-London Metal Exchange)
MACEE	The Centralized energy acquisition mechanism (Mecanismul de achizitie centralizata de energie electrica)
NADCAP	National Aerospace and Defense Contractor Accrediation Program of Performance Review Institute
OEM	Original Equipment Manufacturer
OGSM	Ordinary General Shareholders Meeting
OPCOM	The Operator of Energy and Gas Market (Operatorul Pietei de Energie Electrica si de Gaze Naturale "Opcom" SA)
PCB	Printed circuit board
PMI	A purchasing managers index
PPA	Power Purchase Agreement
Q1/Q2/Q3/Q4	Quarter 1/Quarter 2/Quarter 3/Quarter 4
RTA	Rio Tinto Aluminium Pechiney
SMM	Shanghai Metals Market
SRPS	Repair and Spare Parts Section
TPA	Tonnes per annum
U.K.	United Kingdom
U.S.	United States of America
VAT	Value Added Tax
VHVAPs	Very high value added products

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Consolidated and separate financial statements for the year ended 31 December 2024

Alro S.A. and its subsidiaries

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Consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2024

in RON '000, except stated otherwise

	Note	Alro Group 2024	Alro Group 2023	Alro 2024	Alro 2023
Continuing operations					
Revenue from contracts with customers	5	3,408,037	2,849,717	3,202,739	2,533,585
Cost of goods sold		-3,231,134	-3,066,081	-3,081,222	-2,892,227
Gross result		**176,903**	**-216,364**	**121,517**	**-358,642**
General, administrative and selling expenses	7	-367,411	-329,108	-313,205	-225,597
Impairment of investments in subsidiaries		-	-	-	-189,144
Other operating income	8	472,470	346,059	439,519	324,112
Other operating expenses	9	-56,825	-164,495	-30,128	-27,959
Operating result (EBIT)		**225,137**	**-363,908**	**217,703**	**-477,230**
Interest expenses	10	-125,560	-129,419	-122,990	-124,380
Other financial income	11	6,135	19,424	5,168	18,851
Other financial costs	11	-35,027	-29,120	-32,803	-26,594
Net foreign exchange (losses) / gains		-41,108	-3,810	-40,906	18,045
Share of result of associates		-300	-	-300	-
Result before income taxes from continuing operations		**29,277**	**-506,833**	**25,872**	**-591,308**
Income tax	12	-18,940	48,430	-10,551	52,192
Result for the period from continuing operations		**10,337**	**-458,403**	**15,321**	**-539,116**
Discontinued operations					
Result after tax for the period from discontinued operations			-103,343	-	-
Result for the period		**10,337**	**-561,746**	**15,321**	**-539,116**
Other comprehensive income / (expense), net of tax:					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of post-employment benefit obligations		-2,893	-4,804	-3,310	-5,244
Income tax on items that will not be reclassified		482	857	530	839
Items that may be reclassified subsequently to profit or loss:					
Translation adjustment		-	18,880	-	-
Other comprehensive (expense)/income for the period, net of tax		**-2,411**	**14,933**	**-2,780**	**-4,405**
Total comprehensive income / (expense) for the period		**7,926**	**-546,813**	**12,541**	**-543,521**
Result attributable to:					
Shareholders of Alro S.A.		**10,324**	**-560,264**	**15,321**	**-539,116**
Non-controlling interest		**13**	**-1,482**	**-**	**-**
		10,337	-561,746		
Total comprehensive income / (expense) attributable to:					
Shareholders of Alro S.A.		**7,912**	**-545,335**	**12,541**	**-543,521**
Non-controlling interest		**14**	**-1,478**	**-**	**-**
		7,926	**-546,813**		
Earnings / (losses) per share					
Basic and diluted (RON)	13	0.014	-0.785	0.021	-0.755
Basic and diluted (RON) for continuing operations		0.014	-0.642	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

These financial statements were authorized for issue by the Board of Directors on 26 March 2025.

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Consolidated and separate statements of financial position as at 31 December 2024

in RON '000

	Note	Alro Group		Alro	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Assets					
Non-current assets					
Property, plant and equipment	14	919,667	901,604	732,266	724,656
Investment properties	14	541	571	3,705	4,040
Intangible assets	15	3,386	2,877	3,001	2,507
Investments in subsidiaries	16	-	-	144,178	144,178
Equity accounted investments	17	216,202	108,269	216,202	108,269
Goodwill	18	15,834	15,834	-	-
Right-of-use assets	19	6,945	9,690	5,438	4,950
Deferred tax asset	12	90,851	95,343	86,564	90,032
Other non-current financial assets	20	184,612	151,293	182,214	149,010
Total non-current assets		**1,438,038**	**1,285,481**	**1,373,568**	**1,227,642**
Current assets					
Inventories	21	877,180	884,736	705,678	696,233
Trade receivables, net	22	79,302	56,163	86,076	69,690
Current income tax receivable	12	229	1,100	-	-
Other current financial assets	23	378,396	433,205	351,789	407,309
Other current non-financial assets	24	43,151	33,980	83,274	106,479
Restricted cash	25	55	19,814	-	-
Cash and cash equivalents	25	431,303	206,126	423,320	160,281
Total current assets		**1,809,616**	**1,635,124**	**1,650,137**	**1,439,992**
Total assets		**3,247,654**	**2,920,605**	**3,023,705**	**2,667,634**

The accompanying notes are an integral part of these consolidated and separate financial statements.
These financial statements were authorized for issue by the Board of Directors on 26 March 2025.

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Consolidated and separate statements of financial position as at 31 December 2024 - continued

in RON '000

	Note	Alro Group		Alro	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Shareholders' Equity and Liabilities					
Shareholders' equity					
Share capital	26	370,037	370,037	370,037	370,037
Share premium		86,351	86,351	86,351	86,351
Other reserves	27	376,103	375,866	306,191	306,191
Retained earnings		167,216	730,129	104,001	645,897
Result for the period		10,324	-560,264	15,321	-539,116
Equity attributable to shareholders of Alro S.A.		**1,010,031**	**1,002,119**	**881,901**	**869,360**
Non-controlling interest		508	494	-	-
Total shareholders' equity		**1,010,539**	**1,002,613**	**881,901**	**869,360**
Non-current liabilities					
Bank and other loans, non-current	28	1,452,321	1,176,067	1,441,947	1,176,067
Leases, non-current	28	3,853	5,963	3,495	3,061
Provisions, non-current	29	26,057	27,216	2,901	2,776
Post-employment benefit obligations	30	28,275	29,048	26,686	26,845
Government grants, non-current portion	31	33,294	30,902	22,125	25,419
Other non-current financial liabilities	32	7,521	13,541	724	794
Total non-current liabilities		**1,551,321**	**1,282,737**	**1,497,878**	**1,234,962**
Current liabilities					
Bank and other loans, current	28	96,069	298,728	83,848	295,741
Leases, current	28	2,400	2,782	1,995	1,696
Provisions, current	29	28,796	7,854	28,257	3,357
Trade and other payables	33	443,242	240,807	428,521	192,561
Contract liabilities	5	39,161	23,578	38,609	21,957
Current income taxes payable	12	8,486	6,490	6,553	6,456
Government grants, current portion	31	4,752	4,267	3,454	3,442
Other current liabilities	34	62,888	50,749	52,689	38,102
Total current liabilities		**685,794**	**635,255**	**643,926**	**563,312**
Total liabilities		**2,237,115**	**1,917,992**	**2,141,804**	**1,798,274**
Total shareholders' equity and liabilities		**3,247,654**	**2,920,605**	**3,023,705**	**2,667,634**

The accompanying notes are an integral part of these consolidated and separate financial statements.
These financial statements were authorized for issue by the Board of Directors on 26 March 2025.

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Consolidated statement of changes in shareholders' equity for the year ended 31 December 2024 - Alro Group

	Share capital	Share premium	Other reserves
Balance at 1 January 2023	**370,037**	**86,351**	**375,866**
Result for the period	-	-	-
Other comprehensive income / (expense)			
Translation adjustment	-	-	-
Remeasurements of post-employment benefits	-	-	-
Deferred tax on benefits remeasurement	-	-	-
Other comprehensive income / (expense)	**-**	**-**	**-**
Total comprehensive income / (expense)	**-**	**-**	**-**
Appropriation of prior year result	-	-	-
Balance at 31 December 2023	**370,037**	**86,351**	**375,866**
Balance at 1 January 2024	**370,037**	**86,351**	**375,866**
Result for the period	-	-	-
Other comprehensive expense			
Remeasurements of post-employment benefits	-	-	-
Deferred tax on benefits remeasurement	-	-	-
Other comprehensive expense	**-**	**-**	**-**
Total comprehensive (expense) / income	**-**	**-**	**-**
Appropriation of prior year result	-	-	237
Balance at 31 December 2024	**370,037**	**86,351**	**376,103**

The accompanying notes are an integral part of these consolidated and separate financial statements.

These financial statements were authorized for issue by the Board of Directors on 26 March 2025.

Translation reserve	Total other reserves	Retained earnings	Result for the period	Attributable to shareholders of Alro S.A.	Non-controlling interests	Total shareholders' equity
-18,880	**356,986**	**324,009**	**410,071**	**1,547,454**	**1,972**	**1,549,426**
-	-	-	-560,264	**-560,264**	-1,482	**-561,746**
18,880	**18,880**	-	-	**18,880**	-	**18,880**
-	-	-4,808	-	**-4,808**	4	**-4,804**
-	-	857	-	**857**	-	**857**
18,880	**18,880**	**-3,951**	**-**	**14,929**	**4**	**14,933**
18,880	**18,880**	**-3,951**	**-560,264**	**-545,335**	**-1,478**	**-546,813**
-	-	410,071	-410,071	-	-	-
-	**375,866**	**730,129**	**-560,264**	**1,002,119**	**494**	**1,002,613**
-	**375,866**	**730,129**	**-560,264**	**1,002,119**	**494**	**1,002,613**
-	-	-	10,324	10,324	13	10,337
-	-	-2,894	-	**-2,894**	1	**-2,893**
-	-	482	-	482	-	482
-	**-**	**-2,412**	**-**	**-2,412**	**1**	**-2,411**
-	**-**	**-2,412**	**10,324**	**7,912**	**14**	**7,926**
-	237	-560,501	560,264	-	-	-
-	**376,103**	**167,216**	**10,324**	**1,010,031**	**508**	**1,010,539**

The accompanying notes are an integral part of these consolidated and separate financial statements.

These financial statements were authorized for issue by the Board of Directors on 26 March 2025.

Separate statement of changes in equity for the year ended 31 December 2024 - Alro

	Share capital
Balance at 1 January 2023	**370,037**
Result for the period	-
Other comprehensive expense	
Remeasurements of post-employment benefits	-
Deferred tax on benefits remeasurement	-
Total other comprehensive expense	**-**
Total comprehensive expense	**-**
Appropriation of prior year result	-
Balance at 31 December 2023	**370,037**
Balance at 1 January 2024	**370,037**
Result for the period	-
Other comprehensive income / (expense)	
Remeasurements of post-employment benefits	-
Deferred tax on benefits remeasurement	-
Total other comprehensive expense	**-**
Total comprehensive (expense) / income	**-**
Appropriation of prior year result	-
Balance at 31 December 2024	**370,037**

The accompanying notes are an integral part of these consolidated and separate financial statements.

These financial statements were authorized for issue by the Board of Directors on 26 March 2025.

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Share premium	Other reserves	Retained earnings	Result for the period	Total
86,351	**306,191**	**319,331**	**330,971**	**1,412,881**
-	-	-	-539,116	**-539,116**
-	-	-5,244	-	**-5,244**
-	-	839	-	**839**
-	**-**	**-4,405**	**-**	**-4,405**
-	**-**	**-4,405**	**-539,116**	**-543,521**
-	-	330,971	-330,971	-
86,351	**306,191**	**645,897**	**-539,116**	**869,360**
86,351	**306,191**	**645,897**	**-539,116**	**869,360**
-	-	-	15,321	**15,321**
-	-	-3,310	-	-3,310
-	-	530	-	**530**
-	**-**	**-2,780**	**-**	**-2,780**
-	**-**	**-2,780**	**15,321**	**12,541**
-	-	-539,116	539,116	-
86,351	**306,191**	**104,001**	**15,321**	**881,901**

The accompanying notes are an integral part of these consolidated and separate financial statements.

These financial statements were authorized for issue by the Board of Directors on 26 March 2025.

Consolidated and separate statements of cash flows for the year ended 31 December 2024

in RON '000

	Note	Alro Group		Alro	
		2024	2023	2024	2023
Cash flow from operating activities					
Result before income taxes from continuing operations		29,277	-506,833	25,872	-591,308
Result before tax for the period from discontinued operations		-	-103,343	-	-
Adjustments for:					
Depreciation and amortisation		119,507	151,993	96,925	101,720
Impairment of investments in subsidiaries	16	-	-	-	189,144
Impairment of property, plant and equipment	14	1	85,177	-	-491
Impairment of goodwill	18	-	63,206	-	-
Movement in provisions	29	20,942	-21,986	24,900	-13,625
Change in allowance for impairment of inventory	21	-63,801	-3,015	-59,814	-19,561
Change in allowance for expected credit losses of trade receivables	7	84	217	332	-61
Losses/(gains) on disposal of property, plant and equipment	9	1,241	1,534	384	-68
Loss on disposal of intangible assets	15	9	-	-	-
Loss on disposal of investments	16	-	529	-	-
Share of result of associates	17	300	-	300	-
Net foreign exchange (gains)/ losses on loans revaluation	28	35,200	-17,598	35,126	-18,177
Interest income	11	-5,693	-19,057	-5,118	-18,851
Interest expense	10	125,560	130,848	122,990	124,380
Dividend income	11	-15	-	-15	-
Changes in working capital:					
Change in inventories		68,849	273,879	48,848	204,935
Change in trade receivables and other assets		39,477	54,679	86,037	48,722
Change in trade and other payables		218,321	71,228	253,106	75,943
Income taxes paid		-36,641	-74,752	-31,998	-65,630
Interest paid		-129,526	-140,215	-128,483	-136,202
Net cash generated from / (used in) operating activities		**423,092**	**-53,509**	**469,392**	**-119,130**
Cash flow from investing activities					
Purchase of property, plant and equipment and intangible assets, net	14,15,19	-134,318	-103,296	-95,403	-66,944
Government grants received	31	7,272	-	172	-
Proceeds from sale of property, plant and equipment		1,428	1,952	45	68
Proceeds from sale of investments		-	3,125	-	
Acquisition of associates	17	-108,233	-108,269	-108,233	-108,269
Dividends received		15	-	15	-
Change in restricted cash	20,25	-13,241	-3,938	-33,000	-20,081
Interest received		5,445	18,852	5,118	18,851
Net cash used in investing activities		**-241,632**	**-191,574**	**-231,286**	**-176,375**
Cash flow from financing activities					
Proceeds from loans	28	615,806	127,378	584,833	98,020
Repayment of loans and leases	28	-572,089	-306,234	-559,900	-242,324
Net cash from / (used in) financing activities		**43,717**	**-178,856**	**24,933**	**-144,304**
Net change in cash and cash equivalents		**225,177**	**-423,939**	**263,039**	**-439,809**
Cash and cash equivalents at beginning of period		**206,126**	**630,068**	**160,281**	**600,090**
Effect of exchange rate differences on cash and cash equivalents		-	-3	-	-
Cash and cash equivalents at end of period	**25**	**431,303**	**206,126**	**423,320**	**160,281**

The accompanying notes are an integral part of these consolidated and separate financial statements.
These financial statements were authorized for issue by the Board of Directors on 26 March 2025.

in RON '000, except stated otherwise

1. Organisation and nature of business

Alro S.A. (the Company or the Parent Company) is a joint stock company that was established in 1961 in Romania, and is one of the largest vertically integrated aluminium producers in Europe, by production capacity. The shares of Alro S.A. are traded on the Bucharest Stock Exchange under the symbol ALR.

The Company's administrative and managerial offices are located in Romania, with the headquarters in 116, Pitesti Street, Slatina, Olt County.

The majority shareholder of Alro S.A. is Vimetco PLC, a private limited liability company registered under the laws of Cyprus, based in Navarinou 18, Navarino Business Centre, Agios Andreas, 1100, Nicosia, Cyprus. The company is ultimately controlled by Maxon Limited (Bermuda).

Alro S.A. and its subsidiaries (collectively referred to as the Group) form a vertically integrated producer of primary and processed aluminium products: Alro casts aluminium into primary products that are sold or processed as higher value added products (flat rolled or extruded) within Alro or Vimetco Extrusion facilities. The Group has its customers primarily in Central and Eastern Europe. Due to the high power and natural gas prices, currently Alro works with 2 out of 5 of its electrolysis potrooms. Since August 2022 Alum has not produced alumina by itself, as the production was temporarily ceased, instead, it bought alumina from the market, at better prices and resold it to Alro and, subsequently becoming Alro's purchasing agent starting March 2024. Alro Group held a bauxite mine in Sierra Leone until the mining business was sold on 1 September 2023. In September 2023, Alro started investing in the electricity business by forming a partnership with CCGT Power Isalnita S.A. ("CCGT Power"), where it holds a 40.1% interest.

The structure of Alro Group and details about its subsidiaries are presented in Note 16.

Alro is listed on the Bucharest Stock Exchange. The prices per share during the years 2024 and 2023 were within the following ranges:

	2024	2023
- minimum price (RON/share)	1.36	1.49
- maximum price (RON/share)	1.63	1.85
- average price (RON/share)	1.49	1.61

The evolution of the average number of the Group's and Company's employees was as follows:

	Alro Group		Alro	
	2024	2023	2024	2023
Average number of employees, of which:	2,666	3,038	2,104	1,956
Production staff	1,939	2,238	1,548	1,437
General and administration staff	727	800	556	519

These financial statements were authorised for issue by the Board of Directors on 26 March 2025.

2. Basis of preparation

Statement of compliance

These consolidated and separate financial statements of Alro and its subsidiaries (further named "Financial statements") have been prepared in accordance with the Ministry of Public Finance Order no. 2844/2016, with subsequent amendments, for the approval of the Accounting regulation ("OMFP 2844/2016") in accordance with the International Financial Reporting Standards (IFRS Accounting standards) applicable to the companies whose real shares are accepted for transaction on a regulated market*.

**OMFP 2844/2016, with subsequent amendments, is in accordance with the IFRS Accounting Standards, as adopted by EU, with the exception of IAS 21 The effects of changes in foreign exchange rates regarding functional currency, the provisions of IAS 20 Accounting for Government Grants regarding the recognition of revenue from green certificates, the provisions of IFRS 15 Revenue from contracts with customers regarding the revenue from taxes of connection to the distribution grid and except IAS 12 Income Tax regarding the treatment of the Minimum Turnover Tax as an income tax expense. Starting 1 January 2024, the Group applied the requirements of the minimum tax on turnover (see Note 12), treating it entirely as income tax, whereas under IFRS Accounting Standards, the taxable profit component would be recognized as current income tax expense and the excess as an operating expense, resulting in a RON 5,759 thousand decrease in profit before tax and income tax expense, with no impact on net profit. The other exceptions do not impact the compliance of financial statements of the Group and Company with the IFRS Accounting Standards, as adopted by EU.*

The financial statements of Alro Group are available in hard copy at the Parent Company's premises, upon request. They are also available on the website of the Parent Company www.alro.ro within the applicable legal time frame.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Going concern

These financial statements have been prepared on a going concern basis, which assumes the Group and the Company will be able to realize their assets and discharge their liabilities in the normal course of business.

The year 2024 was marked by significant achievements for ALRO. Refreshing the visual identity of Alro and launching a new products range using new cutting-edge aluminium processing facility, CUTSMART SYSTEMS equipment represented important steps taken in the Group's long-term development strategy, that enables it to adapt to the current context and increasingly stringent requirements of the market. Following the investments continuously made over the last years in state-of-the-art technologies, in 2024 the Group consolidated its position as supplier for competitive industries such as: aerospace, automotive and general engineering and has expanded its clients base by concluding long term partnerships not just because of its high-quality, value-added products but also thanks to its commitment to a sustainable future.

After the enactment of Emergency Ordinance no. 138, which addresses the compensation of indirect emissions costs within electricity pricing for the years 2021-2030, the Group has gained visibility into the expected annual energy compensation. In 2024, the Group bore indirect emissions costs embedded in energy prices and has calculated the corresponding compensation amounting to RON 302,382 thousand (compared to RON 320,359 thousand received for 2023). Confident in compliance with legal regulations, the Group has recognized this income from compensation as a receivable in its accounts as of 31 December 2024. This proactive measure ensures the Group's medium and long-term access to partial compensation for the indirect emission costs associated with its electricity procurement process.

Despite the multiple challenges faced by the industry also in 2024, the evolution of aluminum prices and the demand for aluminum products, led to a positive result for the financial year ended on 31 December 2024, both for the Group and for the Company. The Group and the Company continued the measures initiated in the previous year, aimed at optimizing the ongoing operations and efficient management of the Group's and the Company's liquidity. The Group's strategy to diversify its products portfolio, focusing on high added-value products, materialized in 2024 in an increase in the production of flat rolled products (by 51%) and wire rod (by 56%) as compared to the year 2023. This follows the increase in order volumes, as a result of Group's capacity to supply high-quality products that meet its customers' requirements. At the same time the Group remained committed to its long-term strategy of sustainable growth and thanks to the investments in latest generation technologies, implemented to enhance aluminium scrap remelting capacity, leading to a notable increase in recycled aluminium quantity in 2024, as compared to 2023. Aside from successfully minimising ALRO's carbon footprint, the recycling operations consolidates the Group's image on the international markets, in terms of circular economy and decarbonization efforts. In 2024 the Group's achievements translated in a net profit of RON 10,337 thousand, as compared to a net loss recorded in 2023 of RON 561,746 thousand.

Other actions that were put in place to manage the liquidity of the Group and assure the efficiency of its operations were: efficient sourcing of main raw materials, optimizing acquisitions of materials and inventory levels, planning and scheduling in order to avoid stock-outs or over-stocks, improve the sales mix, by focusing primarily on high value-added products and developing a solid portfolio for new product lines, establishing partnerships with new and existing customers, both in Romania and the European markets.

In December 2024, the Company obtained a USD 40,000 thousand CAPEX loan from a commercial bank. The loan has a maturity of 7 years, with a grace period of 2 years for the payment of instalments. At 31 December 2024, the drawn down amount from this loan was RON 71,652 thousand (the equivalent to USD 15,000 thousand). Also, in December 2024, the Company obtained a State guaranteed loan of RON 400,000 thousand for working capital from a syndicate of banks. The facility is repayable starting the first quarter of 2025 and until December 2028, in 16 equal quarterly installments plus a balloon payment of RON 195,000 thousand at the last payment installment. The facility is collateralized with a state guarantee for 80% of the amount. This loan was fully drawn down at 31 December 2024. In December 2024, Alro fully repaid from its own resources, ahead of schedule, a RON 470,000 thousand facility for working capital, this loan having been contracted in March 2022 from a syndicated of banks.

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Following the measures implemented, the Group and the Company present a sound financial situation on 31 December 2024. Thus, the current assets of the Group and the Company exceed the current liabilities by RON 1,123,822 thousand and RON 1,006,211 thousand, respectively. On 31 December 2024, the Group also has unused loan facilities in the amount of RON 37,996 thousand. See also *Note 28 Borrowings and lease*.

The management has developed forecasts and projections of cash-flows and liquidity needs for the upcoming year taking into account the current and forecasted market conditions and reasonably possible changes in trading performance based on such conditions. These projections considered a prudent scenario, in which the suspended production activities in ALRO and ALUM remain on hold until 2028 and 2027, respectively. As of today, the management of the Group and the Company did not make a decision regarding the suspended activities, their resumption depending on the evolution of market conditions and their stabilization in the following period. Notwithstanding the challenges and uncertainties, the management expects that, based on the most recent forecasts, recent market developments and its ability to adapt its cash-flows when necessary and expected, the Group and the Company will succeed in generating adequate cash flows to allow it to continue its operations. The forecasts made indicate continued profitability for the Group and the Company in the following year and, therefore, the management have concluded that there are no material uncertainties that may cast significant doubt on their ability to continue as a going concern.

Climate change

In preparing the Consolidated and Separate Financial Statements, management has considered the impact of climate change. These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment as of 31 December 2024, nor the viability of the Group over the next five years. The following specific points were considered:

Current Impact
The Group has a significant impact on the environment, both through the GHG Scope 1 emissions generated by the production process and through the GHG Scope 2 emissions generated by the consumption of purchased electricity from non-renewable sources.

In particular, most of the Group's operations generate GHG emissions through combustion, and some of them result from the technological process that requires the use of raw materials or materials containing carbon, such as calcined petroleum coke, green anodes, baked anodes, etc. The production of electrolytic aluminium and alumina is the most energy-intensive activity of the Group.

Climate Strategy
Creating value by operating a sustainable and long-term business represents one of Alro Group's development strategy's fundamental pillars. Being aware of its environmental impact, the Group has continuously monitored its carbon footprint and implemented specific measures to become a green factory, innovative and sustainable.

The EU regulation mandating carbon neutrality by 2050 and intermediate targets by 2030 have certain impacts on Alro Group's operations and future plans. This implies a fundamental shift towards decarbonisation, necessitating changes in production processes, energy sourcing, and emissions management. The Group is in the process to reassess its operational strategies, possibly restructuring its supply chain, optimizing energy efficiency, and implementing sustainable practices throughout its operations to align with the regulatory requirements.

Achieving Alro's carbon emissions goals will likely require some long-term investments. Transitioning to cleaner energy sources, upgrading equipment and infrastructure, implementing carbon capture technologies, and investing in research and development for sustainable practices will incur significant costs. These investments are essential for Alro Group to adapt to the changing regulatory landscape, remain competitive, and mitigate the risks associated with non-compliance penalties and reputational damage.

Alro has identified three scopes to reduce the intensity of the greenhouse gases emissions and reach the climate neutrality goal by 2050, as follows:

1. *Decarbonisation of electric power* – over 60% of the CO_2 emissions resulting from aluminium production are generated by the electric power production consumed during the electrolysis process. Production of low carbon electric energy and implementation of the Carbon Capture Utilization and Storage (CCUS) offer the most important opportunity to reduce the emissions at nearly zero by 2050.

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2. *Direct emissions* – emissions from fuel combustion represent approximately 47.5% of the emissions generated during the process. The electrification, fuel transition to green hydrogen and CCUS offer the most credible ways. The process emissions represent 52.5% (mostly from the consumption of anodes in the electrolysis section) and require new technologies, such as inert anodes, which are not expected to be available before 2035.

3. *Recycling and resources optimization* – increase of the recycled aluminium utilization ratio for certain special alloys, as well as other progresses in resource efficiency by 2050, would reduce the requirement of primary aluminium, which, in its turn, would reduce the CO_2 emissions, being a second measure after the decarbonisation of electric power.

Alro's Investment Program for the coming years comprises investment projects, which are necessary for achieving the quantity of metal in line with the new business model adopted by the Company and in accordance with the needs of ALRO business plan and it focusses on the following objectives:

- Reducing the carbon print of the process activities in Alro Processed Aluminium Division;
- Continuing the programs for improving the energy efficiency of the equipment and technological processes;
- Increase Alro profitability by ensuring the equipment necessary to diversify the range of value-added products (cast plates and precision plates) and manufacture complex products corresponding as close as possible to the customers' requirements in terms of dimensions, thus adding the highest possible value to the metal produced by Alro prior to be marketed;
- Continue the strategy for the increase of the percentage of high value-added products in the production mix, namely of the flat rolled products in Alro Processed Aluminium Division;
- Supporting the existing process and current production capacity by providing safe and reliable equipment / operating conditions for the technological processes, in accordance with the maintenance schedules and standard regulations.

As part of its commitment to reduce the environmental footprint, the Group has already made or plans to make such investments in order to support, during a transition period, the decarbonization of existing industrial assets. Some of these investments are grouped below into two main categories, namely Energy efficiency activities and Sustainable energy supply, respectively.

Energy efficiency activities
In 2024, the Group continued the energy efficiency activities and implemented the following:

Reconditioning of smelter pots based on AP12LE technology
In 2024, Alro continued to upgrade its electrolysis pots by using the AP12LE technology, which is an advanced technology that leads to high energy efficiency (energy consumption reduction value 9,892 MWh/ year). During 2024, a number of 37 electrolysis pots were commissioned (in 2023: 30 electrolysis pots) and Alro has now reached 252 smelter pots reconditioned 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.

By doing this, ALRO significantly improved its CO_2 emissions status within its electrolysis (which represents the division with the highest CO_2 emissions for producing primary aluminium). It aims to situate within the first ten worldwide aluminium producers (except China) from an energy efficiency perspective for the electrolysis area after it finalizes the implementation of the AP12LE project.

Increased capacity in the Eco Recycling Facility
The Group has continued to work on its plan of using more and more liquid aluminium for its production, i.e. melt scrap aluminium. In the Eco-Recycling Facility, two new furnaces for melting aluminium waste were commissioned in June 2023, and thus the recycling capacity was increased from 35,000 tonnes to 100,000 tonnes per annum. As a result of these investments, Alro is taking an important step into a low-emission world. The specific electricity consumption of the aluminium scrap recycling process is only 5% of that required for the production of electrolytic aluminum, which has a positive impact on total production costs. Aluminium can also be recycled indefinitely without losing its properties, making it an ideal metal for the lowcarbon and circular economy.

Other investments to reducing the carbon footprint
In 2024 the Group continued the investment started in October 2023 for purchasing an aluminium aging furnace with electric heating from a renowned manufacturer of furnaces for the aluminium industry. The project objective is to increase the output of high and very high value-added products. This state-of-the-art electric furnace will replace three furnaces powered by natural gas with the aim of streamlining the heat treatment operations within the Processed Aluminium Division and represents an important step towards achieving Alro's goal of becoming a greener producer.

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Sustainable energy supply
In 2024, the Group has also made significant progress in delivering domestic renewable energy projects and started implementation of the following:

CCGT project to develop a plant of energy production
The Group has taken further steps to develop a plant of renewable energy production. In September 2023, a new company CCGT Power Isalnita SA was registered, with Complexul Energetic Oltenia holding an interest of 59.9% and Alro SA holding 40.1% of the shareholders equity. The new established company will build a 850 MW natural gas power plant which will replace two old coal-fired installations, each with the capacity of 315 MW. The total project value was initially estimated at EUR 506 million, out of which EUR 253 million will be financed by the Modernisation Fund, a new financing tool that contributes to the objectives of the European Green Deal by supporting a socially just transition to a green economy. This initiative may give rise to Research and development costs in future that might be capitalized on the Statement of Financial Position, or expensed, in line with the accounting policies.

Construction of a photovoltaic system
In order to provide its own production of energy from sustainable sources, the Group started to analyse the possibility of installing its own renewable energy production capacities and for this purpose, in the second semester of 2023 the Group started the procedures for the construction of a photovoltaic system consisting in the installation of a 1500 KW photovoltaic power plant and two electrical charging stations. The Group will use the entire amount of energy produced, which will contribute to the increase in the percentage of green energy used in technological processes and reduction of their carbon impact, thus promoting the production aluminium with reduced CO_2 emissions.

Positive impact of aluminium industry on many other industries
Aluminium alone is strong, durable, flexible, lightweight, corrosion, resistant and infinitely recyclable. Industries such as the aeronautics and automotive are using aluminium parts for their products. The Group is a supplier of aluminium for these industries, and thus contributes to these industries' achieving their environment targets of lower carbon emissions and lower energy and fuel consumption. The impact of climate change and compliance regulations is deemed to result in good prospects for the aluminium industry that will be translated in additional sales and revenues for the Group.

Effects of Climate-related matters in the estimation of future cash flows
The Group's future cash flow assumptions aims to align with the EU's decarbonization objectives to ensure financial viability and sustainability. This involves incorporating the costs associated with carbon reduction measures, potential regulatory compliance costs, and opportunities for revenue generation from sustainable initiatives.

Alro plans significant investment projects included in the business plan and cash flow forecasts to ensure a balanced products structure, the quantitative increase of high and very high value added products, improving the product quality control capacity and having in mind the new challenges the Company is facing due to the reduction of produced electrolytic metal, while targeting also the reduction of the carbon print related to Alro technological activities. The CAPEX plan of Alro includes projects, such as:

- Optimise the scrap remelting operation in Eco Recycling Workshop by installing a scrap processing line, comprising shredding, separation and de-lacquering equipment;
- Improve the energy efficiency by installing a water cooling/ recirculation system;
- Increasing the energy efficiency of an anode baking oven;
- Various investments in processed aluminium production aimed to increase the production capacity, energy efficiency and quality control capacity;
- Increasing the energy efficiency of ALRO S.A.'s electricity supply system by installing a photovoltaic plant in ALRO S.A parking area.

Climate change effects on impairment, useful life of assets and other key assumptions
Alro carefully considers the effects of EU decarbonization regulations on impairment assessments, useful life of assets, and other key assumptions. Changes in regulatory requirements and market dynamics resulting from decarbonization efforts may impact the value and longevity of Alro's assets. This necessitates periodic reviews and adjustments to impairment tests, taking into account factors, such as: technological advancements, regulatory compliance costs, and shifts towards sustainable products. Additionally, Alro reassess assumptions related to depreciation schedules, maintenance costs, and asset retirement obligations to accurately reflect the evolving regulatory environment and its implications for the company's financial performance and sustainability.

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The Group invested in increasing the capacity of the Eco-Recycling business, consequently the current version of the business plan takes into account the use of recycled aluminum to a bigger extent, while keeping only two out of five electrolysis halls in operation over the entire forecast period. Production of liquid aluminium doubled in 2024 and is expected to be around 60% higher in 2025 compared to previous period, with an anticipated increase of about 7% in 2026–2027. The Group spends more on acquiring scrap from the market over the entire forecast horizon. This is part of the Group's efforts to recycle and optimize resources, also by increasing the recycled aluminum utilization ratio for our products, to reduce the need of primary aluminum and therefore reduce the CO_2 emissions.

Climate considerations are also included in the impairment calculations directly by estimating the CO_2 certificates. Indirectly, the expected effect of climate change is included in the estimated energy prices consumed during the production process, together with the calculation of compensation income. See more details on compensation income and CO_2 certificates in the section *Other operating income* in the Note 8.

Regulations regarding air pollution

The Group is impacted by the increased regulatory environment in the EU regarding air pollution. The Group, as a heavy industry participant, is affected by the cap-and-trade scheme for greenhouse gas emissions implemented at the level of EU, and the use of best available techniques (BAT). European Commission has proposed a comprehensive set of amendments of the existing emissions trading system (EU ETS), whose outcome should be a global reduction in the concerned sectors by 43% until 2030, compared to the 2005 levels.

On one side, the Group is allotted a certain number of emission rights per annum, in accordance with the provisions of ETS legislation. The accounting policies for emission rights can be found in the Material accounting policies note (Note 4.1) under the subheading Emission rights. Any potential liability resulting from the necessity to buy emission certificates is taken into consideration in the Group's business plans and scenarios. With the prices of emission certificates being volatile, the impact from such liability on the Group's results cannot be ascertained. A provision for CO_2 certificates of RON 11,463 thousand recognised as at 31 December 2024 (for more details, see also *Note 29 Provisions*).

On the other side, the Group is indirectly impacted by the same greenhouse gas emission scheme in the sense that such costs of the electricity producers are included in the final electricity price that the Group has to pay. Due to the volatility of the certificates prices, the electricity rates might reach significantly high levels. That is why the Group monitors, anticipates and takes into consideration all the possible circumstances in order to balance its activities as an integrated group and reduce the quantitative impact of such liabilities, such as the decision to close production units temporarily until the electricity and emission certificates prices return to an acceptable level, and to buy metal from the market. However, the impact of these costs is reduced by the government grants, which are recognised as income in the current financial year, to match them with the related costs which they are intended to compensate. The accounting policies for government grants can be found in the Material acounting policies note (Note 4.1) under the subheading Government grants. The details on the legislation applicable in this respect and the resulting income are presented in the Note 8 *Other operating income*.

Starting 2026, the importers requirement to buy Carbon Border Adjustment Mechanism (CBAM) certificates to cover greenhouse gas emissions footprint will be also implemented, and the price of CBAM certificates shall be linked with the EU ETS carbon prices. Thus, CBAM represents a supplementary cost substantiated by the export on the EU market. The EU's CBAM is the EU's tool to put a fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries.

Except for the provisions for CO_2 certificates, the management of the Group considers that there are no other provisions to constitute in order to meet environmental compliance regulations as at 31 December 2024.

Functional and presentation currency

The functional currency of the Parent Company is the Romanian leu (RON). For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency and translated in the presentation currency.

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The rates applied in translating foreign currencies to RON were as follows:

	31 December 2024	31 December 2023
USD exchange rate at the end of the period**	4.7768 USD/RON	4.4958 USD/RON
	2024	**2023**
USD average exchange rate***	4.5975 USD/RON	4.5758 USD/RON

**) as communicated by the National Bank of Romania
***) computed as an average of the daily exchange rates communicated by the National Bank of Romania

These financial statements are presented in RON thousand, rounded to the nearest unit.

3. Application of the new and revised international financial reporting standards

Following below are the new standards, amendments and interpretations to existing standards adopted starting 1 January 2024 and their effect in the preparation of the Group and the Company financial statements for the year ended 31 December 2024.

Standards and interpretations effective in 2024 that the Group and the Company have applied to these financial statements:

The Group and the Company have adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2024:

- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback* (issued on 22 September 2022). The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. A seller-lessee is required to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. There is no impact from the application of these amendments on the financial statements.

- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020).* The amendments are effective for annual reporting periods beginning on or after 1 January 2024, and are applied retrospectively. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied within twelve months after the reporting period. There is no impact from the application of these amendments on the financial statements, as the Group's and the Company's practices were already in compliance with the requirements of the amendments.

- *IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements.* The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements, disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables, disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. The amendments had no material impact on financial statements as the Group and the Company do not use supplier finance (or reverse factoring).

Standards issued in 2024, but not yet effective and not early adopted

- *IFRS 18 Presentation and Disclosure in Financial Statements* (issued on 9 April 2024), not yet adopted by the EU. The standard will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. IFRS 18 was issued to improve reporting of financial performance and introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements and the notes. IFRS 18 will replace IAS 1 with many of the other existing principles in IAS 1 being retained, with limited

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changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss. In addition, there are consequential amendments to other accounting standards. Management expects that the adoption of IFRS 18 will impact consolidated financial statements, primarily in the form of enhanced disclosures and revised presentation formats. While the overall financial position and results of operations will not change, the increased level of detail and transparency will provide users with more comprehensive and useful information.

- *IFRS 19 Subsidiaries without Public Accountability: Disclosures* (issued on 9 May 2024), not yet adopted by the EU. IFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. The new standard allows subsidiaries that do not have public accountability and whose parent companies prepare consolidated financial statements under IFRS to apply IFRS 19, which enables subsidiaries to maintain only one set of accounting records and reduces their disclosure requirements, addressing the issue of disproportionate disclosures. The directors anticipate that the application of this new standard might contribute to the reduction of the Group's and the Company's cost of preparing financial statements for subsidiaries while maintaining the usefulness of the information for users.

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* (issued on 30 May 2024), not yet adopted by the EU. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice for derecognizing financial liabilities settled using electronic payment systems before the settlement date. They also provide additional guidance on classifying financial assets with ESG-linked features, non-recourse loans, and contractually linked instruments. Furthermore, the amendments require additional disclosures for financial instruments with contingent features and equity instruments classified at fair value through OCI. The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are not expected to affect financial statements.

- *Amendment: Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7* (issued on 18 December 2024), not yet adopted by the EU. The amendments provide guidance on the classification and measurement of contracts where electricity pricing is influenced by weather-dependent factors, such as solar or wind energy. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments include: clarifying the application of the 'own-use' requirements, permitting hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments are effective beginning on or after 1 January 2026 and are not expected to affect financial statements.

- *IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.* The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments have not yet been endorsed by the EU. The directors do not anticipate that the application of the standard in the future will have an impact on the Group's or Company's financial statements.

- *Annual Improvements to IFRS Accounting Standards-Volume 11* (issued on 18 July 2024), not yet adopted by the EU, which addressed narrow-scope amendments, clarifications, corrections, and refinements to several standards, such as IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. Volume 11 annual improvements are limited to changes that either clarify the wording in the standard, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards. These amendments are mandatory for financial years beginning on or after 1 January 2026 with earlier application permitted and their implementation are not expected to have a material impact on the Group's or the Company's financial position or performance.

4. Accounting policies, judgements, estimates and assumptions

4.1 Material accounting policies

The main accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRS Accounting Standards, as adopted by EU). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *IFRS 9 Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

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Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.
The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets and liabilities related to employee benefit commitments are recognized and measured in accordance with *IAS 12 Income Taxes* and *IAS 19 Employee Benefits, r*espectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with *IFRS 2 Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the above mentioned difference is negative, the excess is recognized in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS Accounting Standards, as adopted by EU.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with *IFRS 9 Financial Instruments,* or *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted

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during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investment in associates and joint ventures

The group holds an interest in an associate, CCGT Power Isalnita SA ("CCGT Power").

The financial statements of CCGT Power are prepared for the same reporting period as the Group. The accounting policies of the company is aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group’s share of the profit or loss of the investee after the date of acquisition.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group’s investment in its associate is accounted for using the equity method.

The aggregate of the Group’s share of profit or loss of the associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

Under the equity method, the investment in associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate since the acquisition date.

The statement of profit or loss reflects the Group’s share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within ‘Share of result in associate’ in the statement of profit or loss.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Fair value measurement

The Group and the Company measure financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group or the Company expects to be entitled in exchange for those goods or services

Sales of goods

Under IFRS 15, revenue is recognized when a customer obtains control of the goods. The Group and the Company deliver goods (mainly aluminium products, alumina, bauxite) under contractual terms based on internationally accepted delivery conditions (INCOTERMS).

The Group and the Company recognize revenue at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Variable consideration
Some contracts with customers provide volume rebates, financial discounts, price concessions or a right of return for quality claims.

Under IFRS 15, variable consideration is required to be estimated at contract inception. Revenue is recognized to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. As a consequence, for those contracts for which the Group and the Company are unable to make a reasonable estimate of return, revenue is expected to be recognized sooner than when the return period lapses or a reasonable estimate can be made. To estimate the variable consideration to which it will be entitled, the Group and the Company applied the expected value method. At the same time, the cases of quality claims (rights of return) are isolated and historically immaterial in such a way that, at the year end, the Group and the Company estimate that such reversals are unlikely.

Rendering of services
The Group and the Company perform sundry services occasionally and as a non core business. Revenue is measured at the expected value of the consideration received or receivable. Under IFRS 15, the total consideration in the service contracts is allocated to all services based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group and the Company sell the services in separate transactions. Based on the Group and the Company's assessment, the allocated value based on the stand-alone selling prices of the services, and the stand-alone prices of the services are broadly similar.

Principal versus agent considerations
Under IFRS 15, the assessment is based on whether the Group and the Company control the specific goods before transferring them to the end customer, rather than whether they have exposure to significant risks and rewards associated with the sale of goods.

The Group and Company have concluded that they are the principal in all of their revenue arrangements since they are the primary obligor in all the revenue arrangements, have pricing latitude and are also exposed to inventory.

With some of the clients, the Group and the Company have arrangements by which the client brings in the material (aluminium), and the Group/Company melts it and processes it into final products, for selling it back to the same client. The clients pays a specific processing fee for this service. The performance obligation is the smelting and processing, and the Group/Company do not have possession of the metal while it is on its premises. The Group/Company recognize revenue when the processing is completed and the metal is returned to the client.

The recognition and measurement requirements in IFRS 15 are also applicable for recognition and measurement of any gains or losses on disposal of non-financial assets (such as items of property and equipment and intangible assets), when that disposal is not in the ordinary course of business.

Warranties
Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognized at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's and Company's obligation.

Contract liabilities
Amounts received from customers in advance of goods delivery or service performance are recognized by the Group and the Company as liabilities on the Statement of Financial Position as Contract liabilities, until the Group or the Company actually transfers control of the goods delivered to the client or performs the contracted service.

Leasing

The Group and Company as lessee
The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as licenses, small items of office equipments, etc.). For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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Lease liability
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

-The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

-A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets
The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group or the Company incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset, as follows:

	Alro Group	Alro
Land	1 - 5 years	1 - 5 years
Plant and machinery	1 - 5 years	1 - 5 years
Equipment and vehicles	1 - 8 years	1 - 8 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the estimated useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group and the Company applies *IAS 36 Impairment of assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Impairment of tangible and intangible assets policy below.

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The Group and Company as lessor
The Group and Company enter into lease agreements as a lessor with respect to some of their investment properties.

Leases for which the Group or the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's or Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's and Company's net investment outstanding in respect of the leases.

Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date and included as foreign exchange difference. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

For the purpose of presenting the financial statements in RON, the assets and liabilities of the foreign operations whose functional currencies are different than RON, are translated at the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rate for the periods presented. Equity items are translated at their historical exchange rates. Exchange differences arising on the translation are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are de-recognized but they are not reclassified to profit or loss.

Employee benefits

The Group and Company, in the normal course of business, make payments on behalf of its employees for pensions, health care and unemployment cover. The cost of these payments is charged to profit or loss in the same period as the related salary cost.

The Group and the Company award their employees with some retirement benefits according to the Collective Labour Agreement. For this defined benefit retirement plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting period. The remeasurement comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorized as follows:

- Service costs (comprising current service cost, past service cost, as well as gain and losses on curtailments and settlements), included in profit or loss line item "Cost of goods sold" or "General and administrative expenses" within personnel costs.

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- Net interest expense, included in profit or loss within interest expense.
- Remeasurement.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

Taxation

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The fiscal losses generated by the Romanian Group companies before 31 December 2023 can be carried forward for 7 years and recovered within a limit of 70% of the related taxable profits. The annual tax loss generated starting with 2024, will be recovered at a rate of 70% of taxable profits obtained in the next 5 consecutive years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year
Current and deferred tax are recognized in the consolidated profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

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Starting from 1 January 2024, according to the provisions of Law no. 296/2023 and amendments to the Fiscal Code, legal entities with a turnover exceeding EUR 50,000,000 in the previous year are required to pay additional taxes on turnover. In this context, for the year 2024, the following were introduced:
·*Minimum turnover tax* (IMCA): applicable to taxpayers exceeding the mentioned turnover threshold and whose profit tax is lower than the minimum tax set by fiscal regulations. IMCA is set at 1% of turnover.
·*Additional turnover tax* (ICAS): owed by legal entities operating in the oil and natural gas sectors, according to CAEN codes established by OMF no. 5433/2023, and exceeding the EUR 50,000,000 turnover threshold. ICAS is set at 0.5% of turnover.

For the year 2025, according to the provisions of Law 290/2024, the obligation to pay the Additional Turnover Tax (ICAS) remains, but the turnover threshold of EUR 50,000,000 is eliminated.

In the case of entities operating in the oil and natural gas sectors, they are not subject to the IMCA rules, but are required to pay ICAS according to Article 18^3 of the Fiscal Code (respectively Article 46^2 in 2025), alongside the profit tax regulated by Article 13 of the Fiscal Code. This additional tax obligation is applicable for the period from 1 January 2024 to 31 December 2025.

In this context, ALRO, as a major taxpayer, has the CAEN secondary activity code 3522 – "Distribution of gaseous fuels through pipelines" and provides services as an operator of a closed natural gas distribution system to gas suppliers, who are users of this distribution system. Given these aspects, ALRO is subject to the provisions of Article 18^3, respectively Article 46^2 of the Fiscal Code and is obligated to pay the additional turnover tax (ICAS).

According to OMFP no. 2,844/2016, with subsequent amendments, the minimum turnover tax (IMCA) is assimilated to the profit tax, while the additional turnover tax (ICAS) is assimilated to an operational expense.

Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of VAT except:
- Where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- When receivables and payables are stated with the amount of sales tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group and Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's and Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated.

Depreciation is recognized so as to write off the cost less their residual values over the following useful lives, using the straight-line method:

	2024	2023
Buildings and special constructions	1 - 60 years	2 - 60 years
Plant and machinery	1 - 35 years	1 - 35 years
Equipment and vehicles	1 - 25 years	1 - 25 years

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The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In particular, the Group and the Company consider the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group and the Company determine whether climate-related legislation and regulations might impose additional energy efficiency requirements on the Group's buildings and office properties, their impact on the useful life or residual values and on financial forecasts used for the purpose of impairment testing.

Depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated profit or loss at the date of the derecognition.

Investment properties

The Company's investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost, less any accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write off the cost less their residual values over their useful lives, using the straight-line method. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Intangible assets

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are measured on initial recognition at cost and carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure
Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets are amortized over a period between 3 years (for software) and 50 years (for concessions).

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Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

De-recognition of intangible assets
An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in consolidated profit or loss when the asset is derecognized.
Impairment of tangible and intangible assets
At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Temporarily idle property, plant and equipment are assessed for impairment individually. For assets put in conservation for an undefined period in accordance with the Board of Directors decision, the Group recognizes an impairment loss equal to their carrying value as at the date of the transfer. Subsequently, these assets are reviewed for possible reversal of impairment, depending on the Group's plans to operate them in the future.

Inventories

Inventories are stated at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: purchase cost on a first in, first out basis;
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing cost, determined on weighted average basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognized when the Group and Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning liability

Decommissioning costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized when the Group and Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in consolidated and separate profit or loss.

Effective interest method
The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets

For purposes of subsequent measurement financial assets are classified into the following specified categories: amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVTPL).

- *Debt instruments at amortised cost* for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely payments of principal and interest (SPPI) criterion. This category includes the Group and Company's Trade and other receivables and Long-term loans receivable.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

- *Financial assets at fair value through OCI (equity instruments)*. Upon initial recognition, the Group and the company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Currently the Group and the Company has no significant assets at fair value through OCI.

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- *Financial assets at FVPL* include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets mandatory at FVTPL represent trade receivables of the Group/Company covered by factoring contracts that were not yet sold to the factor at the reporting date.

Impairment of financial assets
The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. More information about the Group's provision matrix is disclosed in Note 36.

Trade receivables of the Group / Company are generally on terms of 30 to 90 days. The Group / Company considers a financial asset in default when contractual payments are past due beyond these terms. However, in certain cases, the Group/Company may also consider a financial asset to be in default when internal or external information indicates that the Group/Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group/Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets
The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and Company recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, they continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

Investments in subsidiaries

In the separate unconsolidated financial statements investments in subsidiaries are stated at historical cost less accumulated impairment losses.

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Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and statement of cash flows comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

Financial liabilities

Financial liabilities are classified as either *Financial liabilities at FVTPL* or *Other financial liabilities.*

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 Financial Instruments permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the Gains (losses) from derivative financial instruments, net or Other financial gains/(losses), net. Fair value is determined in the manner described in Note 36.

Other financial liabilities
Other financial liabilities (including borrowings) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group and Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with *IFRS 9 Financial Instruments*; and

- the amount initially recognized less, where appropriate, cumulative amortisation recognized in accordance with the revenue recognition policies.

Derecognition of financial liabilities
The Group and the Company derecognise financial liabilities when, and only when, the Group's and Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

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Derivative financial instruments

The Group and Company enter into a variety of derivative financial instruments to manage its exposure to market risk and foreign exchange rate risk, including foreign exchange forward or option contracts, swaps and options to manage the commodity prices risks associated with sales of aluminium based on the London Metal Exchange price for High Grade Aluminium ("LME"). The Group/ Company uses similar financial instruments, when necessary, to hedge the price risk of production input, such as electricity.

Further details of derivative financial instruments are disclosed in Note 36. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Related parties

Parties are considered related when other party, either through ownership, contractual rights, family relationship or otherwise, has the ability to control or significantly influence the other party.

Government grants

Government grants are recognised once there is reasonable assurance that the Group and the Company will comply with the conditions attached to them and that the grants will be received. They are recognised in the profit or loss over the periods necessary to match them with the related costs which they are intended to compensate and are disclosed under Other operating income. Government grants that are receivable as a compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group and Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grant received as a compensation for indirect emissions is recognized once the applicable legislation comes into force and the Group and the Company has legal or constructive rights to receive the government grant and all the conditions are fulfilled. The measurement of the maximum compensation income for each period is made in accordance with the published formula. The Group's and the Company's attributable proportion of compensation in relation to the capped total annual compensation budget is further estimated with reference to the CO_2 certificates under compensation based on the Group's and Company's actual output for the period. The number of certificates for the rest of beneficiaries to the state aid scheme used in calculating the Group's and the Company's proportion is estimated based on the prior year figure, adjusted to the extent possible, with available market data.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight - line basis over the expected lives of the related assets.

Emission rights

The Group and Company recognise the deficit in emission certificates in the consolidated and separate financial statements based on the net liability method. Under this method only those liabilities that are expected to result from exceeding the emission certificates quotas granted are recognized.

The Group and Company estimate their annual emission volumes at the end of each reporting period and recognise the total estimated additional liability for the expected excess of emission volumes at the fair value of additional units to be purchased or penalties to be incurred under the national legislation. The additional net liability is recognized in profit or loss based on unit of production method under the category Other operating expenses in the Income Statement, on one side, and in Provisions, current on the Statement of Financial Position, on the other side.

In case the Group and the Company estimate utilization of less than the allocated emission certificates any potential income from the sale of unused emission certificates is recognized only on actual sale of those certificates.

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Operating segments

An operating segment is a component of the Group and Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the Group's and Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which distinctive financial information is available. Segment information is presented in respect of the Group's and Company's business and geographical segments and is determined based on the Group's management and internal reporting structure.
Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments (other than investment property) and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Group's and Company's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Dividends

Dividends are recorded as a liability in the Group and Company's financial statements in the period in which they are approved by the Company's shareholders and reflected in a corresponding diminution of shareholders' equity.

As per the Order of the Minister of Public Finances no. 3067/2018 on completing certain accounting regulations, the quarterly distribution of profit to shareholders is made on an optional basis, during the financial period, within the limits of the quarterly achieved net accounting profit, plus potential carried forward profits and amounts from reserves available for this purpose, less any loss carried forward from previous years and amounts placed in reserves as per the legal or statutory requirements.

The settlement of potential differences resulting from dividends distribution during the year is to be made after the approval of annual financial statements, and the payment of potential differences resulting from such settlement must be made within the legally set timeframe. Any excess dividends distributed and paid during the financial period will be paid back by the shareholders to the Company within the legally set timeframe.

4.2 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are presented below. The Group and the Company based their assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group and Company. Such changes are reflected in the assumptions when they occur.

Judgements

Determining the lease term of contracts with renewal and termination options
The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for them to exercise either the renewal or termination. At 31 December 2024 the carrying amount of the right-of-use assets for which the Group and the Company estimated that will exercise the extension option is RON 1,617 thousand for the Group and RON 1,808 thousand for the Company (2023: RON 1,227 thousand for the Group and RON 961 thousand for the Company). Refer to Note 19.

Government grants - compensation for CO_2 emission indirect cost
Significant judgement is required when determining the timing and value for the recognition of government grants related to

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income. The management carefully evaluates whether the conditions associated with the grants are met, irrespectively if the cash was actually received during the reporting period, and it also determines whether the grants compensate expenses already incurred or future costs. Consequently, the grants could be recognized as income in the current financial year, to match them with the related costs which they are intended to compensate, or on a receipts basis, only if no basis existed for allocating the grant to periods other than the one in which it was received. In addition, if a government grant may become receivable by the Group or the Company as compensation for expenses or losses incurred in a previous period, such a grant is recognised in profit or loss of the period in which it becomes receivable, with disclosure to ensure that its effect is clearly understood. As mentioned above in Note 4.1, the attributable proportion of compensation to the Group and the Company in relation to the total capped annual compensation budget is estimated with reference to the CO_2 certificates based on the actual production of the Group and the Company for the respective period and to the certificates of estimated CO_2 for the other beneficiaries of the state aid scheme. The number of certificates for the other beneficiaries is estimated based on the figure from the previous year, adjusted as much as possible, with the available market data. A prudency adjustment capping up to 80% of the calculated amount is applied. See also Note 8.

Supply contracts with price linked to costs
Alro concluded aluminum delivery contracts with certain clients, where the price is linked to the market cost of inputs (energy, gas) and inflation index in order to protect itself against high increases in the prices of inputs. The Company analyzed the contracts and concluded that the clauses are closely related to the business, such that no derivatives need to be separated.

Debt modifications and extinguishments
Significant judgment is required when determining the accounting treatment of the changes to the existing borrowing arrangements. The management carefully evaluates whether the new modifications to the contractual terms of loans are substantial different from the terms of the original debts by making qualitative analysis (change in the basis of interest calculation, such as moving from fixed to floating rate, a significant extension in the term of the debt), as well as quantitative analysis (‘the 10% test’). The management also considers whether these changes relate to a loan offered by a group of lenders (a syndicated loan) or a loan from a single borrower and make further assessments: whether there is a single loan or multiple loans, whether there is a change in the lead lender etc. If the conclusions are that there are substantial modifications to the debt, the amended loan should be accounted for as an extinguishment to the debt, otherwise the amended loan should be treated as a modification of the respective loan. See also Note 28.

Estimates and assumptions

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on a discounted cash flow projections model, on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from budgets prepared by the Group and Company and do not include restructuring activities that the Group and Company are not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Notes 14, 16 and 18.

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group and Company established provisions, when necessary, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the Group and Company and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in that context.

Deferred tax assets are recognised for carried forward tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details are disclosed in Note 12.

At 31 December 2024, the Group has RON 265,318 thousand (2023: RON 264,155 thousand) of fiscal losses for which no deferred tax was recognized. These losses relate mainly to Alum and may not be used to offset taxable income elsewhere in the Group. Given the uncertainties surrounding the timing and amounts of future taxable profits available to offset tax losses, the Group has

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determined that it cannot recognise deferred tax assets on some of the tax losses carried forward. If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would increase by RON 42,451 thousand at 31 December 2024 (2023: RON 42,265 thousand). Further details on taxes are disclosed in Note 12.

The legislation on additional turnover taxes is recent, and interpreting the new provisions may be uncertain, especially in the case of regulations applicable to the oil and gas sector. In the absence of a detailed guide or an established practice in applying Article 18^3 (respectively Article 46^2 starting in 2025) of the Fiscal Code, there is a risk that the tax authorities' interpretations may differ from those applied by the company. In this context, following the application of the ICAS provisions, ALRO recognized an expense of RON 17,185 thousand, recorded under Taxes other than income taxes within operating expenses. The amount owed was calculated based on the fiscal provisions in effect at the reporting date, however, future interpretations by the competent authorities or legislative changes may impact the company's tax obligations.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.
Provision for rehabilitation
The Group and the Company have recognized a provision for the rehabilitation of the premises where they deposit scrap from production. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, inflation rates, effective costs of works to be performed and the expected timing of these costs. See Note 29 for further details.

Defined benefit plans
The cost of the defined benefit plans and the present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, personnel turnover and longevity. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Additional information is disclosed in Note 30.

Estimating the incremental borrowing rate
If the Group and the Company cannot readily determine the interest rate implicit in the lease, they use their incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions). Refer to Note 19.

Provision for expected credit losses of trade receivables
The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the customer from the date the credit was initially granted up to the reporting date and adjusted for forward looking factors specific to the debtors and the economic environment. Separately, the Group make individual assessment for old and significant receivables. For these receivables, if forecast economic conditions are expected to deteriorate over the next year which can lead to a possibility of default, the historical default rate is adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the expected credit loss and the forecasts for individually assessed receivables are a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 22, Note 23 and Note 36.

Other accounting judgements
The management uses critical accounting judgements also for the provisions and allowances for receivables and inventories, impairment of financial assets and contingent liabilities (Refer to notes 21, 22, 36 and 37).

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5. Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers, including intra-group sales:

Segments	Alumina	Primary aluminium	Processed aluminium	Others	2024 Total
Type of good or service					
Sale of alumina	63,622	-	-	-	**63,622**
Sale of primary aluminium	-	1,462,867	-	-	**1,462,867**
Sale of processed aluminium	-	-	2,296,220	-	**2,296,220**
Other revenues and services performed	6,077	-	536	17,837	**24,450**
Total revenue from contracts with customers	**69,699**	**1,462,867**	**2,296,756**	**17,837**	**3,847,159**

Segments	Alumina	Primary aluminium	Processed aluminium	Others	2023 Total
Type of good or service					
Sale of alumina	279,462	-	-	-	**279,462**
Sale of primary aluminium	-	1,227,813	-	-	**1,227,813**
Sale of processed aluminium	-	-	1,969,413	-	**1,969,413**
Other revenues and services performed	5,192	-	212	33,720	**39,124**
Total revenue from contracts with customers	**284,654**	**1,227,813**	**1,969,625**	**33,720**	**3,515,812**

During 2024, the Group's revenue increased, driven primarily by the Processed Aluminium segment, where demand rose for high-margin products such as plates and extruded items, supported also by the upward trend in LME prices. Alumina sales declined, as only existing inventory was sold to third parties, with no new production during this period.

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information in Note 6:

Revenue	Alumina	Primary aluminium	Processed aluminium	Others	2024 Total
Revenue from contracts with customers	69,699	1,462,867	2,296,756	17,837	**3,847,159**
Inter-segment transactions	-50,765	-373,685	-3,011	-11,661	**-439,122**
Total Group revenue (Note 6)	**18,934**	**1,089,182**	**2,293,745**	**6,176**	**3,408,037**

Revenue	Alumina	Primary aluminium	Processed aluminium	Others	2023 Total
Revenue from contracts with customers	284,654	1,227,813	1,969,625	33,720	**3,515,812**
Inter-segment transactions	-267,002	-377,267	-3,744	-18,082	**-666,095**
Total Group revenue (Note 6)	**17,652**	**850,546**	**1,965,881**	**15,638**	**2,849,717**

Transactions between operating segments are based on transfer prices that are set in a manner similar to transactions with third parties. For the way the Group monitors the performance of its segments, please see Note 6.

The revenue of the Alumina segment including intra-group sales are lower in 2024, as the plant became a sales agent starting March 2024 and only invoiced Alro a commission for transactions intermediated since then, while in 2023 it had been buying alumina and selling it to Alro at a margin.

As regards the Parent Company alone, this is organised into two divisions: primary aluminium division which manufactures and sells primary aluminium products like wire rod, slabs, billets and ingots and the processed aluminium division, which develops and sells flat rolled products such as sheets, plates and coils. The Company revenues from contracts with customers of primary products, including intra-group sales, were of RON 1,462,867 thousand and the revenues from Processed products of the Company only were

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of RON 1,722,454 thousand in 2024 (RON 1,227,813 thousand for Primary aluminium products and the revenues from Processed products of the Company only were of RON 1,272,053 thousand in 2023).

Contract liabilities

In 2024, the Group and the Company recognized the amount of RON 23,084 thousand and RON 21,545 thousand, respectively, existing at 31 December 2023 under Contract liabilities as revenue from performance obligations satisfied (RON 23,578 thousand at the Group level and RON 21,957 thousand at the Company level balance as of 31 December 2023). The balance of RON 39,161 thousand and RON 38,609 thousand, respectively, existing at 31 December 2024 under *Contract liabilities* will be recognized in 2025 from performance obligations that will be satisfied.

6. Segment information

For management purposes, the Group is organized on a vertically integrated basis into three segments: alumina, primary aluminium and processed aluminium. For the purpose of resource allocation and assessment of segment performance the segments are the basis on which the Group reports its segment information to the chief operating decision maker. The alumina segment located in Tulcea, Romania, used bauxite to produce alumina, which is the principal raw material for aluminium smelting. The alumina production has been temporarily suspended since August 2022 and replaced with alumina purchased from the market for the Group needs, subsequently becoming Alro's purchasing agent starting March 2024. The Primary aluminium division manufactures primary aluminium products like wire rod, slabs, billets and ingots. Most of the slabs are used in the Processed aluminium segment to manufacture flat rolled products, such as sheets, plates, coils that are further sold to external clients. The Primary aluminium segment include also some sales of aluminium finished products (such as billets and wire rod to group and external companies), which are processed out of the metal brought in by the client, and for which revenue is recognized only at the level of a processing fee. Additionally, the Processed segment of the Group includes the extrusion plant in Slatina, which makes extruded aluminium products out of the billets mostly acquired from the Parent company. Both the Primary and Processed aluminium divisions are located in Slatina, Romania. No operating segments have been aggregated to form the above reportable operating segments.

Segment revenues and expenses are directly attributable to the segments; joint expenses are allocated to the business segments on a reasonable basis. The income, expenses and result per segments include the transfers between business segments.

In order to have a better visibility on the operational and financial performance of the Group segments, to be able to benefit from its synergies as an integrated group, the Management monitors the segments results whereby the inter-segment transactions are reported at their cost. For the purpose of this note, the inter-segment transfers of the alumina segment, represented by deliveries of raw material, and also the transfers of the aluminium segments, consisting of slabs transfered by Alro to its own processing division and billets transferred to the Vimetco Extrusion extruding plant, are reflected at their complete cost, regardless of the fact whether they are within the same entity or not.

The management monitors interest income and expense on a net basis.

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Alro Group revenues and results for the year 2024 and 2023 by segment were as follows:

	Alumina	Primary aluminium	Processed aluminium	Others	Inter-segment operations	Total
2024						
Sales to external customers	18,934	1,089,182	2,293,745	6,176	-	**3,408,037**
Inter-segment transfers	46,147	1,849,613	3,011	11,661	-1,910,432	**-**
Total sales revenues	**65,081**	**2,938,795**	**2,296,756**	**17,837**	**-1,910,432**	**3,408,037**
Segment results (gross profit)	**5,194**	**77,583**	**90,581**	**7,448**	**-3,903**	**176,903**
Other operating income and expenses, net	-33,072	-71,045	-237	154,691	-2,103	**48,234**
Operating result (EBIT)	**-27,878**	**6,538**	**90,344**	**162,139**	**-6,006**	**225,137**
Total depreciation, amortisation and impairment	7,361	66,046	47,853	80	-1,832	**119,508**
EBITDA	**-20,517**	**72,584**	**138,197**	**162,219**	**-7,838**	**344,645**
Interest and other finance costs, net						**-154,752**
Net foreign exchange gains / (losses)						**-41,108**
Result before income taxes from continuing operations						**29,277**
2023						
Sales to external customers	17,652	850,546	1,965,881	15,638	-	**2,849,717**
Inter-segment transfers	242,727	1,640,641	3,744	18,082	-1,905,194	**-**
Total sales revenues	**260,379**	**2,491,187**	**1,969,625**	**33,720**	**-1,905,194**	**2,849,717**
Segment results (gross profit)	**-7,198**	**-170,833**	**-48,969**	**9,476**	**1,160**	**-216,364**
Other operating income and expenses, net	-214,886	-10,261	63,032	-237,128	251,699	**-147,544**
Operating result (EBIT)	**-222,084**	**-181,094**	**14,063**	**-227,652**	**252,859**	**-363,908**
Total depreciation, amortisation and impairment	159,717	66,462	50,158	188,696	-248,157	**216,876**
EBITDA	**-62,367**	**-114,632**	**64,221**	**-38,956**	**4,702**	**-147,032**
Interest and other finance costs, net						**-139,115**
Net foreign exchange gains / (losses)						**-3,810**
Result before income taxes from continuing operations						**-506,833**

In 2024, sales of aluminum products saw significant increases compared to the same period in 2023, with processed aluminum products witnessing a 30% growth in sales volume and primary aluminum products experiencing a rise of approximately 19%, using more slabs internally to support the increase in value-added production. On the other side, the increase of the LME by 172 USD/t compared to the average level of the last year, influenced to a small extent the revenue of the aluminum segments, this being significantly offset though by lower premiums. In the category *Other operating income and expenses, net,* the Group reported the net amount of RON 248,761 thousand for the compensation of energy costs recorded in 2024, based on the EU Emissions Trading Scheme (ETS) (in 2023: a net amount of RON 296,351 thousand). The compensation is allocated to the primary aluminum and processed aluminum segments based on the electricity costs incurred directly and indirectly, through the raw materials produced by one segment and transferred to another segment, such as aluminum metal. For details, see *Note 8 Other operating income.*

Other operating income and expenses, net includes on one side the general and administrative expenses and other operating expenses, and on the other side, it includes sundry income generated from non-core activities. Where the costs and income cannot be allocated to a specific segment, they are included in the column *Others*. Also, in 2024 this category includes revenues of RON 195,948 thousand from the sale of CO_2 emission certificates by the Group and government grants of RON 4,395 thousand (in 2023 this category includes revenues of RON 8,997 thousand from the sale of CO_2 emission certificates and revenues from government grants of RON 4,267 thousand).

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventories, property, plant and equipment and intangible assets, net of allowances for impairment. While most of such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of trade payables, wages and taxes payable and accrued liabilities. Segment assets and liabilities do not include deferred income taxes, borrowings, financial liabilities and other un-allocatable items.

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Segment assets and liabilities at 31 December 2024 and 31 December 2023, respectively, were as follows:

Alro Group	Alumina	Primary aluminium	Processed aluminium	Others	Inter-segment balances	Total
31 December 2024						
Total assets	179,387	1,071,195	1,064,250	1,162,901	-230,079	**3,247,654**
Total liabilities	77,012	473,714	205,042	1,572,853	-91,506	**2,237,115**
Capital expenditure	313	67,091	72,525	190	-	**140,119**
Accumulated impairment of property, plant and equipment	-84,255	-566	-20,394	-	-	**-105,215**
31 December 2023						
Total assets	239,678	1,146,863	1,046,517	763,376	-275,829	**2,920,605**
Total liabilities	139,602	210,215	180,687	1,517,064	-129,576	**1,917,992**
Capital expenditure	1,816	54,788	39,088	2,175	-	**97,867**
Accumulated impairment of property, plant and equipment	-77,546	-566	-21,069	-8,122	-	**-107,303**

As at 31 December 2024, the total assets representing *Others* include mainly the Company's investments in subsidiaries and associates of RON 360.380 thousand (as at 31 December 2023: RON 252,447 thousand) (for details, see Notes 16 and 17), cash and restricted cash of RON 605,534 thousand (as at 31 December 2023: RON 309,291 thousand), administrative buildings of RON 39,858 thousand (as at 31 December 2023: RON 37,229 thousand), deferred tax asset of RON 86,564 thousand (as at 31 December 2023: RON 90,032 thousand) and derivative financial instruments, when applicable.

As at 31 December 2024, the total liabilities representing *Others* include mainly Company's borrowings and leases of RON 1,531,285 thousand (as at 31 December 2023: RON 1,476,565 thousand), post-employment benefit obligations and provisions of RON 57,844 thousand (as at 31 December 2023: RON 32,978 thousand), and, when applicable, dividends.

Inter-segment operations include intercompany eliminations.

The following table shows the distribution of the Group and the Company sales by geographical location of the customer:

	Alro Group		Alro	
	2024	**2023**	**2024**	**2023**
Romania	577,762	536,617	917,178	888,123
Other EU countries	2,414,775	2,004,306	1,890,432	1,349,636
Other European non-EU countries	305,056	268,210	287,489	256,739
USA	41,531	4,304	41,531	4,304
Other countries	68,913	36,280	66,109	34,783
Total	**3,408,037**	**2,849,717**	**3,202,739**	**2,533,585**

7. General, administrative and selling expenses

	Alro Group		Alro	
	2024	**2023**	**2024**	**2023**
Staff costs	-146,164	-150,442	-102,421	-79,786
Third party services	-65,926	-58,804	-81,247	-62,162
Consulting and audit	-64,844	-42,504	-54,936	-26,023
Consumables	-9,629	-8,407	-8,964	-7,736
Taxes other than income taxes	-28,452	-17,477	-27,239	-16,044
Depreciation and amortisation	-5,556	-6,420	-4,251	-4,471
Insurance	-11,151	-10,114	-8,950	-7,818
Marketing and public relations	-6,165	-3,678	-3,792	-2,193
Travelling	-3,025	-7,687	-821	-1,179
Research and development costs	-19,689	-16,248	-14,670	-13,504
Other	-6,726	-7,110	-5,582	-4,742
Change in allowance for expected credit losses of trade receivables	-84	-217	-332	61
Total	**-367,411**	**-329,108**	**-313,205**	**-225,597**

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In 2024, the category *Staff costs* includes a provision of RON 12,123 thousand booked by the Group and the Company in accordance with the Collective Labour Contracts, following the financial results of the year 2024. Refer also to *Note 29 Provisions.* The exact amount and timing of the remuneration will be established after the approval of the financial statements for the year 2024. On the other side, in 2023, in the category *Staff costs* were included certain bonuses for good performance granted by one of the Group's subsidiaries for the good results it obtained during the period, as well as the salary increases based on 2023 inflation as a result of the negotiations of the Collective Labour Contract.

The Group and the Company incur *Consulting and audit costs* that include mainly legal, technical and financial consulting, as well as audits for various projects or for compliance with regulatory requirements. In 2024, at the Company level, this category also includes commissions of RON 10,517 thousand for the acquisition of alumina by Alum as Alro's purchasing agent starting March 2024 (in 2023: nil).

Effective 1 January 2024, a new Law No. 296/2023 was enacted requiring that legal entities engaged in oil and natural gas activities, according to the NACE codes established by Order of the Ministry of Finance (OMF) No. 5433/2023, and whose turnover exceeds EUR 50,000,000 must pay an additional turnover tax equal to 0.5% of calculated turnover based on a provided formula. In 2024, the Parent company calculated this specific turnover tax and recognized a tax of RON 17,185 thousand and included it in the category *Taxes other than income taxes* (in 2023: the Parent company recognized an expense of RON 7,095 thousand as an additional VAT amount resulting from a fiscal inspection which was carried out by the relevant tax authorities starting July 2023). See also Note 34 *Other current liabilities.*

The Group recognized research and development costs related to the EU funded project for the research infrastructure for the aluminium alloy heat treated plates with high qualification industrial applications at Alro and also the project for the research of aluminum hydroxide technology (dry and wet) at Alum. The target of these projects is to establish new technologies to obtain plates for industrial application and to increase the level of innovation and market competitiveness of the Group, while expanding the products portfolio to include new products. The investments made by the Group in these projects are capitalized in specific equipment that started to be depreciated after the installing of the equipment in the first half of 2019.

8. Other operating income

	Alro Group		Alro	
	2024	2023	2024	2023
Other operating income				
Rental income	3,107	3,548	3,838	4,287
Government grants	253,379	300,694	250,715	297,584
Income from sale of emission rights	195,948	8,997	167,116	-
Income from unused provision reversals	6,770	14,236	3,357	2,389
Income from claims and penalties	12,349	15,410	12,423	15,587
Reversal of impairment of property, plant and equipment	-	-	-	491
Other income	917	3,174	2,070	3,774
Total other operating income	**472,470**	**346,059**	**439,519**	**324,112**

In 2024, the Group and the Company recognized *Government grants* of RON 302,382 thousand at the Group level and RON 300,000 thousand at the Company level, representing compensation to which the Group and the Company are entitled for the high electricity costs incurred during the reporting period (in 2023 the Group recognized government grants of RON 373,980 thousand and the Company RON 372,156 thousand). In December 2024, the Group received RON 320,359 thousand and the Company RON 319,196 thousand as compensation for 2023 indirect emissions costs, resulting in a lower amount than the one registered by the Group and the Company as an estimate on 31 December 2023 (see also *Note 23 Other current financial assets*). The difference of RON 53,621 thousand at the Group level and RON 52,960 thousand at the Company level between the amount accrued as at 31 December 2023 and the amount actually received in December 2024 was accounted for as a reduction of income from *Government grants* in 2024 (2023: the difference of RON 77,629 thousand at the Group level and RON 78,090 thousand at the Company level between the amounts accrued as at 31 December 2022 and the amounts actually received in 2023). The compensation scheme is part of Europe and Romania's plans to sustain large energy-consuming enterprises for high electricity prices resulting from their indirect emission costs, in accordance with the EU Emissions Trading Scheme (ETS).

In addition, the category *Government grants* includes RON 4,395 thousand at the Group level and RON 3,454 thousand at the Company level (in 2023: RON 4,267 thousand at the Group level and RON 3,442 thousand at the Company level) representing government grants received in the period 2013 - 2024 for the investment in equipment intended for the production activity, as well as for purchasing of equipment for research and development activities within the Group. The grants are recognized as income linearly during the useful life of the equipment for which they were received. For further details, see also *Note 31 Government grants.*

In 2024, the Group and the Company sold CO_2 emission certificates of RON 195,948 thousand and RON 167,116 thousand, respectively, and included them under *Income from sale of emission rights*, due to the investments made in energy efficiency in the latest years (in 2023: RON 8,997 thousand at the Group level).

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In 2024, in the category *Income from unused provisions reversals* was included RON 6,770 thousand at the Group level and RON 3,357 thousand at the Company level representing the reversal of unused management compensation provision recognised by the Parent Company, while in 2023, an income of RON 11,847 thousand were recognised by Alum from the reversal of a provision for CO_2 certificates estimated to be acquired for the year 2022.

In 2024, in the category *Income from claims and penalties* is included income from penalties of RON 5,751 thousand charged to one of equipment supplier for non-fulfillment of contractual conditions and also income from penalities of RON 5,616 thousand recorded by the Parent Company resulting from a fiscal inspection which was carried out by the relevant tax authorities starting July 2023, for which their cancellation was approved according the Government Emergency Ordinance no. 107/4.09.2024 (in 2023: RON 14,452 thousand representing an indemnity received for a piece of equipment which was damaged during a fire incident that took place in 2018 at the Processing mill premises and indemnities received from the insurance company for fire broke out at the Eco recycling section of the aluminium plant in Slatina in July 2022).

9. Other operating expenses

	Alro Group		Alro	
	2024	2023	2024	2023
Idle plants depreciation expenses	-18,696	-36,593	-15,187	-18,764
Net (loss)/ gain on disposal of property, plant and equipment	-1,250	-331	-384	68
Impairment of property, plant and equipment	-1	-77,056	-	-
Claims, fines and penalties	-62	-8,513	-	-8,167
Non-productive costs	-11,904	-35,700	-	-
Other expenses	-24,912	-6,302	-14,557	-1,096
Total other operating expenses	**-56,825**	**-164,495**	**-30,128**	**-27,959**

Idle plants depreciation expenses represent the depreciation incurred by the Group on temporarily idled production facilities, mainly caused by the suspension of the operation of 3 electrolysis halls and the alumina plant in Tulcea in 2022. At 31 December 2023 the subsidiary Alum recognized an impairment for property, plant and equipment that led to the decrease of the depreciation expenses in 2024 compared to 2023.

At 31 December 2023, as a result of the impairment review of property, plant and equipment, carried out by an independent evaluator, the Group's subsidiary Alum recognized an impairment of RON 77,547 thousand, as the recoverable value of property, plant and equipment was below its carrying value (in 2024 no such impairment was recognized). For more details about impairment charges or reversals, please see *Note 14 Property, plant and equipment.*

In 2023, in the category *Claims, fines and penalties*, the Parent company recognized an expense of RON 8,092 thousand as penalties resulting from a fiscal inspection which was carried out by the relevant tax authorities starting July 2023. See also *Note 34 Other current liabilities.*

The category *Non-productive costs* represents the costs recorded by the subsidiary Alum after the cessation of alumina production in August 2022. In 2023, this category included also costs of RON 11,570 thousand related to descaling of tanks in precipitation (no such costs in 2024).

In 2024, the category *Other expenses* included RON 11,463 thousand recognized by the Parent Company as a provison for CO_2 certificates needed to be acquired for the year 2024 (see also *Note 29 Provisions*). No such amounts were recognised in 2023.

10. Interest expenses

	Alro Group		Alro	
	2024	2023	2024	2023
Interest expense	-125,560	-129,419	-122,990	-124,380
Total	**-125,560**	**-129,419**	**-122,990**	**-124,380**

Interest expenses from discontinued operations, not included in the table above in 2023, were of RON 1,429 thousand.

During the year 2024, CME Term SOFR was used instead of USD LIBOR (London Interbank Offered Rate) in the existing facilities of the Group. CME Term SOFR means the Term SOFR reference rate administered by CME Group Benchmark Administration Limited

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(or any other person which takes over the administration of that rate). This reference rate was implemented starting 1 July 2023, and before that, LIBOR was used for the same contracts.

Interest expense includes the amount of RON 18,946 thousand for the Group and the amount of RON 18,932 thousand for the Company (in 2023: RON 11,334 thousand for Group and RON 11,248 thousand for Company) representing transaction costs on loans, which are recognized during the period as interest expense based on the effective interest rate method. The cash effectively paid as transaction costs in 2024 for loans taken or extended was of RON 23,588 thousand for the Group and the Company and it is included in the Statement of cash flows under *Interest paid* (in 2023: RON 20,480 thousand were paid for the Group and the Company).

11. Other financial costs and income

	Alro Group		Alro	
Other financial income	**2024**	**2023**	**2024**	**2023**
Interest income	5,693	19,057	5,118	18,851
Dividend income	15	-	15	-
Other financial gains	427	367	35	-
Total	**6,135**	**19,424**	**5,168**	**18,851**
Other financial costs				
Bank commissions	-8,763	-10,211	-7,390	-8,769
Commissions paid in relation with factoring agreements	-26,264	-18,909	-25,413	-17,825
Total	**-35,027**	**-29,120**	**-32,803**	**-26,594**

The decrease in *interest income* in 2024 compared to 2023 is primarily due to a lower cash and cash equivalents position in 2024, which resulted in reduced interest-earning opportunities.

Under *Bank commissions* are included mainly commissions paid by the Group for the extension of non-cash facilities, as well as the comissions paid for guarantees issued in the name and on behalf of the state for the Group's facilities (2024: RON 2,007 thousand; 2023: RON 5,439 thousand). For more details, see Note 28 *Borrowings and leases*. This category also includes the commissions paid by the Company for letters of guarantee (2024: RON 1,784 thousand; 2023: RON 1,564 thousand)

The *commissions paid in relation with factoring agreements* increased in 2024 compared to the year 2023 due to higher turnover.

12. Income tax

Income tax recognized in the profit or loss:

	Alro Group		Alro	
	2024	**2023**	**2024**	**2023**
Current tax				
Current tax expense in respect of the current year	-13,966	-9,141	-6,553	180
Adjustments in respect of current income tax of previous year	-	-1,089	-	-6,456
Deferred tax				
Origination and reversal of temporary differences	-21,370	15,633	-20,394	15,441
Reversal of previously recognised tax losses	16,396	-	16,396	-
Capitalisation of tax losses	-	43,027	-	43,027
Total income taxes	**-18,940**	**48,430**	**-10,551**	**52,192**

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The total annual tax can be reconciled with the accounting result as follows:

	Alro Group		Alro	
	2024	**2023**	**2024**	**2023**
Result before tax	29,277	-506,833	25,872	-591,308
Expected average income tax rate	16.0%	16.0%	16.0%	16.0%
Income tax calculated at the expected average tax rate	-4,686	81,093	-4,140	94,609
Effect of revenue exempted from taxation	512	468	474	468
Effect of non-deductible expenses	-8,005	-9,860	-6,570	-6,166
Effect of minimum turnover tax	-5,759	-	-	
Adjustments recognised in relation to the current tax of prior years	-	-1,089	-	-6,456
Current year tax losses not recognised as deferred tax assets	-211	-16,716	-	-
Deductible temporary difference not recognised as deferred tax assets	-791	-5,466	-315	-30,263
Income tax recognized in profit or loss	**-18,940**	**48,430**	**-10,551**	**52,192**

The average tax rate for the Company is the tax rate applicable to it in accordance with the legislation in force. The average tax rate for the Group is the average of the tax rates payable by the companies in Romania on taxable profits under tax law, which is 16% in Romania, weighted by the accounting results of each Group company. Thus, the expected weighted average income tax rate for the Group is affected by the statutory income tax rates and regulations in effect and on the mix of pre-tax results of its subsidiaries which can vary year to year.

Effective 1 January 2024, Law No. 296/2023 was enacted, requiring entities with a turnover exceeding EUR 50 million in the previous year and a calculated profit tax lower than 1% of their adjusted turnover to pay income tax at the higher amount, determined as 1% of adjusted turnover based on a prescribed formula (minimum turnover tax). In 2024, Vimetco Extrusion and Alum were directly impacted by the application of this law. The minimum turnover tax calculated exceeded their attributable profit tax, which amounted to RON 853 thousand. As a result, the Group recognized a current income tax expense of RON 6,612 thousand (2023: nil) in relation to this minimum turnover tax. The additional tax of RON 5,759 thousand, representing the excess over the tax expense calculated at the standard 16% rate on profit before tax, was recorded under the line item *Effect of minimum turnover tax*. Meanwhile, Alro was subject to the Additional Turnover Tax (ICAS) of 0.5%, applicable to entities operating in the oil and natural gas sectors, as per the provisions of Law No. 296/2023 and Law No. 290/2024, resulting in an expense of RON 17,185 thousand, recorded under Taxes other than income taxes within *General, administrative, and selling expenses* (see Note 7).

According to the Romanian Fiscal Code, which transposes the EU Directive no. 2016/1164, issued in 2016, the exceeding borrowing costs including interest, expenses for obtaining finance and leasing, capitalized interest and foreign exchange losses above a threshold of EUR 1,000,000 per annum are deductible only up to the level of 30% of calculated fiscal EBITDA. As at 31 December 2024 the Group and the Company have a balance of RON 317,769 thousand (2023: RON 213,488 thousand at the Group level and RON 209,273 thousand at the Company level) of unused exceeding borrowing costs from prior years that can be carried forward indefinitely and deduct in the future up to 30% of yearly fiscal EBITDA. As a result, the Group and the Company recognized an amount of RON 50,843 thousand (31 December 2023: RON 34,259 thousand at the Group level and RON 33,584 thousand at the Company level) as deferred tax assets in relation to these exceeding borrowing costs.

Starting from July 2023, the Parent company was subjected to a fiscal audit by the National Fiscal Administration Agency regarding the income tax and VAT for the period 2017-2021. The inspection was completed in January 2024 and the Agency concluded a report resulting in a tax liability for the Company in amount of RON 21,643 thousand. In relation to this liability, the Company recognized expenses with Income Tax of RON 6,456 thousand for the current income tax obligation, *General, administrative and sales* expenses in amount of RON 7,095 thousand for the VAT related obligation and *Other operational expenses* of RON 8,092 thousand for the attributable penalties and interest, respectively (see also Note 9 and Note 34).

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Analysis of deferred tax of **Alro Group** for the years ended 31 December 2024 and 2023 is as follows:

31 December 2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Translation adjustment	Closing balance
Property, plant and equipment	-10,374	1,556	-	-	-8,818
Inventories	13,975	-9,294	-	-	4,681
Trade receivables and other current assets	3,901	11	-	-	3,912
Borrowings	33,486	17,658	-	-	51,144
Provisions	6,680	2,096	-	-	8,776
Retirement benefits obligations	4,648	-605	482	-	4,525
Deferred tax from fiscal loss	43,027	-16,396	-	-	26,631
Deferred tax assets/(liabilities)	**95,343**	**-4,974**	**482**	**-**	**90,851**

31 December 2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Translation adjustment	Closing balance
Property, plant and equipment	-16,674	6,300	-	-	-10,374
Inventories	15,905	-1,930	-	-	13,975
Trade receivables and other current assets	3,921	-20	-	-	3,901
Borrowings	13,637	19,849	-	-	33,486
Provisions	14,306	-7,626	-	-	6,680
Retirement benefits obligations	4,730	-940	857	-	4,648
Deferred tax from fiscal loss	-	43,027	-	-	43,027
Deferred tax assets/(liabilities)	**35,825**	**58,660**	**857**	**-**	**95,343**

The analysis of deferred tax of the **Company** for the years ended 31 December 2024 and 2023 is presented below:

31 December 2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Translation adjustment	Closing balance
Property, plant and equipment	-8,791	808	-	-	-7,983
Investment properties	240	-	-	-	240
Inventories	13,587	-9,570	-	-	4,017
Trade receivables and other current assets	3,207	53	-	-	3,260
Borrowings	33,486	17,658	-	-	51,144
Provisions	981	4,004	-	-	4,985
Retirement benefits obligations	4,295	-555	530	-	4,270
Deferred tax from fiscal loss	43,027	-16,396	-	-	26,631
Deferred tax assets/(liabilities)	**90,032**	**-3,998**	**530**	**-**	**86,564**

31 December 2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Translation adjustment	Closing balance
Property, plant and equipment	-9,796	1,005	-	-	-8,791
Investment properties	240	-	-	-	240
Inventories	16,717	-3,130	-	-	13,587
Trade receivables and other current assets	3,217	-10	-	-	3,207
Borrowings	13,638	19,848	-	-	33,486
Provisions	3,142	-2,161	-	-	981
Retirement benefits obligations	3,567	-111	839	-	4,295
Deferred tax from fiscal loss	-	43,027	-	-	43,027
Deferred tax assets / (liabilities)	**30,725**	**58,468**	**839**	**-**	**90,032**

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As at 31 December 2024, for an amount of RON 166,444 thousand of fiscal losses of Alro, the management believed there would be sufficient taxable profits in the future against which these fiscal losses could be used, therefore an amount of RON 26,631 thousand (2023: RON 43,027 thousand) was recognised as deferred tax assets in the consolidated financial statements of the Group as at 31 December 2024 (31 December 2023: RON 268,921 thousand).

Tax effect of fiscal losses and their expiration is as follows:

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Within 1 year	-	-	-	-
1 - 2 years	-	-	-	-
2 - 5 years	-	-	-	-
More than 5 years	26,631	43,027	26,631	43,027
Total	**26,631**	**43,027**	**26,631**	**43,027**

Until 31 December 2023 the tax losses in Romania could have been carried forward and used against future taxable profits for a period of maximum 7 years. Starting 1 January 2024, the utilization of fiscal losses carried forward from prior years, for the purpose of calculating the current fiscal year's result, is limited to a period of 5 years and only up to 70% of the taxable profits generated in the period. However, losses carried forward prior to 2024 are eligible for utilization at the same 70% rate against taxable profits, spread over a 7-year period.

The Company has recognized in total a deferred tax asset of RON 86,564 thousand originated from fiscal losses and deductible temporary differences (31 December 2023: RON 90,032 thousand).

The Group did not recognise deferred income tax assets in respect of losses amounting to RON 265,318 thousand (31 December 2023: RON 264,155 thousand) as they have arisen in subsidiaries that have been loss-making, they may not be used to offset taxable profits elsewhere in the Group, and there are no other tax planning opportunities or other evidence of recoverability in the near future. The tax effect and expiration of unrecognized tax losses for continued operations is presented in the table below:

Tax loss expiring

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Within 1 year	-	-	-	-
1 - 2 years	-	-	-	-
2 - 5 years	25,753	10,278	-	-
More than 5 years	16,698	31,987	-	-
Total	**42,451**	**42,265**	**-**	**-**

The Group's and the Company's current income taxes receivable and payable are the following:

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Current income tax receivable	229	1,100	-	-
Current income taxes payable	8,486	6,490	6,553	6,456

Global minimum Tax

Alro and its subsidiaris, being part of Vimetco Group, a multinational enterprize group is within the scope of the OECD Pillar Two model legislation, which was enacted in Romania, the jurisdiction in which Alro and subsidiaries are incorporated. Law no. 431/2023, published on 5 January 2024, transposes the provisions of Directive (EU) 2022/2523 to introduce into the Romanian legislation a complex system of rules for an effective minimum taxation of 15% for multinational enterprise groups and large-scale domestic groups with annual consolidated revenues of at least EUR 750 million in at least two of the four previous financial exercises. The law applies in respect of financial years beginning on or after 31 December 2023, except for the UTPR, which applies in respect of financial years beginning on or after 31 December 2024.

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Under the legislation, the group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. In applying this law, the provisions of the Global Anti-Base Erosion (GloBE) Model Rules (Pillar Two), as issued by the OECD, must be considered, including the Administrative Guidance on GloBE Rules and the Safe Harbour and Penalty Relief Rules. These documents, along with any future OECD amendments or guidance, serve as key references for interpretation.

Transitional CbCR Safe Harbour. To simplify compliance, the Transitional Country-by-Country Reporting (CbCR) Safe Harbour allows MNEs to avoid detailed GloBE calculations in a jurisdiction if they meet any of the following criteria:
1.Revenue and Profit Threshold – Total revenue is less than EURO 10 million, and profit (loss) before income tax is less than EURO 1 million in that jurisdiction;
2.Simplified ETR Test – The jurisdiction's Simplified ETR meets or exceeds the Transition Rate;
3.Substance-based Exclusion – Profit (loss) before tax is equal to or below the Substance-based Income Exclusion under the GloBE Rules.

Simplified ETR Calculation for Vimetco Group in Romania. The Effective Tax Rate (ETR) for a jurisdiction is determined by dividing the total Simplified Covered Taxes by the total Profit (Loss) Before Tax, based on the CbC Report and financial accounts. Covered Taxes include the current tax expense reported in the financial accounts of each entity, including both paid and accrued income taxes. Profit (Loss) Before Tax is the amount reported in the Country-by-Country Report (CbCR).

For the Romanian jurisdiction, based on the CbC Report and financial accounts for the year ended 31 December 2024, the ETR is 40%. Since this exceeds the 15% minimum threshold, no top-up tax liability arises for Vimetco Group or the Company under the global minimum tax framework. The table below presents the simplified ETR calculation for all Vimetco subsidiaries operating in the Romanian jurisdiction for the year 2024:

	Alro	Alum	Vimetco Extrusion	Conef	Vimetco Trading	Other subsidiaries	Total
Profit / (loss) before income tax	25,872	3,973	3,015	163	1,683	25,265	59,971
Total Income tax expense	-10,551	-1,926	-7,037	-	-336	-4,098	-23,948
Resulting effective tax rate	41%	48%	233%	0%	20%	16%	40%

The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

13. Earnings per share

	Alro Group		Alro	
	2024	2023	2024	2023
Net result attributable to the owners of the Entity	10,324	-560,264	15,321	-539,116
Continuing operations	10,324	-458,403	15,321	-539,116
Discontinued operations	-	-101,861	-	-
Weighted average number of ordinary shares	713,779,135	713,779,135	713,779,135	713,779,135
Basic and diluted earnings / (losses) per share (RON/ share)	0.014	-0.785	0.021	-0.755
Continuing operations	0.014	-0.642	0.021	-0.755
Discontinued operations	-	-0.143	-	-

Basic EPS is calculated by dividing the profit/loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Basic and diluted per share data are the same as there are no dilutive securities.

No dividends were declared in 2024 and 2023 by the Parent company relating to the year 2023 and 2022, respectively.

At 31 December 2024, the Parent Company does not have outstanding dividends payable (31 December 2023: nil).

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14. Property, plant and equipment

Alro Group

	Land	Buildings and special construction	Plant and machinery	Equipment and vehicles	Capital assets in progress	Advances for fixed assets	Total
Cost							
Balance at 1 January 2023	**97,372**	**830,072**	**2,401,894**	**560,299**	**85,707**	**6,717**	**3,982,061**
Additions	-	273	3,150	13,568	64,321	16,184	**97,496**
Disposal of subsidiaries	-	-74,975	-72,436	-108,558	-7,692	-577	**-264,238**
Disposals	-	-1,348	-14,392	-23,386	-	-	**-39,126**
Transfer between categories*	-	-	67,920	1,288	-65,330	-3,878	**-**
Translation adjustment	-	-963	-929	-1,607	-71	-7	**-3,577**
Balance at 31 December 2023	**97,372**	**753,059**	**2,385,207**	**441,604**	**76,935**	**18,439**	**3,772,616**
Additions	-	94	7,231	13,723	85,414	32,056	**138,518**
Disposals	-	-2,859	-51,903	-8,267	-	-	**-63,029**
Transfer between categories*	-	12,425	64,420	41,558	-92,895	-25,508	**-**
Transfer from other categories**	-	-	-	743	-	-	**743**
Balance at 31 December 2024	**97,372**	**762,719**	**2,404,955**	**489,361**	**69,454**	**24,987**	**3,848,848**
Accumulated depreciation							
Balance at 1 January 2023	**-**	**-593,973**	**-1,843,526**	**-417,594**	**-**	**-**	**-2,855,093**
Depreciation expense	-	-17,476	-98,109	-26,609	-	-	**-142,194**
Disposal of subsidiaries	-	58,530	62,978	75,566	-	-	**197,074**
Eliminated on disposal	-	170	14,285	19,474	-	-	**33,929**
Translation adjustment	-	709	782	1,084	-	-	**2,575**
Balance at 31 December 2023	**-**	**-552,040**	**-1,863,590**	**-348,079**	**-**	**-**	**-2,763,709**
Depreciation expense	-	-10,256	-83,773	-21,287	-	-	**-115,316**
Eliminated on disposal	-	101	49,053	6,447	-	-	**55,601**
Transfer from other categories**	-	-	-	-542	-	-	**-542**
Balance at 31 December 2024	**-**	**-562,195**	**-1,898,310**	**-363,461**	**-**	**-**	**-2,823,966**
Impairment allowance							
Balance at 1 January 2023	**-**	**-8,178**	**-3,053**	**-17,807**	**-6,951**	**-**	**-35,989**
Impairment losses recognized in profit or loss	-	-28,731	-41,850	-12,528	-2,562	-	**-85,671**
Disposal of subsidiaries	-	-	-	5,560	7,692	-	**13,252**
Reversals of impairment losses recognized in profit or loss	-	494	-	-	-	-	494
Disposals	-	186	187	170	-	-	543
Translation adjustment	-	-	-	-	68	-	68
Balance at 31 December 2023	**-**	**-36,229**	**-44,716**	**-24,605**	**-1,753**	**-**	**-107,303**
Impairment losses recognized in profit or loss	-	-	-1	-	-	-	**-1**
Disposals	-	15	2,074	-	-	-	**2,089**
Balance at 31 December 2024	**-**	**-36,214**	**-42,643**	**-24,605**	**-1,753**	**-**	**-105,215**
Net book value							
Balance at 31 December 2023	**97,372**	**164,790**	**476,901**	**68,920**	**75,182**	**18,439**	**901,604**
Balance at 31 December 2024	**97,372**	**164,310**	**464,002**	**101,295**	**67,701**	**24,987**	**919,667**

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Alro

	Land	Buildings and special construction	Plant and machinery	Equipment and vehicles	Capital assets in progress	Advances for fixed assets	Total
Cost							
Balance at 1 January 2023	**63,596**	**562,261**	**2,027,930**	**292,773**	**64,654**	**2,859**	**3,014,073**
Additions	-	34	3,150	376	53,077	11,754	**68,391**
Transfer between categories*	-	-	66,527	909	-63,558	-3,878	**-**
Transfer from other categories**	-	-855	-	-	-	-	**-855**
Disposals	-	-170	-9,679	-2,486	-	-	**-12,335**
Balance at 31 December 2023	**63,596**	**561,270**	**2,087,928**	**291,572**	**54,173**	**10,735**	**3,069,274**
Additions	-	46	7,231	1,088	66,816	24,797	**99,978**
Transfer between categories*	-	12,040	63,940	7,189	-69,166	-14,003	**-**
Transfer from other categories**	-	-	-	743	-	-	**743**
Disposals	-	-3	-38,861	-3,634	-	-	**-42,498**
Balance at 31 December 2024	**63,596**	**573,353**	**2,120,238**	**296,958**	**51,823**	**21,529**	**3,127,497**
Accumulated depreciation							
Balance at 1 January 2023	**-**	**-401,278**	**-1,572,576**	**-269,133**	**-**	**-**	**-2,242,987**
Depreciation expense	-	-7,761	-82,911	-5,524	-	-	**-96,196**
Transfer from other categories**	-	260	-	-	-	-	**260**
Eliminated on disposals of assets	-	170	9,572	2,480	-	-	**12,222**
Balance at 31 December 2023	**-**	**-408,609**	**-1,645,915**	**-272,177**	**-**	**-**	**-2,326,701**
Depreciation expense	-	-8,061	-80,215	-3,865	-	-	**-92,141**
Transfer from other categories**	-	-	-	-542	-	-	**-542**
Eliminated on disposals of assets	-	2	38,159	3,616	-	-	**41,777**
Balance at 31 December 2024	**-**	**-416,668**	**-1,687,971**	**-272,968**	**-**	**-**	**-2,377,607**
Impairment allowance							
Balance at 1 January 2023	**-**	**-12,635**	**-4,142**	**-1,750**	**-**	**-**	**-18,527**
Reversals of impairment losses recognized in profit or loss	-	491	-	-	-	-	**491**
Disposals	-	-	119	-	-	-	**119**
Balance at 31 December 2023	**-**	**-12,144**	**-4,023**	**-1,750**	**-**	**-**	**-17,917**
Disposals	-	-	293	-	-	-	**293**
Balance at 31 December 2024	**-**	**-12,144**	**-3,730**	**-1,750**	**-**	**-**	**-17,624**
Net book value							
Balance at 31 December 2023	**63,596**	**140,517**	**437,990**	**17,645**	**54,173**	**10,735**	**724,656**
Balance at 31 December 2024	**63,596**	**144,541**	**428,537**	**22,240**	**51,823**	**21,529**	**732,266**

In 2024, the Group continued to invest in its programs to increase energy efficiency, which include the reconditioning of electrolysis pots, by modernizing another 37 pots using the innovative AL12LE technology (during the year 2023: 30 pots). As part of this program, an addition of RON 31,695 thousand was recorded in 2024 (2023: RON 22.404 thousand). AP12LE (Aluminium Pechiney 120 kA Low-Energy) represents a last generation technology developed by Rio Tinto Aluminum Pechiney. The objective of this project is to reduce the energy consumption of the electrolysis pots by approximately 300 kWh/ton of aluminum, while maintaining the production capacity. The program will continue in the following years until all pots are aligned with the new technology.

Alro also continued the strategy of developing value added products in close correlation with the evolution of the production mix, by developing the capacities of cutting plates, in accordance with the standards required by the customers and put in operation its CUTSMART SYSTEMS business, initiated in late 2022, with investments in 2024 totaling RON 15,006 thousand (in 2023: 10.496 thousand).

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In 2024, Alro continued the investment initiated in October 2023 for the acquisition of an electrically heated aluminum aging furnace from a renowned manufacturer specializing in furnaces for the aluminum industry. The project's objective is to increase the production of high and very high value-added products. This state-of-the-art electric furnace will replace three natural gas-fired furnaces, aiming to improve the efficiency of heat treatment operations within the Processed Aluminum Division. Additionally, it represents a significant step toward Alro's goal of becoming a more environmentally friendly producer. Additions in 2024 amounted RON 9,349 thousand in this project (2023: RON 1,906 thousand).

The same direction was followed by one of the Group's subsidiaries, Vimetco Extrusion, which spent a total amount of RON 31,818 thousand, for the purchase of an automatic assembly unit for extruded aluminium profiles on the purpose of increasing the competitiveness by applying "green steps". This project benefited from a financing of RON 7,100 thousand from Iceland, Lichtenstein and Norway via EEA the Financial Grant Mechanism 2014 - 2021 within the program "The Development of SME's in Romania", in the field "Green Innovation in industry, Blue Growth, and ICT". The installation of the equipment was completed in April 2024 and in the following months the next step of implementation was carried out: the transition from manual packaging to automatic packaging, staff training, the production acceleration process. Final commissioning took place in August 2024 after the equipment reached the contracted parameters. Additions related to this project in 2024 amounted to RON 24,212 thousand (2023: RON 7,606 thousand).

The net book value of the *Property, plant and equipment* of the Group includes the amount of RON 11,395 thousand, of which RON 10,977 thousand at Company level, representing borrowing costs capitalized in accordance with *IAS 23 Borrowing costs* (2023: RON 12,931 thousand for the Group and RON 12,263 thousand for the Company). The borrowing costs consist of interest and transaction costs that the Group and the Company incur in relation to the contracted loans. During the year 2024 and 2023 no borrowing costs were capitalized under *Property, plant and equipment* of the Group and the Company.

*Transfer between categories represent the value of the capital assets that were previously in progress and that were received and placed into operation during the reporting period.

**Transfer from other categories included in 2024 the classification by the Group and the Company from the category of *Rights of use assets* of some fixed assets for which the leasing contracts ended, and the risks and benefits of the property right over these fixed assets have been transferred to the Group and the Company.

Under *Investment property* are included two buildings rented by the Parent Company to related parties.

Information regarding investment property

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net book value	541	571	3,705	4,040
Fair value	2,850	2,850	51,537	51,537

At 31 December 2024 and 2023 the fair value of the rented buildings was based on the valuation performed by an independent appraiser that holds the necessary qualifications and experience for measuring such properties. The fair value was determined using the cost approach by estimating the cost of development of similar buildings, subject to adjustments for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence and this is included on the 3rd level of the fair value measurement hierarchy.

	Alro Group			Alro
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Depreciation expense	30	31	335	334
Income from rental	274	222	2,685	2,599

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Other information regarding property, plant and equipment

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
The net book value of the property, plant and equipment pledged to secure the borrowings	695,348	722,859	646,070	659,179
Gross book value of assets that are fully depreciated (cost)	933,086	884,146	705,143	664,335
Net book value of idle assets	57,185	146,940	46,250	60,856
Depreciation expense included in the Cost of goods sold during the reporting period	85,387	98,239	69,185	70,352

Impairment tests for property, plant and equipment

The Group and the Company performs its annual impairment test in the end of the financial year and when circumstances indicate that the carrying value may be impaired. As a result of the several factors, such as increasing prices and scarce availability of energy products and other raw materials with a negative impact on the production costs, a test of the property, plant and equipment of Alro and Alum was carried out as at 31 December 2024. The results of the impairment tests performed are presented further below.

Alro

As the result of the impairment test performed at Alro, the recovery value of its property, plant and equipment was higher than their net book value, so no impairment expense was recognized.

The recovery value of the cash generating unit (CGU) Alro was determined based on a fair value of CGU less costs to sell calculation by using future cash flows extracted from budgets estimated by the management of the company. The cash flows in perpetuity beyond this period were extrapolated by using a growth rate of 2.0% per annum (2023: 2.0% per annum), in line with forecast inflation. The assumed average EBITDA margin for the next five years is 13.2%, gradually increasing to a stable level of 16.9% by the fifth year. This represents a decrease from the previous year's assumptions, which projected a margin of 15.6% for the next five years, increasing to 18.6% thereafter and remaining constant at this level indefinitely. The downward revision in estimated EBITDA is primarily attributed to the stabilization of energy, alumina, and other raw material prices compared to the previous year. A significant impact over the positive forecasts for EBITDA has the estimated income from government grant following the adoption by the Romanian Government of Emergency Ordinance no. 138/12.10.2022, which transposes the EU Guideline for the period 2021-2030 regarding the compensation of indirect emissions costs embedded in the electricity price for 2021 - 2030 published in October 2022. Following its approval in 2022, the Group has now much more predictability for the energy compensation to be received on an annual basis. Major inputs for the calculation of compensation income, such as primary aluminium production, percentage of aid intensity, CO_2 emission factor can be assessed with a high degree of certainty based on management production plans and known public information, while other major input, such as CO_2 certificate price was forecasted with reference to known market and forecast data platforms. The average yearly compensation budget is capped to a certain amount allocated to all the companies in the energy intensive industries targeted by this state aid and the Company estimates its annual attributable compensation in relation to this capped annual budget based on the past experience and best estimates. Management presumed in its forecasts that the EU ETS Compensation Scheme will continue after 2030 and / or the Company can maintain its competitiveness and level of profitability by other means, taking into account the evolution of the aluminum market.

The key assumptions for the cash-generating unit Alro are:

	2024	2023
Discount rate	11.70%	12.00%
Growth rate, average of next five years	8.26%	16.00%
EBITDA margin, average of next five years	13.18%	15.64%
EBITDA margin, terminal value	16.95%	18.56%

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The following table shows the amount up to which the key assumptions used would need to change individually for the estimated recoverable amount to be equal to the carrying amount:

	2024	2023
Discount rate	24.07%	26.52%
Growth rate, average of next five years	-1.75%	1.10%
EBITDA margin, average of next five years	8.61%	9.17%
EBITDA margin, terminal value	6.64%	5.85%

Other significant key estimates used by management in the impairment assessment are represented by LME quotations used in the forecasts of sales revenues and the amount of income from government compensation for indirect emission costs. A 32% reduction in the forecasted LME quotations in combination with a 32% decrease in the forecasted income from compensation for indirect emission would result in the recoverable amount to be equal to the carrying amount (2023: a 41% reduction in the forecasted LME quotations and 41% decrease in the forecasted income from compensation for indirect emission). The Company has taken steps to reduce its reliance on LME and compensation income by enhancing scrap remelting capacities in the Eco Recycling Workshop. This development aligns the cost of raw materials with LME fluctuations, mitigating exposure to volatile LME prices. Additionally, the Company has implemented energy efficiency programs, modernization initiatives, and a strategic focus on value-added products, further reducing susceptibility to LME price variations.

Alum

As a result of the impairment review carried out by Alum, it was determined that the recoverable value of property, plant and equipment was higher than its carrying value. However, no reversal of impairment was recognized as of 31 December 2024, given the plant's current idle status and the high sensitivity of key assumptions used in the cash flow projections (31 December 2023: an impairment of RON 77,547 thousand was recognized).

The recoverable value of the cash generating unit (CGU) Alum was determined based on a fair value of CGU less costs to sell calculation by using future cashflows extracted from the business plan for the next 5 years estimated by the management. The terminal value was computed by using a growth rate of 2% per annum. The main assumptions used by ALUM in its cash flow forecasts are based on its plan to continue its activity of sales agent to Alro and selling alumina for commission to Alro at lower prices than its own cost of production, following the Group management decision to temporarily shut down the production activities. Since August 2022, Alum has been purchasing alumina from the market and supplied it to Alro with a margin. The management estimates that the raw materials and gas prices wiill stabilize to a sustainable level, enabling ALUM to resume alumina production in 2027 and fulfill Alro's requirements for this primary raw material in its electrolysis facilities and this results in a significant increase in the growth rate comparing to last year estimation (see the table below). Additionally, the company's strategic roadmap includes plans to recommence production and sales of aluminum hydrate and other specialized alumina products to third-party customers.

The key assumptions for the cash-generating unit Alum are:

	2024	2023
Discount rate	13.30%	13.60%
Growth rate, average of next five years	N/A	18.39%
EBITDA margin, average of next five years	N/A	1.93%
EBITDA margin, terminal value	8.05%	7.34%

The following table shows the amount up to which the key assumptions used would need to change individually for the estimated recoverable amount to be equal to the carrying amount:

	2024	2023
Discount rate	15.4%	8.79%
Growth rate, average of next five years	N/A	30.00%
EBITDA margin, average of next five years	N/A	7.38%
EBITDA margin, terminal value	7.20%	10.10%

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15. Intangible assets

Alro Group	Development expenses	Other intangibles	Total
Cost			
Balance at 1 January 2023	**4,368**	**41,865**	**46,233**
Additions	-	371	**371**
Disposal of subsidiaries	-	-4,324	**-4,324**
Disposals	-	-242	**-242**
Translation adjustment	-	-56	**-56**
Balance at 31 December 2023	**4,368**	**37,614**	**41,982**
Additions	-	1,601	**1,601**
Disposals	-	-24	**-24**
Balance at 31 December 2024	**4,368**	**39,191**	**43,559**
Accumulated amortisation			
Balance at 1 January 2023	**-4,368**	**-38,386**	**-42,754**
Amortisation expense	-	-926	**-926**
Acquisition of subsidiaries	-	4,278	**4,278**
Eliminated on disposals of assets	-	242	**242**
Translation adjustment	-	55	**55**
Balance at 31 December 2023	**-4,368**	**-34,737**	**-39,105**
Amortisation expense	-	-1,083	**-1,083**
Eliminated on disposals of assets	-	15	**15**
Balance at 31 December 2024	**-4,368**	**-35,805**	**-40,173**
Net book value			
Balance at 31 December 2023	**-**	**2,877**	**2,877**
Balance at 31 December 2024	**-**	**3,386**	**3,386**

Alro	Development expenses	Other intangibles	Total
Cost			
Balance at 1 January 2023	**-**	**34,522**	**34,522**
Additions	-	147	**147**
Disposals	-	-242	**-242**
Balance at 31 December 2023	**-**	**34,427**	**34,427**
Additions	-	1,226	1,226
Disposals	-	-13	**-13**
Balance at 31 December 2024	**-**	**35,640**	**35,640**
Accumulated amortisation			
Balance at 1 January 2023	**-**	**-31,551**	**-31,551**
Amortisation expense	-	-611	**-611**
Eliminated on disposals of assets	-	242	**242**
Balance at 31 December 2023	**-**	**-31,920**	**-31,920**
Amortisation expense	-	-732	**-732**
Eliminated on disposals of assets	-	13	**13**
Balance at 31 December 2024	**-**	**-32,639**	**-32,639**
Net book value			
Balance at 31 December 2023	**-**	**2,507**	**2,507**
Balance at 31 December 2024	**-**	**3,001**	**3,001**

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16. Investments in subsidiaries

The parent company **Alro** holds directly or indirectly the following investments in subsidiaries:

					31 December 2024
Subsidiary	**Registered office**	**Shareholding***	**Votes****	**Equity**	**Net result**
Alum S.A.	82, Isaccei St., Tulcea, Tulcea County, Romania	99.40%	99.40%	102,375	2,047
Vimetco Extrusion S.R.L.	1, Milcov St., Slatina, Olt County, Romania	100.00%	100.00%	140,161	-4,022
Conef S.A.	64, Splaiul Unirii, Sector 4, Bucharest, Romania	99.97%	99.97%	7,190	163
Vimetco Trading S.R.L.	64, Splaiul Unirii, Sector 4, Bucharest, Romania	100.00%	100.00%	6,156	1,347

					31 December 2023
Subsidiary	**Registered office**	**Shareholding***	**Votes****	**Equity**	**Net result**
Alum S.A.	82, Isaccei St., Tulcea, Tulcea County, Romania	99.40%	99.40%	100,076	-188,521
Vimetco Extrusion S.R.L.	1, Milcov St., Slatina, Olt County, Romania	100.00%	100.00%	144,066	36,133
Conef S.A.	64, Splaiul Unirii, Sector 4, Bucharest, Romania	99.97%	99.97%	7,027	-505
Vimetco Trading S.R.L.	64, Splaiul Unirii, Sector 4, Bucharest, Romania	100.00%	100.00%	4,809	755

* The shareholding represents the effective shareholding percentage of the Parent company in its subsidiaries (direct as well as indirect).

**The voting rights reported are those of the immediate Parent company or companies, where the immediate Parent company or companies are themselves controlled by Alro Group. Consequently, the voting rights reported above might differ significantly from the effective shareholding.

The equity and net result are determined according to the International Financial Reporting Standards and the accounting policies of the Group.

Subsidiaries

Alum S.A. Tulcea, (Alum) is a company set up under the Romanian law that was established in 1972. Alum is the only producer of calcinated alumina in Romania. Its main activity is the hydro-metallurgical processing of bauxite in order to obtain alumina (aluminium oxide), the main raw material used in aluminium production.

Alum is listed on the Bucharest Stock Exchange, the ATS market segment, AeRo category.

Alum held until 2023 investments in GAL Group, which inlcuded Global Aluminium Ltd and its 100% shareholding in a bauxite mine in Sierra Leone, Sierra Mineral Holdings I, Ltd., and 100% shareholding in Bauxite Marketing Ltd. On 10 July 2023 in the Extraordinary General Meeting of Shareholders of Alum SA, approved the sale of GAL and the disposal of Global Aluminum Ltd. was completed on 1 September 2023.

Vimetco Extrusion S.R.L. is a company set up under the Romanian law and its principal activity is the production of extruded aluminum products. The Company's administrative and managerial offices are located in Romania, with the headquarters in 1, Milcov Street, Slatina, Olt County, Romania.

Conef S.A. (Conef) is a company organized under the Romanian law that was set up in 1991. The main activity of the company (according to the company's deeds) is trading with oil, minerals, and chemical products, production of electricity.

Vimetco Trading S.R.L. is a company organized under the Romanian law and was incorporated in 2008. The company mainly provides sales agent services for the benefit of Alro S.A., which consist of various actions such as: negotiation activities with potential customers, monitoring the execution of sales contracts, fulfilling any other necessary actions in connection with the preparation and execution of sales contracts.

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The value of Alro's financial investments was:

	2024	2023
Cost		
Balance at 1 January	**586,708**	**586,708**
Additions	-	-
Balance at 31 December	**586,708**	**586,708**
Impairment allowance		
Balance at 1 January	**-442,530**	**-253,386**
Impairment loss of financial assets	-	-189,144
Balance at 31 December	**-442,530**	**-442,530**
Net book value		
Balance at 1 January	**144,178**	**333,322**
Balance at 31 December	**144,178**	**144,178**

The Company's investments in other companies in which it holds control over the financial and operational policies are accounted for at cost less the impairment.

Impairment tests for investments in subsidiaries

Considering the current market conditions and after analyzing the internal and external factors, an impairment test of the financial investments was performed by the Company for the purpose of its financial statement as at 31 December 2024. As a result of the impairment review, it was determined that the recoverable value of investment was higher than its carrying value. However, due to the evolving economic landscape and specific challenges faced by the industry, no reversal of impairment for the investment in Alum was recognized (12 months 2023: RON 188,639 thousand representing additional impairment loss recognised for the investment in Alum and RON 505 thousand representing additional impairment loss recognised for the investment in Conef).

Alum

The recoverable value of the investment in Alum was determined based on the fair value, calculated by the discounted cashflow method (DCF). In the discounted cashflow method, future cashflows were used, based on forecasts estimated by the management, which cover a period of 5 years (2025 – 2029), discounted at a rate of 13.3% per year. The cashflows beyond that period have been extrapolated using a growth rate of 2.0% per year. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation techniques used.

Key assumptions:

	2024	2023
Discount rate	13.3%	13.6%
Growth rate, average of next five years	N/A	18.39%
EBITDA margin, average of next five years	N/A	1.93%
EBITDA margin, terminal value	8.05%	7.34%

The average growth rate and an average EBITDA margin for the next five years in its forecasts are not provided, because in recent period Alum has focused on reselling limited quantities of alumina to Alro. However, it plans to restart alumina production in 2027, leading to a significant increase in sales and profitability compared to the period before 2027. As a result, the figures for the years prior to 2027 are not representative of the overall trend, making an average calculation for the period irrelevant.

The estimated fair value of the investment in Alum was higher than its carrying value. However, no reversal of impairment was recognised in the Company's financial statements for the year ended 31 December 2024, due to the Alum's current situation and high sensitivity of key assumptions used in the cash flow projection (2023: impairment charge of RON 188,639 thousand).

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The changes in key assumptions used in the fair value estimation, taken in isolation, would result in the following amount of reversal/ (impairment) to the carrying value of investment in Alum:

	2024		2023	
Increase / Decrease	**+ 1%**	**- 1%**	**+ 1%**	**- 1%**
Discount rate	-17,100	21,200	-8,000	9,800
Growth rate, average of next five years	N/A	N/A	8,300	-2,200
EBITDA margin, average of next five years	N/A	N/A	4,200	-24,600
EBITDA margin, terminal value	38,400	-38,400	28,500	-28,500

Conef

In 2024 no additional impairment was recognised on Alro investment in Conef (2023: an impairment loss of RON 505 thousand was recognized with reference to its net assets value).

There were no impairment indications identified for the investments in Vimetco Extrusion and Vimetco Trading, therefore no impairment test was performed as at 31 December 2024 on these investments.

The details of the acquisition cost of the Company's investments in subsidiaries as at 31 December 2024 and 2023 are the following:

Name of subsidiary	**Basic activity**	**No. of shares**	**Cost of purchase (RON/share)**	**Procentage of ownership / voting (%)**	**Cost of purchase(RON thousand)**
Conef	- holding	2,675,914	24.604	99.97%	65,838
Vimetco Extrusion	- metalurgy industry of aluminium	2,189,320	10.00	100.00%	21,893
Alum	- production of alumina	72,355,909	5.95	99.40%	430,518
		6,052,951	5.60		33,896
		3,187,000	5.95		18,963
Vimetco Trading	- trade	100	156,000	100.00%	15,600
Total					**586,708**

The carrying amount of the Company's investments in subsidiaries as at 31 December 2024 and 2023 are presented in the table below:

Name of subsidiary	**31 December 2024**	**31 December 2023**
Conef	7,026	7,026
Vimetco Extrusion	21,893	21,893
Alum	99,659	99,659
Vimetco Trading	15,600	15,600
Total	**144,178**	**144,178**

All the entities mentioned above are incorporated in Romania.

17. Equity accounted investments

On 18 September 2023, CCGT Power Isalnița S.A. ("CCGT Power") was registered, with Complexul Energetic Oltenia holding a 59.9% stake and Alro S.A. holding 40.1% of the share capital. The company was established to develop and operate a Combined Cycle Gas Turbine (CCGT) power plant. The share capital of the CCGT Power by the end of 2024, was of RON 539,905 thousand (2023: RON 270,000 thousand) with Alro's contribution amounting to RON 216,502 thousand (2023: RON 108,269 thousand). Alro's equity participation is of RON equivalent of EUR 43,514 thousand representing 40,1% of the share capital of the new company to be contributed in cash and with a contribution of Complexul Energetic Oltenia of EUR 65,000 thousand representing 59.9% of share capital contributed in kind (land, tangible and intangible assets). Alro's contribution was financed in proportion of 15% with own funds and 85% with bank loan under a state guarantee.

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The Group's interest in CCGT Power is accounted for using the equity method in the consolidated financial statements.

	2024	2023
Balance at 1 January	**108,269**	**-**
Additions	108,233	108,269
Share of results of associates	-300	-
Balance at 31 December	**216,202**	**108,269**

This partnership will offer ALRO the opportunity to diversify its business model. The security of supply for electricity is a must for the aluminium industry and will support the Group's long-term development plans in a challenging business environment.

As of the reporting date, CCGT Power, has made significant progress in the implementation of its project to construct and operate the power plant. The company has been operationalized with a dedicated management team and a Project Implementation Unit (PIU). Key milestones include the signing of the Consulting Service Agreement for owner's engineer services in May 2023 and the Financing Contract with the Ministry of Energy in February 2024 under the Modernisation Fund's Key Program 2, securing funding of EUR 253 million for the construction of the CCGT power plant. In June 2024, the official contracting procedure for selecting the Engineering, Procurement, and Construction (EPC) contractor and the Long-Term Service Agreement (LTSA) supplier commenced, with the tender documentation being uploaded on the Electronic Public Procurement System (SEAP), but no response was recorded until the official dead-line. A new contracting procedure is under development with the aim to accelerate the process to stay within the deadlines from the modernisation Fund Contract.

18. Goodwill

	Alro Group	
Cost	**2024**	**2023**
Balance 1 January	57,098	173,700
Disposal of subsidiaries	-	-115,123
Translation adjustment	-	-1,479
Balance at 31 December	**57,098**	**57,098**
Impairment		
Balance 1 January	-41,264	-93,849
Impairment charge recognized for the discontinued operations	-	-63,206
Disposal of subsidiaries	-	115,123
Translation adjustment	-	668
Balance at 31 December	**-41,264**	**-41,264**
Net book value		
Balance at 1 January	15,834	79,851
Balance at 31 December	15,834	15,834

The goodwill is allocated to the cash generating units at 31 December 2024 and 2023 as follows (after conversion into RON at the period end exchange rate):

	Alro Group	
	31 December 2024	**31 December 2023**
Alro Group	15,408	15,408
Vimetco Extrusion	426	426
Total	**15,834**	**15,834**

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired.

Alro Group

In 2024, the recoverable amount of the cash-generating unit Alro Group was determined based on fair value less costs of disposal, estimated using discounted cash-flow techniques and applying a market-based measurement. This method requires eliminating all owner specific synergies from the cash-flow projections other than those synergies that any market participant would be able to realize. The fair value measurement was categorized as a Level 3 fair value measurement based on the inputs in the valuation technique used. As the result of the impairment test performed, no impairment was recognized on the goodwill allocated to Alro Group.

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The cash flow projections were based on the business plan estimated by the directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used in the estimation of the recoverable amount are set out in the following table. The values assigned to key assumptions and estimates used to measure the recoverable amount of the CGU Alro Group reflect past experience, are consistent with external sources of information and are based on management's expectations of market development. The production quantities were estimated based on past experience, represent management's best estimate of future production and reflect company's investment plans. Sales prices were based on the long-term aluminium prices derived from available industry and market sources. Operating costs were projected based on the historical performance and adjusted for the current market conditions and inflation.

Key assumptions	31 December 2024	31 December 2023
Discount rate, after-tax	11.7%	12.0%
Growth rate (average of next five years)	6.9%	12.7%
EBITDA margin (average of next five years)	13.9%	16.1%

The discount rate is the CGU weighted-average of the cost of equity of the CGU, i.e. 13.0% (in 2023: 13.0%), calculated based on the average unlevered betas of comparable companies within the industry and of a cost of debt after tax of 6.5% (in 2023: 6.5%), using the CGU's debt leverage of 20.6% (in 2023: 15.8%).

Growth rates during the next five years are based on published industry research, directors' future expectations of economic and market conditions, the result of capital investments and anticipated efficiency improvements. The growth rate beyond the five-year period was assumed in line with the forecasted inflation, namely 2.0% (at 31 December 2023: 2.0%).

EBITDA margin is the average margin as a percentage of revenue over the five-year forecast period. It is based on the average levels experienced over the past years, with adjustments made to reflect the expected future sales volumes and price fluctuations. The variation of EBITDA comparing to last year is due to the fact that the Company has now a better predictability for the energy compensation to be received on an annual basis following the adoption by the Romanian Government of Emergency Ordinance no. 138/12.10.2022, which transposes the EU Guideline for the period 2021-2030 regarding the compensation of indirect emissions costs embedded in the electricity price for 2021- 2030 published in October 2022.

The most sensitive key assumptions used in impairment test of CGU Alro Group are the discount rate and EBITDA margin. An increase of the discount rate to 22.19% and a decrease of EBITDA margin to 10.0% applicated separately, would cause the estimated recoverable amount to be equal to the carrying amount (31 December 2023: increase to 25.1% and decrease to 10.0% respectively). Another significant key estimates used by management in the impairment assessment are represented by LME quotations used in the forecasts of sales revenues and the amount of income from government compensation for indirect emission costs. A 34% reduction in the forecasted LME quotations in combination with a 34% decrease in the forecasted income from compensation for indirect emission at Group level, would result in the recoverable amount to be equal to the carrying amount (2023: a 38% reduction in the forecasted LME quotations in combination with a 38% decrease in the forecasted income from compensation).

19. Right-of-use assets

The Group and the Company have leasing contracts for various items of plant, machinery, vehicles and other equipment with terms of up to 8 years. There are several lease contracts that include extension and termination options for which management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Generally, the Group and the Company are restricted from assigning and subleasing the leased assets.

The Group and the Company also have certain leases with lease terms of 12 months or less and low value leases. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Categories of right-of-use assets

Alro Group	Equipment	Vehicles	Other	Total right-of-use assets
Cost				
Balance at 1 January 2023	**3,239**	**8,514**	**2,935**	**14,688**
Additions	-	1,082	4,514	5,596
Disposals	-	-1,208	-759	-1,967
Transfers to other categories*	-	-	-	-
Balance at 31 December 2023	**3,239**	**8,388**	**6,690**	**18,317**
Additions	-	1,700	1,324	3,024
Disposals	**-**	**-493**	**-4,689**	**-5,182**
Transfers to other categories*	-	-743	-	-743
Balance at 31 December 2024	**3,239**	**8,852**	**3,325**	**15,416**
Accumulated amortisation				
Balance at 1 January 2023	**-1,238**	**-3,627**	**-2,731**	**-7,596**
				-
Amortisation expense	-411	-1,688	-893	-2,992
Eliminated on disposals of assets	-	1,202	759	1,961
Transfers to other categories*	-	-	-	-
Balance at 31 December 2023	**-1,649**	**-4,113**	**-2,865**	**-8,627**
Amortisation expense	-362	-1,939	-479	-2,780
Eliminated on disposals of assets	-	491	1,903	2,394
Transfers to other categories*	-	542	-	542
Balance at 31 December 2024	**-2,011**	**-5,019**	**-1,441**	**-8,471**
Net book value				
Balance at 31 December 2023	**1,590**	**4,275**	**3,825**	**9,690**
Balance at 31 December 2024	**1,228**	**3,833**	**1,884**	**6,945**

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Alro	Equipment	Vehicles	Other	Total right-of-use assets
Cost				
Balance at 1 January 2023	**-**	**7,462**	**2,590**	**10,052**
Additions	-	1,019	960	**1,979**
Disposals	-	-889	-979	**-1,868**
Balance at 31 December 2023	**-**	**7,592**	**2,571**	**10,163**
Additions	-	1,563	1,324	**2,887**
Transfers to other categories*	-	-743	-	**-743**
Disposals	-	-408	-1,133	**-1,541**
Balance at 31 December 2024	**-**	**8,004**	**2,762**	**10,766**
Accumulated amortisation				
Balance at 1 January 2023	**-**	**-2,980**	**-2,149**	**-5,129**
Amortisation expense	-	-1,506	-440	**-1,946**
Eliminated on disposals of assets	-	883	979	**1,862**
Balance at 31 December 2023	**-**	**-3,603**	**-1,610**	**-5,213**
Amortisation expense	-	-1,719	-477	**-2,196**
Eliminated on disposals of assets	-	406	1,133	**1,539**
Transfers to other categories*	-	542	-	**542**
Balance at 31 December 2024	**-**	**-4,374**	**-954**	**-5,328**
Net book value				
Balance at 31 December 2023	**-**	**3,989**	**961**	**4,950**
Balance at 31 December 2024	**-**	**3,630**	**1,808**	**5,438**

The following amounts were recognised in profit or loss, following the application of IFRS 16:

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Depreciation expense of right-of-use assets	2,780	2,992	2,196	1,946
Interest on lease liabilities	206	1,611	164	127
Expenses related to short-term leases	112	188	-	-
Expenses related to leases of low-value assets	426	269	260	201
Total amounts recognised in profit or loss	**3,524**	**5,060**	**2,620**	**2,274**

*In 2024 *transfers to other categories* include the classification by the Company and the Group from the category of rights-of-use assets to *Property, Plant and Equipment* of some fixed assets for which the leasing contracts have been finalized, and the risks and benefits of the property right over these fixed assets have been transferred to the Company and the Group.

20. Other non-current financial assets

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Collateral deposits	181,243	148,247	181,243	148,247
Other non-current assets	3,369	3,046	971	763
Total	**184,612**	**151,293**	**182,214**	**149,010**

At 31 December 2024 and 31 December 2023 *Collateral deposits* represent cash pledged to a bank until November 2026 for a loan of RON 180,000 thousand and for two credit facilities of EUR 22,000 thousand and EUR 15,000 thousand concluded by Parent Company for supporting the investment in CCGT Power Isalnita SA Company, having maturity in November 2031, as well as for two non-cash facilities, one of RON 46,000 thousand until February 2027 and the other of RON 168,000 thousand, until January 2027.

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At 31 December 2024, Collateral deposits also includes cash pledged until December 2028 for a loan of RON 400,000 thousand contracted in December 2024 by the Parent Company. At 31 December 2023 the same category also included cash pledged for a loan of RON 470,000 thousand fully repaid in December 2024. For further details, please see also *Note 28 Borrowings and leases.*

Other non-current assets include the cash deposits, according to the environmental regulations, on the requirement of the Environmental Fund Management, during the period of service of the waste landfills, representing the equivalent value of the costs for the closure works and after-closure monitoring of the Group's waste dumps, as well as the environmental financial guarantee, that prove that the Group has enough financial resources to cover the potential costs which occur during the waste deposit activity.

21. Inventories

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Raw and auxiliary materials	372,416	348,639	279,887	237,614
Work in progress	210,972	208,543	155,462	148,182
Finished goods	321,919	419,482	295,433	395,355
Less: allowance for obsolescence	-28,127	-91,928	-25,104	-84,918
Total	**877,180**	**884,736**	**705,678**	**696,233**

In the category *Raw and auxiliary materials* are included: at Alro, alumina and other raw and auxiliary materials needed for aluminium production and, at the Group level, also the bauxite on stock at Alum. The category *Finished goods* includes Alro's finished goods of aluminium and extruded products.

In 2024, the increase in demand, led to more orders for delivery, especially for processed products and aluminum wire rod, resulting in a decrease in the inventory of finished products as presented above.

The value of inventories pledged for securing the Group's and the Company's borrowings amounts to RON 762,385 thousand for the Group and RON 705,873 thousand for the Company (at 31 December 2023: RON 846,117 thousand for the Group and RON 696,233 thousand for the Company).

During 2024, at the Group level, an amount of RON 3,162,844 thousand (2023: RON 3,015,197 thousand) and, at the Company level, an amount of RON 3,002,800 thousand (2023: RON 2,824,636 thousand) were recognised as *Cost of goods sold.*

The movement in adjustments for the impairment of inventories is the following:

	Alro Group		Alro	
	2024	2023	2024	2023
Balance at beginning of the year	-91,928	-122,878	-84,918	-104,479
(Charge) to cost of goods sold	-284	-33,491	-284	-26,506
Reversal to cost of goods sold	24,639	5,454	23,189	5,454
Utilization	39,446	40,613	36,909	40,613
(Charge) to cost of goods sold from disposed operations	-	-9,561	-	-
Reversal as a result of disposal of subsidiaries	-	27,218	-	-
Translation adjustments	-	717	-	-
Balance at end of the period	**-28,127**	**-91,928**	**-25,104**	**-84,918**

The Group and the Company reversed RON 39,446 thousand and RON 36,909 thousand, respectively, of a previous inventory write-down as of 31 December 2023, since the relevant goods were sold during the year 2024. Additionally, the Group and the Company recognised a reversal of RON 24,639 thousand and RON 23,189 thousand, respectively, related to the adjustment of work in progress to its net realizable value, mainly due to the decrease in the cost of raw materials.

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The carrying amount of any inventories carried at fair value less costs to sell:

	Alro Group		Alro	
	2024	2023	2024	2023
Work in progress	192,273	164,773	139,786	109,317
Finished goods	317,526	377,499	291,040	355,477

22. Trade receivables, net

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Foreign trade receivables	71,791	54,815	54,800	38,550
Domestic trade receivables	32,217	25,970	51,652	51,184
Allowance for expected credit losses of trade receivables	-24,706	-24,622	-20,376	-20,044
Total	**79,302**	**56,163**	**86,076**	**69,690**

The concentration of credit risk is limited due to the fact that the customer portfolios of the Group and of the Company are large and unrelated.

As at 31 December 2024, the highest 5 trade receivables of the Group accounted for nearly 35% of the net trade receivables (at 31 December 2023: nearly 48%). In 2024, one client individually accounted for more than 5% of the Group's turnover, with 7% of the Group's turnover (in 2023: one client individually accounted for more than 5% of the Group's turnover, with 8%).

As concerns the Company, the top 5 outstanding balances at 31 December 2024 account for 63% of the total receivables, with its subsidiaries representing 37% of them (at 31 December 2023: 78%, with its subsidiaries representing 53% of them). Please refer to Note 35 for details about related parties balances. Apart from Group companies, two third party clients accounted individually for more than 5% of the outstanding balance at 31 December 2024, totaling 17% (at 31 December 2023, three third party clients accounted individually for more than 5% of the outstanding balance, totaling 25% of it). In respect of revenues, in 2024, 2 clients accounted individually for more than 5% of the Company's turnover, of which the top client was a subsidiary, with 12% of the Company's revenues (in 2023: 2 clients accounted individually for more than 5% of the revenues, of which the top client was a subsidiary, with 15% of the Company's turnover).

The Company and its subsidiaries sell significant trade receivables under the existing factoring agreements on a non-recourse basis, so that the risks and rewards related to the receivables are substantially transferred to a factor and as a result the transferred amount at the transfer date is derecognized, and the factoring fees and related finance costs are recognized at the payment date.

Amounts available under factoring agreements:

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Factoring ceiling amounts, of which:	767,116	788,930	731,472	749,161
Factoring amounts utilized	322,945	240,895	312,624	234,224

The Group and the Company have established a provision matrix that is based on the Group's and Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, if any. The Group and the Company also assess impairment loss individually if there is evidence of significant increases in credit risk at an individual level. More information is disclosed in Note 36.

Accordingly, the Group and the Company's management believes that there is no further credit provision required in excess of the allowance for expected credit losses for trade receivables already provided for.

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Movement in the allowance for expected credit losses of trade receivables is as follows:

	Alro Group		Alro	
	2024	2023	2024	2023
Balance at beginning of the year	-24,622	-24,839	-20,044	-20,105
Charge in the current year	-406	-208	-332	-59
Release in the current year	322	425	-	120
Utilization of allowances	-	-	-	-
Balance at end of the year	**-24,706**	**-24,622**	**-20,376**	**-20,044**

In 2024 and 2023, the *Allowance for expected credit losses of trade receivables* includes the allowance of RON 19,919 thousand in relation to the amounts receivable for penalties charged to some suppliers of electricity for the early cancellation of the contracts.

A part of the Group receivables (RON 42,470 thousand at 31 December 2024 and RON 30,755 thousand at 31 December 2023) and of the Company's (RON 70,645 thousand at 31 December 2024 and RON 65,384 thousand at 31 December 2023) are pledged to secure the loans obtained from banks.

23. Other current financial assets

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Government grants receivable	302,382	373,980	300,000	372,156
VAT recoverable	42,735	43,389	20,070	21,820
Other current financial assets	33,403	15,960	31,722	13,336
Allowance for sundry doubtful debtors	-124	-124	-3	-3
Total	**378,396**	**433,205**	**351,789**	**407,309**

Movement in allowance for sundry debtors is as follows:

	Alro Group		Alro	
	2024	2023	2024	2023
Balance at beginning of the year	-124	-124	-3	-3
Release / (charge) in the current year	-	-	-	-
Balance at end of the period	**-124**	**-124**	**-3**	**-3**

Government grants receivable represent compensations for the high electricity prices resulting from the indirect emission costs under the EU Emission Trading Scheme (ETS). As per European and Romanian regulations, the Group is entitled to receive the aforesaid compensations for the electricity costs incurred during the production process. In December 2024, the Group collected RON 320,359 thousand and the Company RON 319,196 thousand, as compensation for the electricity costs incurred in 2023 and recognized on an accrual basis as at 31 December 2023. At 31 December 2024 the outstanding balance of RON 302,382 thousand at the Group level and RON 300,000 thousand at the Company level represents the estimated compensation receivable for 2024 recognized on an accrual basis. For further details, please see also Note 8 *Other operating income.*

24. Other current non-financial assets

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Advances to suppliers	33,548	22,290	74,391	95,821
Prepayments	9,603	11,690	8,883	10,658
Total	**43,151**	**33,980**	**83,274**	**106,479**

At Group level, the category *Advances to suppliers* includes an amount of RON 28,099 thousand paid to suppliers for the acquisition of gas and electricity related to January 2025 (31 December 2023: RON 18,714 thousand). At Company level, this category also contains down payments to the subsidiary Alum for the acquisition of alumina, which is eliminated at the consolidation level (31 December 2024: RON 42,497 thousand; 31 December 2023: RON 74,099 thousand).

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At 31 December 2024, the category *Prepayments* includes commissions of RON 3,813 thousand at the Group and the Company level, which were paid for the non-cash facilities as well as for the value of undrawn loans until the date of 31 December 2024 (2023: RON 6,131 thousand). See also Note 28 *Borrowings and leases.*

25. Cash and cash equivalents

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash at banks in RON	375,663	152,620	370,470	141,292
Cash at banks in other currencies	55,572	53,461	52,826	18,976
Petty cash and cash equivalents	68	45	24	13
Total	**431,303**	**206,126**	**423,320**	**160,281**

At 31 December 2024 and 31 December 2023, a great part of cash was held in current accounts opened with reputable private banks in Romania or with State owned banks.

A part of the Group's bank accounts (RON 423,296 thousand as at 31 December 2024 and RON 160,797 thousand as of 31 December 2023) and of the Company (RON 423,296 thousand as at 31 December 2024 and RON 160,268 thousand as of 31 December 2023) are pledged to guarantee the borrowings from banks.

Restricted cash

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Restricted cash	55	19,814	-	-
Total	**55**	**19,814**	**-**	**-**

As at 31 December 2023 the restricted cash of the Group in amount of RON 19,814 thousand consisted of a cash collateral at banks for issuing letters of credit for the acquisition of raw materials.

26. Share capital

The share capital of the Parent Company issued and paid in has the following structure as at 31 December 2024 and 2023 (values recorded with the Trade Registry):

	31 December 2024		
	Number of shares	Nominal value (RON 000)	%
Vimetco PLC	386,795,344	193,399	54.19
Paval Holding S.R.L.	165,679,915	82,834	23.21
Fondul Proprietatea	72,884,714	36,438	10.21
Fondul de Pensii NN	31,500,000	15,739	4.41
Fondul de Pensii AZT Viitorul tau	22,076,265	11,028	3.09
Others	34,842,897	17,452	4.89
Total	**713,779,135**	**356,890**	**100.00**

	31 December 2023		
	Number of shares	Nominal value (RON 000)	%
Vimetco PLC	386,795,344	193,399	54.19
Paval Holding S.R.L.	165,679,915	82,834	23.21
Fondul Proprietatea	72,884,714	36,438	10.21
Fondul de Pensii NN	31,500,000	15,739	4.41
Fondul de Pensii Allianz	22,076,265	11,028	3.09
Others	34,842,897	17,452	4.89
Total	**713,779,135**	**356,890**	**100.00**

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At 31 December 2024, the major shareholder of Alro S.A. was Vimetco PLC, Cyprus.

The nominal value of each share is RON 0.5 (2023: RON 0.5). Each ordinary share carries one vote per share and carries the right to dividends.

The difference between the nominal value and the value of RON 370,037 thousand reported in the Statement of Financial Position of Alro as of 31 December 2024 and 2023, is represented by hyperinflation adjustments that were booked in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies* until 31 December 2003, less the amount of these adjustments utilized for covering the accounting loss carried forward in accordance with the approval of the General Shareholders' Meeting held in 2014.

27. Other reserves

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Legal reserve	92,168	91,931	71,378	71,378
Other reserves	283,935	283,935	234,813	234,813
Total	**376,103**	**375,866**	**306,191**	**306,191**

The legal reserve is made up to 20% of the issued and paid shared capital of the Romanian Companies, according to the regulations in force, it is not distributable and its utilization is strictly regulated by the laws.

Other reserves include mainly amounts that were generated by fiscal facilities obtained during 2001 - 2003, by profit distribution to the development fund done until 2000 and by the application of IAS 29.

28. Borrowings and leases

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Long-term borrowings				
Long-term bank loans	1,548,390	1,474,795	1,525,795	1,471,808
Less: Short-term portion of long-term bank loans	-96,069	-298,728	-83,848	-295,741
Bank loans, non-current	***1,452,321***	***1,176,067***	***1,441,947***	***1,176,067***
Leases, non-current	3,853	5,963	3,495	3,061
Total long-term borrowings and leases	**1,456,174**	**1,182,030**	**1,445,442**	**1,179,128**
Short-term borrowings				
Short-term portion of long-term bank loans	96,069	298,728	83,848	295,741
Bank loans, current	*96,069*	*298,728*	*83,848*	*295,741*
Short-term loans, total	***96,069***	***298,728***	***83,848***	***295,741***
Leases, current	2,400	2,782	1,995	1,696
Total short-term borrowings and leases	**98,469**	**301,510**	**85,843**	**297,437**
Total borrowings and leases	**1,554,643**	**1,483,540**	**1,531,285**	**1,476,565**

The bank borrowings of the Group and the Company will mature until 2031. Their related interest rates ranged between 4.60% for EUR and 8.97% for USD in 2024 (in 2023: between 3.66% for EUR and 26% for SLE (Sierra Leone Leones)) at Group level and between 5.18% for EUR and 8.97% for USD in 2024 at Company level (2023: between 3.66% for EUR and 9.76% for RON).

In December 2024, the Parent Company secured a CAPEX loan of USD 40,000 thousand from a commercial bank. The loan has a 7-year maturity, including a 2-year grace period for installment payments. At 31 December 2024, the amount drawn from this loan was RON 71,652 thousand (equivalent to USD 15,000 thousand) and for the remaining balance of the undrawn loan in amount of RON 119,420 thousand (equivalent of USD 25,000 thousand) the Company should meet some conditions set out in the loan agreement.

In December 2024, the Parent Company obtained a State guaranteed loan of RON 400,000 thousand for working capital from a syndicate of banks. The facility is repayable in 16 equal quarterly installments, with a balloon payment of RON 195,000 thousand due with the final installment. Repayments commence in the first quarter of 2025 and continue until December 2028. The facility is

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collateralized with a state guarantee covering 80% of the total amount. As of 31 December 2024 the loan was fully drawn down. A cash collateral of RON 80,000 thousand, pledged for this loan with a maturity exceeding one year, was classified under *Other non-current financial asset* at 31 December 2024.

In December 2024, the Parent Company fully repaid, ahead of schedule, a RON 470,000 thousand facility for working capital, originally contracted in March 2022 from a commercial bank. The cash pledged in relation to this facility of RON 47,000 thousand was recorded at 31 December 2023 in the category *Other non-current financial asset.*

In January 2024, one of the Group's subsidiaries signed the extension until January 2026 of the overdraft facility of EUR 9,000 thousand with a commercial bank from which at 31 December 2024 the amount of RON 7,092 thousand (equivalent to EUR 1,426 thousand) was drawn down. Additionally, the subsidiary signed a facility of EUR 4,800 thousand with maturity until January 2027 to finance ongoing investments. As at 31 December 2024, RON 15,497 thousand (equivalent to EUR 3,116 thousand) had been drawn from this new facility.

At 31 December 2024, the Group had the amount of RON 37,996 thousand undrawn and available from the borrowing facilities contracted with the banks (at 31 December 2023: RON 153,069 thousand) and the amount of RON 99,613 thousand unutilized and available from the non-cash facilities for letters of credit and letters of guarantee totaling RON 357,304 thousand (at 31 December 2023: RON 208,069 thousand from a total of RON 348,874 thousand).

According to the existing borrowing agreements, the Group and the Company are subject to certain restrictive covenants. These covenants require the Group and the Company, among other things, to refrain from paying dividends to its shareholders unless certain conditions are met, and to maintain a minimum or maximum level for certain financial ratios, including: debt service coverage ratio, net debt to EBITDA, net debt to equity, current ratio, net financial debt to shareholders equity, solvency ratio, interest cover ratio and total net leverage ratio that have to be reported at 30 June and 31 December each year. At 31 December 2024, the Parent company was in breach with one of the covenants in respect of one of its loans. The Company discussed the situation with the bank and received the necessary waiver within the specified testing period. Also, a subsidiary of the Group was in breach with one of the covenants in respect of its loans and the necessary waiver was received late compared to the specified testing period, so this loan was classified as due in less than one year. Therefore, the breach of covenants is not of a nature to allow the creditors to request an early repayment of the loans.

The Group and the Company borrowings and leases are secured with accounts receivable amounting to RON 42,470 thousand for the Group and RON 70,645 thousand for the Company (at 31 December 2023: RON 30,755 thousand for the Group and RON 65,384 thousand for the Company) (see Note 22), with their current accounts opened with banks (see Note 25), with collateral deposits of RON 181,243 thousand for the Group and the Company (at 31 December 2023: RON 148,247 thousand) (see Notes 20), with property, plant and equipment (land, buildings, equipment) with a net book value of RON 696,577 thousand for the Group and RON 646,070 thousand for the Company (including for lease contracts) (2023: RON 724,468 thousand for the Group and RON 659,179 thousand for the Company) (see Notes 14 and 19), and with inventories of RON 762,385 thousand for the Group and RON 705,678 thousand for the Company (2023: RON 864,117 thousand for the Group and RON 696,233 thousand for the Company) (see Note 21), with a letter of guarantee issued in the name and account of the State in favour of the lending banks for 80% of the RON 400,000 thousand signed in December 2024 and also with a letter of guarantee issued in the name and account of the State in favour of the lending State bank for 80% of the RON 168,000 thousand non-cash facility and for 70% of the RON 180,000 thousand loan, and also guarantees from the Romanian State for 80% of EUR 15,000 thousand, respectively EUR 22,000 thousand, signed in November 2023.

The Group and the Company have estimated that the fair value of the borrowings and the leases equals their carrying amount, mainly due to the fact that most of bank loans have variable interest and have been recently contracted. Their fair value belongs to the level 3 of the fair value measurement hierarchy.

The minimum lease payments for leases are set out below:

	Alro Group		Alro	
	31 December 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Lease instalments falling due:				
Within 1 year	2,560	3,484	2,138	2,233
1 to 5 years	4,014	6,610	3,652	3,505
After 5 years	-	-	-	-
Total lease instalments	**6,574**	**10,094**	**5,790**	**5,738**
Less: future finance charges	321	1,349	300	981
Present value of lease obligations	**6,253**	**8,745**	**5,490**	**4,757**
Thereof:				
Short-term lease obligation (less than 1 year)	2,400	2,782	1,995	1,696
Long-term lease obligations (1 to 5 years)	3,853	5,963	3,495	3,061

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Changes in liabilities arising from financing activities of Alro Group:

	Bank and other loans	Leases	Dividends payable
Balance at 1 January 2024	**1,474,795**	**8,745**	**6**
New contracts	615,806	3,023	-
Cash outflows	-569,219	-2,870	-
Interest expense	122,236	206	-
Interest and transaction costs for loans paid	-129,320	-206	-
Transaction costs for loans	-1,130	-	-
Disposal related to leases contract	-	-2,623	-
Translation differences	35,222	-22	-
Balance at 31 December 2024	**1,548,390**	**6,253**	**6**

Changes in liabilities arising from financing activities of Alro:

	Bank and other loans	Leases	Dividends payable
Balance at 1 January 2024	**1,471,808**	**4,757**	**-**
New contracts	584,833	2,886	-
Cash outflows	-557,765	-2,135	-
Interest expense	121,224	164	-
Interest and transaction costs for loans paid	-128,319	-164	-
Transaction costs for loans	-1,130	-	-
Translation differences	35,144	-18	-
Balance at 31 December 2024	**1,525,795**	**5,490**	**-**

Changes in liabilities arising from financing activities of Alro Group:

	Bank and other loans	Leases	Dividends payable
Balance at 1 January 2023	**1,685,141**	**6,296**	**6**
New contracts	127,378	5,340	-
Cash outflows	-303,354	-2,880	-
Interest expense	124,930	1,611	-
Interest and transaction costs for loans paid	-138,604	-1,611	-
Transaction costs for loans not drawn down during the period	2,197	-	-
Disposal of subsidiary	-5,306	-	-
Translation differences	-17,587	-11	-
Balance at 31 December 2023	**1,474,795**	**8,745**	**6**

Changes in liabilities arising from financing activities of Alro:

	Bank and other loans	Leases	Dividends payable
Balance at 1 January 2023	**1,643,606**	**4,879**	**-**
New contracts	98,020	1,979	-
Cash outflows	-240,235	-2,089	-
Interest expense	122,460	127	-
Interest and transaction costs for loans paid	-136,075	-127	-
Transaction costs for loans not drawn down during the period	2,197	-	-
Translation differences	-18,165	-12	-
Balance at 31 December 2023	**1,471,808**	**4,757**	**-**

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29. Provisions

Alro Group

	Provision for litigation	Provision for employee remuneration	Provision for land restoration	Provisions for fine, penalties and other	Total
Balance at 1 January 2023	**-**	**16,982**	**43,125**	**15,453**	**75,560**
Disposal of subsidiaries	-	-	-16,853	**-2,562**	**-19,415**
Increase through income statement	-	16,485	-	**1,354**	**17,839**
Unwinding of discount	-	-	2,326	**-**	**2,326**
Utilisation of provisions	-	-24,308	-	**-1,281**	**-25,589**
Reversal of provisions	-	-2,389	-1,173	**-11,847**	**-15,409**
Translation adjustment	-	-	-209	-33	-242
Balance at 31 December 2023	**-**	**6,770**	**27,216**	**1,084**	**35,070**
Thereof:					
Current	-	6,770	-	**1,084**	**7,854**
Non-current	-	-	27,216	**-**	**27,216**
Increase through income statement	1,523	18,456	-	**12,856**	**32,835**
Unwinding of discount	-	-	1,511	**-**	**1,511**
Utilisation of provisions	-	-4,051	-	**-1,072**	**-5,123**
Reversal of provisions	-	-6,770	-2,670	-	-9,440
Balance at 31 December 2024	**1,523**	**14,405**	**26,057**	**12,868**	**54,853**
Thereof:					
Current	1,523	14,405	-	**12,868**	**28,796**
Non-current	-	-	26,057	**-**	**26,057**

Alro

	Provision for litigation	Provision for employee remuneration	Provision for land restoration	Provisions for fine, penalties and other	Total
Balance at 1 January 2023	**-**	**16,982**	**2,656**	**-**	**19,638**
Increase through income statement		3,357	-		**3,357**
Unwinding of discount	-	-	120	**-**	**120**
Utilisation of provisions	-	-14,593	-	**-**	**-14,593**
Reversal of provisions	-	-2,389	-	**-**	**-2,389**
Balance at 31 December 2023	**-**	**3,357**	**2,776**	**-**	**6,133**
Thereof:					
Current	-	3,357	-	**-**	**3,357**
Non-current	-	-	2,776	**-**	**2,776**
Increase through income statement	1,523	18,456	-	**12,329**	**32,308**
Unwinding of discount	-	-	125	**-**	**125**
Utilisation of provisions	-	-4,051	-	**-**	**-4,051**
Reversal of provisions	-	-3,357	-	**-**	**-3,357**
Balance at 31 December 2024	**1,523**	**14,405**	**2,901**	**12,329**	**31,158**
Thereof:					
Current	1,523	14,405	-	**12,329**	**28,257**
Non-current	-	-	2,901	**-**	**2,901**

The provisions for employee remuneration are recognized by the Group in accordance with the Collective Labour Agreements and with GSM decisions regarding the Directors' remuneration (see also Note 7 *General, administrative and selling expenses*). The exact amount and timing of the remuneration will be established after the approval of the financial statements for the year 2024. In 2024, the Group and the Company used a provision of RON 4,051 thousand for remuneration of staff and management (in 2023, the Group and the Company used a provision of RON 24,308 thousand and RON 14,593 thousand, respectively, for remuneration of staff and management recognized in December 2022).

As at 31 December 2024, the category *Provisions for fine, penalties and other* included a provision of RON 11,463 thousand which was recognized by the Parent Company for CO_2 certificates needed to be acquired for the year 2024 in accordance with the legal requirements (see also Note 9 *Other operating expenses*). On the other side, the provision of RON 11,847 thousand recognized by one of the Group's subsidiaries as at 31 December 2022 was reversed in 2023 and a corresponding income was recognized by the Group under the category *Other operating income* (Note 8).

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The provision for land restoration is related to the rehabilitation of the premises where the Company and one of its subsidiaries deposit residue from production. According to the environment regulations, the land underneath the waste deposits must be restored until a certain date specified by specific authorisations. The provisions are based on the estimation of expenses necessary to perform the restoration works at the time when they are expected to be incurred, discounted to their present value at 31 December 2024 and are related to: the red mud lake in Tulcea: RON 23,156 thousand and the cost recognized by the Parent Company for the rehabilitation of the locations on which it deposits industrial waste in Slatina: RON 2,901 thousand (31 December 2023: the red mud lake in Tulcea: RON 24,440 thousand and the cost recognized by the Parent Company for the rehabilitation of the locations on which it deposits industrial waste in Slatina: RON 2,776 thousand). The Group estimates that the costs would be incurred in 5 - 37 years' time (31 December 2023: 5 - 40 years' time) and calculates the provisions using the DCF method based on the following assumptions: estimated range of cost: RON 64 – RON 145 per square meter and discount rates of 4.51% - 6.04% (31 December 2023: RON 64 – RON 145 per square meter and discount rates of 4.51% - 5.67%).

In 2023, a provision for land restoration of RON 16,853 thousand and other provisions in amount of RON 2,562 thousand related to SMHL were reversed on the disposal of GAL Group in 2023 (category *Disposal of subsidiaries*).

30. Employee benefits

The Group and the Company recognized employment benefits expenses representing salaries and other staff costs as follows:

	Alro Group		Alro	
	2024	2023	2024	2023
Salaries and other staff costs	393,396	380,200	301,581	254,773

Defined contribution plans

The employees of the Group and the Company are members of the state-managed retirement benefit plans in the countries where the Group and the Company are operating and in Romania they can subscribe also to private pension funds. The Group and the Company contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group and the Company with respect to the retirement benefit plan is to make the specified contributions during the period of employment of the respective employees.

The Group and the Company have an arrangement in place to make payments to an optional defined contribution plan for the post-employment benefit of a part of their employees that have rendered service to the Group and the Company during the period. The defined contribution plan is managed by a separate entity and the contribution made by the Group and the Company is in the form of fixed amounts per employee, paid monthly. The Group and the Company recognized the liability undiscounted (accrued expense) at the reporting date after deducting any contribution already paid, and the expense incurred during the year, the Group's and the Company's legal and constructive obligation being limited to the amounts that it contributes to the fund.

Contributions to defined contribution plans

	Alro Group		Alro	
	2024	2023	2024	2023
Social insurance costs and other taxes	2,343	2,237	2,343	2,237
Other defined contribution pension plans	2,543	2,340	2,255	1,920

Defined benefit plans - post-employment benefits

According to the collective labour agreements, when retiring due to age or illness, the employees benefit from a retirement bonus which is computed based on the number of years of work.

The most recent actuarial valuations of the benefit plan and the present value of the defined benefit obligation were carried out at 31 December 2024 by an independent actuarial specialist. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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The principal assumptions used for the purposes of the actuarial valuations were as follows:

	31 December 2024	31 December 2023
Discount rate (%)	6.90	5.90
Estimated salary increase rate (%)	4.20	4.40
Estimated inflation rate (%)	2.70	2.90

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	Alro Group		Alro	
	2024	2023	2024	2023
Current service cost	2,161	1,776	1,896	1,558
Interest cost on obligation	1,606	1,980	1,476	1,673
Total expense	**3,767**	**3,756**	**3,372**	**3,231**

The expense on current service cost for the year is included in the statement of profit or loss and other comprehensive income as *Cost of goods sold* (2024: RON 1,363 thousand, 2023: RON 1,093 thousand for Group and 2024: RON 1,304 thousand, 2023: RON 1,051 thousand for Company) and *Administrative expenses* (2024: RON 798 thousand, 2023: RON 683 thousand for Group and for Company 2024: RON 592 thousand, 2023: RON 507 thousand), and interest cost on obligation as Interest expense.

The movement in the present value of the defined benefits obligation was the following:

	Alro Group		Alro	
	2024	2023	2024	2023
Balance at 1 January	**29,048**	**27,154**	**26,845**	**22,301**
Included in profit or loss:				
Current service cost	2,161	1,776	1,896	1,558
Past service cost	-510	-329	-	-
Interest cost on obligation	1,606	1,980	1,476	1,673
Disposal of subsidiaries	-	-2,267	-	-
Included in other comprehensive income:				
Actuarial changes arising from changes in demographic assumptions	-195	-154	-201	-167
Actuarial changes arising from changes in financial assumptions	-2,139	3,712	-1,975	3,336
Actuarial changes arising from changes in experience adjustments	5,227	1,853	5,486	2,075
Disposal of subsidiaries	-	-607	-	-
Benefits paid	-6,923	-4,036	-6,841	-3,931
Translation adjustment	-	-34	-	-
Balance at 31 December	**28,275**	**29,048**	**26,686**	**26,845**

Significant actuarial assumptions for the determination of defined benefit obligation are: discount rate, estimated salary increase rate and estimated inflation rate. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant:

Defined benefit obligation change

	Alro Group		Alro	
	2024	2023	2024	2023
Discount rate +1%	-1,757	-1,933	-1,631	-1,750
Discount rate -1%	1,966	2,178	1,827	1,972
Estimated salary increase rate +1%	2,024	2,230	1,882	2,019
Estimated salary increase rate -1%	-1,834	-2,008	-1,704	-1,819
Longevity +1 year	-131	-147	-119	-129
Longevity -1 year	146	168	135	147
Employee turnover rate +0.5%	-158	-182	-143	-161
Employee turnover rate -0.5%	158	186	145	164

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Group expects to make a payment of RON 4,409 thousand from the defined benefit obligation in the next financial year, of which RON 4,363 thousand are related to the Company (at 31 December 2023 the estimations were of RON 3,925 thousand for the Group and RON 3,811 thousand for the Company).

The weighted average duration of defined benefit obligation is 15.1 years for Alro, 13.1 years for Alum and 10.8 years for Vimetco Extrusion (in 2023: 15.1 years for Alro, 14 years for Alum, 11.1 years for Vimetco Extrusion).

The following information relates to the maturity profile of the undiscounted defined benefit obligation at 31 December 2024:

Alro Group

Maturity analysis of defined benefit payments	Retirement benefits	Death-in-service benefits	Total
Within 1 year	3,828	581	**4,409**
1 - 2 years	3,250	612	**3,862**
2 - 5 years	8,780	1,981	**10,761**
5 - 10 years	17,621	3,470	**21,091**
Over 10 years	59,225	8,207	**67,432**

Alro

Maturity analysis of defined benefit payments	Retirement benefits	Death-in-service benefits	Total
Within 1 year	3,823	540	**4,363**
1 - 2 years	3,073	566	**3,639**
2 - 5 years	8,577	1,826	**10,403**
5 - 10 years	15,629	3,158	**18,787**
Over 10 years	55,498	7,879	**63,377**

31. Government grants

	Alro Group		Alro	
	2024	2023	2024	2023
Balance at 1 January	**35,169**	**39,436**	**28,861**	**32,303**
Received during the year	7,272	-	172	-
Released to the statement of profit or loss	-4,395	-4,267	-3,454	-3,442
Balance at 31 December	**38,046**	**35,169**	**25,579**	**28,861**
Thereof:				
Current	4,752	4,267	3,454	3,442
Non-current	33,294	30,902	22,125	25,419

In October 2024, a subsidiary of the Group received a grant of RON 7,100 thousand (equivalent of EUR 1.43 million) from Innovation Norway, the Norwegian government's official trade representative abroad. The grant represents non-refundable financing for a project worth more than RON 31,818 thousand (equivalent of EUR 6.4 million), namely "Extruded Aluminum Profiles automatic packaging line" through which it purchased an automatic packaging line for finished products, an investment that will lead to a reduction in CO_2 emissions and in the amount of waste generated in the production process. The government grant received during the year will be recognized as income on a straight line basis during the useful life of the equipment once they are placed into operation (i.e. 15 years).

Income released to the Statement of profit or loss of RON 4,395 thousand for the Group (2023: RON 4,267 thousand) and RON 3,454 thousand for the Company (2023: RON 3,442 thousand) represent the portion recognized as income during the year from subsidies received in previous years for production equipment.

The income recognized during the year in the Statement of profit or loss and other comprehensive income of the Group and the Company is included in the category *Other operating income* (refer to Note 8).

As at 31 December 2024 there are no contingent liabilities attached to these grants.

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32. Other non-current financial liabilities

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Other non-current financial liabilities	7,521	13,541	724	794
Total	**7,521**	**13,541**	**724**	**794**

At 31 December 2024 the category *Other non-current financial liabilities* contains the long-term part of a trade liability owed by a subsidiary of the Group to an investment supplier for the acquisition of an extrusion plant (31 December 2024: RON 6,768 thousand; 31 December 2023: RON 12,525 thousand). The liability is payable in 5 installments, until the end of March 2027, and it bears interest. The short-term part of RON 5,630 thousand is included under the category *Trade and other payables.*

33. Trade and other payables

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Foreign trade and other payables	253,648	87,255	238,024	52,506
Domestic trade and other payables	100,970	66,263	104,691	60,672
Accrued trade and other payables	88,624	87,289	85,806	79,383
Total	**443,242**	**240,807**	**428,521**	**192,561**

Domestic trade payables are liabilities towards suppliers located in the countries where the Group operates (in Romania).

The investments made in the development of the scrap re-melting capacities in Eco Recycling Facility led to an increase in the balance of *Foreign trade and other payables* as at 31 December 2024 compared to 31 December 2023, mainly due to the increase in purchasing of aluminium ingots and aluminium scrap, as an efficient alternative to the electrolytic aluminum production.

34. Other current liabilities

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Wages and social security taxes	42,716	29,658	33,167	19,236
Dividends payable	6	6	-	-
VAT payable	294	9,077	-	7,095
Other	19,872	12,008	19,522	11,771
Total	**62,888**	**50,749**	**52,689**	**38,102**

As at 31 December 2024, the Parent company calculated a specific turnover tax that has been introduced in addition to the profit tax for legal entities that conduct activities in the oil and natural gas sectors , under certain conditions, and recognized an amount payable of RON 17,185 thousand under the category *Other*. For more details, see Note 7.

As at 31 December 2023, following a fiscal inspection which was carried out by the relevant tax authorities starting July 2023, the Parent Company recognized an amount payable of RON 7,095 thousand under the category *VAT payable*, as well as an amount payable of RON 8,092 thousand under the category *Other* for penalties resulting from the respective inspection. See also Notes 7, 9 and 12 respectively.

35. Related party transactions

The Group and the Company enter under normal terms of business, into certain transactions with shareholders, companies under common control, directors and management. The transactions between the related parties are based on mutual agreements and are not secured.

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The main related parties with whom the Group and the Company had transactions during the period are:

Related party	
Vimetco PLC	Major shareholder
Paval Holding SRL	Significant shareholder
Alum S.A.	Subsidiary
Vimetco Extrusion SRL	Subsidiary
Conef S.A.	Subsidiary
Vimetco Trading SRL	Subsidiary
Vimetco Management Romania SRL	Common control
Vimetco Power Romania SRL	Common control
Conef Gaz SRL	Common control
Conef Energy SRL	Common control
Centrul Rivergate SRL	Common control
Rivergate Fire SRL	Common control
CCGT Power Isalnita S.A.	Associate

Group transactions are eliminated on consolidation.

The primary related party transactions are described below:

Sales of goods and services:

	Alro Group		Alro	
	2024	**2023**	**2024**	**2023**
Subsidiaries	-	-	386,689	397,431
Companies under common control	966	1,343	889	1,267
Total goods and services provided to related parties	**966**	**1,343**	**387,578**	**398,698**

The category *Sales of goods and services* mainly includes income obtained by the Parent Company from the sale of billets to its subsidiary Vimetco Extrusion in the amount of RON 373,685 thousand (2023: RON 377,267 thousand) and from the sale of electricity to its subsidiaries in the amount of RON 10,134 thousand (2023: RON 16,707 thousand). Additionally, this category includes income booked by the Group from renting office space and various administrative services provided to companies under common control.

Goods and services purchased from related parties:

	Alro Group		Alro	
	2024	**2023**	**2024**	**2023**
Subsidiaries	-	-	-84,615	-289,289
Companies under common control	-256,258	-125,413	-242,427	-109,729
Total goods and services purchased from related parties	**-256,258**	**-125,413**	**-327,042**	**-399,018**

The purchases from related parties include acquisitions of alumina by the Parent Company from its subsidiary, Alum, in amount of RON 50,762 thousand during 2024 and RON 267,002 thousand during 2023. The acquisitions of alumina in 2024 were lower compared to 2023 as starting March 2024 Alum became Alro's purchasing agent for alumina. The purchases also include acquisitions of gas and electricity for the production process by the Group companies from their related party Vimetco Management Romania (during 2024 RON 162,966 thousand at the Group level and RON 160,733 thousand at the Company level; during 2023: RON 9,823 thousand at the Group level and RON 9,769 thousand at the Company level) and acquisition of gas from related party Conef Gaz during the year 2023 (RON 54,445 thousand at the Group level and RON 51,850 thousand at the Company level).

Additionally, the companies within the Group received services of a supportive nature from other entities under common control, such as advisory services, security, logistics and administrative services.

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The following balances were outstanding at 31 December 2024 and 31 December 2023:

Trade and other accounts receivable:

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Subsidiaries	-	-	76,072	113,384
Companies under common control	13,719	14,606	9,870	11,417
Allowance for doubtful receivables	-3,462	-3,451	-49	-49
Total trade and other accounts receivable from related parties	**10,257**	**11,155**	**85,893**	**124,752**
- non-current	-	-	-	-
- current	10,257	11,155	85,893	124,752

Trade and other accounts payable:

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Subsidiaries	-	-	13,294	7,085
Companies under common control	30,065	9,105	28,350	7,665
Total trade and other accounts payable to related parties	**30,065**	**9,105**	**41,644**	**14,750**

Management compensation

The total compensation of the Group and the Company's key management personnel included in General, administrative and selling expenses in the Statement of Profit or Loss and other Comprehensive Income amounts to RON 19,932 thousand (2023: RON 18,889 thousand) at Group level and to RON 11,844 thousand (2023: RON 12,174 thousand) at Company level, respectively, while the expense for determined contribution plan (social contributions) was RON 4,833 thousand for 2024 for the Group (2023: RON 6,130 thousand), and RON 2,858 thousand in 2024 for the Company (2023: RON 4,482 thousand).

Key management personnel transactions

A number of key management personnel, or their close family members, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-related companies.

The transactions concluded between the Group and the related parties were as follows:

Goods and services purchased from entities controlled by key management personnel or their close family members

		Alro Group		Alro	
		2024	2023	2024	2023
Management services	a)	4,470	4,113	-	-
Project management and production consulting services	b)	2,149	-	-	-
HORECA services	c)	334	177	39	72
Total		**6,953**	**4,290**	**39**	**72**

Goods sold to entities controlled by key management personnel or their close family members

		Alro Group		Alro	
		2024	2023	2024	2023
Sales of aluminium products	b)	2,826	-	-	-
Total		**2,826**	**-**	**-**	**-**

Outstanding balances		Alro Group		Alro Stand-alone	
Trade payables		2024	2023	2024	2023
Management services	a)	-	47	-	-
Project management and technical consulting services	b)	602	-	-	-
HORECA services	c)	6	26	6	5
Total		**608**	**73**	**6**	**5**

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	Alro Group		Alro	
Outstanding balances	**2024**	**2023**	**2024**	**2023**
Trade receivables	**236**	**-**	**-**	**-**

a) The Group uses management services of one of its directors in relation to the management of a subsidiary. Amounts are billed under normal market terms and conditions.

b) The Group uses technical consulting services of one of its directors appointed late in 2024, in relation to project management and the production of a subsidiary. With the same company, the Group sold aluminium products. Amounts are billed under normal market terms and conditions.

c) The Group uses HORECA services occasionally, based on necessity, from a company controlled by a close family member of one of its directors. Services are performed and charged at market rates.

36. Risk management

The Group and the Company activities expose them to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group and the Company overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group and the Company financial performance. The Group and the Company may use derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group and the Company Treasury under policies approved by the Board of Directors. The Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group and Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Capital risk management

The Group and the Company's objectives when managing capital are to safeguard the Group and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure so as to reduce the cost of capital.

The capital structure of the Group and the Company consists of debt, which includes the borrowings disclosed in Note 28, net of *Cash and cash equivalents* as disclosed in Note 25 (i.e. excluding Restricted cash) and shareholders' equity.

The Group and the Company management reviews the capital structure on a regular basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with other companies in the industry, the Group and the Company monitor capital on the basis of the gearing ratio. This ratio is calculated as *net debt* divided by *total capital. Net debt* is calculated as *total borrowings* (including current and non-current borrowings as shown in the consolidated and separate statement of financial position) less *cash and cash equivalents. Total capital* is computed as total equity as shown in the consolidated and separate statement of financial position plus *net debt.*

	Alro Group		Alro	
	31 December 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Total borrowings (Note 28)	1,554,643	1,483,540	1,531,285	1,476,565
Less: cash and cash equivalents (Note 25), adjusted*	-584,111	-325,938	-576,128	-280,093
Net debt	**970,532**	**1,157,602**	**955,157**	**1,196,472**
Total shareholders' equity	**1,010,539**	**1,002,613**	**881,901**	**869,360**
Total capital	**1,981,071**	**2,160,215**	**1,837,058**	**2,065,832**
Gearing ratio	49%	54%	52%	58%

**The cash and cash equivalents* are adjusted to include the collateral deposits of RON 152,808 thousand at 31 December 2024 (included in Other non-curent financial assets due to their maturity) and RON 119,812 thousand at 31 December 2023, pledged for oustanding borrowings.

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Market risk

The Group and the Company's activities expose them primarily to the financial risks of changes in commodity prices, energy prices, foreign currency exchange rates and interest rates. The Group and the Company may enter into a variety of contracts for derivative financial instruments to manage their exposure to market prices, such as:

- commodity options to protect Group and Company cash flows from the adverse impact of falling aluminium prices.
- swaps to manage the needs of clients for fixed prices and the associated commodity price risks resulting from quotations of aluminium based on the London Metal Exchange price for High Grade Aluminium;

In 2024 and 2023, the Group and the Company did not use derivative financial instruments.

Foreign currency risk management

The Group and the Company operate internationally and undertake certain transactions denominated in foreign currencies. Hence, the Group and the Company are exposed to foreign exchange risk arising from various currency fluctuations against the reporting currency, primarily with respect to the EUR and USD. Exchange rate exposures are analyzed and managed by natural hedge with transactions in foreign currencies by utilising spot or forward foreign exchange contracts or other types of derivatives. The risk management policy used by the Group and the Company is to hedge between 0 and 50% of anticipated cash flows in USD and EUR (Romanian sales and purchases) by practicing an active hedging policy and thus covering a variable percentage based on the market opinions regarding future exchange rates correlated with the net exporter position of the Company, as far as the Management considers it appropriate and the market allows this at reasonable costs.

The Group and the Company’s foreign currency exposure results from:
- highly probable forecast transactions (sales/purchases) denominated in foreign currencies;
- firm commitments denominated in foreign currencies; and
- monetary items (mainly trade receivables, trade payables and borrowings) denominated in foreign currencies.

The carrying amount of the Group and the Company’s foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

Alro Group

Currency of denomination	EUR	USD	Other	Total
Functional currency	**RON**	**RON**	**RON**	**RON**
31 December 2024				
Total monetary assets	37,638	63,776	60	**101,474**
Total monetary liabilities	469,327	785,473	169	**1,254,969**
31 December 2023				
Total monetary assets	41,053	35,601	53	**76,707**
Total monetary liabilities	323,682	616,507	139	**940,328**

Alro

Currency of denomination	EUR	USD	Other	Total
Functional currency	**RON**	**RON**	**RON**	**RON**
31 December 2024				
Total monetary assets	18,168	63,517	24	**81,709**
Total monetary liabilities	430,371	785,449	169	**1,215,989**
31 December 2023				
Total monetary assets	19,151	15,324	18	**34,493**
Total monetary liabilities	304,683	593,769	139	**898,591**

Foreign currency sensitivity

The Group and the Company are mainly exposed to the fluctuation of RON/USD and RON/EUR exchange rates. The aluminium market, in which the Group operates, is strongly linked to the US dollar. The Group's and the Company's sales are denominated in the USD, and this fact provides for a natural hedge for the liabilities in USD that the Group and the Company have. The following

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table details the Group and the Company's sensitivity as an impact of a 10% increase/ (decrease) in these currencies against the corresponding functional currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% increase/ (decrease) in foreign currency rate. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency.

An appreciation / (depreciation) by 10% of the RON against EUR and USD as indicated below at 31 December would increase / (decrease) profit or loss and equity by the amounts shown below (excluding the impact on income tax).

	Alro Group		Alro	
Currency of denomination	EUR	USD	EUR	USD
Functional currency	RON	RON	RON	RON
Change of exchange rate	+/- 10%	+/- 10%	+/- 10%	+/- 10%
31 December 2024				
Profit or loss	43,169 [1)]	72,170 [2)]	41,220 [1)]	72,193 [2)]
Other equity	-	-	-	-
31 December 2023				
Profit or loss	28,263 [1)]	58,091 [2)]	28,553 [1)]	57,845 [2)]
Other equity	-	-	-	-

[1)] This is mainly attributable to the exposure outstanding on EUR denominated borrowings and trade payables at the end of the period.

[2)] This is mainly attributable to the exposure outstanding on short-term and long-term USD denominated borrowings at the end of the period.

Interest rate risk management

The Group and the Company's interest rate risk arises mainly from loans taken. Borrowings received at floating rates expose the Group and the Company to cash flow interest rate risk. Borrowings received at fixed rates expose the Group and the Company to fair value interest rate risk. The interest rates on the Group and the Company's existing credit facilities are based on the London Interbank Offered Rate ("LIBOR") and starting 1 July 2023 on the CME Term SOFR for USD borrowings, on EURIBOR for borrowings in EUR and on ROBOR (Romanian Interbank Offered Rate) for RON borrowings. The Group and the Company borrowings are contracted at floating interest rates.

The Group and the Company's main interest bearing liabilities are detailed in the liquidity risk management section of this Note.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for EUR, USD and RON denominated loans received and borrowings granted at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's result for 2024 would decrease/increase by RON 15,748 thousand (2023: RON 14,965 thousand) and the Company's result would decrease/increase by RON 15,514 thousand (2023: RON 14,895 thousand), excluding the impact on income tax.

Commodity price risk

Commodity price risk is the risk that the Group and the Company's future earnings will be adversely impacted by changes in the market price of aluminium, but also of its main inputs such as energy. The Group and the Company's internal policy is to manage the identified commodity price risk by natural hedge when possible and also for a part of the remaining quantity at risk by entering into derivative contracts such as aluminium swap agreements and ratio-collar transactions on aluminium, when market conditions are favourable.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group is exposed to credit risk from its operating activities, primarily trade receivables (see also Note 22) and from its financing activities, including deposits and cash at banks and financial institutions (see also Notes 20 and 25).

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Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. In order for the Group and Company to minimize the credit risk, the major part of the receivables are immediately sold to banks by factoring transactions on a non-recourse basis. For a small part of the receivables, which is not covered by factoring contracts, the financial quality of the debtors is permanently monitored, and the Group and the Company exposure from the concluded transactions is spread amongst approved counterparties. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Management. Ongoing credit evaluation is performed on the financial condition of accounts receivable and credit history of debtors and, where appropriate, credit risk insurance is required. For the Group and the Company's concentration risk, refer to Note 22.

The credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix. This provision matrix is initially based on the Group's historical observed default rates, adjusted for forward-looking factors specific to the debtors and the economic environment, if any. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. As the Group has trade receivables with term payments due within a relatively short time, the determination of forward looking economic scenarios may be less significant given that over the credit risk exposure period a significant change in economic conditions may be unlikely, and historical loss rates might be an appropriate basis for the estimate of expected future losses.

The methodology used by the Group to measuring expected credit losses for trade receivables could be described as follows:
- determine the period over which the observed historical loss rates are appropriate. The Group selected for this purpose the 5 previous periods ending 31 December 2023, 30 September 2023, 30 June 2023, 31 March 2023 and 31 December 2022 for capturing data;
- collect data on trade receivables and group them by their past due status at each of the period under analysis;
- analyze the evolution of these balances after a period of 9 months and determine what amounts from each group outstanding is still unpaid in order to determine the proportion of balances in each past-due category that was ultimately not collected;
- determine the weighted average loss rate (%) per past due status for all the 5 periods under analysis;
- this rate will be applied to determine the impairment loss on gross trade receivables as at 31 December 2024.

Additionally, there are trade receivables from 3rd parties or related parties for which the Group made individual assessments, presented below. For details, please refer to the Note 22 and Note 35.

The following table details the risk profile of trade receivables based on the Group and Company's provision matrix. As the Group and Company's historical credit loss experience do not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group and Company's different customer segments.

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Alro Group

Trade receivables			31 December 2024
Terms	**Gross carrying amount**	**Expected credit losses**	**Expected credit loss rate (%)**
Current (not past due)	67,697	-	0.00%
1-30 days past due	9,834	-16	0.16%
31-60 days past due	958	-	0.00%
61-90 days past due	665	-14	2.11%
91-180 days past due	24	-2	8.33%
More than 180 days past due	1,270	-1,114	87.72%
Total pool	**80,448**	**-1,146**	
Individually assessed receivables	23,560	-23,560	
Total	**104,008**	**-24,706**	

Trade receivables			31 December 2023
Terms	**Gross carrying amount**	**Expected credit losses**	**Expected credit loss rate (%)**
Current (not past due)	49,226	-	0.00%
1-30 days past due	6,060	-23	0.38%
31-60 days past due	642	-6	0.93%
61-90 days past due	59	-	0.00%
91-180 days past due	54	-	0.00%
More than 180 days past due	1,373	-1,222	89.00%
Total pool	**57,414**	**-1,251**	
Individually assessed receivables	23,371	-23,371	
Total	**80,785**	**-24,622**	

Alro

Trade receivables			31 December 2024
Terms	**Gross carrying amount**	**Expected credit losses**	**Expected credit loss rate (%)**
Current (not past due)	78,488	-	0.00%
1-30 days past due	5,489	-	0.00%
31-60 days past due	951	-	0.00%
61-90 days past due	616	-	0.00%
91-180 days past due	-	-	0.00%
More than 180 days past due	318	-217	68.24%
Total pool	**85,862**	**-217**	
Individually assessed receivables	20,590	-20,159	
Total	**106,452**	**-20,376**	

Trade receivables			31 December 2023
Terms	**Gross carrying amount**	**Expected credit losses**	**Expected credit loss rate (%)**
Current (not past due)	67,423	-	0.00%
1-30 days past due	1,204	-	0.00%
31-60 days past due	315	-	0.00%
61-90 days past due	48	-	0.00%
91-180 days past due	54	-	0.00%
More than 180 days past due	124	-75	60.48%
Total pool	**69,168**	**-75**	
Individually assessed receivables	20,566	-19,969	
Total	**89,734**	**-20,044**	

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Financial instruments and cash deposits
Credit risk from transactions with banks and financial institutions is managed by the Corporate Finance department. Investment of surplus funds is done only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure. No material exposure is considered to exist by virtue of the possible non performance by the counterparties in respect of financial instruments.

Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has set up an appropriate liquidity risk management framework for the Group and the Company's short-, medium- and long-term funding and liquidity requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 28 is a listing of additional undrawn facilities that the Borrowings has at its disposal to further reduce liquidity risk.

The following tables detail the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Alro Group	within 1 year	1 to 5 years	after 5 years	Total
31 December 2024				
Borrowings (principal and expected future interest payments)	215,896	1,549,336	104,912	**1,870,144**
Trade and other monetary payables	522,137	-	-	**522,137**
Total	**738,033**	**1,549,336**	**104,912**	**2,392,281**
31 December 2023				
Borrowings (principal and expected future interest payments)	415,383	1,340,969	29,028	**1,785,380**
Trade and other monetary payables	311,587	-	-	**311,587**
Total	**726,970**	**1,340,969**	**29,028**	**2,096,967**

Alro	within 1 year	1 to 5 years	after 5 years	Total
31 December 2024				
Borrowings (principal and expected future interest payments)	203,253	1,538,600	104,912	**1,846,765**
Trade and other monetary payables	488,487	-	-	**488,487**
Total	**691,740**	**1,538,600**	**104,912**	**2,335,252**
31 December 2023				
Borrowings (principal and expected future interest payments)	411,006	1,337,864	29,028	**1,777,898**
Trade and other monetary payables	237,913	-	-	**237,913**
Total	**648,919**	**1,337,864**	**29,028**	**2,015,811**

Categories of financial instruments

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Financial assets				
At amortised cost				
Cash and bank balances	431,358	225,940	423,320	160,281
Receivables	631,363	637,402	609,132	622,750
Fair value through profit or loss (FVTPL)				
Designated as at FVTPL	10,947	3,259	10,947	3,259
Total financial assets	**1,073,668**	**866,601**	**1,043,399**	**786,290**

Financial assets designated at FVTPL represent trade receivables covered by factoring contracts that were not yet sold to the factor at the reporting date. These are used within the business' model to manage the financial assets with the objective of realising cashflows mainly through the sale of the assets, therefore they are classified as at fair value through profit or loss, and are subsequently measured at fair value. Their fair value measurement is classified within Level 2 of the fair value measurement hierarchy. Net gains and losses, if any, are recognised in profit or loss. Due to the very short term between their issuance and the settlement, their cost is a fair approximate of their fair value, and the gain or loss on disposal is nil.

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	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Financial liabilities				
Fair value through profit or loss (FVTPL):				
Designated as at FVTPL (derivative financial instruments)	-	-	-	-
Amortised cost:				
Trade and other payables	513,651	305,097	481,934	231,457
Long-term borrowings and leases	1,456,174	1,182,030	1,445,442	1,179,128
Short-term borrowings and leases	98,469	301,510	85,843	297,437
Total financial liabilities	**2,068,294**	**1,788,637**	**2,013,219**	**1,708,022**

There were no reclassifications between the categories of financial assets during 2024 and 2023.

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

• The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

• The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

• The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, the fair value of financial instruments is determined by using valuation techniques. The Group and the Company use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of the fixed-to-floating swap contracts on energy is determined by using forward quotations from publicly available platforms and exchange rates forecasts provided by internationally reputed data providers.

Below is presented an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

• Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2 fair value measurements are those derived from valuation techniques containing inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The Group and the Company do not have level 3 financial instruments.

There were no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

The Management consider that the fair values of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their carrying amounts largely due to the short term maturities, low transaction costs of these instruments as of financial position date, and for the long-term borrowings due to the fact that they have variable interest and the bank margins are similar with those for the recently contracted bank loans.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables;
- Other current and non-current financial assets;
- Cash and cash equivalents;
- Trade and other payables;
- Borrowings and leases.

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37. Commitments and contingencies

Commitments

Investment commitments

As at 31 December 2024, the Group's and the Company's commitments pertaining to the investments for the year 2025 amounted to RON 56,007 thousand (31 December 2023: RON 63,923 thousand) at the Group level and to RON 55,496 thousand (31 December 2023: RON 45,008 thousand) at the Company level.

Raw material purchase contracts

As at 31 December 2024, the Group and the Company had contracts for purchases of raw materials, other consumables and utilities of RON 1,216,013 thousand (31 December 2023: RON 1,120,175 thousand) for the Group and RON 1,235,335 thousand (31 December 2023: RON 1,120,175 thousand) for the Company.

Lease commitments — Group and Company as a lessor

The Parent Company has investment property consisting of an extruded aluminium production hall rented to one of its subsidiaries. In 2022 the agreement was extended until 2032 and contains clauses regarding the increase of rented area and a fixed rent payment in EUR. In 2023 an addendum was issued for a supplementary area, with the rent payment increase accordingly. Additionally, the Parent Company has investment property consisting of a building rented to one of its related parties. In 2024 the agreement was exteded until 2029.

Rental income recognized by the Group and the Company in 2024 was of RON 274 thousand (in 2023: RON 222 thousand) at Group level and RON 2,685 thousand at Company level (2023: RON 2,599 thousand).

Future minimum lease payments receivable under non-cancellable leases of the Group and the Company as at 31 December 2024 are presented by maturities below:

	Alro Group		Alro	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Within 1 year	274	228	2,684	2,639
1 to 5 years	1,096	-	10,737	9,642
After 5 years	-	-	7,231	9,642
Total	**1,370**	**228**	**20,652**	**21,923**

Litigations

As at 31 December 2024 the Group was subject to a number of lawsuits resulting from the normal course of the business. The Management believes that these actions will not have a significant impact on the financial performance and financial position of the Group.

Taxation

Starting 2019, a subsidiary of the Group was subject to fiscal audit from the National Agency for Fiscal Administration related to income tax and VAT transactions regarding the period 2014-2018. The fiscal inspection was finalized in 2021 and the tax authorities concluded a report with a net effect of RON 19,643 thousand, which the subsidiary recognized as an expense in a first stage and paid it within the legal time frame. Subsequently, the Group's subsidiary filed a tax appeal to the National Agency for Fiscal Administration against the Fiscal Inspection Report, which was rejected by the National Agency for Fiscal Administration. Subsequently, a fiscal expertise was performed by an independent expert appointed by the Court. In November 2023 the Court ruled in favor of the subsidiary by ordering a refund of RON 18,213 thousand, out of the total of RON 19,643 thousand that was the subject of the tax act. The subsidiary has not yet accounted for the recovery as the amount was not yet received. The National Agency for Fiscal Administration filed the appeal against this decision and the file was submitted to the High Court of Cassation and Justice.

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In 2023, the Parent Company of the Group was subject to a fiscal audit by the National Agency for Fiscal Administration for the years 2016-2021. The audit was finalized in January 2024, resulting in additional charges, interest and penalties amounting to RON 20,919 thousand, which were recognized as an expense in 2023. The Company paid additional taxes imposed of RON 15,303 thousand in 2024, while for the remaining penalties, it applied for and it was approved their cancellation in October 2024, as allowed by the Government Emergency Ordinance no. 107/4.09.2024. In December 2024, the Company filed a lawsuit to Court of Law, to recover the remaining amounts paid and the cancellation the tax decisions.

38. Auditor's fee

This note shows the total remuneration payable by the Group and the Company, excluding VAT, to our principal auditors, Ernst & Young Assurance Services SRL for the financial years mentioned below.

	Alro Group		Alro	
	2024	**2023**	**2024**	**2023**
Statutory audit expenses	1,041	1,004	757	708
Other assurance services	221	61	211	51
Total	**1,262**	**1,065**	**968**	**759**

39. Events after the reporting date

As of 10 February 2025, the Trump Administration has substantially raised tariffs on steel and aluminium imports to a flat 25% “without exceptions or exemptions”. The proclamation is raising the US tariff rate on aluminium to 25% from the previous 10% rate and eliminating country exceptions and quota deals, as well as other product-specific tariff exclusions for both metals. The new tariffs will take effect for any products entered for consumption or withdrawn from warehouse for consumption starting 12 March 2025. While it is too early to assess the real impact of this decision, in the medium and long term, the new tariff rate affects the competitiveness of our products on the US market, having a direct impact on final prices for customers and on our commercial partnerships with the US entities.

In February 2025, the Group’s subsidiary, Alum S.A., contributed RON 18 thousand to the establishment of a joint-stock company named Stocare Energie Tulcea S.A. (“SET”), with a share capital of RON 90 thousand. SET is owned 80% by Vimetco Management Romania S.R.L. and 20% by Alum S.A., with its registered office in Tulcea. The company was founded with the purpose of developing a battery energy storage facility.

There were no other material subsequent events that could have a significant impact on these financial statements.

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Statement of the Persons in Charge

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Statement of the Persons in Charge

Pursuant to the legal stipulations of the Regulation no. 5/2018 issued by the Financial Supervisory Authority (FSA) for issuers and operations with securities, the Management of the Group and of the Company states that:

1. We confirm to the best of our knowledge that the consolidated and separate financial statements of Alro and its subsidiaries ("the financial statements"), prepared in accordance with the applicable accounting standards give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company for the year ended 31 December 2024;

2. We confirm that the electronic format of the financial statements mentioned above for the financial year ended 31 December 2024 is prepared in accordance with the requirements of the Commission Delegated Regulation (EU) 2018/815 dated 17 December 2018 that completes the Directive no. 2004/109/CE of the European Parliament and of the Council concerning the technical regulation standards regarding the specification of a unique electronic reporting format (ESEF Regulation);

3. The Consolidated Directors Report for the financial year ended 31 December 2024 gives a true and fair view of the development and the performance of the Group and of the Company, as well as a description of the main risks and uncertainties associated with the expected development of the Group and of the Company.

The Board of Directors represents the interests of the Group, of the Parent-company and of its shareholders and is responsible for the overall management of the Group and of the Company.

At the date of this report, the Board of Directors of the Parent-company consists of 11 members as follows:

1.	Marian-Daniel Nastase	Chairman
2.	Svetlana Pinzari	Vice-President
3.	Gheorghe Dobra	Member
4.	Vasile Iuga	Member
5.	Marinel Burduja	Member
6.	Adrian Fercu	Member
7.	Darius Pavăl	Member
8.	Voicu Cheta	Member
9.	Genoveva Nastase	Member
10.	Igor Higer	Member
11.	Dragos-Adrian Voncu	Member

The consolidated financial statements of Alro and its subsidiaries and the separate financial statements of Alro for the year ended 31 December 2024 are audited.

Chairman of the Board of Directors
Marian Daniel Nastase

CEO
Marin Cilianu

CFO
Genoveva Nastase

26 March 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ALRO S.A.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of ALRO S.A. (the Company) and its subsidiaries (together referred to as "the Group") with official head office in Pitesti, 116 Street, Slatina, Olt county, Romania, identified by sole fiscal registration number 1515374, which comprise the consolidated and separate statements of financial position as at December 31, 2024, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in shareholders' equity and the consolidated and separate statements of cash flows for the year then ended and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company as at December 31, 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016, approving the accounting regulations compliant with the International Financial Reporting Standards ("IFRS"), with all subsequent amendments.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("Regulation (EU) No. 537/2014") and Law 162/2017 („Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, including Regulation (EU) No. 537/2014 and Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of consolidated and separate the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated and separate financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Description of each key audit matter and our procedures performed to address the matter

Key audit matter	How our audit addressed the key audit matter
Impairment testing of investments in subsidiaries in the separate financial statements The Company's disclosures about investments in subsidiaries, including the related impairment, are included in Note 16.	
Investments in subsidiaries are significant to our audit because of the magnitude of the balance sheet position as at 31 December 2024 (carrying value of investments in subsidiaries is RON 144 million in the separate statement of financial position, after impairment of RON 442.5 million recognized in prior years). The assessment of the recoverability of the carrying value of investments requires management to apply significant judgements and estimates in assessing whether any impairment has arisen at year-end or an impairment may be reversed and in measuring any such impairment adjustment. An impairment assessment also involves consideration of various sources of information, including factors related to the economic environment and industry specific factors.	Our audit procedures included, among others: a) we involved our internal valuation specialists to assist us in: ➢ evaluating the key assumptions and methodologies used by the Company for the impairment testing of investments in subsidiaries (e.g. checked the mathematical accuracy of the model and its conformity with the requirements of the International Financial Reporting Standards, discount rates used for discounting future cash flows for each investment, macroeconomic assumptions); ➢ evaluating the competence, capabilities and objectivity of the external valuator;

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As of 31 December 2024, considering the evolution of the economic environment and the challenges specific to the industry, the Company management performed an impairment test for of the investments in subsidiaries for its annual financial reporting purpose. The investment recoverable value resulting from the impairment test was higher than its carrying value. However, no reversal of the impairment provision recognised in prior periods was made in 2024, due to the fact that the plant activity remained suspended and the high sensitivity of key assumptions used in the cash flow projections. Given the judgements and estimates used by the management in the determination of future cash flow projections and uncertainties regarding current economic environment this is considered a key audit matter.	b) we evaluated the sensitivity analysis of the investments' recoverable amounts to changes in the significant assumptions made by management (such as expected sales prices, production/sales volumes vs. capacity, materials cost and administrative expenses, net capital investments, working capital changes, and the resulting growth rate and EBITDA margin for each of the future periods included in the impairment test) as well as analysis of their consistency with the general and industry-specific economic environment, relevant available market information and the business plans of the Group; c) we assessed the consideration of the current energy prices evolution impact in the cash flow models; d) we evaluated the management's assessment of impairment indicators for investments in subsidiaries by considering whether the assessment covered all significant investments for which impairment indicators could have existed at the end of the reporting period as well as management's assessment of the recoverability of the carrying value of investments for which triggering events were identified. e) we assessed the historical accuracy of management's budgets and forecasts by comparing them to actual performance. f) we further assessed the adequacy of the Company's disclosures about impairment of investments in subsidiaries.

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Impairment testing of property, plant and equipment in the consolidated financial statements and in the separate financial statements Alro Group's disclosures about property, plant and equipment, including the related impairment, are included in Note 14	
The property, plant and equipment of Alro Group are significant to our audit because of the magnitude of the balance sheet position as at 31 December 2024 (amounting RON 920 million in the consolidated statement of financial position and respectively RON 732 million in the separate statement of financial position). Under IFRS Accounting Standards, an entity is required to assess, at least at each reporting date, whether impairment indicators exist and, if they exist, an impairment test is required. As of 31 December 2024, considering the evolution of the economic environment and the challenges specific to the industry, the Group management performed an impairment test for the property, plant and equipment of Alro and Alum, which resulted as follows: ➢ for Alro, the recovery value of the property, plant and equipment was higher than their carrying value, therefore no impairment adjustments were required for the property, plant and equipment; ➢ for Alum, it was also determined that the recoverable value of property, plant and equipment was higher than its carrying value. However, considering the plant activity is still suspended and the high sensitivity of key assumptions used in the cash flow projections,in 2024, no reversal of the impairment provision recognized in prior periods was made. The assessment of the recoverability of the carrying value of property plant and equipment requires management to apply significant judgements and estimates in determining the main assumptions used in the impairment test such as discount rate,	Our audit procedures included, among others: a) we analysed and evaluated the management's assessment of the existence of impairment indicators; b) we involved our internal valuation specialists to assist us: ➢ in evaluating the key assumptions and methodologies used by Group for the impairment testing of property, plant and equipment (e.g. checked the mathematical accuracy of the model and its conformity with the requirements of the International Financial Reporting Standards, discount rates used for discounting future cash flows for the companies in the Group, macroeconomic assumptions); ➢ evaluation of the competence, capabilities and objectivity of external valuator; c) we compared the assumptions used within the future cash flow models to approved budgets and business plans which considered also the current energy prices evolution impact on the future cash flow; d) we evaluated the sensitivity analysis of the cash generating units' recoverable amounts to changes in the significant assumptions made by management (such as expected sales prices, production/sales volumes vs. capacity, materials cost and administrative expenses, expected income from government compensations for indirect emission costs embedded in the electricity price, net capital investments, working capital changes, and the resulting growth rate and EBITDA margin for each of the future periods included in the impairment test) as well as analysis of their consistency with the general and industry-specific

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growth rate and EBITDA margin, as well as expected income from government compensations for indirect emission costs embedded in the electricity price. Due to the uncertainty of forecasting and discounting future cash flows, the level of judgements involved and the significance of the Group's property plant and equipment as at 31 December 2024, this audit area is considered a key audit matter.	economic environment, relevant available market information and the business plans of the two entities; e) we assessed the historical accuracy of management's budgets and forecasts by comparing them to actual performance; f) we further assessed the adequacy of Group's disclosures about Impairment testing of property, plant and equipment.

Other information

The other information comprises the Annual report, which includes the Directors' Consolidated Report, as well as the Remuneration Report, but does not include the consolidated and separate financial statements and our auditors' report thereon. Management is responsible for the other information.

Our audit opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Company's and respectively the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, respectively the Group or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company, respectively Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of audit work for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Reporting on Information Other than the Consolidated and Separate Financial Statements and Our Auditors' Report Thereon

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Consolidated Directors' Report and Remuneration Report, we have read these reports and report that:

a) in the Consolidated Directors' Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying consolidated and separate financial statements as at December 31, 2024;
b) the Consolidated Directors' Report, except the sustainability statement which is subject to a separate assurance reporting, includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards, with all subsequent amendments, Annex 1 articles 15 – 19 and 26-27;
c) based on our knowledge and understanding concerning the Group and its environment gained during our audit of the financial statements as at December 31, 2024, we have not identified information included in the Consolidated Directors' Report, except the sustainability statement which is subject to a separate assurance reporting, that contains a material misstatement of fact.
d) the Remuneration Report identified above includes, in all material respects, the required information according to the provisions of article 107 (1) and (2) from Law 24/2017 on issuers of financial instruments and market operations.

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Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment and Approval of Auditor

We were appointed as auditors of the Company by the General Meeting of Shareholders on 26 April 2024 to audit the consolidated and separate financial statements for the financial year end December 31, 2024. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for twelve years, covering the financial periods end December 31, 2013 till December 31, 2024.

Consistency with Additional Report to the Audit Committee

Our audit opinion on the consolidated and separate financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 25 March 2025.

Provision of Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Company and we remain independent from the Group in conducting the audit.
In addition to statutory audit services and services disclosed in the annual report and in the financial statements, no other services which were provided by us to the Company, and its controlled undertakings.

Report on the compliance of the electronic format of the consolidated and separate financial statements, included in the annual consolidated and separate report with the requirements of the ESEF Regulation

We have performed a reasonable assurance engagement on the compliance of the electronic format of the consolidated and separate financial statements of ALRO S.A. (the Company) and its subsidiaries (together referred to as "the Group") for the year ended 31 December 2024, included in the attached electronic file „5493008G6W6SORM2JG98-2024-12-31_ENG.zip"(identified with the key c76011e1b54fb59fe59c86d3bd90dbf94132073f57813bce1779ef1eb1dc4b47) with the requirements of the Commission Delegated Regulation (EU) 2019 /815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation). Our opinion is expressed only in relation to the electronic format of the consolidated and separate financial statements and does not extend to the other information included in the annual consolidated and separate report.

Shape the future
with confidence

Description of the subject matter and the applicable criteria

The Management has prepared electronic format of consolidated and separate financial statements of the Company for the year ended 31 December 2024 in accordance and to comply with ESEF Regulation requirements. The requirements for the preparation of the consolidated and separate financial statements in ESEF format are specified in the ESEF Regulation and represent, in our opinion, applicable criteria for us to express an opinion providing reasonable assurance.

Responsibilities of the Management and Those Charged with Governance

The Management of the Company is responsible for the compliance with the requirements of the ESEF Regulation in the preparation of the electronic format of the consolidated and separate financial statements in XHTML format. Such responsibility includes the selection and application of appropriate iXBRL tags using the taxonomy specified in the ESEF Regulation, ensuring consistency between the human-readable layer of electronic format of the consolidated and separate financial statements and the audited consolidated and separate financial statements. The responsibility of Company's Management also includes the design, implementation and maintenance of such internal control as determined is necessary to enable the preparation of the consolidated and separate financial statements in ESEF format that are free from any material non-compliance with the ESEF Regulation.
Those charged with governance are responsible for overseeing the financial reporting process for the preparation of consolidated and separate financial statements of the Company, including the application of the ESEF Regulation.

Auditor's Responsibility

Our responsibility is to express an opinion providing reasonable assurance on the compliance of the electronic format of the consolidated and separate financial statements with the requirements of the ESEF Regulation.
We have performed a reasonable assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (revised)). This standard requires that we comply with ethical requirements, plan and perform our engagement to obtain reasonable assurance about whether the electronic format of the consolidated and separate financial statements of the Company is prepared, in all material respects, in accordance with the applicable criteria, specified above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance with the requirements of the ESEF Regulation, whether due to fraud or error.
Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with ISAE 3000 (revised) will always detect material non-compliance with the requirements when it exists.

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Our Independence and Quality Management

We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires that we design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
We have maintained our independence and confirm that we have met the ethical and independence requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

Summary of procedures performed

The objective of the procedures that we have planned and performed was to obtain reasonable assurance that the electronic format of the consolidated and separate financial statements is prepared, in all material respects, in accordance with the requirements of ESEF Regulation. When conducting our assessment of the compliance with the requirements of the ESEF Regulation of the electronic (XHTML) reporting format of the consolidated and separate financial statements of the Company, we have maintained professional skepticism and applied professional judgement. We have also:

- obtained an understanding of the internal control and the processes related to the application of the ESEF Regulation in respect of the consolidated and separate financial statements of the Company, including the preparation of the consolidated and separate financial statements of the Company in XHTML format and its tagging in machine readable language (iXBR);
- tested the validity of the applied XHTML format;
- checked whether the human-readable layer of electronic format of the consolidated and separate financial statements (XHTML) corresponds to the audited consolidated and separate financial statements;
- assessed the completeness of the tagging of information in the consolidated and separate financial statements while using the machine-readable language (iXBRL) under the requirements of the ESEF Regulation;
- assessed the appropriateness of the applied iXBRL tags selected from the core taxonomy and the creation of extensions to the elements in the extended taxonomy specified in the ESEF Regulation when there were no suitable elements in the core taxonomy;
- evaluated the anchoring of the taxonomy extensions to the elements in the extended taxonomy specified by the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Shape the future
with confidence

Opinion on the compliance of the electronic format of the consolidated and separate financial statements with the requirements of the ESEF Regulation

Based on the procedures performed, in our opinion, the electronic format of the consolidated and separate financial statements of the Company for the year ended 31 December 2024 is prepared, in all material respects, in accordance with the requirements of ESEF Regulation.

On behalf of,
Ernst & Young Assurance Services SRL
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania
Registered in the electronic Public Register under No. FA77

Name of the Auditor / Partner: Verona Cojocaru
Registered in the electronic Public Register under No. AF1568

Bucharest, Romania
26 March 2025

ALRO
Future, essentially

ANNEX 1
ANNUAL REPORT
ALRO 2024

ALRO Group

SUSTAINABILITY REPORT 2024

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The 2024 Sustainability Report has been prepared in accordance with the provisions of EU Commission Delegated Regulation 2023/2772 (CSRD Reporting) and follows the structure of ESRS reporting standards throughout four distinct sections, namely: **General Disclosures**, **Environment**, **Social and Governance**. The list of material disclosure requirements included in this Sustainability Report can be found in ANNEX 1 List of Material Reporting Requirements on page 53.

I.1. ESRS 2 General disclosures

I.1.1 Basis for preparation

I.1.1.1 [BP-1] General basis for the preparation of the sustainability statement

The 2024 Sustainability Report is prepared at a consolidated level, for ALRO, the parent company and all its subsidiaries. ALRO, as the parent company of the Group prepares consolidated financial statements hence is the only entity in the Group that falls within the scope of CSRD ("Corporate Sustainability Reporting Directive") which is transposed in the local legislation by MFO no. 2024/85. ALRO is a listed company, respectively a public interest entity while the other companies in the Group do not have an individual reporting obligation for the 2024 financial year, as they do not meet the reporting criteria. As per ESRS 1.62 standard "if the reporting undertaking is a parent company required to prepare consolidated financial statements, the sustainability statement will be for the group". Thus, starting with 2024 financial year, ALRO, as the listed parent company of a large Group, is required to prepare consolidated sustainability reporting that will be part of the consolidated Annual Report. The sustainability information is consolidated according to the same principles as the financial statements, unless otherwise specified. The complete list of ALRO Group subsidiaries is reported in the *Group Presentation* chapter of the 2024 Annual Report page 12.

In this report, which is the 8th Sustainability Report prepared by the Group (the previous 7 reports being voluntary), a comprehensive overview of our sustainability initiatives is presented, as well as the impact ALRO Group has or may have on the environment and

people (inside-out perspective) and the risks or opportunities that have or may have a significant influence on its financial performance (outside-in perspective).

This ALRO Group Sustainability Report is prepared for the period January 1 - December 31, 2024 and is in line with the requirements of the Corporate Sustainability Reporting Directive ("CSRD") and the European Sustainability Reporting Standards ("ESRS"). The materiality assessment process of impacts, risks and opportunities ('IROs') as described in the Report covers both the activities carried out within own operations and the upstream and/or downstream value chain. In circumstances where the Group's policies and actions also extend to the value chain, this is specifically mentioned in the report sections corresponding to the ESRS thematic standards and to the Minimum Reporting Requirements ("MDR") according to ESRS 2. All information reported in the E, S, G sections of this Sustainability Report has either been assessed as material following the double materiality assessment process or it is a mandatory requirement under ESRS standards.

Consequently, the ALRO Group's Sustainability Report covers the upstream and downstream value chain in line with the ESRS 1 requirements, as presented in **Section 5.1 Reporting Company and it's Value Chain**.

ALRO has not omitted information on intellectual property, know-how or results of innovation according to **ESRS 1 Section, 7.7 Classified and sensitive information**, and information on intellectual property, know-how or results of innovation or disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

We will regularly review the use of estimates in our analyses, given the experience gained in applying accounting policies, the evolving sustainability reporting practices, the data availability and other relevant factors. Any changes in the preparation or presentation of sustainability information will be recognised in the period when the revision of the assumption occurs. Please refer to the quantitative data tables in this report for further details regarding the estimates and the key assumptions used.

The accounting policies were applied consistently throughout the 2024 financial year and are presented in detail in the 2024 Integrated Annual Report. The ALRO Group regularly reviews the use of estimates and assumptions given our experience gained in the application of accounting policies, the developments in sustainability reporting and other relevant factors. Any changes in the preparation or presentation of sustainability information will be recognised during the period when the revision of that assumption occurs. Please refer to the quantitative data sections for further details on key estimates, judgments and assumptions used.

The Sustainability Report covering the period from January 1 - December 31, 2024, as part of the Annual Integrated Management Report, has been subject to an external review conducted through a limited assurance engagement carried out by the Group's financial auditor, Ernst & Young Assurance Services S.R.L. in accordance with the International Standard on Assurance Engagements 3000 (‘ISAE 3000 (revised)’) – Assurance engagements other than audits or reviews of historical financial information.

Please refer to the limited assurance report which includes a description of the assurance activities carried out by the external auditor in support of the audit opinion available on page 306 of this Sustainability Report.

I.1.1.2 [BP-2] Disclosures in relation to specific circumstances

Time horizons

The Group has adopted the short-, medium- and long-term time horizons defined by the **ESRS 1, section 6.4 Definition of short, medium and long term for reporting purposes** without any deviations from the standard. According to the standard definitions, the adopted short-term period is up to one year, similar to the reporting period in its 2024 financial statements; the medium-term time horizon extends from the end of the short-term reporting period up to five years; whilst the long-term time horizon covers a more than 5 years period. The aforementioned time frames have been used consistently in the report without deviations, reflecting a standardised approach aligned with ESRS 1 requirements.

Data estimation

The metric reported for the upstream and downstream value chain refers exclusively to greenhouse gas (GHG) emissions under Scope 3. This is the sole metric used to reflect the impact on the value chain, according to reporting standards. The estimation carried out for scope 3 GHG emissions have been made according to the GHG Protocol, using indirect sources such as sector average data or other proxies reflecting activities in the value chain. These estimates are based on standardized methodologies that allow the indirect impact assessment from the company's activities. The estimates of Scope 3 emissions have been conducted with a level of accuracy considered adequate, according to the guidance of GHG Protocol. However, given the indirect sources used and the sector-average data, there is a certain degree of measurement uncertainty associated with these estimates. The level of data accuracy is clearly specified in the sustainability statement, section ESRS E1, chapter E1-6.

For each thematic standard and underlying metrics, information on estimates, uncertainties, assumptions and calculation is presented in the report sections, if applicable.

Upstream and downstream value chain

The Group has carried out the double materiality assessment covering its own activities, as well as the upstream and downstream value chain. Thus, the Sustainability Statement prepared by ALRO Group presents material impacts, risks and opportunities (IRO) related to the value chain, taking into account environmental factors (scope 3 GHG emissions) and social factors (e.g. working conditions for workers in the value chain). This approach extends to the policies and actions implemented by the Group during the reporting period, which translates into adequate working conditions and respect for the human rights, according to international standards applicable to workers in the upstream value chain.

Use of transitional provisions

For the 2024 sustenability reporting, ALRO has decided, to apply the phase-in provisions applicable to companies with more than 750 employees, including the voluntary metrics and data points, unless such information is needed for a proper understanding of a specific sustainability topic.

Changes in the preparation or presentation of sustainability information

For 2024 FY, the Group's Sustainability report was prepared in accordance with the CSRD requirements and the ESRS reporting standards. In preparing the Sustainability Report, the ALRO Group used the Implementation Guidelines issued by the European Financial Reporting Advisory Group (EFRAG), including the Implementation Guidelines IG 3 *Data Requirements* List. By comparison, the 2023 Sustainability Report was based on the Global Reporting Initiative (GRI 2021) standard and the Sustainability Accounting Standards Board (SASB) standards.

Incorporation by reference

The list of disclosure requirements incorporated in the sustainability statement by reference can be found below:

ESRS Topic	List of disclosure requirements reported by reference	Reporting section
ESRS 2 BP-1 5 b) (i)	**Indication of subsidiaries included in the consolidation that are exempt from individual or consolidated reporting**	**Chapter Group overview, sub-chapter Group structure as of December 31, 2024, Annual Report 2024, pg. 12, 13**
ESRS 2 GOV-1	**ALRO's organizational structure**	**Chapter Responsibility of the Board of Directors, sub-chapter Overview as of December 31, 2024, Annual Report 2024, pg. 37**
ESRS 2 GOV-1	**GOV-1 The role of administrative, management and supervisory bodies (shareholders)**	**Chapter 2.1 Presentation of ALRO Group, Annual Report 2024, pg. 38**
ESRS 2 BP-2 10 b) and c)	**Indicators that include value chain data: describe the basis for compilation, the resulting level of accuracy**	**E1-6 from ESRS E1, pg. 93**
ESRS 2 BP-2 11 b) (i), (ii)	**List of quantitative indicators and monetary values subject to a high level of measurement uncertainty**	**E1-6 from ESRS E1, pg. 93**
ESRS 2, SBM-1, 40 (b)	**Breakdown of total revenues by segment in accordance with IFRS 8 Operating segments as included in its financial statements.**	Note 6 **Revenues from customer contracts to the consolidated financial statements, Annual Report 2024**
S2-1	**Policies on workers in the value chain: Human Rights Policy, CSR Policy, Whistleblower rotection Measures)**	**G1 Business conduct, pg. 222**
S3-2	**Collaborative processes with affected communities on impacts**	**G1 Business conduct, pg. 240**
S4-1	**Consumer and end-user policies**	**G1 Business conduct, pg. 257**
ESRS S1, S2, S3, S4 SBM-2	ESRS SBM-2 **Interests and views of Stakeholders**	**I.10** [SBM-2] **Interests and views of stakeholders, pg. 31**
GOV-5 Risk management and internal controls related to sustainability reporting	36(b) **The risk assessment approach including the methodology on risks' prioritization.**	**I.12** [IRO-1] **Process description for the identification and assessment of significant impacts, risks and opportunities, pg. 40**

I.1.2 Governance

I.1.2.1 [GOV-1] The role of the administrative, management and supervisory bodies

I.1.2.1.1 The composition and diversity of the administrative, management and supervisory bodies

As a listed company on the Bucharest Stock Exchange (BVB), ALRO has adopted the corporate governance rules, in accordance with the BVB Corporate Governance Code. The status of compliance with the Bucharest Stock Exchange's Corporate Governance Code can be found in the Statement on compliance or non-compliance with the provisions of the BVB Corporate Governance Code (the "apply or explain" Statement), included in the annual report. For other Group companies, their size and internal organization, as well as the nature, scale and complexity of their activities were considered in the design and implementation of governance arrangements.

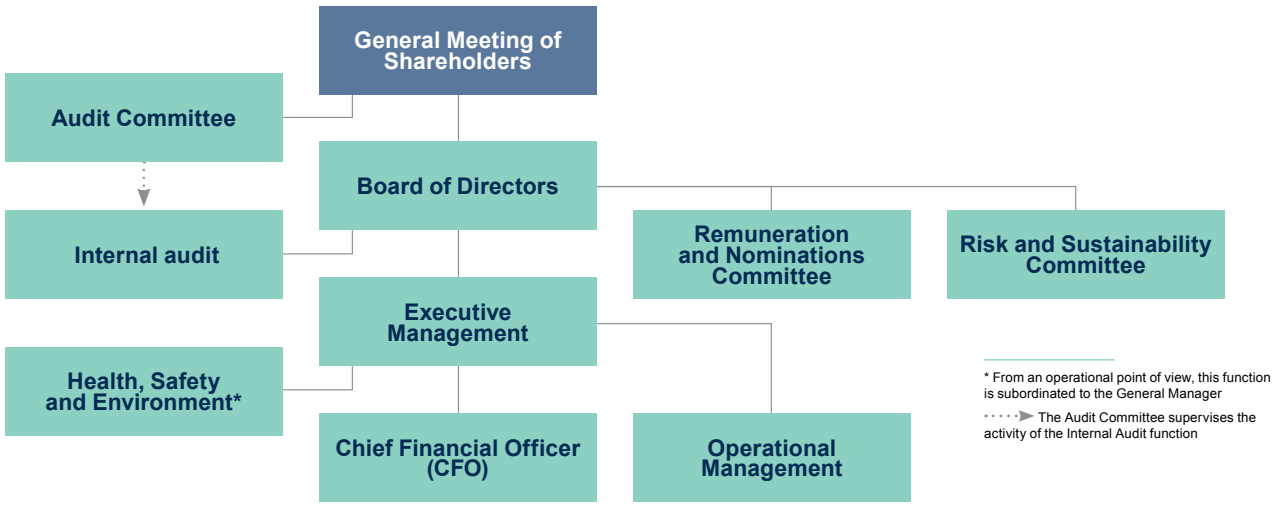
The effective implementation of an internal governance structure that promotes fairness, transparency and accountability at the level of each company is the foundation for the Group's business development. In order to achieve its objectives, business ethics is a key factor that substantially contributes to the Group's evolution and progress on all three sustainability pillars: environmental, social and governance.

ALRO's internal governance represents the internal framework applicable for the entire Group. The Group is governed in a unitary system and has four levels of management:

- General Meeting of Shareholders ("GSM");
- The Board of Directors (hereinafter referred to as the "Board" or "BoD");
- Executive management;
- Operational management.

Each Group company adopts similar organisational structures, but the overall coordination is ensured by the governance arrangements set out at Group level. The system is designed to provide efficient and effective supervision of all activities carried out by each company.

The organizational structure of ALRO as at December 31, 2024 can be found below, as well as in the 2024 Annual Report, page 38. The system is designed to provide effective and in-depth oversight of the company's activities.



The General Meeting of Shareholders ("GSM"), which can be both ordinary and extraordinary, is the expression of the company's commitment to the involvement of shareholders in strategic decision-making. With a frequency of meetings that depends on the emerging needs of the company, the General Meeting of Shareholders serves as the first line of control and direction. In addition to the debate on other matters on the agenda, the main responsibilities of the GSM are: a) to discuss, approve or amend the annual financial statements, based on the reports presented by the Board of Directors, b) to appoint and dismiss the members of the Board of Directors, c) to establish the remuneration granted by the Board of Directors to the appointed directors for the current year, unless established by the Articles of incorporation; d) to rule over the liability of the directors and of the executive management; e) to establish the income and expenses budget and, if applicable, the activity program for the next financial year.

Additional details on the responsibilities of the General Shareholders' Meeting can be found in the 2024 Annual Report, page 38.

The Board of Directors ("BoD") carries out its activity in accordance with the Articles of Association and the Regulations of the Board of Directors which present the specific roles and responsibilities according to the applicable legal provisions. The Board shall meet at least once a month or whenever necessary. The activity is managed in a unitary system by the Board of Directors composed of 11 individual members (9 non-executive members and 2 executive members), including a president and a vice-president, who are elected by the General Meeting of Shareholders. The composition of the Board of Directors is presented in the table below.

The specific roles and duties of the Board of Directors are mainly included in the Articles of Association and are also published on the Group's website, in the Articles of Association section, in accordance with the provisions of Law 1990/31. At BoD level there are no employee representative members, given that in Romania there is no applicable binding obligation in this regard.

In addition to the Board of Directors, ALRO also has three advisory committees in its organizational structure that support the Board of Directors in overseeing sustainability issues and facilitate the development and implementation of a robust framework for monitoring, managing and overseeing specific impacts, risks and opportunities. Delegation to committees does not in any way relieve the Board of Directors of its collective duty to perform its tasks and responsibilities. These committees are:

- Audit Committee (AC);
- Remuneration and Nominations Committee (RNC);
- Risk and Sustainability Committee (RSC).

Further details on the responsibilities of the Board of Directors as well as the Advisory Committees can be found in the 2024 Annual Report, pages 40 and 47. In addition, the specific duties of the Advisory Committees are presented in the internal rules and regulations published on the ALRO website, in the Corporate Governance section.

For the next sustainability report, the Group considers updating the Board's and BoD Committees' internal rules and regulations, as well as relevant policies to reflect sustainability related roles and responsibilities which were defined and assigned to the supervisory management bodies.

Composition and diversity

Board of Directors and the Board Committees is presented in the table below:

	BoD	AC	RNC	RSC
Number of Board members/Committees:				
Number of non-executive members, out of which	9/11	3/3	3/3	5/5
• Number of independent members*	2/11	2/3	2/3	2/5
• Percentage of independent members	18%	67%	67%	40%
Executive members	2/11	n/a	n/a	n/a
Percentage of non-executive members	82%			
Percentage of executive members	18%			
Age distribution:				
< 40 years	1/11	0/3	0/3	1/3
40-49 years	3/11	1/3	0/3	1/5
50-59 years	3/11	1/3	1/3	0/5
60-69 years	2/11	1/3	0/3	1/5
70-79 years	2/11	0/3	2/3	2/5
Gender Diversity Board of Directors/Committees				
Women	2/11	0/3	0/3	1/5
Men	9/11	3/3	3/3	4/5
Metric on gender diversity in the Board of Directors**	18%	n/a	n/a	n/a

* The level of independence for BoD members was established according to the criteria stipulated in the BVB Corporate Governance Code, section A.
** Not applicable for Joint Board Committees

The Group supports diversity within ALRO and its subsidiaries, at the level of its organisational, management and supervisory structures, by considering criteria such as age, gender or education and professional experience.

Performance assessment of the Board of Directors

The Board of Directors (BoD) is subject to an annual self-assessment process focused on Board members' qualifications, additional appointments, and participation in Board and Committee meetings. At the time of expanding the number of Board members from seven to eleven in 2019, collective professional expertise was strengthened by appointing recognized professionals in critical areas such as audit, banking, financial analysis and legal area. Also, the current Board structure shows a good representation of skills and expertise in the field of sustainability and corporate governance.

In order to improve individual and collective capabilities, Board members have access to various development resources, including external consultants, training courses and specialized events. Also, the independence of Board members is assessed according to the criteria established in the BVB Corporate Governance Code.

The selection of Board members is carried out as part of a formal, rigorous and transparent procedure, based on the recommendations made by the Remuneration and Nomination Committee regarding the application proposals made in line with applicable legal provisions. According to the legislation, only shareholders or administrators have the right to propose candidates. The CVs of the candidates proposed for the director position, as well as their qualifications, are published on the Group's website to ensure transparency throughout the entire selection process.

The criteria regarding the expertise and skills considered in the selection process of the Board members are:

- technical qualification in the industry in which the Group operates;
- significant managerial experience, regardless of the industry in which the expertise was acquired;
- economic knowledge, specialisation areas or improvement internships;
- communication skills;
- the ability to establish development strategies for the company;
- the existence of conflicts of interest;
- ongoing criminal or administrative proceedings, as well as criminal convictions or administrative penalties applied to candidates;
- good moral conduct;
- sustainability-related matters, including those related to the identification, assessment and the management of impacts, risks and opportunities.

Skills and expertise

The Group shall regularly seek to ensure that the current composition of the Board and its committees has an appropriate balance in terms of skills, experience, gender diversity, expertise and independence of its members, enabling them to effectively carry out their duties and responsibilities. Also, the majority of the non-executive Board members are independent and all members of the Board allocate sufficient time to adequately perform their duties.

The Board of Directors, with the support of the Remuneration and Nomination Committee, has an important role to play in ensuring compliance with the nomination and selection processes of Board members. Secondly, the Board significantly contributes to the definition of its members' profile in terms of the collective and individual expertise and skills as required by the Group at any time, given the existing tasks. Thirdly, the Board with the support of the Remuneration and Nomination Committee is responsible either for identifying potential candidates to meet the targeted profiles and recommend them to shareholders and/or to consider the candidates proposed by the shareholders. The selection process extends to a wide range of expertise areas in order to meet the strategic and diversity objectives, as well as evolving risks to which the Group companies are exposed given the nature of their activities. The composition, skills and expertise of the Board members are disclosed in the 2024 Annual Report, page 47.

The Board of Directors has a key role in establishing the *Code of Ethics* at Group level, not only by exercising its own duties, but also by appointing and supervising the executive management. High ethical standards are integrated both into the operational activity of Group companies in order to respond with integrity to the needs and expectations of shareholders, customers, employees, collaborators and local communities, as well as into the Group's long-term strategic objectives. Thus, the Group's contribution to economic development and to the protection of employees and local communities is achieved by promoting business ethical principles, by designing robust governance arrangements and by taking measures to prevent corruption.

ALRO Executive Management ("EM"), 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. The EM is responsible for managing the activity carried out by the Group, in line with its main business interest and with specific legislation and by laws, as well as for managing current operations, including the involvement in transactions, thus ensuring alignment with the strategic objectives set out by the Board. The EM regularly reports to the AC to ensure continuous and transparent communication on progress and any encountered bottlenecks. The Executive Management shall periodically provide an activity report to the Board for its performance assessment. Also, the Executive Management addresses the deficiencies or weaknesses identified following the execution of internal controls and ensures the relevant reports are submitted to the Board of Directors.

The General Director is also responsible for managing and disclosure of economic, social and environmental issues. He approves policies and procedures related to CSR, human rights, ethics, and business conduct and other. The Group's day-to-day activity is ensured by the operational management, which oversees each division within the Group companies.

The executive management is also responsible for the application of the *Code of Ethics and Conduct Policy* on business conduct, in their area of responsibility and implements specific policies, hence ensuring continuous disclosure of these matters to the Board and/or its advisory committees. Breaches of the *Code of Ethics and Conduct* and of the business conduct policies, are handled with

severity, including taking disciplinary measures and, in serious cases, initiating legal proceedings. The implementation of the Code of Ethics and the policies on business conduct is ensured at the operational level by each department within the Group. Employees must act in accordance with applicable laws and regulations and promptly report any observed non-compliance.

Additional details on the composition of the Executive Management can be found in the 2024 Annual Report, page 47.

I.1.2.1.2 Oversight of targets related to material impacts, risks and opportunities

The Board of Directors together with its Advisory Committees play a key role in establishing the business and sustainability strategies, including long-term objectives and resources, as well as in ensuring good corporate governance at Group level. Thus, the Board of Directors and the Advisory Committees actively contribute to the assessment of the impacts, risks and opportunities arising from Group's activities and ensure supervised activities are conducted in accordance with business conduct principles, applicable legal regulations and established performance objectives.

On the other hand, the executive management establishes more detailed targets at tactical and operational level. These targets include the implementation of the strategies approved at the Board level, the monitoring of current activities and the optimisation of internal processes in order to achieve Group's objectives. This management level has an operational role ensuring that all teams and departments are aligned to meet the requirements set out by the Board.

In order to ensure an adequate level of efficiency and consistency between the two levels of management, each Group company has appropriate performance monitoring mechanisms in place. Such mechanisms include regular progress reports, key performance indicators (KPIs), internal control systems, including internal and external audit. Through these mechanisms, management bodies can constantly assess whether the objectives set are being achieved or whether there are any non-compliant practices that require remediation measures.

Moreover, through this governance structure, the Group facilitates effective communication between its management bodies, thus contributing to informed decision-making, based on evidence. This level of transparency and accountability is essential for increasing the confidence of investors, employees, and other stakeholders.

I.1.2.1.3. Sustainability governance

The role of management in monitoring, managing and overseeing impacts, risks and opportunities (IROs)

The Board of Directors has the following key attributions:

- Overseeing the risk management system and current processes to ensure compliance with applicable legislation and standards, including environmental matters, equal opportunities, labour, anti-corruption, health and safety legislation, etc.;
- Review of business strategy, annual budgets; setting performance targets; monitoring corporate performance; supervision of financial transactions where the Group is involved; approval of the sustainability strategy;
- Review and update of IRO management policies and procedures;
- Oversight of the risk management framework, including oversight of impacts, risks and opportunities, internal control mechanisms, as well as interdependencies with business and sustainability strategies. This involves overseeing the roles and responsibilities regarding the IRO management, specifying the type and level of risk the Group is willing to accept in pursuit of its objectives and how it manages risks arising from its own operations and its value chain;
- Monitoring the effectiveness of the governance model and updating it where appropriate. The oversight of governance arangements by the Board of Directors involves a continuous review of Group's internal structure so as to ensure clear reporting lines are in place, as well as management accountability over the Group considering changes in business strategy, market dynamics and the legal and regulatory framework evolution.

- Ensuring the integrity of financial and non-financial reporting, as well as implementing an adequate internal control system, in accordance with the standards and regulations in force, including by establishing an internal audit function. At formal level, the Board approves the final version of the non-financial report, which is prepared in accordance with the provisions of EU Commission Delegated Regulation 2023/2772 (CSRD Reporting).

When performing these key functions, the Board of Directors ensures that sustainability matters are taken into account, including the impacts, risks and opportunities arising from its own activities and its value chain. Also, with a view to increasing resilience, the Board of Directors ensures that there are adequate processes in terms of material IRO management, to which the Group can be exposed.

The oversight of sustainability-related impacts, risks and opportunities is delegated to the Risk and Sustainability Committee, while the Executive Management is in charge of meeting sustainability objectives and targets, under the close monitoring from the Board.

The Risk and Sustainability Committee has the following responsibilities regarding the IRO management at the level of Group companies:

- to inform and support the Board on the monitoring of the Group's current and future risk management framework, taking into account the impacts, risks and opportunities identified, in order to ensure their appropriate consideration in the Group's business strategy, objectives and corporate values;
- to assist the Board in monitoring the implementation of the internal framework regarding the IRO management, as well as the related targets;
- to provide recommendations to the Board on the necessary adjustments of the risk management framework as a result of changes in the business model, market developments or current/emerging regulations;
- to contribute, together with the Board, to the development of a short, medium and long-term sustainability strategy that takes into account the results of the double materiality assessment;
- to propose to the Board appropriate mitigation measures for the impacts and risks related to sustainability matters impacting the achievement of strategic objectives and/or business continuity;
- to ensure that executive management has designed and implemented an IRO management system, which is designed to: identify, assess, monitor and manage IROs that derive from the Group's activities and/or its value chain;
- to collaborate with the Audit Committee regarding the oversight of material risk management processes, which are part of the the Audit Committee's responsibilities;
- to review the results of the double materiality assessment (impact and risk register), as well as the double materiality assessment methodology;
- to review any periodic report on IRO management as prepared by the executive management and report at least twice a year to the Board the overall assessment results;
- in relation to the Board and the Audit Committee, to use all reasonable efforts to monitor the Group's compliance with all statutory and binding obligations, as well as to ensure its operation in accordance with its environmental licenses and permits.

As regards the reporting lines, the Risk and Sustainability Committee prepares activity reports on a regular basis (at least twice a year) and submits them to the Board on matters related to risk management, sustainability, health and safety, environment and social responsibility, in particular recommendations and necessary remediation measures.

The Remuneration and Nomination Committee has the following responsibilities:

- establishes and recommends to the Board the remuneration strategy and policy for Board members and the executive management;
- approves the design of, and determine targets for, any performance-related pay schemes operated by the Company, determine the relevance of achieving the performance of unforeseen events, or of factors not taken into account when setting the performance targets, and approves the payments made under such schemes;
- sets out the guiding criteria for Board membership;
- performs other tasks concerning the nomination or removal of members of the Board, as may be delegated by the latter etc.

The Committee shall prepare reports to the Board of Directors on the work carried out in all areas of activity within the mandate of its duties and responsibilities, in particular in situations where the Committee considers it is necessary to take action or improvement measures, including recommendations on steps to be taken. The advisory committees report regularly to the Board. Committees shall also interact with each other, and where appropriate, such interaction shall take the form of cross-participation, so that the Chair or a member of one committee may also be a member of another committee.

In order to be informed about all critical aspects of the company, the Board maintains constant connections with executive and operational management. Therefore, the Board regularly receives ad-hoc reports that focus on key financial and operational matters, including occupational health and safety, human resources, procurement, investment, research and development, community relations, and philanthropic issues.

For the next reporting period, the Group aims to carry out an update of the roles and responsibilities of the Board and the Advisory Committees, so as to explicitly reflect the integration of sustainability matters, including the IRO, into the Group's internal governance.

I.1.2.2 [GOV-2] Information provided to and sustainability matters addressed by the management bodies

As part of the risk management process, ALRO Group monitors risks and opportunities that may generate a potential material financial impact, and integrates these elements into strategic decision-making processes to ensure their effective management.

Currently, the Group has explicit provisions within internal procedures regarding the process of IRO identification, assessment and management solely for ALRO. For the 2025 reporting year, the Group aims to align the internal control tools with the ESRS requirements and to extend the system to all Group companies based on the results obtained in the double materiality assessment process, thus strengthening the integration of these processes into the overall Group risk management framework.

The risks and opportunities were validated by submission of relevant information to ALRO's Risk and Sustainability Committee, which is composed of both shareholders' representatives and non-executive and independent Board members.

In addition, the Risk and Sustainability Committee is involved annually in the validation of the Sustainability Report, and in 2024, the Committee was also involved in the validation of the double materiality assessment methodology, as well as in the validation of the DMA Report, which includes the assessment results and the prioritization of impacts, risks and opportunities, thus ensuring greater transparency on the sustainability reporting process. The result of the double materiality assessment process is the list of significant impacts, risks and opportunities approved by the Risk and Sustainability Committee, which can be consulted in Section I.1.4.3 [SBM-3] Significant impacts, risks and opportunities and their interaction with the strategy and business model.

The Group's administrative, management and supervisory bodies have adopted an integrated approach to assessing and managing impacts, risks and opportunities, ensuring continuous alignment with the strategic objectives of the Group companies.

The Risk and Sustainability Committee, together with the Board of Directors and the executive management members, also collaborates to systematically analyse the economic, social and environmental impacts that are or may be generated from its own activities and its value chain.

Governing bodies	Date	Sustainability matters provided to management bodies
Board of Directors	29.06.2024	Approval of the 2023 Sustainability Report
Risk and Sustainability Committee	17.12.2024	Submission of IRO Registry Information
Risk and Sustainability Committee	17.12.2024	Submission of the DMA Methodology
Risk and Sustainability Committee	17.12.2024	Submission of the DMA results

The Group's strategy is reviewed annually to include actual or potential, direct or indirect impacts following business decisions that are likely to affect people or the environment. At the same time, a robust risk management framework is in place that allows for the early identification of emerging risks, as well as for the assessment of innovation and development opportunities.

To this end, the management bodies shall work with relevant stakeholders and take into account their perspectives by initiating regular dialogues to assess how the Group's decisions affect or may affect communities, employees and the environment.

Therefore, managing sustainability-related impacts, risks and opportunities is an essential part of the decision-making process both from the perspective of carrying out major projects and from that of implementing a new sustainability strategy.

I.1.2.3 [GOV-3] Remuneration Policy

In 2024, the remuneration of Board members and the executive management is aligned with the strategy and long-term interests of the Group, being directly linked to the members' responsibilities and the time dedicated to the performance of their functions (for the Board), respectively to the achievement of business objectives (applicable for the executive management). Currently, the policy does not provide for incentives linked to sustainability matters.

The preparation of the Remuneration Policy was coordinated by the executive management, which submitted it for approval to the Remuneration Committee. Following the opinion of the Remuneration Committee, the Board validated the final form of the Remuneration Policy which will be proposed to the Ordinary General Meeting of Shareholders.

Starting with 2021, according to applicable legislation, the Company prepares a remuneration report that includes all benefits and compensation granted to the Directors and the executive management. The remuneration report must be submitted for approval to the Annual General Meeting of Shareholders (advisory vote).

Further details regarding the Remuneration Policy and the Remuneration Report are presented in the Annual Report 2024, page 53.

ESRS E1 – ESRS 2 GOV-3 With regard to the remuneration of Board members and executive management, the Group has not defined specific performance indicators that integrate matters related to climate change.

I.1.2.4 [GOV-4] Statement on due diligence

Main elements of the due diligence process	Reporting requirements	Section of the Sustainability Report	Page	Reporting on: People	Reporting on: Environment
1. Including due diligence in governance, strategy and business model	ESRS 2 SBM-3-E1	E1, Environmental Information	61		●
	ESRS 2 SBM-3-E3	E3, Water	139		●
	ESRS 2 SBM-3-E5	E5 Circular economy	149		●
	ESRS 2 SBM-3-S1	S1, Own workforce	34		
	ESRS 2 SBM-3-S2	S2, Workers in the value chain	174	●	
2. Working with affected stakeholders in all key due diligence phases	ESRS 2 MDR-P, E1-2	E1-2, Policies related to climate change mitigation and adaptation	216		●
	E3-1	E3-1, Water and marine resources policies	77		●
	E5-1	E5-1, Policies related to resource use and the circular economy	141		●
	ESRS 2 MDR-P, S1-1	S1-1, Own workforce policies	151		
	S1-2	S1-2, Processes for engaging with own workers and workers' representatives about impacts	181	●	
	S2-1	S2-1, Value Chain Worker Policies	194	●	
	S2-2	S2-2, Processes for engaging with value chain workers about impacts	222	●	
	S3-1	S3-1, Policies related to affected communities	227	●	
	S3-2	S3-2, Processes for engaging with affected communities about impacts	236	●	
	ESRS 2 MDR-P, G1-1	G1-1, Corporate culture and Business conduct policies and corporate culture	140	●	●
3. Identification and assessment of negative impacts	ESRS 2 IRO-1	[IRO-1], Description of the processes to identify and assess material impacts, risks and opportunities	275	●	●
	ESRS 2 SBM-3, E1	SBM–3, E1	40		●
	ESRS 2 SBM-3, E3	SBM–3, E3	73		●
	ESRS 2 SBM-3, E5	SBM–3, E5	176		●
	ESRS 2 SBM-3, S1	SBM–3, S1	217	●	
	ESRS 2 SBM-3, S2	SBM–3, S2	233	●	
	ESRS 2 SBM-3, S3	SBM–3, S3	XX	●	
	ESRS 2 SBM-3, G1	SBM–3, G1	XX	●	●

Main elements of the due diligence process	Reporting requirements	Section of the Sustainability Report	Page	Reporting on: People	Reporting on: Environment
4. Taking action to address negative impacts	E1-1	E1-1, Transition plan for climate change mitigation	72		●
	ESRS MDR-A, E1-3	E1-3, Actions and resources in relation to climate change policies	79		●
	ESRS MDR-A, E3-2	E3-2, Actions and resources related to water and marine resources	142		●
	ESRS MDR-A,E5-2	E5-2, Actions and resources related to resource use and the circular economy	153		●
	ESRS MDR-A, S1-4	S1-4, Taking action on material impacts on own workforce	200	●	
	ESRS MDR-A, S2-4	S2-4, Taking action on material impacts on value chain workers	228	●	
	ESRS MDR-A, S3-4	S3-4, Taking action on material impacts on affected communities	245	●	
	ESRS MDR-A, G1-1	G1-1, Corporate culture and Business conduct policies and corporate culture	275	●	●
	ESRS MDR-A, G1-2	G1-2, Management of relationships with suppliers	292	●	●
	ESRS MDR-A, G1-3	G1-3, Prevention and detection of corruption and bribery	297	●	●
5. Monitoring the effectiveness of these efforts and communicating	ESRS MDR-M, E1-5	E1-5, Energy consumption and mix	91		●
	G1-4	G1-4, Confirmed cases of corruption or bribery	301	●	●
	G1-5	G1-5, Political influence and lobbying activities	301	●	●
	ESRS MDR-T, E1-4	E1-4, Targets related to climate change mitigation and adaptation	88		●
	ESRS MDR-T, S1-5	S1-5, Targets related to own workforce	209		
	ESRS MDR-T, S2-5	S2-5 – Ținte legate de lucrătorii din lanțul valoric	231		
	ESRS MDR-T, S3-5	S3-5 – Ținte legate de comunități	251		
	ESRS MDR-T, S4-5	S4-5 – Ținte legate de consumatorii și utilizatorii finali	270	●	

I.1.2.5 [GOV 5] Risk management and internal controls over sustainability reporting

I.1.2.5.1 Main risks over sustainability reporting

With regard to the sustainability reporting prepared at consolidated level, the Group considers a list of inherent risks, such as:

Key risks related to sustainability reporting

Description	1. Data completeness and integrity in assessing the data quality used in non-financial reporting, the executive management asks the following questions to identify high-quality data sources: • Is the data of high enough quality to produce reliable results? • Are there controls on the data collected internally? • Is the data collected in accordance with an industry standard? • Are secondary data available for testing? • What are the key assumptions in the model?	2. The accuracy of the results of the estimates, i.e. estimates used in the scenario-based analyses underlying the climate risk assessment, 3. Availability of upstream and/or downstream value chain data and schedule of data availability, 4. Errors in the preparation of non-financial reporting given the complexity of the ESRS reporting standards and their novelty.	5. Transition risk – increased non-financial reporting obligations: (i) Increased, complex and onerous non-financial reporting obligations from 2024 onwards; (ii) Lack of availability and accuracy of data, especially for reporting on sustainability aspects in the value chain.
Potential impact	Failure to comply with reporting requirements can lead to increased operational risks from sanctions/fines.	Failure to comply with reporting requirements may lead to increased operational risks from sanctions/fines.	**Financial impacts:** • Increased operational costs due to compliance costs and high insurance premiums; • impairment of assets and their decommissioning as a result of the new standards; • increasing legal costs and decreasing demand for products as a result of sanctions imposed by regulatory authorities; • the lack of data availability and accuracy, especially for reporting sustainability matters in the value chain, can affect the quality of reporting and the degree of alignment with the standards which may lead to an increase in operational risks.
Risk mitigation measures (details in 1.7.2)	When management has concerns about data quality, it may be appropriate to validate the data, validation methods including the implementation of internal controls, e.g. validating a data sub-set or conducting analyses to assess its reasonableness.	Allocation of specific roles and responsibilities both at the level of operational departments and at the level of the management bodies responsible for the oversight of the sustainability related IRO.	Development of internal skills to support the preparation of the report according to ESRS standards. Assigning clear roles and responsibilities to the departments involved, as well as to the governing bodies responsible for overseeing the IRO.
Materiality according to the DM assessment	Not material	Not material	Material

I.1.2.5.2 Key risk mitigation measures over sustainability reporting

There may be circumstances where the Group is unable to collect information on its upstream and downstream value chain after making reasonable efforts to do so. In these circumstances, the Group shall estimate the information to be reported on its upstream and downstream value chain, using all reasonable and justifiable information, such as sectoral average data and other substitutes.

The non-financial reporting process is included in the annual internal plan of the sustainability team, and the progress on the preparation of the Sustainability Report is presented to the executive management periodically. Also, the heads of the departments involved in the preparation of non-financial reporting aim to design data accuracy and data integrity controls that are incorporated in the annual sustainability report. The Sustainability Statement is submitted to the Risk and Sustainability Committee and brought to the Board attention.

With regard to the sustainability report prepared at consolidated level, the Group aims to define and implement internal controls in order to mitigate the risks related to the preparation of the non-financial reporting. Internal control activities are the actions established by the Group by means of internal policies and procedures that help ensure the non-financial reporting requirements are met and that inherent risks related to the data availability and accuracy are mitigated, in particular information in the value chain.

The Group defines specific control activities at the level of departments involved in the reporting process, including allocation of roles and responsibilities related to both the preparation, checking and validation of the information presented in the sustainability statement. These controls can be preventive or detective and can encompass a range of manual and automated activities, such as authorisations and approvals, checks, reconciliations and reviews of the data included in the report. Also, the segregation of tasks within certain sub-processes contributes to the efficiency of control activities.

A key condition for an effective functioning of risk management and internal control systems is a strong sustenability internal governance, including those related to sustainability reporting.

The Board reviews and approves the Sustainability Report, prepared in accordance with the ESRS reporting standards, while the Risk and Sustainability Committee approves the documents underlying the preparation of the sustainability reporting and monitors the effectiveness of the internal control and risk management system, on an ongoing basis.

The executive management is responsible for setting clear roles and responsibilities at operational level and for the implementation of risk management policies, processes and systems, including those deriving from the sustainability reporting.

The non-financial reporting at consolidated level is prepared annually by ALRO's Sustainability Department, with the support of the departments and divisions within all Group companies, such as: Health-Safety-Environment, Financial-Accounting, Human Resources, Legal, Technical, Quality, Mechanical-Energy, Marketing, Procurement-Logistics. ALRO's Sustainability Department coordinates the sustainability reporting process and reports to the management bodies whether the departments involved have sufficient resources, tools or professional training courses to enable them to perform their tasks, including contributing to the preparation of the annual sustainability report.

The internal reporting framework, including the financial one, has a common objective, which is to provide relevant information to investors and other stakeholders, which means that information considered to be material from the perspective of the sustainability report is analysed and evaluated in the process of preparing the financial statements. The Group applies the same level of rigour to the assessment and reporting of financial information, respectively to the assessment and reporting of sustainability matters. Both the annual financial statements and the annual sustainability reporting are subject to an external audit by an independent audit firm, both reports being brought to the attention of the Board of Directors.

I.1.2.5.3 The risk assessment and the risk prioritisation methodology

Details on the assessment and prioritization of impacts, risks and opportunities identified by the Group, including risks related to sustainability reporting, can be found in **Chapter I.12. [IRO-1] Description of the processes for identifying and assessing significant impacts, risks and opportunities**, in this sustainability report.

I.1.3 Information on Shareholders

The rights of the Company's minority shareholders are adequately protected in accordance with the legislation in force. Shareholders have the right to obtain relevant information about the company in a timely and regular manner. They have the right to be informed about decisions regarding changes of any nature that take place within ALRO in order to understand how they may affect their rights. Each share subscribed and paid up by the shareholders gives them the right to one vote in the General Shareholders' Meeting, the right to elect and be elected in management bodies, the right to participate in the profit distribution according to the Articles of Association and any applicable legal provisions. ALRO's shareholding structure as at December 31, 2024, together with other general information are reported in the Annual Report, **page 12**.

I.1.4 Strategy

I.1.4.1 [SBM-1] Strategy, business model and value chain

I.1.4.1.1 ALRO Group's Sustainability Strategy

In 2024, ALRO Group carried out an update of the sustainability strategy, triggered by both the new applicable EU laws and regulations, the dynamics of the metallurgical industry and the Group's strategic development opportunities. Thus, the Group wants to align its practices with global best practices by prioritizing decarbonization actions and aiming to achieve the responsible and sustainable business development.

In this regard, all Group companies give special attention to the economic, social and environmental impacts resulting from their own activities, but also along its value chain, by focusing joint efforts to mitigate the negative impacts and support the positive ones. Starting from the most important strategic pillars, which actually represent the sustainable development priorities, ALRO Group has defined relevant objectives, actions and targets, which are monitored and reported on an annual basis or whenever new strategic directions may arise.

Sustainability Pillars

The ALRO Group focuses its actions that underpin the sustainability strategy on 5 sustainability pillars:

PILLAR 1: Safeguarding our future

Strategic objectives (1-5 years)	2024 Actions	2025 Targets	Corresponding ESRS topics	Product Impact	Impact at the level of stakeholders
OBJECTIVE 1: Increase energy efficiency	Modernization of electrolysis pots with Rio Tinto AP-12 LE technology; (ALRO) Installation of an industrial water recirculation and cooling system with savings of 50 MWh/year; Development and optimization of waste melting capacity within the Eco Recycling Workshop; Charging machine for 3 melting furnaces; Installation of a new aging furnace;	Reduction of specific energy consumption by approximately 300 kwh/ton of aluminium; Reduction of electricity consumption due to optimization of the cooling process.	ESRS E1 **Climate Change Adaptation/ Mitigation.** ESRS E1-5 **Energy consumption and mix.**	Reducing electricity costs in production processes.	• Customers; • Own workforce; • Workers in the value chain; • Affected communities.
	Accurate Electriity Consumption Monitoring and Reporting system. (ALRO)	Completion of ongoing projects aimed at increasing energy efficiency. (ALRO)			
	Refurbishment of production equipment. (ALRO)	New investments in refurbishment.			
	Partial modernization of the packaging line. (VE)	Continue to implement energy efficiency programs by installing an automatic packaging line. (VE)			
OBJECTIVE 2: Green energy	Contract signing for the design and execution of a photovoltaic power plant.	Contracts for the purchase of renewable electricity for a period of up to 15 years.	ESRS E1 **Climate Change Adaptation/Mitigation.**	Reducing costs and shortening production cycles.	• Customers; • Own workforce; • Affected communities.
	Procedure for obtaining the ongoing environmental licence (ALRO) for CCCGT.	Commissioning of a natural gas combined cycle power plant (CCGT).			
OBJECTIVE 3: Untreated air emissions	Reducing emissions and complying with EU regulations by expanding the Flue Gas Treatment Plant in the Casthouse section.	Untreated air emissions close to zero, according to BAT (Best Available Techniques).	ESRS E1 **Climate Change Adaptation/ Mitigation.** ESRS E2 **Air, water, soil pollution.**	Reduction of production costs.	• Own workforce; • Workers in the value chain; • Customers; • Affected communities.
OBJECTIVE 4: Increase the recycling, recirculation and recovery of waste in line with EU directives	Responsible waste management: the percentage of recovered, recycled and recirculated waste reached 96% at ALRO and 90% at ALUM.	Exceeding the waste indicators mentioned in the European legislation (medium term). Increasing the degree of recycling, recirculation and recovery of waste in accordance with EU Directives.	ESRS E2 **Pollution.** ESRS E5 **Resource Use and Circular Economy.**	Resource efficiency. Increased compliance costs.	• Own workforce; • Workers in the value chain; • Customers; • Affected communities.

Strategic objectives (1-5 years)	2024 Actions	2025 Targets	Corresponding ESRS topics	Product Impact	Impact at the level of stakeholders
OBJECTIVE 5: **Continue the implementation of measures that aim to adopt circular economy practices**	Development of waste remelting capacities in the Eco-Foundry Facility by installing two double chamber furnaces, a maintenance furnace and the related flue gas collection and treatment installation. (ALRO). Increasing the percentage of high and very high value-added flat products in the production mix (ALRO). In 2024, two LCAs were developed and implemented according to ISO 14064 (ALRO) certification.	Increasing aluminium recycling capacity and reducing the consumption of primary resources by integrating secondary resources.	ESRS E1 **Energy consumption and mix.** ESRS E2 **Pollution (Substances of Concern).** ESRS E3 **Water Resources (Water Consumption).** ESRS E5 **Resource Use and Circular Economy.**	Demand for products and services with a lower resource intensity. Sustainable and competitive products.	• Own workforce; • Workers in the value chain; • Customers; • Affected communities.
OBJECTIVE 6: **Maintain a low water consumption rate**	Implementation of water efficiency projects. (ALRO) Development and implementation of technical measures to increase the degree of recirculation of industrial water. (ALRO) Rainwater collection. (ALRO) Further framing the parameters of wastewater effluents within the quality standards limits. (ALRO)	Achieving a water recycling rate of over 80%.	ESRS E3 **Water Resources (Water Consumption)**	Sustainable and competitive products	• Own workforce; • Workers in the value chain; • Customers; • Affected communities.
OBJECTIVE 7: **Zero biodiversity incidents**	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. (ALRO, ALUM)	Continue to monitor and limit the impact on biodiversity, according to ASI requirements. (ALRO)	ESRS E4 **Biodiversity and ecosystems.**	Sustainable products	• Affected communities.

PILLAR 2: Healthy, fostered and trained employees

Strategic objectives (1-5 years)	2024 Actions	2025 Targets	Corresponding ESRS topics	Product Impact	Impact at the level of stakeholders
OBJECTIVE 1: **Provide a qualified workforce in line with the medium and long-term needs of the Group**	Providing qualified workforce according to the medium and long-term needs of the Group. Professional training and specialisation of the employees involved in the AERO project and the AUTO project. Trainings on sustainability/social issues. Implementation of training and professional development programs.	Participation of employees in training courses. (ALRO) Internal training programs for employees on sustainability policies and procedures will continue. Ensuring continuous training by organizing training and specialisation programs for each employee, at least once every two years.	ESRS S1 **Own Workforce.** ESRS S2 **Workers in the value chain.** ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Product quality and durability.	• Own Workforce; • Workers in the value chain; • Affected Communities; • Consumers and End-users.
OBJECTIVE 2: **Maintain top employer status by investing in professional excellence and employee well-being**	Participation in job fairs, media marketing to maintain and promote a top employer brand.	Maintaining the current position in the "Top 100 employers" ranking and in the top 3 industry employers. (ALRO)	ESRS S1 **Own Workforce.** ESRS S2 **Workers in the value chain.** ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Sustainable and competitive products.	• Own Workforce; • Workers in the value chain; • Affected Communities; • Consumers and End-users.
OBJECTIVE 3: **Promote women at all levels**	Retraining/training *Code of Ethics and Conduct*, Human Rights Policy. (ALRO) Further implementation of the policy of non-discrimination against wome. (VE)	Aligning internal practices with international standards for women in the workplace in all Group companies, such as equal pay. Maintaining the percentage of promotion of women at any level in our companies, at least at the current level.	ESRS S1 **Own Workforce.** ESRS S2 **Workers in the value chain.** ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Product quality.	• Own Workforce; • Workers in the value chain; • Affected Communities; • Consumers and End-users.
OBJECTIVE 4: **Promote a culture of health and safety**	Job risk assessment with a licensed company. (VE) Training provided by the occupational physician on first aid. Fire simulations organized by the specialized and authorized company: Rivergate. The ASI policy was reviewed. (ALRO, VE)	Zero fatalities.	ESRS S1 **Own Workforce.** ESRS S2 **Workers in the value chain.** ESRS S3 **Affected Communities.**	Product quality.	• Own Workforce; • Workers in the value chain; • Affected Communities.
OBJECTIVE 5: **Ensure the continuity of the group's activity under normal and safe conditions in crisis situations**	Ensuring a continuous and properly sized in-house dispensary operation to serve all employees. Organising regular training sessions on crisis situations. Flexible working hours and introducing ancillary occupational health and safety activities.	Ensuring a safe working environment and occupational health, that offer high protection to employees in crisis situations.	ESRS S1 **Own Workforce.** ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Interruptions in the supply of raw materials/ production/ delivery of products.	• Own Workforce; • Customers; • Affected Communities.
OBJECTIVE 6: **Strengthen respect for human rights**	Develop partnerships with numerous associations, foundations and public institutions to organise actions of public interest. Stakeholder survey which included representatives of affected communities. Involvement in CSR actions.	Maintaining a meaningful role in community development. Actions to inform and empower local communities.	ESRS S1 **Own Workforce.** ESRS S2 **Workers in the value chain.** ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Sustainable products.	• Own Workforce; • Workers in the value chain; • Customers; • Affected Communities.

PILLAR 3: Creating value for our community

Strategic objectives (1-5 years)	2024 Actions	2025 Targets	Corresponding ESRS topics	Product Impact	Impact at the level of stakeholders
OBJECTIVE 1: Strengthening the relationship for our community	Develop partnerships with numerous associations, foundations and public institutions to organise actions of public interest. Stakeholder survey which included representatives of affected communities. Involvement in CSR actions.	Maintaining a meaningful role in community development. Actions to inform and empower local communities.	ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Sustainable products.	• Customers; • Affected Communities.

PILLAR 4: Research, development, digitalisation

Strategic objectives (1-5 years)	2024 Actions	2025 Targets	Corresponding ESRS topics	Product Impact	Impact at the level of stakeholders
OBJECTIVE 1: Increase employee awareness on cyber risks and implement a continuous learning process	Implement clear and robust cybersecurity policies and procedures. Developing a detailed cyber incident response plan. Conducting specialized trainings. Review and approval of new cybersecurity policies.	Implementation of cyber threat monitoring and detection systems. Conducting regular testing and assessments of Group's system resilience Complete reassessment of the security system to reduce public exposure. Conducting an external audit on the complete reassessment of the IT security system.	ESRS S1 **Own Workforce.** ESRS S3 **Affected Communities.**	Information security.	• Own Workforce; • Affected Communities.
OBJECTIVE 2: Adopt new measures and recommendations on cyber security	Implement clear and robust cybersecurity policies and procedures.	Implementation of frequent information and training programs on cybersecurity risks. Conducting regular cybersecurity risk assessments and updating security strategies and plans according to newly identified threats and vulnerabilities identified, through a continuous risk management process.	ESRS S1 **Own Workforce.** ESRS S2 **Workers in the value chain.** ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Information security.	• Own Workforce; • Workers in the value chain; • Customers; • Affected Communities.
OBJECTIVE 3: Improving technologies and/or products	R&D activities for the development of a high-precision measurement system for the quality of laminated plates using lasers. (ALRO) Use of external consultancy services to improve technology and product quality. Continuing research activity in different fields. Implementation of specific measures to digitalise production operations.	Continue the implementation of projects that use state-of-the-art technologies. Completion of new product certificates initiated in 2023.	ESRS S1 **Own Workforce.** ESRS S2 **Workers in the value chain.** ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Quality, competitive and sustainable products.	• Own Workforce; • Workers in the value chain; • Customers; • Affected Communities.

PILLAR 5: Responsibility and sustainable business

Strategic objectives (1-5 years)	2024 Actions	2025 Targets	Corresponding ESRS topics	Product Impact	Impact at the level of stakeholders
OBJECTIVE 1: Improving the supply chain	At the Group level, more than 60% of the total number of assessed suppliers have also completed the sustainability performance assessment.	Increasing the number of suppliers that will be assessed on specific sustainability criteria, so that we reach a minimum level of 100 suppliers assessed annually.	ESRS S2 **Workers in the value chain.** ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Quality, competitive and sustainable products.	• Own Workforce; • Workers in the value chain; • Customers; • Affected Communities.
OBJECTIVE 2: Business ethics and fighting corruption	Training all employees on the fight against corruption and fraud at Group level. Maintaining the ASI certifications obtained in 2023 by ALRO and VE. Permanent review and update of the *Code of Ethics and Conduct.*	Zero incidents of corruption and ethical issues.	ESRS S2 **Workers in the value chain.** ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.** ESRS G1 **Business Conduct.**	Sustainable products.	• Own Workforce; • Workers in the value chain; • Customers; • Affected Communities.
OBJECTIVE 3: Focus on end consumers, especially those involved in green technologies	Visits to some of the world's leading manufacturers in the automotive and aeronautical industries regarding the sale of aluminium products with a low carbon footprint. (VT)	Gradual increase in sales of aluminium and aluminium alloy products to end consumers active in high-tech industrial sectors by 2025. Introduction of new products with high and very high added value in ALRO's portfolio.	ESRS S3 **Affected Communities.** ESRS S4 **Consumers and End-users.**	Innovative, sustainable and competitive products.	• Customers; • Affected Communities.

I.1.4.1.2 Business model of ALRO Group

The Group's activities and products are based on aluminium. It has specific properties, which support the Group's mission to reduce the negative impact on the environment and which 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 unlimited recycling capacity, make a significant contribution to reducing greenhouse gas emissions. Production capacity is the main argument for ALRO's positioning as one of the largest vertically integrated aluminium producers in Europe.

All aluminium production and processing capacities are located in Slatina, Romania, and include a primary aluminium production facility, with the anode section, electrolysis section, the Aluminium Scrap Smelting Plant ("Eco-Foundry"), hot and cold rolling equipment, and an extruded products plant. In addition, ALRO also owns Alum, the alumina refinery that is located in Tulcea: www.alum.ro.

Group Company	Product Type	Location	Customer Locator	Number of employees 2024*
ALRO	Primary & Processed Aluminium Products	Slatina, Olt Sector 4, Bucharest	Romania, European Union, USA	2.269
ALUM	Products of calcined alumina and aluminium hydrate	Tulcea, Constanța	Romania, European Union	103
VE	Extruded Products	Slatina, Olt	Romania, European Union	386
VT	Sale of products	Slatina, Olt Sector 4, Bucharest	Romania, European Union, USA	62
CONEF	Holding and management company	Sector 4, Bucharest	Romania	1

*The number of employees represents the number of people employed as at 31.12.2024.

ALRO is one of the largest vertically integrated aluminium producers in Europe in terms of production capacity and is structured in two divisions:

- **Primary aluminium Division** where we produce wire, slabs and billets. Wire is used for the production of electrical cables and conductors, including high voltage conductors, essential for the utilities sector. The slabs are used as raw material for the hot and cold rolling equipment in the Processed Aluminium division, which are further processed into high-value added aluminium products, while the billets are processed by extrusion to produce standard aluminium profiles or according to customer requirements.
- **Processed aluminium Division** where we produce flat rolled products such as plates, sheets and strips. These products are used in the construction, vehicle and aircraft sectors, and general engineering sectors, due to the superior mechanical properties and low weight of aluminium.

The actions taken in 2024 and the proposed targets for 2025 for primary and processed aluminium products fall under, among others, **PILLAR 4: Research, development, digitalisation** of the revised Sustainability Strategy 2021-2025. Given the importance of a Research and Development Strategy in improving efficiency, increasing competitiveness and promoting new technologies in the aluminium sector, the Research and Development Department in ALRO operates with over 60 employees, one of the objectives being new product development at Group level.

ALUM produces calcined alumina, and as an intermediate product it produces wet (called hydrate), dry, and dry-sieved aluminium hydroxide. The production of calcined alumina (main object of activity) is currently suspended. After the resumption of its activity, ALUM is considering increasing the quantities of:

- High value-added products (innovative or niche products that offer unique value propositions and do not follow conventional pricing structures or profit margins);
- Speciality alumina and classes of aluminium hydroxide, as well as expanding their range.

During the suspension of the calcined alumina production, the activity carried out by ALUM falls under **PILLAR 1 Protecting the future** of the sustainability strategy, by maintaining the integrity and safety of the slurry pit in to avoid accidents, but also by identifying an economically viable solution for the red mud.

VE is the largest producer of extruded products in Romania and an important player in the Western European extrusion market. In VE, the Group adds value to the billets produced by ALRO in its primary aluminium division. VE manufactures 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 special products to be high value-added products (PVAM) and processed, painted and anodized 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, partitions, railings and panels, being some of the different uses of aluminium. Extruded products are also used in lighting systems, air conditioning/ventilation system, reflectors and photovoltaic energy systems.

The actions taken in 2024 and the proposed targets for 2025 in relation to extruded products fall under, **PILLAR 5: Responsibility and sustainable business** of the updated Sustainability Strategy 2021-2025.

VT allows the ALRO Group to improve its 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.

VT's activity in 2024 falls under the **PILLAR 5: Responsibility and Sustainable Business**, *Objective 3: Focus on end consumers*, with a focus on those involved in green technologies.

CONEF is a holding and management company, and ALRO holds 99.9% of the share capital. The ALRO vertical integration project in terms of ensuring the necessary electricity aims at its development through the Group's subsidiary, CONEF. In this regard, one of the Group's major projects is the construction of a 470 MW natural gas combined-cycle power plant at ALRO's premises in Slatina. In 2024, the project was at the stage of selecting the contractor and preparing the technical documentation.

In 2024, we implemented technologies for the qualification of new products, which resulted in the increase of product portfolio in ALRO. At the same time, in 2024 the implementation of the technology that allows the production and sale of "cut-to-size" products (products that do not have standard sizes or specific market requirements) was completed.

ALRO also has in its portfolio the following low-carbon aluminium products, registered with OSIM:

- **ALRO EsentiAL** in the class of goods/services: "Aluminium and its alloys, incorporating at least 30% of aluminium scrap";
- **ALRO VitAL** în the class of goods/services: "Aluminium and its alloys, incorporating at least 50% of aluminium scrap";
- **ALRO VitAL Max** (under registration) for products: "Aluminium and its alloys, incorporating at least 70% aluminium scrap and in the production of which the CO_2 emission intensity is less than 4 tons CO_2 / tonne of product (cradle to gate)".

I.1.4.1.3 Segment reporting

In accordance with IFRS 8 financial reporting requirements, the ALRO Group structures its revenues and costs into various business segments. Segment revenues under IFRS 8 are presented in **Note 6 Revenue from contracts with customers** to the consolidated financial statements. As for costs, they include operational expenses for aluminium production, administrative expenses and costs related to compliance with environmental and safety regulations. ALRO Group places considerable emphasis on efficient cost management, especially in terms of energy consumption and waste management, in order to ensure financial sustainability and minimize environmental impact.

I.1.4.1.4 Benefits of the business model for stakeholders

1. Resource inflows

a. Use of natural resources, utilities and raw materials in industrial processes

The business model is based on high water consumption in ALRO and ALUM production processes, and information on how the business model adapts to manage material impacts, risks and opportunities (SBM-3) is presented in this Sustainability Statement, the corresponding material topic (ESRS E3-4 Water Consumption).

In terms of electricity consumption, ALRO has made significant investments in energy efficiency, by purchasing state-of-the-art equipment resulting in a significant decrease in electricity consumption, an increase in the recycled aluminium and a reduction in the Company's carbon footprint. The fossil fuels used in its own activity are diesel, gasoline and natural gas.

The most important raw material is the bauxite used in the production conducted in ALUM Alumina Refinery in Tulcea where it is transformed into alumina. In 2024, the alumina production activity within ALUM was stopped. Thus, ALRO has implemented a strategy to diversify alumina sources, establishing partnerships with reliable suppliers in regions with stable infrastructure and long-term delivery capacity. The supplier selection process is based on rigorous criteria such as quality, compliance with environmental regulations and logistical efficiency. At the same time, ALRO has adopted measures to optimize the supply chain, using long-term contracts and risk analysis to ensure production continuity. By monitoring the market and regularly assessing suppliers, the company ensures that necessary resources are obtained in sustainable and competitive conditions.

b. Human and financial capital

The Group operates in highly industrialized areas, which have the potential to offer a wide range of opportunities to its workforce, but at the same time, the Group faces a shortage of skilled labor. Thus, the retention and continuous development of staff is a strategic priority.

The Group has identified certain needs for the technologization of production lines in order to optimize costs and has developed long-term projects for the internal production of renewable energy. The extent to which the Group manages material impacts, risks and opportunities is presented in the sections of this Sustainability Report that correspond to the following material topics: **ESRS E1-5 Energy Consumption**, **ESRS S1 Own Workforce**.

c. Stakeholder relations

The Group identified and assessed stakeholders with the aim of obtaining validation from them regarding the material impacts, risks and opportunities arising from both its own activities and its value chain, as part of the double materiality assessment.

2. Key stakeholder benefits

Customers

The ALRO Group has increased its market share in industrial sectors focused on the increased use of low-carbon aluminium products.

Communities

The group plans to develop partnerships with numerous associations, foundations and public institutions to organize actions of public interest.

Shareholders

Investments are made in opportunities that generate added value for shareholders given the cost-cutting measures applied.

Own workforce

The Group focuses its efforts on providing a secure, stable workplace that offers professional and personal benefits, thus contributing to a balanced working environment.

I.1.4.1.5 ALRO Group's value chain

Below is a schematic presentation of the ALRO Group's value chain. The main business partners in the upstream value chain are:

- Suppliers of raw materials (Alumina), waste collection, storage, recycling;
- Utility Providers;
- Equipment maintenance and repair;
- Consumable Suppliers;
- Suppliers of transport services for raw materials (rail, road and naval).

Regarding the downstream value chain, we mention:

- Distribution of marketed products;
- Customers of Primary and Processed Aluminium Products (ALRO);
- Customers of calcined alumina and aluminium hydrate products* (ALUM);
- Extruded Products (EV) Customers;
- Customers – wholesale of aluminium scrap.

Own operations:

- Operations & Maintenance;
- Administrative and R&D;
- Implementation of sustainability projects;
- Primary and processed aluminium production (ALRO);
- Production of calcined alumina and aluminium hydrate* (ALUM);
- Extruded Products (EVs);
- Wholesale of aluminium scrap.

The main activities in the value chain are presented in the table below:

		Description	Geographical location
Upstream value chain	Key Suppliers	Supply of raw materials (alumina); Waste collection, transport, storage, recycling; Utilities Supply; Equipment maintenance and repair; Supplies with consumables; Consulting providers.	Romania, other countries in Europe, UK, Singapore
	Transport	Transportation of raw materials from suppliers (rail, road and sea transport)	Europe
DOWNSTREAM value chain	Distributors	Distribution of marketed products	Romania, European Union
	Customers	Customers of Primary and Processed Aluminium Products (ALRO)	Romania, European Union, USA
		Customers of calcined alumina and aluminium hydrate products* (ALUM)	Romania, European Union
		Extruded Products (VE) Customers	Romania, European Union
		Customers – wholesale of aluminium scrap	Romania

** The alumina production activity is currently suspended.*

I.1.4.2 [SBM-2] Interests and views of stakeholders

The ALRO Group operates in a complex environment, with a wide spectrum of stakeholders interacting directly or indirectly with Group companies. These stakeholders include natural or legal persons whose activity may be influenced by the Group's decisions and activities, but also actors who, through their actions, may influence ALRO's ability to implement its strategies or achieve its objectives. Depending on the degree of involvement and impact, the stakeholders are classified into two categories:

CATEGORY I: Stakeholders directly or indirectly affected by the company's activity. This category brings together individuals or groups whose interests are or could be affected – positively or negatively – by the company's activities and its direct and indirect business relationships in its value chain. These include:

- **Employees and workers**, who represent the pillars of the organization's functioning;
- **Shareholders**, as the company's strategic sustainability decisions can affect the value of shares held by shareholders;
- **Customers**, who benefit from products and services;
- **Suppliers and workers in the value chain**, who provide the resources and materials needed for core activities;
- **The local community**, which benefits from ALRO's in health and well-being initiatives, but also those in the proximity of its premises.

CATEGORY II: Users of the sustainability information. This category includes primary users of the financial statements, as well as users of the sustainability reporting. These include:

- **Shareholders and investors**, interested in the financial performance and sustainability of the organization;
- **Industry associations**, who may use the information provided by ALRO Group to monitor compliance with environmental, social and economic regulations and standards;
- **Central and local authorities** which monitor compliance with legislation, promote sustainable practices and protect public interests;
- **Communities**, which are interested in the CSR actions initiated by Group companies;
- **Mass-media**, which communicates the company's results and initiatives to the general public;
- **Capital market participants and financial institutions** interested in the Group's performance and investments;
- **Non-governmental organizations and other organizations** activating in education and research, which evaluate the social impact of ALRO's activity.

In 2024, ALRO Group has implemented a consultation process with affected stakeholders to understand and address their interests and views related to current and potential, positive and negative impacts on them. This process was carried out in accordance with the *Methodology for materiality assessment of sustainability matters*, prepared by the Group's sustainability team. The team members involved in this process were selected to cover all Group companies, as well as the relevant sustainability topics, thus ensuring a comprehensive assessment of the impacts, risks and opportunities arising from its own activities and its value chain.

As part of the consultation process, feedback questionnaires were submitted to relevant stakeholders with the aim of validating actual and potential impacts that were assessed internally as part of the double materiality assessment process and to identify impacts that were not initially identified, thus obtaining a final score that integrates both the internal analysis, as well as the views of its own employees and workers from its value chain, suppliers, customers, end users, representatives of affected communities. Thus, the results of the double materiality assessment process including views collected through the questionnaires, form the basis for the Sustainability Report according to ESRS reporting standards and were integrated into the Group's sustainability strategy approved by the Board.

Collaboration with key stakeholders

Stakeholder category	Collaboration channel	Purpose	Collaboration result
Own workforce	• Periodic satisfaction surveys; • Communication as part of the performance review process; • Consultation within the DM assessment process;Ensuring safe working conditions; • Communication within trade unions.	• Employee satisfaction monitoring; • Understanding employees' needs and expectations in terms of improving working conditions and professional development.	• Enhancing staff loyalty; • Professional development opportunities; • Understanding customer needs and expectations; • IRO Assessment.
Suppliers and business partners	• Sustainability assessment – ASI questionnaire; • Consultation within the DM assessment process.	• Integrating sustainability considerations into procurement processes.	• Sustainable practices and performance; • Alignment with common standards; • IRO Assessment.
Customers	• Customer satisfaction questionnaires; • Informal interactions; • Participation in events; • Consultation within the DM assessment process.	• Employee satisfaction monitoring. • Improving product quality.	• Refurbishment of production processes; • Improving products and their quality; • IRO Assessment; • Understanding customer needs and expectations.
Investors and shareholders	• During the General Shareholders' Meeting.	• Communication of the results at the General Shareholders' Meeting, External ESG ratings.	• Achieving effective governance. • Achieving positive financial results.
Industry Associations	• Conferences, market research, initiatives, consultations with trade unions, etc.	• Contribution to the development of industry standards. • Understanding the views of workers in the value chain.	• Different initiatives across the value chain.
Affected communities	• Consultation with representatives of local communities during the implementation of the projects. • Participation in the consultation process as part of the MD assessment process.	• Contribution to the increase of living standards and economic well-being, including through job creation.	• Increasing the well-being of affected communities in the context of job creation.

In 2025, the Group will start a review process of the Sustainability Strategy that will take into account both the results of the DMA process carried out in 2024 and the one to be carried out for the 2025 FY sustainability reporting. The Group is unable to provide additional information at this time on the implementation timeline and changes to sustainability goals and targets. As part of this process, the Group will carry out a new consultation process with relevant stakeholders, the process results together with the revised Sustainability Strategy, will be presented to the Risk and Sustainability Committee. After review by the Risk and Sustainability Committee, they will be submitted for analysis and approval to the Board.

ESRS S1 – ESRS 2 SBM-2 Own Workforce: The ALRO Group recognises its own workforce as an essential group of affected stakeholders, thus showing respect for employee and human rights is a strategic Group priority. The interests, views and rights of employees are integrated into the Group's strategy and business model, having a direct impact on the operational and strategic decisions. By maintaining an open dialogue with employee representatives and involving them in key decision-making processes, ALRO ensures that the needs and expectations of the workforce are understood and addressed. At the same time, the Group constantly invests in safe and decent working conditions, vocational training and the development of employees' skills, thus contributing to increased productivity and to a sustainable business model.

ESRS S2 – ESRS 2 SBM-2 Workers in the value chain: The ALRO Group's commitment to respect human rights is made both in terms of its own activities and in its value chain and is an integral part of the organizational culture that promotes safe working conditions, health and safety, equal treatment and opportunities and other work-related rights, thus ensuring greater satisfaction from all business partners. Consequently, during the reporting period, the Group did not identify any situations where the interests, views and rights of the workers in its value chain could be adversely affected by its business strategy, especially given the focus on sustainability matters, including respect for the rights of all affected and/or interested parties. At operational level, the alignment of practices with international standards on human rights is achieved by transposing them into the supplier's *Code of Ethics and Conduct*, as well as into dedicated policies and procedures, with a potential positive impact on workers in the value chain. In addition, during the reporting period, the Group did not identify relevant issues regarding value chain workers to be considered in the update of both business and sustainability strategies.

To the same extent, the Group's commitment to comply with human rights in its business relations also occurs by the adherence of its business and sustainability strategies to the UN Global Sustainable Development Goals (SDGs).

ESRS S3 – ESRS 2 SBM-2 Affected Communities: Social Responsibility is a management process integrated in ALRO Group's business strategy, that marks its commitment to contribute to the development of a sustainable and high-performance society in the areas in which it operates. ALRO Group creates value through leadership and operations, working in partnership for the economy, the environment, employees, as well as for the communities in which it operates and in general, for its stakeholders. Therefore, ALRO Group is a responsible partner, dedicated to building projects alongside the local community, for the benefit of all stakeholders.

Thus, the Group constantly tries to get involved in solving the social problems of the communities in which it operates and takes into account the interests of society, taking responsibility towards the community. The Group companies are actively involved in the life of the community by engaging in corporate responsibility programs, from the reconstruction of houses destroyed by natural disasters, to education, sports and health programs. The strategy on community relations management, including corporate social responsibility aspects, is part of the ALRO Group's Sustainability strategy, and the latter is published on the ALRO website.

In order to ensure an efficient and sustainable management of relations with the community, the Group has implemented a Group strategy that integrates corporate social responsibility as a central element. This strategy aims not only to build solid and trusting relationships with business partners, but also to cultivate an active and mutually beneficial partnership between the companies in the Group and the communities in which they operate. In this context, the corporate social responsibility policy reflects our firm commitment to integrity, transparency and respect in all professional relationships. The policy sets clear objectives for Group companies, directing its actions towards creating common value, supporting local development and ensuring a positive and sustainable contribution within communities. Thus, through a strategic and coherent approach, it strengthens the link between business and society, promoting ethical principles and responsible development.

In 2024, the Group conducted a stakeholder survey, involving representatives of affected communities, to assess the impact of its strategy and business model on affected communities. The resulting responses and conclusions were integrated into the decision-making process in order to adapt the Group's future directions, ensuring sustainable development and minimizing negative impacts.

In accordance with the requirements of ESRS 2 SBM-2, the Group assesses how its strategy and business model can contribute to creating or mitigating significant impacts on affected communities. Through dialogue with stakeholders, including affected communities, the Group identifies and addresses critical issues, preventing conflicts and managing potential negative impacts. In certain cases, when they directly contribute to improving the Group's sustainability and responsibility, these views are explicitly integrated into its strategy and business model.

By this approach, the Group adapts its strategy and business model so as to respond to the concerns of affected communities, ensuring both the sustainability of its activities and the integration of their views into the decision-making process.

ESRS S4 – ESRS 2 SBM-2 Consumers and/or end users: As part of the sustainability strategy, ALRO Group is committed to developing a responsible and sustainable business that supports the needs and interests of end consumers, especially those operating in sectors with a high degree of technology and innovation, namely the automotive, aeronautics, construction and energy industries. The Group wants to promote its low-carbon aluminium products, in line with the European Union's new requirements for climate neutrality by 2050. Scientific research and technological innovation have a profound impact on sustainable development, human rights, social cohesion, business environment and market dynamics. Thus, the aim is to integrate the interests of customers and end users into the business strategy, as well as into the decision-making process at Group level. This strategic objective is aligned with the Global Goal on Sustainable Development, Industry, Innovation and Infrastructure (SDG 9) which promotes the efficient use of resources, green technology, thus creating the premises for a sustainable industry.

To this end, during the reporting period, the Group implemented internal technologies for the certification of new products, resulting in the expansion of the product portfolio according to criteria of quality, sustainability and product efficiency, as well as increasing customer and end-user satisfaction.

Equally, the Group promotes transparent communication channels with all stakeholders, including customers and end users, which can generate economic benefits, facilitating the strengthening of business partnerships and attracting new commercial opportunities. This approach allows the expansion of the Group's presence in the market and the development of long-term relationships with its customers and end-users. Through authentic and direct communication, the Group strives to respond to the needs and concerns of customers and end users, thus strengthening their confidence and support of its strategic objectives.

I.1.4.3 [SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

Significant Impacts, Risks and Opportunities (IRO) – Environment

ESRS Standard	Sub-topic	IRO Designation	Location of IRO in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	IRO Categories	↑	↔	↓	ST	MT	LT
ESRS E1 Climate Change	Adaptation to climate change:	**M1 (-) Potential climate risks effect on its own operation.** *Potential negative impact*		ALRO ALUM VE VT CONEF			●	
		M2 (-) Potential climate risk effect on upstream and downstream activities. *Potential negative impact*	●		●		●	
		RO1_B Increase in average temperatures. *Risk*		ALRO ALUM VE				●
		RO1_A Transition risks arising from alignment with new sustainability reporting standards, related to the consumption of non-renewable energy necessary to carry out its activities, as well as on climate change mitigation and adaptation, in its own operations and in the value chain. *Risk*	●	ALRO ALUM VE VT CONEF	●		●	
		RO8_B Supply chain disruptions due to the intensification and high impact of physical climate risks in the operations of critical suppliers. *Risk*	●	ALRO VE			●	
		RO9_B Transition to decarbonized production technologies. *Risk*	●	ALRO			●	
	Climate change mitigation:	**M3 (-) GHG emissions from own activities.** *Current negative impact*		ALRO ALUM VE VT CONEF				
		M4 (-) Transition Plan for climate change mitigation. *Potential negative impact*		ALRO ALUM VE VT CONEF			●	
		M5 (-) GHG emissions from upstream and downstream activities. *Current negative impact*	●		●			
		RO16_B Establishment of a special purpose company (SPV) (ALRO and Oltenia Energy Complex – CEO) for the development of an 850 MW natural gas combined cycle power plant in Ișalnița. *Opportunity*	●	ALRO			●	
	Efficiency (energy):	**M6 (-) Non-renewable energy consumption in own activities.** *Current negative impact*		ALRO ALUM VE VT CONEF				
		M7 (-) Non-renewable energy consumption in upstream and downstream activities. *Current negative impact*	●		●			

ESRS Standard	Sub-topic	IRO Designation	Location of IRO in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	IRO Categories	↑	↔	↓	ST	MT	LT
ESRS E1 Climate Change	Efficiency (energy):	**RO2_A Market risk generated by the increase in energy prices of energy and natural gas in climate change context** *Risk*		ALRO ALUM VE			●	
ESRS E2 Pollution	Air pollution:	**M8 (-) Non-GHG air emissions from own activities and land impacts at tailing dump.** *Current negative impact*		ALRO ALUM		●		
	Substances of concern:	**M12 (-) Potential impact from the use of substances of concern.** *Potential negative impact*		ALRO ALUM VE				●
ESRS E3 Water and Marine Resources	Water consumption: ***Water consumption***	**M14 (-) Water consumption.** *Current negative impact*		ALRO ALUM VE VT CONEF				
ESRS E5 Resource Use and Circular Economy	Resource inputs, including resource usage:	**M24 (+) Use of aluminium scrap in the production process.** *Current positive impact*		ALRO VE				
		RO10_A Opportunity: increasing the capacity to use aluminium scrap in the manufacturing of finished products. *Opportunity*		ALRO VE		●		
		M25 (-) Use of raw materials and materials in its own activities. *Current negative impact*		ALRO ALUM VE VT				
		RO11_A Risks related to limiting the consumption of natural resources in the context of climate change. *Risk*		ALRO ALUM VE		●		
	Outputs of resources related to products and services:	**M26 (+) Low-emission aluminium supports the decarbonization of other economic sectors.** *Current positive impact*		ALRO VE				
		RO12_A Opportunity related to the decarbonization of other sectors by supplying low-emission aluminium products with significant environmental and industrial impacts. *Opportunity*		ALRO VE		●		

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: ST – short-terms, MT – medium-terms, LT – long-terms

The current financial effects of the Group's significant risks and opportunities related to **ESRS E1 Climate Change**, **ESRS E2 Pollution**, **ESRS E3 Water and Marine Resources**, **ESRS E5 Resource Use and Circular Economy** are presented in the related chapters in the Sustainability Report.

Significant Impacts, Risks and Opportunities (IRO) – Social

Standard ESRS	Sub-topic / Sub-sub-topic	IRO designation / IRO categories	Location of IRO in the value chain* ↑	↔	↓	Time horizon in which IRO occurs** ST	MT	LT
ESRS S1 Own Workforce	Working conditions: *Secure Workplaces*	**S1 (+) Salary benefits provide economic and social protection for employees.** *Current positive impact*		ALRO ALUM VE VT CONEF				
		S2 (-) Job cuts affect employees. *Current negative impact*		ALUM VE				
		RO13_A Reduction of jobs at Group level. *Risk*		ALRO ALUM VE		●		
	Working conditions: *Working time*	**S3 (-) Potential intensive work schedules in own activities.** *Potential negative impact*		ALUM VE VT		●		
	Working conditions: *Adequate salaries*	**S4 (-) Payment of wages at a minimum level in the economy** *Current negative impact*		ALUM VE				
	Working conditions: *Freedom of association*	**S5 (+) Trade union structures improve labour relations.** *Current positive impact*		ALRO ALUM VE VT CONEF				
	Working conditions: *Collective bargaining, including the proportion of workers covered by collective agreements*	**S6 (+) Collective bargaining protects employees.** *Current positive impact*		ALRO ALUM VE VT CONEF				
		RO16_A Opportunity: Increasing the stability and productivity of the workforce through attractiveness as a responsible employer. *Opportunity*		ALRO ALUM VE VT		●		
	Working conditions: *Work-life balance*	**S6 bis (+) Leave for family reasons.** *Current positive impact*		ALRO ALUM VE VT CONEF				
	Working conditions: *Health & Safety*	**S7 (-) Own activities may cause occupational diseases.** *Current negative impact*		ALRO ALUM VE VT CONEF				
		RO17_A Risks associated with occupational diseases that may occur among the Group's employees, as a result of the activities carried out in the workplace. *Risk*		ALRO				
		S8 (-) Potential health and safety incidents in own activities. *Potential negative impact*		ALRO ALUM VE VT CONEF		●		
		RO18_A Occupational health and safety risks in its own operations. *Risk*		ALRO ALUM VE		●		

Standard ESRS	Sub-topic	IRO designation	Location of IRO in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	IRO categories	↑	↔	↓	ST	MT	LT
ESRS S1 Own Workforce	Equal treatment and opportunities for all	S8 bis (+) Work environment free of violence and harassment.		ALRO ALUM VE VT CONEF				
	Measures against violence and harassment at work	*Current positive impact*						
	Equal treatment and opportunities for all	S9 (-) Under-representation of women in their own activities.		ALRO ALUM VE VT CONEF				
	Diversity	*Current negative impact*						
	Equal treatment and opportunities for all	S11 (+) Training programs supporting professional development.		ALRO ALUM VE VT CONEF				
	Training and skills development	*Current positive impact*						
	Equal treatment and opportunities for all	S12 (+) Employment of persons with disabilities promotes inclusion.		ALRO ALUM VE VT CONEF				
	Employment and inclusion of persons with disabilities	*Current positive impact*						
	Other work-related rights:	S13 (-) Protection of personal data of employees and customers.		ALRO ALUM VE VT CONEF			●	
	Privacy	*Potential negative impact*						
		RO19_A Risks associated with cyberattacks.		ALRO ALUM VE VT		●		
		Risk						
ESRS S2 Value Chain Workers	Working conditions:	S14 (+) New and decent jobs for upstream and downstream workers.	●		●			
	Secure Workplaces	*Current positive impact*						
	Working conditions:	S15 (-) Wage practices at the level of the minimum wage in upstream and downstream activities.	●		●			
	Adequate salaries	*Current negative impact*						
		S16 (-) Potential health and safety incidents in upstream and downstream activities.	●		●	●		
	Working conditions:	*Current positive impact*						
	Health & Safety	RO21_A (-) Occupational health and safety risks in the value chain.	●	ALRO ALUM VE	●			
		Risk						
	Equal treatment and opportunities for all	S17 (-) Labour practices that may generate social inequities in upstream and downstream activities	●		●	●		
	Equal treatment and opportunities for all	*Current positive impact*						
	Equal treatment and opportunities for all	S18 (-) Labour practices that may lead to gender inequalities in upstream and downstream activities.	●		●	●		
	Diversity	*Potential negative impact*						

Standard ESRS	Sub-topic	IRO designation	Location of IRO in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	IRO categories	↑	↔	↓	ST	MT	LT
ESRS S3 Affected Communities	Economic, social and cultural rights of communities:	**S21 (-) Raw material extraction and waste management affect upstream and downstream communities.**	●		●	●		
	Water and Sanitation	*Current negative impact*						
	Economic, social and cultural rights of communities:	**S25 (+) Contribution to economic growth and improvement of the population's standard of living.**		ALRO ALUM VE VT CONEF				
	Economic value generated and distributed (Group-specific aspect)	*Current positive impact*						
		RO24_A (+) Strengthening the position of strategic partner in the economic and social development of local communities.		ALRO VE				
		Opportunity						
ESRS S4 Consumers and End-users	Impacts related to information for consumers and/or end-users:	**S28 (+) Access to quality information about the Group's products.**		ALUM VE VT				
		Current positive impact						
	Access to (quality) information	**RO26_A (+) Increasing transparency to build customer trust and expand the market.**		ALRO VE VT		●		
		Opportunity						
	Personal safety of consumers and/or end-users:	**S29 (+) Compliance with quality standards for customer safety.**		ALRO VE VT				
	Health and safety	*Current positive impact*						
	Social inclusion of consumers and/or end-users	**S30 (+) Promoting a sustainable business model and effective customer relationship management.**		ALRO VE VT				
		Current positive impact						
	Responsible Marketing Practices	**RO27_A (+) Positioning ALRO products as a solution for safety and sustainability in certain industries.**		ALRO VE VT		●		
		Opportunity						

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: ST – short-terms, MT – medium-terms, LT – long-terms

The current financial effects of the Group's significant risks and opportunities related to ESRS S4 Consumers and end-users are presented in the chapter of the same name in this Sustainability Report.

For the year 2024, the Group did not identify ongoing financial effects of significant risks and opportunities related to **ESRS S1 Own Workforce**, **ESRS S2 Value Chain Workers**, **ESRS S3 Affected Communities**.

Significant Impacts, Risks and Opportunities (IRO) – Governance

Standard ESRS	Sub-topic	IRO Designation	Location of IRO in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	IRO Categories	↑	↔	↓	ST	MT	LT
ESRS G1 Business Conduct	Corporate culture: *Business ethics and transparency (specific to the Group)*	**G1 (+) Promoting business ethics and transparency.** *Current positive impact*	●	ALRO ALUM VE VT	●			
		G2 (+) Promotion of competitive practices. *Current positive impact*	●	ALRO ALUM VE VT	●			
		G3 (+) Risk management. *Current positive impact*	●	ALRO ALUM VE VT	●			
	Whistleblower protection:	**G4 (+) Protecting the rights of whistleblowers.** *Current positive impact*	●	ALRO ALUM VE VT CONEF	●			
	Political commitment and lobbying:	**G5 (+) Promoting an advantageous legislative framework.** *Current positive impact*	●	ALRO ALUM VE VT CONEF				
	Managing supplier relationships, including payment practices:	**G6 (+) Sustainability criteria included in the assessment process of suppliers.** *Current positive impact*		ALRO ALUM VE VT CONEF				
		RO29_A Managing supplier relationships, including payment practices. *Opportunity*		ALRO ALUM VE VT CONEF		●		
	Corruption and bribery (incidents):	**G7 (+) Measures to prevent and detect corruption and bribery.** *Current positive impact*	●	ALRO ALUM VE VT CONEF				
		G9 (+) The absence of corruption cases increases the trust of the Group's partners and customers. *Current positive impact*	●	ALRO ALUM VE VT				
	Business Conduct Risk Management:	**RO12_B Transition risk – increased non-financial reporting obligations.** *Risk*		ALRO ALUM VE VT			●	

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: ST – short-terms, MT – medium-terms, LT – long-terms

In 2024, Conef Company, which is a Holding company, had no activity and despite this, the existing policies at the ALRO Group level apply to it.

For the year 2024, the Group has not identified current financial effects of significant risks and opportunities in relation to the **ESRS G1 Business Conduct**.

The information required by [SBM-3] should be read together with the information presented in the thematic sections.

I.1.5 Impact, risk and opportunity management

I.1.5.1 [IRO-1] Description of the process to identify and assess material impacts, risks and opportunities

I.1.5.1.1 The double materiality assessment methodologies

The double materiality process was carried out in accordance with the requirements outlined in Chapter 3 of ESRS 1 (3. Double materiality as a basis for sustainability reporting).

ALRO Group conducted the assessment in accordance with the double materiality principle, taking into account the two dimensions: **impact materiality** assessing the effects of the Group's activities on people and the environment in the short, medium and long term, and **financial materiality**, assessing how external sustainability factors influence the Group's financial performance as well as its short, medium and long-term sustainability. Results from the double materiality assessment process are presented in the sustainability report in line with CSRD provisions, namely in a separate section of the annual management report.

In this context, the assessment of material impacts, risks and opportunities was conducted at Group level, covering all the companies – **ALRO ("ALRO")**, **ALUM ("ALUM")**, **Vimetco Extrusion ("VE")**, **Vimetco Trading ("VT")**, **Conef ("Conef")**, so as to ensure an objective and neutral identification of material sustenability matters. As for CCGT Power Ișalnița ("CCGT"), given ALRO's 40.10% holding, the company was included in the Group's upstream value chain (related parties), in line with ESRS standards.

Given the assessment was made in the course of 2024 financial year, it was based on the results of the 2023 FY results and the 2024 FY partial results and it was estimated that the financial results that will be recorded for the entire financial year 2024 for both ALRO and its subsidiaries at consolidated level will not fall below the limits established by the MFP Order no. 85/2024, hence ALRO, as the listed parent company of the Group, will continue to have the obligation to prepare consolidated financial statements.

The time horizon used in the double materiality assessment process is aligned with the ESRS standards and it is presented in Section I.1.1.2 [BP-2] Disclosures in relation to specific circumstances.

The double materiality process was structured around the following stages:

1. **Identification of relevant sustainability topics;**
2. **Identification of sustainability-related impacts, risks and opportunities corresponding to each relevant sustainability topic;**
3. **Validation of sustainability-related impacts, risks and opportunities by stakeholders;**
4. **Assessment of sustainability-related impacts, risks and opportunities.**

The process was carried out in accordance with the activities described in the *Double materiality assessment methodology on sustainability matters* which was designed and implemented at Group level, by the ALRO sustainability team together with an expert group of external consultants. All process stages were initiated, including a series of workshops, as well as the stakeholders' engagement process.

The identification of relevant sustainability matters started from the list of sustainability matters covered by the topical ESRS (ESRS 1, AR 16), according to ESRS 1 requirements. To this purpose, information was analyzed in terms of the business model, the products offered, the structure of the business lines, the type of customers, the structure of revenues and expenses, as well as other relevant information needed to understand the activities carried out by ALRO Group. The identification of relevant sustainability topics included the analysis of sustainability matters, both from the perspective of its own operations and from the perspective of its upstream and downstream value chain, resulting in situations where a sustainability topic is relevant from both perspectives, as well as cases where the relevance is limited to a single dimension – either in its own operations or in the upstream and/or downstream value chain.

The impact identification process was based on (i) the analysis of the activities carried out within its own operations structured on four main business lines: hydrate and *alumina production (alumina production is temporarily suspended)*, primary and processed aluminium production, production of extruded products and sale of aluminium products, (ii) but also on the evaluation of the business relationships with suppliers and customers, which play a key role in the upstream and downstream value chain.

The analysis included the geographical areas in which the Group operates – Olt, Tulcea and Bucharest counties – in order to identify impacts related to local resources, environmental impacts and interactions with communities.

With regard to the activities carried out in the upstream and downstream value chain, the ALRO Group has identified and assessed its impacts using the **UNEP FI Impact Radar** tool, according to which several industries as part of its upstream and downstream value chain generate or may generate impacts on the environment and on people. At the same time, the respective industries can also generate sustainability-related risks/opportunities that may influence the position and financial performance of Group companies. This process also considered the geographical features and other relevant factors that may influence activities in its upstream and downstream value chain.

The Group carried out a stakeholder consultation process meant to obtain a clear and detailed sense of its impacts on different stakeholders, but also to validate and complete the list of identified impacts, in line with the ESRS standards. In this regard, the list of stakeholders identified for the purpose of 2023 Sustainability Report was revalidated by the sustainability team. Hence, a comprehensive list was drawn up grouped into two categories: stakeholders affected by the company and users of sustainability-related information.

In the first category, the **affected stakeholders** included: individuals or groups whose interests are or could be affected – positively or negatively – by the company's activities and by its direct and indirect business relationships along its value chain, while in the second category, **users of sustainability** information, included: primary users of general-purpose financial reporting (current and potential investors, lenders and other creditors, including asset managers, financial institutions, insurance companies), as well as other users of sustainability statements, including the company's business partners, trade unions and social partners, the civil society and non-governmental organizations, public administration, analysts and academics. Some stakeholders were included in both categories.

As part if the risks and opportunities identification process, ALRO Group analyzed the impact deriving from its dependence on natural, human and social resources at fair prices and quality, considering external factors such as strict environmental and social regulation, as well as raw material and energy prices volatility. Also, an important source was sustainability-related impacts, generating risks with financial effects on Group's companies, such as risks and opportunities included in ALRO General Risk Register.

Assumptions used in the double materiality assessment

Several assumptions were used in the DMA process in order to provide a solid basis for decision-making, ensuring alignment with ESRS standards and stakeholder expectations.

In order to identify and assess the potential or actual impacts the Group generates on the environment and on people, both through its own operations and its upstream and downstream value chain, the following assumptions have been considered, but not limited to:

- **Regulatory framework** – it has been anticipated that the current sustainability reporting requirements will become more stringent, impacting the Group's operations.
- **Climate change** – it has been anticipated that ALRO Group's activities will continue to contribute to climate change through the direct and indirect generation of GHG emissions, even if mitigation measures continue, while adaptation to climate change will become essential to reduce vulnerabilities and increase the Group resilience, the resilience of its workforce and supply chain to natural risks amplified by climate change.
- Although the alumina production at ALUM is temporarily suspended, ALRO Group has considered the generation of potential impacts on the environment, local communities and people in the scenario of activity resumption, in the process of impact identification.
- **Time horizon** – the impacts generated by the Group activities will have different effects on resources, on local communities or will contribute to global climate change depending on the time horizon considered: short, medium or long term.
- **Access to resources** – natural resources such as energy, natural gas and others used in production processes are sufficient to sustain current activities, but their continued use could generate negative impacts in the medium and long term.
- Given the complexity of the upstream and downstream value chain, the impact analysis assumed that results obtained at sector level from the use of the **UNEP FI Radar** tool and validated for a representative sample of suppliers and customers through a consultation process, can be extrapolated for most suppliers and customers. This approach was needed as the stakeholder consultation process did not allow the engagement with all the Group's suppliers and customers.

In term of risks and opportunities identification and assessment, the following assumptions have considered, but not limited to:

- **Global climate change** – it is predicted to generate material physical risks over longer time horizons, including extreme weather events that may affect the Group's operations, but also opportunities through increased demand for sustainable products, such as those containing recycled aluminium. The need to develop and implement a transition plan to achieve the goals under the Paris Agreement, as well as the climate resilience plan, will generate significant financial costs.
- The volatility of energy and raw material prices will continue, generating financial risks for the Group.
- **Stakeholder expectations** – the growing expectations of investors, authorities and customers for the adoption of sustainable practices and low-carbon footprint products are expected to influence market strategies and investments.
- **Regulatory framework** – continuous changes to the sustainability-related regulation will increase reporting and compliance requirements, affecting ALRO Group's operational and financial strategies.
- **Alumina production** – it has been considered the possibility of resuming alumina production in ALUM on medium term.

Identification of impacts and their validation by stakeholders

The identification process was carried out according to the double materiality assessment methodology of sustainability matters carried out at Group level as described above.

Impact assessment

As part of the impact assessment process, actual (current) or potential, positive or negative impacts of the Group on people or the environment in the short, medium and long term were considered. The impact on people or the environment includes the impact on environmental, social and governance issues. The impacts under analysis referred both to those resulting from the Group's activities and products, and to those which may contribute directly or indirectly through its business relationships.

The impact assessment process was carried out by **evaluating the severity and likelihood factors** based on evaluation grids as presented in the *ALRO Group's Double materiality assessment methodology of Sustainability matter*s. The severity assessment was made by considering the following sub-factors: **scope, scale, and for the negative impacts, the irremediable nature of the impact was also considered**.

Determination of the materiality threshold of impacts:

The results obtained by adding the scores for each of the three factors provided the final score for severity. This was normalized on a scale of 1 to 5 and multiplied by the score given for likelihood. The results obtained were again normalized to a scale of 1 to 5, after which the materiality threshold of the impact was established.

The impacts that obtained a score of up to 5 were considered not material, falling within the thresholds for *Minor* and *Negligible*, while those resulting in a score greater than 5 were considered material, falling within the thresholds for *Medium*, *Significant and Very High*.

Monitoring the Group's potential and actual impacts on people and the environment

Currently, ALRO Group implements several policies and actions to manage sustainability matters, including by means of the Group's Sustainability Strategy 2021-2025, which covers most of the topics, impacts, risks and opportunities identified through the double materiality assessment process. The assessment results are periodically reported to the Risk and Sustainability Committee and published annually in the Group's Sustainability Reports. For the coming reporting period, internal monitoring policies and procedures will be updated, including monitoring and management measures of material impacts, in line with the sustainability standards.

Identifying risks and opportunities

At this stage, the Group has identified risks and opportunities related to environmental, social or governance matters, for which effects are either current or anticipated deriving either from its own activities or its value chain. In order to ensure the completeness of the identification process of risks and opportunities, the Group has taken into account the list of sustainability-related aspects in ESRS 1, paragraph AR 16.

As part of the identification process of risks and opportunities, ALRO Group has considered the following relevant sources: (i) the impacts identified and assessed in the previous phase, (ii) critical dependencies on natural resources, such as market risks generated by rising energy and natural gas prices, and (iii) other risks, including physical risks detailed by type of adverse climate event, based on climate scenarios analysis conducted in the Climate Quant tool, transition risks not related to impacts or dependencies, as well as sustainability related risks assessed in the Climate Risk Analysis carried out for the 2023 Sustainability Report. The identification process also considered specific matters provided in the SASB Metals & Mining and Coal Operations Standards, vers. 2022.

Assessment of risks and opportunities

At this stage, the Group applied the criteria imposed by the ESRS standards (magnitude and likelihood) in order to determine the degree of materiality of risks and opportunities, which is the basis for establishing the material and relevant information that will be included in the sustainability statement, according to the ESRS reporting requirements.

For the assessment of risks and opportunities, both quantitative and qualitative criteria (strategic, regulatory and compliance impact, operational and reputational impact and impact on data and reporting) were considered, depending on the nature and possibility to quantify them. Thus, in the situation where the financial impact of a risk/opportunity could not be quantified from a financial point of view, the qualitative assessment grid was applied.

Determination of materiality threshold and prioritization of material risks and opportunities

In order to establish the materiality threshold underlying the assessment evaluation grid, the materiality threshold used for the 2023 FY financial statements was taken into account as a benchmark, namely 0.5% of the total Group annual revenues, as this is the case when the omission or erroneous presentation of information may have a material influence on the users of financial statements/ information users.

Following the risk and opportunity assessment, the materiality threshold is set for those risks and opportunities that have achieved a 'Very High' rating (score 5), 'Significant' (4) or 'Medium' (score 3). The "Medium" rating (score 3) represents the point at which a risk or opportunity is considered material enough to influence the Group's financial and strategic decisions.

Monitoring risks and opportunities that have or may have financial effects

The risks and opportunities were monitored by presenting them to ALRO's Risk and Sustainability Committee, which is composed of non-executive and independent members of the Board of Directors. During the same meeting, all the results of the materiality process, including the positive and negative impacts were presented and validated.

Following the assessment of environment-related IROs, the Group has mainly identified anticipated effects that may be generated as a result of its own activities and/or from its value chain, in terms of adherence to environmental standards, implementation of the sustainability strategy, as well as engagement with stakeholders. To this end, the Group has initiated measures to optimize production processes by using energy-efficient technologies that allow the reduction of greenhouse gas (GHG) emissions in its operations. At the same time, the Group carries out the assessment of new suppliers, including with respect to emissions in the value chain. The main categories of financial effects identified are: the increase in operational and production costs generated by higher prices for GHG emissions, the potential future decrease in net revenues as a result of production interruptions, the increase in supply prices leading to possible margin erosions, as well as limited access to capital, given the growing interest of investors and lenders in the sustainable practices carried out by companies in which they invest.

As regards the non-renewable energy consumption, the effects are mainly current, given a potential increase in operational costs generated by the alignment with current. The Group is considering the transition to renewable energy sources, by gradually increasing the percentage of green energy used in its operations and implementing energy-efficient technologies that reduce dependence on non-renewable sources.

The effects related to the generation of microplastics are closely linked to pollution regulations. In this regard, the Group is considering recycling the materials used in production processes, as well as optimizing equipment through technologies that support sustainable processes.

In terms of waste management, an opportunity has been identified related to the creation of innovative products that incorporate a significant percentage of aluminium waste, contributing to the reduction of the carbon footprint for consumers and/or end customers. The financial effects deriving from this opportunity are significant: obtaining revenues from certified low-carbon emissions products; reduction of utility costs (electricity, gas); increasing the company's brand by putting innovative/low carbon products on the market.

The Group also assessed several social-related IROs as material that generate or may generate effects on the Group's sustainability strategy. The Group takes measures to mitigate the negative effects associated with these impacts by organizing vocational training courses aimed at improving working conditions, increasing satisfaction and performance at work.

Material impacts, risks and opportunities related to internal governance can have current and potential effects by means of policies and procedures that promote transparency, ethics and compliance with applicable regulations and laws. In the short and medium term, the governance framework aims to reduce operating losses, allocate clear roles and responsibilities and contribute to increasing the Group's financial performance.

ESRS E1 – ESRS 2 IRO-1 Reducing carbon emissions is an important part of the Group's strategy on operations management, with a constant concern for emissions, as well as for the efficient and responsible use of necessary resources and materials. Through regular management and production meetings, the Group aims at minimizing resource consumption, reducing carbon emissions associated with its own activities and process optimization to increase economic efficiency, as well as production flows optimization to reduce energy consumption.

As part of the identification and assessment process of the impact on climate change, ALRO Group uses advanced monitoring and analysis methods to quantify greenhouse gas (GHG) emissions and to understand the impact of its entire value chain on the environment.

An essential tool in this endeavor is Life Cycle Assessment (LCA), which allows the assessment of the carbon footprint associated with ALRO products, from the extraction of raw materials and the aluminium production to its use and recycling. At ALRO, the environmental performance of the production process was calculated by modeling the process using Life Cycle Analysis (LCA) based on the EN 15804:2012+A2 method, and at VE, the life cycle assessment was calculated using the Umberto LCA+ software and the Ecoinvent 3 database based on ISO 14040 and ISO 14044. The procedure is documented in a life cycle assessment report. The life cycle assessment study shall include the objective and scope definition, the factual balance, the impact assessment and the

evaluation.

By creating an LCA, the ALRO Group can identify the production phases with the greatest impact on the environment and can take measures to optimize processes, reduce resource consumption and minimize GHG emissions.

At the same time, ALRO Group monitors and reports Scope 1 and Scope 2 emissions, in accordance with regulatory requirements and international standards. Scope 1 emissions are generated directly from production processes, in particular from the use of carbon-based anodes in the electrolysis process, as well as from the fossil fuels consumption in its own facilities. Scope 2 emissions come from electricity purchased and used to power production units.

Through the integrated reporting of these categories of emissions, including Scope 3 emissions as presented in Section E1-6, ALRO Group strengthens its transparency and ability to assess the impact of operations on climate change. This information is used to define measures to reduce emissions and to support strategic decisions on the transition to a more sustainable production.

Thus, LCA analysis and monitoring of Scope 1 and Scope 2 emissions are essential components of the ALRO Group's approach in terms of identification, assessment and management of climate impacts.

In addition, as part of the double materiality assessment process, the Group conducted a detailed company-wide analysis to identify significant impacts, risks and opportunities (IROs) related to climate change. For the identification and assessment of IROs related to the climate change mitigation sub-topic, the analysis was carried out by internal experts from the production and environment departments, which were also joined by experts from the financial department. The assessment was based on operational data regarding the production process and on environmental reports prepared by the Group.

In terms of the consultation process, the analysis also included a component that involved multiple stakeholders, including suppliers and community representatives to better determine the scale of the impact and gain a broader perspective on climate related risks and opportunities. External consultation was essential to integrate additional opinions and information that could influence the decision-making process and to ensure that the mitigation strategy is aligned with the stakeholders' expectations and needs.

Purpose of the analysis to identify and assess exposure to climate risks

Physical risks

For 2024, the analysis of exposure to climate-related physical risks has been extended to include all relevant locations where ALRO Group operates (the previous year analysis only covered ALRO activity, respectively Olt County). Tulcea, Constanta and Bucharest locations were included in the 2024 analysis.

It should be noted that in 2024, the climate analysis was carried out at an additional level of granularity, based on the geo-location coordinates of the Group's premises. Also, the analysis does not include components of the Group's value chain (upstream or downstream), hence these potential additional vulnerabilities will be explored in the following reporting periods, depending on their materiality and data availability underlying the analysis.

The analysis was carried out during the last quarter of 2024, using a physical climate risk quantification tool provided by a well-known company in the field.

Transition risks

In view of the recent analysis of transition risks carried out at the beginning of 2024, ALRO Group has not carried out a new scenario-based analysis. The conclusions of the analysis related to transition risks remained relevant for the purposes of 2024 FY sustainability reporting. Thus, the market transition, legal and technological risks have been assessed as material and are thus found in the list of IROs above.

Climate scenarios and methodology used

Physical risks

Three of the five IPCC Shared Socio-economic Pathway scenarios (“SSP”) were considered for the climate risk projections. The SSP scenarios depict different socio-economic developments and trends in atmospheric greenhouse gas levels. The use of multiple scenarios makes it possible to consider different possible future scenarios and to generate a range of forecasts. The choice of parameters to be analyzed 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 one high-emission climate scenario for physical risks).

The time horizons included in the analysis cover 3 periods: 2025, 2030 and 2050 respectively.

The table below summarizes the characteristics of each of the 3 selected SSP scenarios.

SSP #	Scenario description	Temperature change
SSP1-2.6	Low GHG emissions: CO_2 emissions cut to net zero around 2075	1.7 °C
SSP2-4.5	Immediate GHG emissions: CO_2 emissions around current levels until 2050, then falling, but not reaching net zero by 2100	2.0 °C
SSP5-8.5	Very high GHG emissions: CO_2 emissions triple by 2075	2.4 °C

The underlying graphs and data series were based on scientific climate forecasting models provided by the European Centre for Medium-Range Weather Forecasts ('ECMWF') to provide access to information under the Copernicus programme, an initiative of the European Union.

The data used comes from the Coupled Model Intercomparison Project Phase 6 ("CMIP6") and the Coordinated Regional Climate Downscaling Experiment (CORDEX) climate models, which are the state-of-the-art models available at the time of writing this report.

Copernicus Program: https://dataspace.copernicus.eu

CMIP6 Model: https://cds.climate.copernicus.eu/datasets/projections-cmip6?tab=overview

CORDEX Model: https://cds.climate.copernicus.eu/datasets/projections-cordex-domains-single-levels?tab=overview

For each variable and scenario, we aggregate data from multiple models that provide data for that variable. We applied a data aggregation process for each variable and scenario, utilizing model ensembles for each variable. The aggregation follows scientific standards for calculating means and percentiles. The number of models considered varies depending on the variable under analysis, typically ranging from 20 to 30 models.

The outcomes of this approach are presented as average measurements per decade. To achieve higher resolutions a technique called statistical downscaling is used. This process allows us to refine the spatial resolution of the data to a range of 10 to 25 kilometers. By applying statistical methods, we can obtain more detailed information at the localized level.

Specifically, for flood analysis, we utilize an even finer resolution, ranging from 5 to 25 meters. This increased level of detail enables us to capture and analyze smaller- scale features and variations that are crucial for understanding and assessing flood risks. By employing statistical downscaling and bias correction techniques, the data provides more accurate and localized insights for various analyses.

Due to the inherent nature of predicting future situations, the climate scenarios analysis is subject to various constraints. These include uncertainties about the time allocation of future events, data availability and accuracy, and assumptions uncertainties.

Transition risks

For the market transition risk, financial parameters were selected in order to model the evolution over time according to climate scenarios. The database used to model the parameters related to transition risks is GCAM 6.0 (Global Change Analysis Model, developed by the Network for Greening the Financial System – NGFS).

GCAM 6.0 is a global integrated analysis model that examines the behavior and interactions between 5 systems: energy system, water, land use and agriculture, climate and economy. These 5 different systems are interconnected within the model and interact on an ongoing basis, thus being modeled as an integral unit. The 5 systems modeled by GCAM use the following parameters:

- **Economic system** – by taking into account population and its productivity related assumptions, this system models GDP and population for other systems, as well as various other macroeconomic sub-indicators;
- **Energy system** – is a detailed representation of energy sources, energy transformation patterns, energy-dependent services, industrial energy use in various sectors, and residential and commercial demand; This model module reports demand and supply for the different energy types, cost developments, as well as GHG emissions, among others;
- **Land Use and Agriculture System** – provides information on land use, carbon stocks and net emissions, bioenergy production, food, fiber and forest products; this module provides information on commodity demand and supply, soil and GHG emissions;
- **Water system** – provides data related to water withdrawal and consumption for municipal use, agriculture and for electricity purposes;
- **Climate system** – compiles atmosphere related information, based on emissions modeled by other systems.

The GCAM has a long track record, of over 30 years, in developing models and strategies related to climate change adaptation or mitigation. One of the main advantages of GCAM is the reliability consisting of the high number of factors and modeled parameters, built on scientific foundations, reviewed by journals with the needed expertise. This database has been used in recent decades for multiple critical climate change analyses, including all studies and reports conducted by the Energy Modeling Forum (EMF) and the Intergovernmental Panel on Climate Change (IPCC), as well as the US Climate Change Technology Program. By using this database, interactions between complex and non-linear systems can be captured, which would otherwise not be obtained.

The parameters modelled in the GCAM were the electricity and methane gas prices dynamics.

Results of the scenario analysis of climate-related risks

Physical risks

The results of the physical climate risk resilience analysis show a **medium (M)** or **high (H)** exposure for the climate variables temperature (increase in average temperature) and extreme heat (number of days in the year with temperatures above 25 and 35 degrees, respectively).

Physical climate risks

		2030		2050	
Category	**Cluster**	**SSP245**	**SSP585**	**SSP245**	**SSP585**
Chronic	**Temperature**	L	L	M	M
	Precipitation	L	L	L	L
	Wind	L	L	L	L
Acut	**Extreme Heat**	M	M	H	H
	Wildfire	L	L	L	L-M
	Drought	L	L	L-M	L-M
	Flood	L-M	L-M	L-M	L-M

Transition risks

In the context of the EU decarbonization efforts, the aim is to discourage the supply of electricity from fossil sources, one of the mechanisms implemented being the additional taxation of energy from these sources. The main legislative packages supporting EU decarbonisation ambitions are the Green Deal, Fit for 55, the EU-ETS Directive and the Renewable Energy Directive. The provisions and development directions of these legislative packages, as well as other market factors such as price volatility on the DAM (Day-Ahead Market – DAM) market, can lead to an increase in electricity supply prices. According to the climate scenarios analysis, the annual unit prices of electricity register the following fluctuations in the short, medium and long term.

The scenario analysis revealed the fact that on the long term 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 registered in 2021, in the case of the Current Policies scenario. At the same time, the highest price increase is 13.58% in the case of the Net Zero 2050 scenario, reaching up to 0.1141 USD/KWh.

Climate scenarios

	Absolute value			Difference in unit price compared to the reference year 2021		
Scenario	**2025**	**2030**	**2035**	**2025**	**2030**	**2035**
Current politics	0.1012	0.1010	0.0987	0.73 %	0.56 %	-1.78 %
NDC	0.1013	0.1066	0.1043	0.80 %	6.12 %	3.80 %
Net Zero 2050	0.1070	0.1098	0.1141	6.46 %	9.26 %	13.58 %

Similarly to the risk of rising electricity supply costs, the same climate change context is also applicable for the risk deriving from the rise in natural gas supply prices. In addition to the European Union's trend of accelerating the green transition, there are also various geo-political conditions that can further influence the volatility of natural gas prices. According to the climate scenarios analysis, the annual unit prices of natural gas register the following fluctuations in the short, medium and long term. The analysis highlighted that the largest increase in unit prices for natural gas occurs in the medium term, hence reaching up to 0.4483 USD/mc in 2030 prices, under the Net Zero 2050 scenario, which represents a 20.30% increase compared to 0.3726 USD/mc in the 2021 reference year. On the long term, there may be a slight decrease compared to the base year under the Nationally Determined Contributions scenario.

Climate scenarios

	Absolute value			Difference in unit price compared to the reference year 2021		
Scenario	**2025**	**2030**	**2035**	**2025**	**2030**	**2035**
Current politics	0.3906	0.3826	0.3782	4.82 %	2.67 %	1.49 %
NDC	0.3915	0.3787	0.3726	5.06 %	1.64 %	-0.004 %
Net Zero 2050	0.4237	0.4483	0.4475	13.71 %	20.30 %	20.10 %

Integration into the risk management system

Starting with 2023, climate-related 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 General Risk Management System implemented at ALRO level, this process becomes part of a mature and efficient, centralized risk management system at company level. **Thus, adaptation to climate change becomes an integral part of the Group's business development.**

ESRS E2 – ESRS 2 IRO-1 ALRO Group identifies environmental impacts through two main processes. The activities carried out by ALRO Group, at the level of ALRO, ALUM and VE companies, are considered as activities with environmental impact according to Order No.1798 of November 19, 2007 with related revisions and updates issued by the Ministry of Environment and Sustainable Development, being necessary to obtain an environmental permit. The process of obtaining the authorization is a general one, there being a predefined list of activities with environmental impact identified by CAEN code. Thus, within the framework of obtaining and renewing the Integrated Environmental Authorization held by ALRO (related to the premises in 116 Pitesti Street, Slatina) and the Environmental Authorization (related to the work point in 1 Milcov Street, Slatina), as well as the environmental permits held by ALUM and VE, detailed assessments of the actual and potential environmental impacts, such as air, water and soil pollution, including the regime of substances of concern, were carried out, in accordance with regulatory requirements. The identification of environmental impacts is an integral part of the environmental permitting process, thus following the legislative framework applicable to it[1].

These regulatory acts regulate and set out the methodologies, assumptions and physical processes to be followed to identify pollution impacts. These analyses are conducted to demonstrate compliance with legal regulations, including Best Available Techniques (BAT), and include consultations with stakeholders such as local communities. As regards consultation of affected parties, the legislation applicable to the application, issuance and environmental review process also foresees a public information component and, where appropriate, a public debate component. These public media actions aim at informing possible interested parties that are or might be affected by the activities of the companies applying for environmental permit[2].

Secondly, as part of the dual materiality process for the preparation of the 2024 Sustainability Report, impacts, risks and opportunities related to this topic were analyzed and identified. This analysis process aimed to identify impacts, risks and opportunities related to pollution in both our own operations and in the value chain, and was carried out in accordance with ESRS standards and included an internal analysis of business activities and extensive consultation with suppliers, customers, employees, NGOs and local communities to validate the impacts identified.

Following the dual materiality process, the ALRO Group identified two significant impacts related to the topic Pollution, sub-topic Air Pollution and sub-topic Substances of Concern.

ESRS E3 – ESRS 2 IRO-1 The ALRO Group manages its impact on water resources through an approach centered on ensuring sustainable management of natural resources, in accordance with the requirements of national legislation. The ALRO, ALUM and VE companies, which carry out production activities, have integrated environmental permits that regulate the efficient use of resources, including water, and establish measures to prevent waste and reduce environmental impacts. These permits require detailed water impact assessments, taking into account the use and discharge of water in the production process, and include the implementation of Best Available Techniques (BAT) to minimize consumption and prevent pollution. ALRO has calculated, according to the rules of the European Aluminium organization, the Water Stress Index (WSI) value for the Olt river basin. This index is defined as the ratio between total water use and water availability. The specific result is 0.0689, falling in the category of minor impact on the watershed.

In addition, as part of the dual materiality process used to prepare the 2024 Sustainability Statement, ALRO Group analyzed the impacts, risks and opportunities related to water resources, both in its own operations and across the value chain. This analysis was carried out according to ESRS standards and involved extensive consultations with suppliers, customers, employees, NGOs and local communities to validate and prioritize the impacts identified. The stakeholder consultation process also involved NGOs representing the interests of the communities that were consulted on the impacts that the ALRO Group's activities have on the use of water resources. All those consulted considered the Group's impact in terms of water consumption to be at most medium. They considered that the Group's activities could generate a negative impact on the environment as a result of these consumptions, but still at medium level, as the sources of water supply are mostly large bodies of water such as the Danube and the Olt River.

The results showed a significant impact on water resources due to consumption. Through measures such as regulating consumption and optimizing water use processes in economic activities, especially in production, the ALRO Group meets its objective of ensuring sustainable management of natural resources, thus contributing to environmental protection and responsible water use for the benefit of communities and ecosystems.

1 https://www.anpm.ro/documentatii-procedura-autorizare-autorizatie-de-mediu
2 Annex 3, art 4 and 5 of MMDD Order no. 1798/2007 https://legislatie.just.ro/Public/DetaliiDocumentAfis/191811

ESRS E5 – ESRS 2 IRO-1 As part of the Group's operations management strategy, there is a constant concern for the efficient and responsible use of all necessary resources and materials. Through regular meetings of management and production teams, the Group considers minimizing the consumption of resources, reducing carbon emissions associated with the activities carried out and optimizing processes to increase economic efficiency, as well as optimizing production flows to reduce material waste and reuse of scrap aluminium directly in the manufacturing process.

In addition, as part of the dual materiality process, the Group carried out a detailed analysis at the level of each company to identify significant impacts, risks and opportunities (IROs) related to resource utilization and circular economy. This analysis aimed to assess the types and quantities of resources and materials used and their impact on the upstream and downstream value chain, and was carried out by specialists from the Procurement-Logistics and Finance Departments. The assessment of these IROs was carried out by the Purchasing-Logistics and Production Departments, joined by experts from the Finance Directorate. The assessment was based on operational data on material flows, resource utilization efficiency, market trends and regulations.

Regarding the consultation process, at this stage, the analysis has been carried out internally, as detailed in Section E5-4 Resource Inputs, without the direct involvement of external parties. However, the Group is considering expanding this process by integrating additional consultation mechanisms with suppliers, partners and impacted communities for a more comprehensive assessment of the impacts and opportunities related to resource use and the circular economy.

ESRS G1 – ESRS 2 IRO-1 The standards of business conduct implemented at Group level aim to strengthen the business governance framework and reduce the specific IROs to which they are exposed through their own activities or those resulting from the value chain. This mitigates in particular operational and reputational risks, which can have a significant negative impact on the Group's profitability and sustainability through fines, legal costs, other financial and criminal penalties or operating restrictions imposed by the competent authorities, as well as loss of brand value and consumer confidence.

Details on the identification and assessment of impacts, risks and opportunities, including IROs related to business conduct are set out above in this Section.

ANNEX 1 [IRO-2] ESRS Disclosure Requirements covered by the Sustainability Report

List of Material Reporting Requirements

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BP-2	Disclosures in relation to specific circumstances	6
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ANNEX 2 [IRO-2] List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The table below also shows the data points arising from other EU legislation listed in Appendix B of the ESRS 2 standard, indicating the page where they can be found in the Sustainability Report, as well as those that have been assessed as non-material.

Reporting requirement and related data point	SFDR Reference	PILLAR 3 Reference	Benchmark Regulation reference	EU Reference from the Climate Law	Material/ intangible	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator no. 13 of Table 1 of Annex 1	N/a	Commission Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	8
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	N/a	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	8
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Indicator no. 10, Table 3 of Annex 1	N/a	N/a	N/a	Material	17
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator no. 4, Table 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Intangible	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator no. 9,Table 2 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Intangible	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, point 40(d) (iii)	Indicator no. 14, Table 1 of Annex 1	N/a	Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/a	Intangible	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	N/a	N/a	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/a	Intangible	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph (14)	N/a	N/a	N/a	Regulation (EU) 2021/1119 Article 2(1)	Material	72
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	N/a	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 12(1)(d) to (g) and 12(2)	N/a	Material	72
ESRS E1-4 GHG emission reduction targets paragraph 34;	Indicator no. 4, Table 2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	N/a	Material	88

Reporting requirement and related data point	SFDR Reference	PILLAR 3 Reference	Benchmark Regulation reference	EU Reference from the Climate Law	Material/ intangible	Page
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator no. 5, Table 1 and indicator no. 5, Table 2 of Annex 1	N/a	N/a	N/a	Material	91
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator no. 5, Table 1 of Annex 1	N/a	N/a	N/a	Material	91
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator no. 6, Table 1 of Annex 1	N/a	N/a	N/a	Material	91
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators no. 1 and no. 2, Table 1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)	N/a	Material	93
ESRS E1-6 Gross GHG emissions intensity Paragraphs 53 to 55	Indicator no. 3, Table 1 of Annex 1	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment indicators	Delegated Regulation (EU) 2020/1818, Article 8(1)	N/a	Material	93
ESRS E1-7 GHG removals and carbon credits, paragraph 56	N/a	N/a	N/a	Regulation (EU) 2021/1119, Article 2(1)	Intangible	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	N/a	N/a	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	N/a	Intangible	
ESRS E1-9 Disaggregation of monetary values by acute and chronic physical risk point 66(a)	N/a	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.	N/a	N/a	Intangible	
ESRS E1-9 Location of significant assets at material physical risk, point 66(c)						
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	N/a	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral	N/a	N/a	Intangible	
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69	N/a	N/a	Delegated Regulation (EU) 2020/1818, Annex II	N/a	Intangible	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1	N/a	N/a	N/a	Material (air and ground emissions)	134

Reporting requirement and related data point	SFDR Reference	PILLAR 3 Reference	Benchmark Regulation reference	EU Reference from the Climate Law	Material/ intangible	Page
ESRS E3-1 Water and marine resources point 9	Indicator no. 7, Table 2 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS E3-1 Dedicated policy para 13	Indicator no. 8, Table 2 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS E3-1 Sustainable oceans and seas of paragraph 14	Indicator no. 12, Table 2 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator no. 6.2, Table 2 of Annex 1	N/a	N/a	N/a	Material	146
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator no. 6.1, Table 2 of Annex 1	N/a	N/a	N/a	Material	146
ESRS 2 – IRO 1 – E4 para 16 (a) (i)	Indicator no. 7, Table 1 of Annex 1	N/a	N/a	N/a	Intangible	
		N/a	N/a	N/a	Intangible	
ESRS 2 – IRO 1 – E4 point 16 (b)	Indicator no. 10, Table 2 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS 2 – IRO 1 – E4 point 16 (c)	Indicator no. 14, Table 2 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS E4-2 Sustainable land/agriculture practices or policies, point 24(b)	Indicator no. 11, Table 2 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS E4-2 Sustainable ocean/sea practices or policies, point 24(c)	Indicator no. 12, Table 2 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator no. 15, Table 2 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS E5-5 Non-recycled waste, 37(d)	Indicator no. 13, Table 2 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator no. 9, Table 1 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour point 14 (f)	Indicator no. 13, Table 3 of Annex I	N/a	N/a	N/a	Material	176
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator no. 12, Table 3 of Annex I	N/a	N/a	N/a	Material	176
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator no. 9, table 3 and indicator no. 11, Table 1 of Annex I	N/a	N/a	N/a	Material	181
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	181

Reporting requirement and related data point	SFDR Reference	PILLAR 3 Reference	Benchmark Regulation reference	EU Reference from the Climate Law	Material/ intangible	Page
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator no. 11, Table 3 of Annex I	N/a	N/a	N/a	Material	181
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator no. 1, Table 3 of Annex I	N/a	N/a	N/a	Material	181
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator no. 5, Table 3 of Annex I	N/a	N/a	N/a	Material	196
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator no. 2, Table 3 of Annex I	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	215
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator no. 3, Table 3 of Annex I	N/a	N/a	N/a	Material	215
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator no. 12, Table 1 of Annex I	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator no. 8, Table 3 of Annex I	N/a	N/a	N/a	Intangible	
ESRS S1-17 Incidents of discrimination point 103 (a)	Indicator no. 7, Table 3 of Annex I	N/a	N/a	N/a	Material	215
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator no. 10, Table 1 and indicator no. 14 of Table 3 of Annex I	N/a	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)	N/a	Material	215
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain point 11 (b)	Indicators no. 12 and no. 13, Table 3 of Annex I	N/a	N/a	N/a	Material	217
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator no. 9, Table 3 and indicator no. 11, Table 1 of Annex 1	N/a	N/a	N/a	Material	222
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators no. 11 and no. 4, Table 3 of Annex 1	N/a	N/a	N/a	Material	222
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator no. 10, Table 1 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)	N/a	Material	222
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	N/a	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	222

Reporting requirement and related data point	SFDR Reference	PILLAR 3 Reference	Benchmark Regulation reference	EU Reference from the Climate Law	Material/ intangible	Page
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator no. 14, Table 3 of Annex 1	N/a	N/a	N/a	Material	228
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator no. 9, Table 3 of Annex 1 and indicator no. 11, Table 1 of Annex 1	N/a	N/a	N/a	Material (except indigenous peoples)	232
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator no. 10, Table 1 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)	N/a	Material	232
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator no. 14, Table 3 of Annex 1	N/a	N/a	N/a	Material	245
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex 1	N/a	N/a	N/a	Material	257
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator no. 10, Table 1 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)	N/a	Material	257
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator no. 14, Table 3 of Annex 1	N/a	N/a	N/a	Material	266
ESRS G1-1 United Nations Convention against Corruption, point 10 (b)	Indicator no. 15, Table 3 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS G1-1 Protection of whistleblowers, point 10(d)	Indicator no. 6, Table 3 of Annex 1	N/a	N/a	N/a	Intangible	
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator no. 17, Table 3 of Annex 1	N/a	Delegated Regulation (EU) 2020/1816, Annex II	N/a	Material	303
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator no. 16, Table 3 of Annex 1	N/a	N/a	N/a	Intangible	

II. Environmental Information

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II.1. EU Taxonomy

This section presents the information necessary to comply with the requirements of the EU Regulation No. 852/2020 establishing a framework for facilitating sustainable investment and related delegated acts.

In order to report the information required by Regulation (EU) 2020/852 on environmentally sustainable economic activities, the ALRO Group has conducted a preliminary analysis of all the economic activities carried out, verifying their eligibility according to the technical annexes of the Climate Delegated Act No. 2139/2021 (Annex 1 – Mitigation of climate change and Annex 2 – Adaptation to climate change), as well as according to the technical eligibility criteria of the Environment Delegated Act No. 2486/2023 (Annex I – Sustainable Use and Protection of Water and Marine Resources, Annex II – Transition to a circular economy, Annex III – Pollution prevention and control, Annex IV – Protection and restoration of biodiversity and ecosystems). At the same time, the analysis was carried out to determine the existence of a significant contribution to OB1 Climate Change Mitigation (CCM) in accordance with the Climate Delegated Act No. 2139/2021, resulting in a list of potentially eligible activities, as follows:

- **3.8 Manufacture of primary aluminium by alumina electrolysis and aluminium recycling (secondary aluminium according to the Taxonomy Regulation)**, both carried out at Slatina in ALRO units – activity for which income and expenditure were incurred;
- **5.2. Renewal of the water collection, treatment and supply systems**, an activity carried out in 2024 only in Slatina at ALRO units – activity for which only expenditure has been recorded;
- **6.5. Transportation by motorcycles, cars and light commercial vehicles** – activity for which only expenditure has been recorded.
- **7.3. Installation, maintenance and repair of energy efficiency equipment**, carried out in Slatina in ALRO units – activity for which only expenditure has been recorded.

In 2023, the main activity **3.8. aluminium manufacturing was classified as eligible**, and **in 2024 this activity also met the alignment conditions**.

For activities **5.2. Renewal of water collection, treatment, and supply systems**, **6.5. Transportation by motorcycles, cars and light commercial vehicles** and **7.3. Installation, maintenance, and repair of energy efficiency equipment**, the Group has not conducted an assessment analysis of the technical alignment criteria to determine a significant contribution to OB1 Climate Change Mitigation, as the share of CapEx expenditures that can be associated with these activities in 2024 was extremely low, as shown in the chart below.

ACTIVITY 3.8 Production of primary aluminium by alumina electrolysis and aluminium recycling (secondary aluminium according to the Taxonomy Regulation)

ALRO's Primary Aluminium Division comprises the Anodes Section, the Electrolysis Section, the Casthouse, the Aluminium Eco-Foundry Section, the Repair and Spare Parts Workshop, the Road and Rail Transport Sections and other sections responsible for ancillary services. For the calculation of the indicators required by the taxonomy we have included the activities carried out in the Electrolysis, Casthouse and Aluminium Eco-Foundry Sections.

In order to make such a significant contribution to OB1 Mitigation of climate change, the activities carried out at ALRO's facilities must meet the criteria for substantial contribution set out in the taxonomy, not to cause significant harm to any of the other environmental objectives ("DNSH Criteria") and comply with the minimum social safeguards.

The Group considered not eligible alumina refining and extrusion activities which even if carried out under the same CAEN code – 2442 – Metallurgy of aluminium – as they do not correspond to the description of activity **3.8. Manufacture of aluminium** in the Delegated Climate Act No 2139/2021.

Substantial contribution

Regarding the first environmental objective OB1 "Mitigation of Climate Change", activity 3.8 Manufacture of primary aluminium by alumina electrolysis and aluminium recycling the alignment criteria are:

- For primary aluminium products, economic activity meets two of the criteria below until 2025 and all of the criteria below after 2025:
  (i) GHG emissions (calculated in accordance with Regulation (EU) 2019/331) do not exceed 1,484 tCO_2 e per tonne of aluminium produced (Aluminium produces is unalloyed liquid aluminium in its raw form, produced by electrolysis aluminium);
  (ii) The average carbon intensity for indirect GHG emissions (Indirect GHG emissions are the life-cycle GHG emissions produced by generating the electricity used to manufacture primary aluminium) does not exceed 100 g CO_2 e/kWh;
  (iii) electricity consumption for the manufacturing process does not exceed 15,5 MWh/t Al.

- For products obtained by recycling aluminium (secondary aluminium), the economic activity does not need to meet any criteria, as it is considered already aligned.

Regarding the operations carried out at ALRO level, they fulfill, for the year 2024, only two of the three criteria of substantial contribution according to the taxonomy, namely: the average carbon intensity for indirect GHG emissions which has a value of 71.874 g CO_2e/kWh based on the ALRO energy label in 2023 and the electricity consumption for the manufacturing process which is 13.568 MWh/t Al, falling within the thresholds specified by the Delegated Climate Act No. 2139/2021 for this activity.

The specific GHG emission value for the year 2024 was 1,528 tCO_2e for the primary aluminium sub-installation. Total GHG Emissions registered a slight increase in 2024, more precisely by 0.065%, based on, on the one hand, the increase in electrolytic aluminium by 5% in 2024 compared to 2023, and on the other hand, the increase in cast aluminium production by 26% in 2024 compared to that achieved in 2023.

In conclusion, the activities of manufacturing primary aluminium by alumina electrolysis and aluminium recycling (secondary aluminium according to the Taxonomy Regulation) are considered aligned in terms of the alignment criteria in 2024.

Compliance with the "Do No Significant Harm" principle (DNSH)

As regards the analysis of the degree of compliance with the DNSH criteria, the Group-wide analysis identified compliance with these principles for all the other 5 environmental objectives as follows:

- For the environmental objective OB 2 Climate Change Adaptation, ALRO has conducted a climate risk and vulnerability analysis. Information on this analysis is available in the ESRS E1 Climate Change section of this report.
- For the environmental objective OB3 Sustainable use and protection of water and marine resources, the primary aluminium produced by ALRO complies with the DNSH criteria set out in the Climate Delegated Act: The water required for primary aluminium production is sourced from the Olt River as well as underground sources. Environmental degradation risks related to maintaining water quality and avoiding water stress are identified and addressed through specific procedures aimed at minimizing the impact on water sources, based on the environmental management system. ALRO complies with BAT standards and implements the Accidental Water Pollution Prevention and Control Plan, establishing measures for preventing and managing events that could lead to water source pollution for potentially affected water bodies, in consultation with stakeholders (neighbors, contractors). The most recent consultation took place in 2024 through the Double Materiality Analysis. All investment projects at ALRO comply with the applicable national legislation, specifically “Law No. 292/2018 on the environmental impact assessment of certain public and private projects”.
- For the environmental objective OB4 Pollution prevention and control the primary aluminium produced by ALRO complies with the DNSH criteria set out in the Climate Delegated Act: in 2024 we assessed compliance with the DNSH criteria for the hazardous chemicals listed in Appendix C to Annex 2 of the Delegated Act. ALRO acts in compliance 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 on 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

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 is compliant with European regulations and recovered at the end of its life. Emissions are within Best Available Technique-Associated Emission Levels (BAT-AELs) and are regularly measured and monitored according to ALRO's BAT compliance and emission reduction plan. There are no significant cross-sectoral impacts. ALRO reports annually to the European Pollutant Release and Transfer Register.

- For the environmental objective OB 5 Protection and restoration of biodiversity and ecosystems pollution primary aluminium produced by ALRO complies with the DNSH criteria set out in the Delegated Climate Act: in 2022, the Group conducted an assessment of the impact of ALRO's operations in Olt County. Based on the list of protected areas (Natura 2000, UNESCO, key biodiversity areas), it was concluded that there is no significant impact generated by the company's activities on these areas. Also, through the activities carried out on the ALRO site, exotic species are not introduced into the ecosystems in ALRO's area of influence. ALRO operations and sites have not changed since the date of this assessment. All ALRO investment projects are subject to the national legislation in force, i.e. "Law No. 292/2018 on the assessment of the environmental impact of certain public and private projects". Thus, all investment projects are assessed for their impact on biodiversity (i.e. on wild flora and fauna plants and animals as well as forests, oceans, rivers, lakes and soils), referring in the "Declaration of the responsible authority for monitoring Natura 2000 sites" issued by the Ministry of Environment Water and Forests – National Agency for Environmental Protection – Olt Environmental Protection Agency, that the proposed investments are not likely to have significant effects on a Natura 2000 site (i.e. protected areas that are part of the Natura 2000 European ecological network, whose main role is to protect and conserve species and habitats throughout the European Union).

Compliance with social minimum guarantee criteria

During 2024, the Group continued its internal review of compliance with the minimum social safeguards, a criterion set out in Article 18 of the Taxonomy Regulation. Social minimum guarantees are 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 from the eight fundamental conventions of the International Labor Organization;
- Principles of the International Bill of Human Rights.

Compliance with the minimum guarantees was assessed for four areas: human rights, including labor rights, bribery/corruption, taxation and fair competition. Each of these areas was analyzed to determine whether the relevant process and outcome criteria for compliance with the minimum guarantees were met. The results of the analysis are presented in the following table:

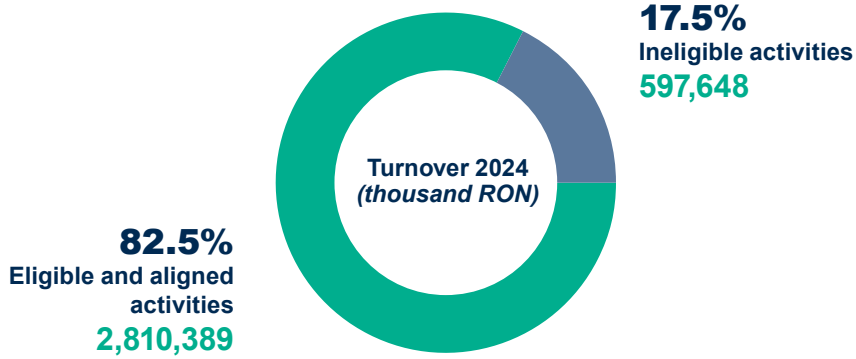
Compliance with minimum guarantees

		Criteria of fulfillment	State of compliance
Human rights	Process	Adequate human rights due diligence process in line with the UN Guiding Principles (UNGPs) and OECD Guidelines for Multinational Enterprises.	Business activities are carried out 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 fundamental conventions and the International Bill of Human Rights.
	Result	The Group or its management has not committed any labor or human rights violations.	There were no labor or human rights violations in FY 2024.
		The Group has not refused to engage in dialogue with the OECD's National Contact Point (NCP), and the NCP has not issued a statement accusing the company of labor or human rights violations.	The group has not been contacted by an OECD NCP, as there have been no suspicions or allegations in this regard.
		The group responded to the Business and Human Rights Resource Center (BHRRC) within 3 months of the date of the allegation, if made.	There were no charges from the Business and Human Rights Resource Center in 2024.
Bribery/Corruption	Process	Implementation and publication of internal controls to prevent and detect bribery.	In 2022, the Anti-Bribery and Anti-Corruption Policy and the Procedure for dealing with requests, referrals and complaints, in line with European standards, was approved, applied to all employees as well as parties with legitimate interest. They can also be submitted in a virtual environment at sesizari@alro.ro. The Group has included training courses to train employees on topics including business ethics and anti-corruption.
	Result	The group or its leadership has not been convicted of bribery.	There were no incidents of bribery/corruption in FY 2024.
Taxes	Process	Tax governance is treated as an important element; implementation and publication of the tax risk management and tax risk strategy.	A comprehensive tax risk management strategy is in place at ALRO, including governance, compliance, risk identification, monitoring and mitigation. It describes the tax audit processes, employee training and allocation of responsibilities in tax risk management, aligned with industry best practices. ALRO properly documents and accounts for financial matters in accordance with the relevant regulations, being a publicly listed company that must ensure proper financial reporting to its investors and stakeholders. Due diligence and due diligence of transactions as well as business partners is ensured and legal obligations regarding money laundering are fulfilled 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.
	Result	The Group has not been convicted of tax evasion.	The Group strictly complies with the tax legislation in force, and has not been convicted of tax evasion.
Fair competition	Process	Conducting and disclosing training courses for managers on competition issues.	At the ALRO Group level, the Code of Ethics (Chapter 3) and the *Code of Conduct* for Suppliers emphasize compliance with ethical and legal standards, including compliance with competition law. Training reports demonstrate participation in such training sessions and alignment with these requirements.
	Result	The Group has not been convicted of competition law violations.	The Group strictly complies with the legislation in force, and has not been convicted of any competition law violations.

Reporting results

In this report, the ALRO Group reports the aligned economic activities, taxonomy-eligible and non-taxonomy-eligible as a proportion of total turnover, capital expenditure (CapEx) and operating expenditure (OpEx). The methodology for calculating key performance indicators (KPIs) for Taxonomy alignment is based on data extracted from the Group's consolidated financial statements related to the year 2024, which are prepared and presented in accordance with the International Financial Reporting Standards (IFRS), which involves the elimination of intra-group transactions. Revenues are measured in accordance with IFRS 15, being recognized at the moment control is transferred to the customer being reconciled with the line "Revenue from contracts with customers." Since there is only one aligned activity, namely Activity 3.8, there is no risk of double counting in the turnover indicator. Capital expenditures (CapEx) comply with the principles of IAS 16 (Property, Plant, and Equipment), IFRS 16 (Leasing) and IAS 38, being reconciled with the notes on Tangible Fixed Assets (Note 14), Intangible Assets (Note 15), and Right-of-Use Assets IFRS 16 (Note 19). The majority of the aligned activities are related to aligned activity 3.8. The difference in CapEx related to the other activities was identified by mapping the 2024 addition lists using a unique key. Operating expenses (OpEx) are recorded in accordance with IFRS guidelines on cost recognition and have been reconciled with the balance sheet. In the case of OpEx, a single aligned activity, namely 3.8, was identified, with no risk of double counting. The values thus determined are allocated to the economic activities defined by the EU Taxonomy, to establish the proportion of revenue, capital expenditures, and operating expenses that are eligible or aligned, ensuring that the reported indicators accurately reflect both IFRS-based financial results and compliance with sustainability objectives.Turnover was calculated as follows:

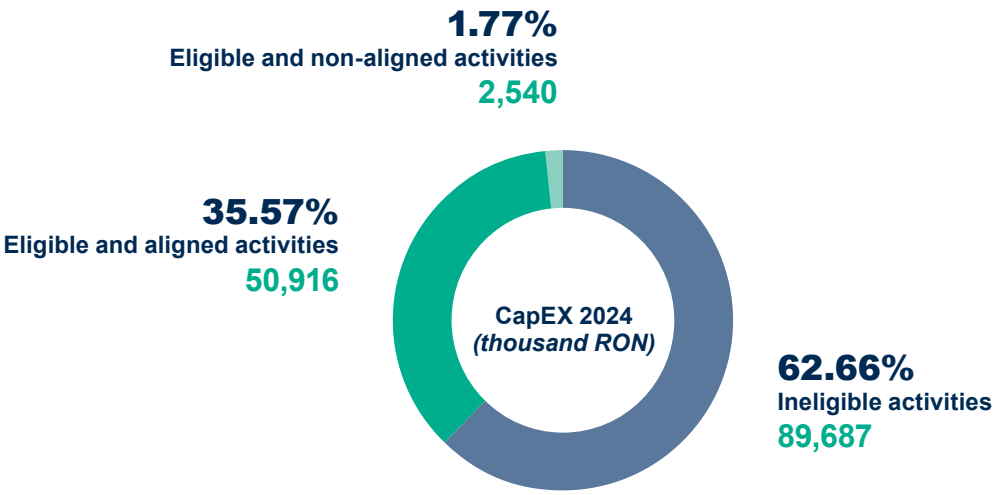
- In the denominator we have included all Group revenues from contracts with customers, as specified in the Consolidated Financial Statements of ALRO Group, totaling **RON 3,408,037 thousand**.
- In the numerator we included sales to third parties of primary aluminium products and the value of the metal transferred to the Processed Aluminium Division and Vimetco Extrusion, resulting in an eligible and aligned turnover of **RON thousand 2,810,389** for the activity Activity 3.8 Manufacture of primary aluminium by electrolysis of alumina and aluminium recycling (secondary aluminium according to the Taxonomy Regulation).



2024 (thousand RON)

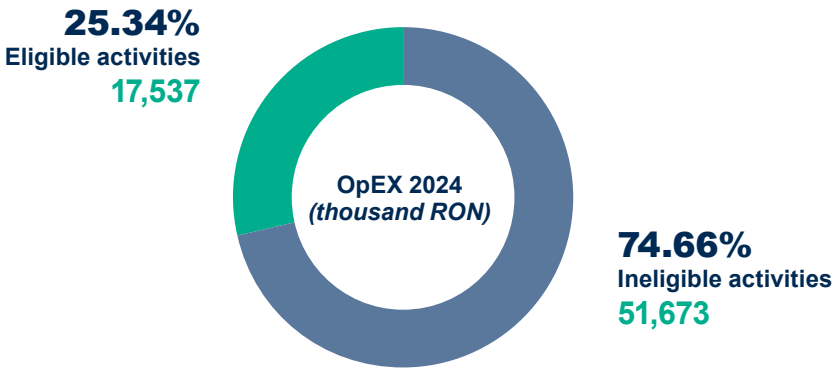
CapEx was calculated as follows:

- In the denominator, we have included the total entries for the financial year reported in accordance with the Notes "Property, plant and equipment" and "Intangible assets" in the ALRO Group Consolidated Financial Statements 2024. The value of the CapEx denominator in 2024 was **RON 143,143 thousand**.
- for the calculation of the numerator we took into account the entries of tangible and intangible fixed assets related to eligible economic activities aligned in terms of taxonomy, namely the capital expenditures associated with the Electrolysis, Casthouse and Eco-Foundry Sections in the amount of **RON 50,916 thousand** for **Activity 3.8 Manufacture of primary aluminium by electrolysis of alumina and aluminium recycling** (secondary aluminium according to the Taxonomy Regulation), the entries of tangible and intangible fixed assets related to eligible economic activities realized for **Activity 5.2. Renewal of water collection, treatment and supply systems** in the amount of **RON 969 thousand** and tangible and intangible fixed assets related to eligible economic activities carried out for **Activity 7.3 Installation, maintenance and repair of energy efficiency equipment** in the amount of **RON 200 thousand**. Capital expenditures are related to assets or processes associated with the Taxonomy-eligible economic activities 3.8., 5.2., and 7.3., being classified as Type A in accordance with the provisions of Article 1.1.2.2. of Annex I of Delegated Act No. 2021/2178. Additionaly, Type C CapEx expenses were identified for **Activity 6.5. Transportation by motorcycles, cars and light commercial vehicles** in amount of **RON 1,371 thousand**



OpEx was calculated as follows:

- IIn the denominator, we have included the total operating expenses for the specified functions established by Delegated Act No. 2178/2021, totaling **RON 69,210 thousand** for the fiscal year 2024.
- In the numerator we have included operational expenses related to repairs performed by third parties, as well as other maintenance, upkeep and repair services performed by our own forces (material cost, labor and overheads of support and repair service providers) that are associated with the eligible economic activity and aligned in terms of taxonomy (Electrolysis, Casthouse and Eco-Shop Sections) **Activity 3.8 Manufacture of primary aluminium through alumina electrolysis and aluminium recycling** (secondary aluminium according to the Taxonomy Regulation) in the amount of **17,537 thousand RON**. OpEx expenditures are associated with the Taxonomy-eligible economic activity 3.8. and are classified as Type A in accordance with the provisions of Article 1.1.2.2. of Annex I of Delegated Act No. 2021/2178.



Activities related to nuclear energy

1. The undertaking carries out, funds or has exposure to research, development, demonstration and deployment of innovative power generation facilities that produce energy from nuclear processes with minimum waste from the fuel cycle.	NO
2. The undertaking shall develop, finance or have exposure to the construction and safe operation of new nuclear installations for the production of electricity or process heat, including for purposes related to district heating or industrial processes such as hydrogen production, and their safety upgrades, using the best available technologies.	NO
3. The undertaking shall develop, finance or have exposures to the safe operation of existing nuclear installations producing electricity or process heat, including for purposes related to district heating or industrial processes such as the production of hydrogen from nuclear energy, and their safety upgrades.	NO

Fossil gas activities

4. The enterprise develops, finances or has exposure to the construction or operation of electricity generating facilities that produce electricity using fossil gaseous fuels.	NO
5. The enterprise develops, finances or has exposure to the construction, refurbishment and operation of combined heat and power plants using fossil gaseous fuels.	NO
6. The enterprise develops, finances or has exposure to the construction, refurbishment and operation of heating/cooling installations using fossil gaseous fuels.	NO

Proportion of turnover generated by products or services associated with economic activities aligned to the taxonomy information provided for the year 2024

Financial year 2024				Criteria for substantial contribution						Criteria related to the principle of "not significant harm" (do no Does Significantly Harm – DNSH)									
Economic activities	Code	Turnover	Proportion of turnover, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of turnover taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.), year 2023	Category enabling activity	Category transitional activity
		RON	%	Y; N; N/EL						Y/N						Y/N	%		
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (aligned to taxonomy)																			
Aluminium manufacturing	CCM 3.8	2,810,389	82.46%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		●
Turnover of environmentally sustainable activities (aligned to taxonomy) (A.1)		2,810,389	82.46%	82.46%	0%	0%	0%	0%	0%								0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%									●	
Of which transitional		2,810,389	82.46%	82.46%															●
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities)																			
Turnover of activities that are eligible in terms of the taxonomy but are not sustainable in terms of environmentally sustainable (non-taxonomy activities) (A.2)		0	0%														87.4%		
A. Turnover of taxonomy eligible activities (A.1 + A.2)		2,810,389	82.46%														87.4%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of activities not eligible under the taxonomy		597,648	17.54%														12.6%		
TOTAL		**3,408,037**	**100%**														**100%**		

Proportion of CapEx from products or services associated with economic activities aligned to the taxonomy information provided for year 2024

Financial year 2024				Criteria for substantial contribution						Criteria related to the principle of "not significant harm" (do no Does Significantly Harm – DNSH)									
Economic activities	Code	CapEX	Share of CapEX, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of turnover aligned to taxonomy (A.1.) or eligible under from point of taxonomy (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
		RON	%	Y; N; N/EL						Y/N						Y/N	%		
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (aligned to taxonomy)																			
Aluminium manufacturing	CCM 3.8	50,916	35.57%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		●
CapEx from environmentally sustainable activities (aligned to taxonomy) (A.1)		50,916	35.57%	36.57%	0%	0%	0%	0%	0%								0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%									●	
Of which transitional		50,916	35.57%	36.57%															
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities)																			
Renewal of water collection, treatment and supply systems	CCM 5.2	969	0.68%	0.68%	0%	0%	0%	0%	0%										
Transportation by motorcycles, cars and light commercial vehicles	CCM 6.5.	1,371	0.96%	0,96%															
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	200	0.14%	0.14%	0%	0%	0%	0%	0%										
CapEx related to activities that are taxonomy eligible but not environmentally sustainable (non-taxonomy activities) (A.2)		2,540	1.77%														49.7%		
A. CapEx for taxonomy eligible activities (A.1 + A.2)		53,456	37.34%														49.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx for activities not eligible under the taxonomy		89,687	62.66%														50.3%		
TOTAL		**143,143**	**100%**														**100%**		

Proportion of OpEx from products or services associated with economic activities aligned to the taxonomy information provided for year 2024

Financial year 2024				Criteria for substantial contribution						Criteria related to the principle of "not significant harm" (do no Does Significantly Harm – DNSH)								
Economic activities	Code	OpEX	Share of OpEX, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of turnover aligned to the taxonomy (A.1.) or eligible interms of taxonomy (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
		RON	%	Y; N; N/EL						Y/N						Y/N	%		
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (aligned to taxonomy)																			
Aluminium manufacturing	CCM 3.8	17,537	25.34%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		●
OpEx related to environmentally sustainable activities (aligned to taxonomy) (A.1)		17,537	25.34%	25.34%	0%	0%	0%	0%	0%								0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%									●	
Of which transitional		17,537	25.34%	25.34%															●
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non taxonomy aligned activities)																			
OpEx related to eligible activities under the taxonomy but which are not environmentally sustainable (activities not taxonomy aligned) (A.2)		0	0%														29.7%		
A. OpEx related to eligible activities under the taxonomy (A.1 + A.2)																	29.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx for activities not eligible under the taxonomy		51,673	74.66%														70.3%		
TOTAL		**69,210**	**100%**														**100%**		

II.2 ESRS E1 Climate change

In this section, information is presented on the material sub-topics and IROs of the ALRO Group related to the topic climate change, including how they are managed and integrated into the Group's business model and strategy: **Climate Change Adaptation**, **Climate Change Mitigation** and **Energy Efficiency**.

II.2.1 [E1-1] Transition plan for climate change mitigation

Romania completed in September 2024 the National Integrated Energy and Climate Change Plan, which was submitted to the European Commission for approval in October 2024, and which sets a 77% reduction in GHG emissions by 2030 compared to 1990 (Scope 1 and Scope 2) for the Industrial Sector. The plan states that the target will be achieved mainly by replacing fossil fuels with electricity from renewable sources and by increasing the efficiency of the technologies used. In 1990, ALRO's primary aluminium production was 167,737 tons generating CO_2 emissions of 268,380 tons, PFC emissions of 2,808,430 t CO_2e and process emissions of 3,076,810 t CO_2e. In 2021, as a result of the investments made by the company over the years, a reduction in CO_2 emissions was achieved as increased primary aluminium production. Thus, in 2021 the company recorded a primary aluminium production of 201,871 tons, generating CO_2 emissions of 337,015 tons, PFC emissions of 3,376 t CO_2e and process emissions of 340,391 t CO_2e. All of these reflect ALRO's progress in meeting the anticipated 2030 target for Scope 1 GHG emissions values.

ALRO's goal is to become a Net Zero GHG emissions company by 2050 or earlier, in line with the European Green Deal and the objectives of the Paris Agreement to limit global warming. Although ALRO has not yet developed a Climate Transition Plan, **it will be prepared after the BAT conclusions are published, i.e. by early 2030, and will become an annex to the updated GHG permit.**

However, ALRO has already implemented a number of measures in terms of steps towards targets climate neutrality for its processes and products. ALRO has one of the most sustainable aluminium production facilities, **with a footprint of 4.5414 metric tons CO_2e per ton of aluminium** (using the ALRO from 2023 energy label).

Moreover, ALRO has set itself a mandatory 35% energy efficiency target in line with EU Objectives, a minimum of 35% consumption from renewable sources in gross final energy consumption by 2030. Both in previous years and in 2024, ALRO implemented several energy efficiency actions, as detailed in Section E1-3, which also contributed to the reduction of GHG emissions Scope 2.

As of 2023 ALRO has obtained the Aluminium Stewardship Initiative (ASI) V3 certification. ASI is a global organization that sets standards for responsible aluminium production, focusing on issues such as environmental protection, respect for human rights and transparency in the aluminium value chain. One of ASI's main objectives is to reduce CO_2 emissions from aluminium production. Through its sustainability commitments, ALRO is implementing measures to meet the requirements of the ASI for 2030, including significant reductions in CO_2 emissions. At the same time, in 2023 VE obtained the ASI Certification Performance Standard V2 for the manufacture of profiles aluminium extruded at its Slatina, Romania facility.

Therefore, for ALRO, decarbonization means both the reduction of CO_2 emissions of Scope 1 – direct emissions and Scope 2 – indirect emissions, and indirect emissions of Scope 3. In this regard, in the coming period the company will develop a climate transition plan, which will also take into account technological developments in the sector and will allow the gradual (by 55% reduction of CO_2 emissions by 2030), until their elimination, thus reaching Net Zero Emissions (by 2050).

At ALUM level, given that the alumina production activity has been suspended for several years and a precise date has not yet been set in the next period for the resumption of the activity, the company has not yet developed a climate transition plan. **This plan will be prepared after the BAT conclusions are published, i.e. by the beginning of 2030, and will become an annex to the updated GHG permit.**

For the other companies of the Group, namely VE and VT, the opportunity of a climate transition plan will be analyzed in the next period, depending on future legislative regulations.

II.2.2 [ESRS 2 SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

As explained in the related section of ESRS 2, the Group's business model and strategy integrate aspects of reducing carbon emissions and improving climate resilience, respectively. Climate change resilience refers to the Group's ability to anticipate, prepare for and adapt to climate-related impacts on its activities and value chain, such as extreme weather events, changes in regulation and market demand. This is an ongoing process that will be reviewed and updated as needed

Material Impacts, Risks and Opportunities (IRO) – on Climate Change

ESRS Standard	Sub-topic	Name IRO	Locating the impact in the value chain*			The time horizon over which IRO manifests**		
	Sub-sub-topic	Category IRO	↑	↔	↓	ST	MT	LT
ESRS E1 Climate change	Climate change adaptation:	**M1 (-) Potential effect of climate risks on own operations.** *Potential negative impact*		ALRO ALUM VE VT CONEF			●	
		M2 (-) Potential effect of climate risks on upstream and downstream activities. *Potential negative impact*	●		●		●	
		RO1_B Increase in average temperatures. *Risk*		ALRO ALUM VE				●
		RO1_A Transition risks arising from the alignment to new sustainability reporting standards related to energy consumption from non-renewable sources required for own activities and climate change mitigation and adaptation in own operations and value chain. *Risk*	●	ALRO ALUM VE VT CONEF	●		●	
		RO8_B Supply chain disruptions due to intensification and high impact of physical climate risks in critical supplier operations. *Risk*	●	ALRO VE			●	
		RO9_B Transition to decarbonized production technologies. *Risk*	●	ALRO			●	
	Climate change mitigation:	**M3 (-) GHG emissions from own activities.** *Current negative impact*		ALRO ALUM VE VT CONEF				
		M4 (-) Transition Plan for climate change mitigation. *Potential negative impact*		ALRO ALUM VE VT CONEF			●	
		M5 (-) GHG emissions from upstream and downstream activities. *Current negative impact*	●		●			

ESRS Standard	Sub-topic	Name IRO	Locating the impact in the value chain*			The time horizon over which IRO manifests**		
	Sub-sub-topic	Category IRO	↑	↔	↓	ST	MT	LT
ESRS E1 Climate change	Climate change mitigation:	**RO16_B Establishment of a special purpose vehicle (SPV) (ALRO and Complexul Energetic Oltenia – CEO) for the development of an 850 MW natural gas-fired combined cycle power plant in Ișalnița.** *Opportunity*	●	ALRO			●	
	Efficiency (energy):	**M6 (-) Consumption of non-renewable energy in own activities.** *Current negative impact*		ALRO ALUM VE VT CONEF				
		M7 (-) Consumption of non-renewable energy in upstream and downstream activities. *Current negative impact*	●		●			
		RO2_A Market risk generated by the increase in energy prices of energy and natural gas in climate change context. *Risk*		ALRO ALUM VE			●	

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: TS – short term, MT – medium term, LT – long term

Material impacts

The impacts that have resulted from the materiality process are associated with the ALRO Group's business model and are related to its own production activities, as the production of aluminium generates direct GHG emissions, but also high energy consumption, in particular electricity and gas (M3, M6). The impacts identified in the materiality process are not limited to the ALRO Group's own production activities, but extend to the entire value chain of the ALRO Group. Upstream, the mining, processing and transportation of raw materials such as bauxite and alumina, as well as other essential materials, generate significant GHG emissions. Downstream, customers using ALRO products for industrial applications such as automotive, aerospace or construction industries carry out additional processing and assembly processes, which may also generate GHG emissions or require energy consumption. In addition, the distribution of finished products to both local and international markets involves frequent transportation, which increases the total energy consumption associated with the Group's value chain. Thus, optimizing energy efficiency throughout the supply and production chain becomes essential to reduce environmental impacts and increase the sustainability of operations (M5, M7).

The high energy consumption and emissions associated with the Group's entire value chain have a direct impact on the environment, contributing to climate change intensification by increasing the concentration of greenhouse gases in the atmosphere. Thus, optimizing energy consumption and integrating more efficient solutions become key priorities to reduce the environmental impact and increase the sustainability of ALRO Group operations.

Transitional climate risks

As regards the significant risks and opportunities arising from the materiality process, in the context of climate change mitigation, the transition to decarbonized production technologies represents a significant risk for the aluminium industry, and thus also for the ALRO Group. The implementation of new technological solutions requires significant investments in infrastructure, research and development, and adaptation of operational processes to reduce greenhouse gas (GHG) emissions. **A relevant example is presented in the report Net-zero by 2050: science-based decarbonization pathways for the european aluminium industry, published in 2023 by European Aluminium. It estimates that inert anode technology, which could become commercially available from 2035, would involve capital costs (CAPEX) of around EUR 6,309/ton, for a GHG emission intensity of only 5% compared to conventional carbon-based anodes. To reach a production capacity of 50,000 tons per year using this technology, the ALRO Group would need to make significant investments.**

In addition to the high upfront costs, the implementation of such technologies could also entail additional expenses for energy, maintenance and retraining of the workforce, which could affect the Group's competitiveness in the global market. Even in the scenario in which these technologies become more economically accessible, the high level of investment required will continue to be a critical factor in the decarbonization of the aluminium industry. (RO9_B)

At the same time, in a context of fluctuating energy prices and changing climatic conditions, operational costs for ALRO can become unpredictable and difficult to manage. Rising energy prices may lead to disruption of operational activities and commercial in case of production outages, legal implications in case of breach of contractual obligations (in case of business interruption), loss of confidential data in case of power outages and damage to data storage systems). (RO2_A)

The establishment of a special purpose vehicle (SPV) between ALRO Group and Complexul Energetic Oltenia (CEO) for the development of an 850 MW natural gas combined cycle power plant at Ișalnița represents a significant strategic opportunity with a positive impact on the Group. This investment will contribute to providing a stable and efficient source of electricity, essential for ALRO's operations, reducing exposure to energy market volatility and enhancing security of supply. The use of natural gas combined cycle technology allows higher energy efficiency compared to conventional coal-fired power plants, reducing greenhouse gas (GHG) emissions per unit of energy produced. This is essential in the context of European regulations on energy transition and decarbonization of the industrial sector. The new plant will also contribute to the diversification of the Group's energy mix, supporting sustainability objectives and reducing the carbon footprint of aluminium production. From an economic point of view, ALRO's participation in this project can generate long-term benefits by reducing energy costs and increasing competitiveness on the global aluminium market. Involvement in power generation also provides the Group with the opportunity to capitalize on potential support mechanisms for the energy transition, including European funds and sustainable financing schemes. Thus, the development of the Ișalnița power plant is a strategic initiative that can contribute to increasing ALRO Group's operational resilience, ensuring a balance between energy efficiency, sustainability and long-term competitiveness. (RO16_B)

In this context, ALRO Group is monitoring technological developments and relevant regulations European to identify sustainable solutions to support the transition to low-emission production while minimizing financial and operational risks.

Physical climate risks

The ALRO Group conducted at the beginning of 2024, for the purposes of 2023 sustainability reporting, the first scenario-based analysis of physical (and transitional) climate risks. For the purposes of 2024 CSRD reporting, the physical climate risk analysis was extended and updated to cover all main locations where the ALRO Group conducts its economic activity (locations in Olt County, Bucharest, Tulcea County and Constanța County).

The analysis identified and assessed as a significant risk factor the increase in average temperatures for the main locations where the Group operates.

Expected changes in average temperatures may have a variety of transmission mechanisms and impact areas, including:

- increased electricity consumption in hot weather
- overheating of production equipment and installations
- heat stress and the impact on employee health, availability and efficiency during heat waves
- a general downturn in economic activity (economy, sector, company)

Climate change (rising average temperatures, new maximum temperatures, etc.) can also have a significant impact on industrial infrastructure, and the lack of an adequate resilience plan (both in the supply chain and for own operations) can cause disruptions in ALRO Group's operational activities, affecting production continuity and the company's ability to respond quickly to unforeseen situations.

Estimating the real economic damages caused by physical climate risks remains an important challenge in the face of global warming. Many economic models significantly simplify the transmission channels of physical climate risks across the globe, often giving the impression that the risks to the European Union will be relatively small. In particular, the role of global supply chains in the transmission and potential amplification of physical climate risks has received little attention. This is relevant because climatologists predict that the direct impact of climate-induced natural disasters will materialize mainly outside the euro area. The euro area could therefore import losses from abroad if its supply chains are disrupted, as happened during the COVID-19 pandemic.

The results show that, if the physical hazards under the scenario in **RCP 8.5** 2050 materialize globally at the same time, the aggregate GDP losses in the euro area are on average larger than 10% of GDP or about 15 times the direct climate shock expected for the euro area. The breakdown of the results at country level shows that the countries that will face the highest aggregate losses in the euro area belong to two groups: countries with high direct exposures to the physical risk of climate change, namely Mediterranean countries, and countries with large trade links to regions of the world that will suffer high direct losses.

II.2.3 [ESRS 2 GOV-3] ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

Information on integrating sustainability performance into incentive schemes is reported in Section GOV-3 of ESRS 2.

II.2.4 [ESRS 2 IRO-1] Description of processes to identify and assess material climate-related impacts, risks and opportunities

Information describing the processes for identifying and assessing significant climate-related impacts, risks and opportunities is reported in Section IRO-1 of ESRS 2.

II.2.5 [E1-2] Policies related to climate change mitigation and adaptation

ALRO

The company pays particular attention to the direct and indirect impacts of climate change, both within its own operations and across the value chain. It focuses on identifying and preventing risks associated with climate change, such as greenhouse gas (GHG) emissions, non-renewable energy consumption and potential supply chain disruptions, which may affect natural resources, the environment and business continuity.

Within the value chain, the processes of raw material production, transportation and processing can contribute to increased GHG emissions and significant consumption of non-renewable resources. In the absence of appropriate measures, these activities can have negative impacts on the environment and communities, amplifying the risks of climate change. Extreme weather events can also affect the supply chain, putting pressure on business relationships and operational efficiency.

ALRO reaffirms its commitment to prevent and mitigate these risks by implementing a strategic adaptation and climate transition plan, working with suppliers to support the transition to a sustainable economy. The company promotes the use of renewable energy sources, the adoption of low-emission production technologies and the development of partnerships to support the circular economy.

ALRO's policy on quality, environment, energy, information security, occupational health and safety includes clear objectives oriented towards sustainable development and reduction of environmental impact. The general objectives include developing the 's and products organization activities, processes in a sustainable manner, so as to ensure the reduction or elimination of sources of their associated pollution and more use of efficient and sustainable energy (M3, M5, M4, M6, M7, RO1_A, RO9_B, RO16_B). *Details of this policy are presented in section E5-1 of ESRS E5.*

Even though ALRO has not developed a climate transition plan, there are a multitude of climate change not related and objectives actions formally formalized in a policy. The main actions and objectives (formalized or not in the form of policies, but highlighted overall in the CSR Policy) are centred on topics such as GHG Emissions, Energy Efficiency, Renewable Energy.

ALUM

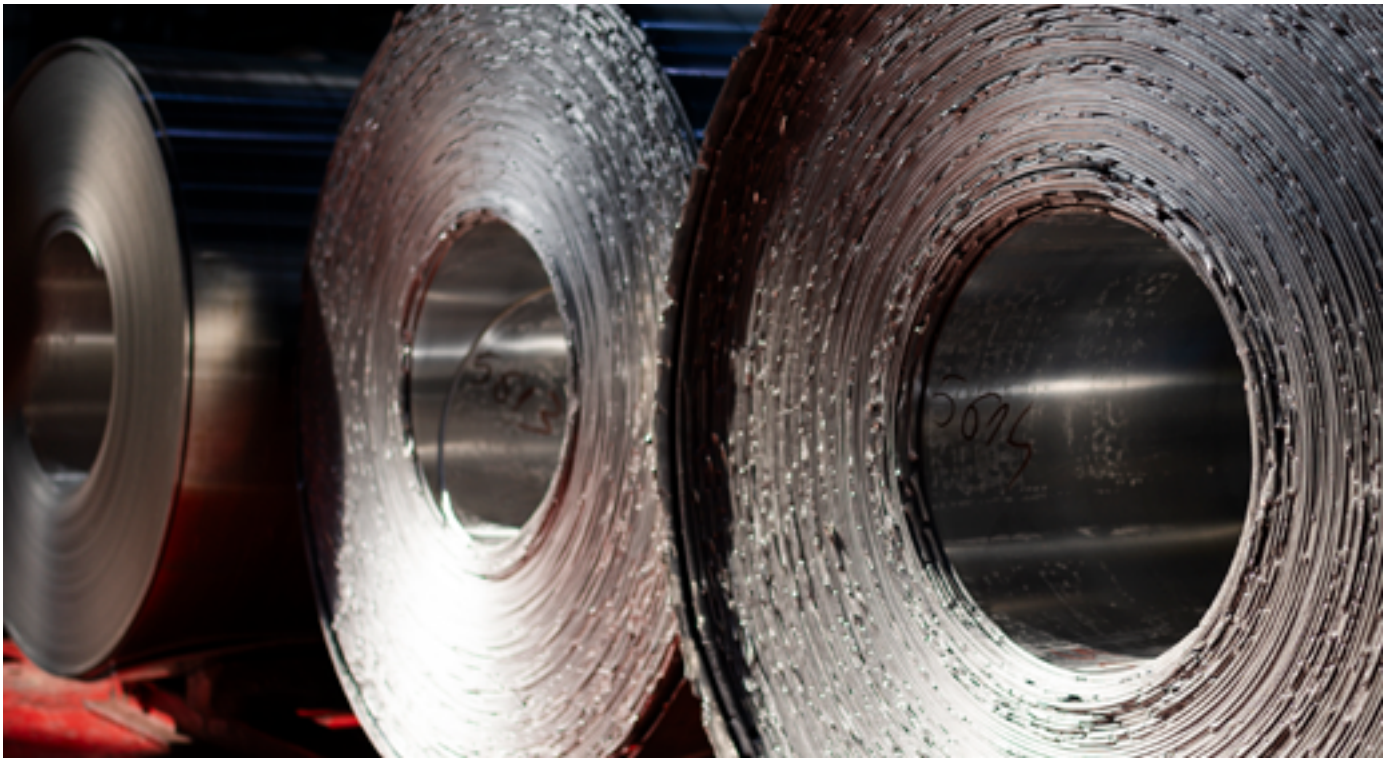
Policy in the areas of quality, environment, energy, information security, social responsibility and occupational health and safety focuses on sustainable development, modernization of technologies and increasing product competitiveness. The company aims to reduce environmental impact, optimize energy consumption and implement best available technologies (BAT). Emphasis is placed on employee health and safety, regulatory compliance and social responsibility. Through an integrated management system, ALUM monitors performance and ensures continuous improvement of its processes and products.

ALUM complies with a number of international standards and sustainability initiatives, including SR EN ISO 9001 (quality), SR EN ISO 14001 (environment), SR EN ISO 50001 (energy), ISO/IEC 27001 (information security), SA 8000 (social responsibility), SR EN ISO 17025 (laboratories), SR EN ISO 45001 (occupational health and safety).

In terms of sustainability topics addressed by the climate change policy, the ALUM policy includes measures to reduce energy consumption, optimize production processes, use Best Available Technologies (BAT), promote the circular economy and reduce the carbon footprint. *Details on this policy are presented in section E5-1 of ESRS E5.*

VE

VE does not have a policy dedicated to the management of the Energy, Change Adaptation sub-topics Climate and Mitigation Climate Change of the ESRS E1 standard. However, through VE's approved by the **Code of Conduct** Managing and applicable to all its operations, the company declares that in carrying out its activities it takes into account the impact on the environment, seeking to minimize negative environmental impacts and reduce carbon emissions. This Code must be complied with by all employees, as well as by all persons acting for or providing services to VE, and by all other business partners, who must apply the same or similar rules and standards as those set out in this Code. Director *Details of this Code are set out in section E5-1 of ESRS E5.*



II.2.6 [E1-3] Actions and resources related to policies addressing climate change

ALRO

ALRO's reflect the company's commitment to respond to the challenges posed by climate change by implementing measures to reduce greenhouse gas emissions and adapting to new climatic conditions. actions

The actions initiated by ALRO are found as part of multiple documents, including: the 2024 Surveillance Audit and the **2024 Declaration of Measures on energy efficiency measures identified and proposed in the Energy Audit and committed for implementation by ALRO S.A.** Slatina. These actions address the IROs described in the previous M3, M4, M5, M6, M7, RO_1A, RO_9B section.

Taking into account the Energy Audit carried out in 2023 to improve energy efficiency on the ALRO industrial platform, as well as the elements included in the Surveillance Audit on 2024 the progress of the implementation of energy efficiency measures, the following measures to decrease emissions, centered on increasing energy efficiency, have been adopted:

Measures for decarbonization through increased energy efficiency showing progress in decreasing carbon footprint according to the 2024 Surveillance Audit

No. Crt.	Proposed Measure	Share in total energy savings [%]	Consumption reduction [MWh/year]	Consumption reduction [tCO_2/year]
A1.E1.	Modernization of electrolysis cells	1,352	9.892	2.671
A2.E1.	Development and optimization of waste recovery capacities within the Eco Recycling Workshop	92.202	674,400*	182,088*
A3.E1.	Purchase of a charging machine for the melting furnaces	0.883	6,462	1,208
A4.E1.	Installation of a water recirculation plant	0.007	50	13.5
A5.E1.	Replacement of the CO_1 and CO_2 ageing furnaces with a new furnace	5.555	40.634	7,730.6

By implementing measures to improve energy efficiency, CO_2 emissions will decrease by 193,711.10 tons of CO_2 per year, compared to the counterfactual scenario, in which the increase in production capacity of ALRO would imply an increase in the production of electrolytic aluminium, characterized by a specific consumption higher than waste recycling.

In addition to the measures presented in the table above to improve energy efficiency and reduce CO_2 emissions, ALRO has signed also a contract (no. 4600020538 dated 10.11.2023) with SIMTEL TEAM S.A. for the installation of a 1.46 MW photovoltaic power plant, which will produce approximately 1,998 MWh in the first year after commissioning (Action A6.E1.). This will lead to a reduction of indirect CO_2 emissions of about 539.5 tons CO_2 per year. Until the approval of the Zonal Urban Development Plan the works for the construction of the PV power plant cannot be started and therefore the company cannot report a progress of this measure.

In line with the Sustainability Strategy, ALRO has set its Green Energy Target for which it has set the implementation of actions A7.E1. Construction within ALRO of a 470 MW Combined Cycle Turbine Power Plant 470 MW by 2027 CCGTand A8.E1 Development, design, construction, connection, ownership, operation and maintenance of an 850 MW natural gas Combined Cycle Combined Cycle Gas Turbine () Power Plant (CCGT) at Ișalnița.

The record of actions taken by ALRO for decarbonization and adaptation to climate change and the main anticipated benefits, in accordance with the 2024 Surveillance Audit

Action	Description of the action and anticipated benefits	Decrease in emissions3 (tons CO_2e), estimated	2024 progress in cutting emissions	Sustainability topic
A1.E1. Modernization of electrolysis cells with Rio Tinto AP-12 LE technology (120)	This project aims to reduce the specific energy consumption by about 300 kWh/ton of direct current (dc) aluminium while maintaining the same level of production per pot/day. AP12LE technology brings significant improvements: • **Reducing energy consumption** to below **13 MWh/ton** cc, compared to an average of **13.28 MWh/ton** cc for AP9 pots. • **Maintain the current Faraday efficiency level** of over **95.5%**, ensuring continuous performance. • **The use of an innovative design** vessel based on the "Technology Brick" technology developed by **Rio Tinto Aluminium Pechiney**, which includes new materials for the construction of the vessels. • **Innovations in the assembly of cathodes and cathode bars**, as well as the **realization of slots in anodes**, contributing to the efficiency and durability of the process.	2,671	Target achieved as ALRO refurbished 155 electrolysis cells (compared to 120 cells initially set).	**Energy efficiency**
A2.E1. Development and optimization of waste reuse capacities within the Eco Recycling Workshop;	The new aluminium scrap processing line represents the second stage of Eco Foundry's capacity development and will provide a total smelting capacity of approximately 95,000 tons/year, needed to reach a production of 120,000 tons/ year of flat rolled products. This will allow the processing of various types of waste, including contaminated and mixed waste, thus optimizing costs and flexibility of the production process. **Benefits:** • Increasing aluminium scrap processing capacity to 60,000 tons/year, contributing to independence from raw material market fluctuations. • Reduce dependence on electrolytic aluminium production, known for its high electricity consumption. • Adapting the technological process to the quality and availability of aluminium scrap on the market, optimizing procurement costs. • Increase energy efficiency and reduce environmental impact by using secondary resources.	182,088[4]	Target achieved with the new aluminium scrap processing line completed. In the year 2024 the production in the Eco-Foundry Workshop was of 92,076 tons of liquid aluminium from smelting scrap.	**Climate Mitigation and Energy Efficiency**
A3.E1. Charging machine for the 3 melting furnaces	In order to improve the energy efficiency of the Foundry section, it is proposed to purchase a melting machine for the melting furnaces. This will replace the current processes of manually loading scrap aluminium, reducing the time required for loading and keeping the furnace doors open. **Benefits:** • **Increased productivity**: Rapid loading of waste will lead to an increase in productivity of about 2000 tons/year. • **Reduction in natural gas consumption**: The shorter charging time will reduce temperature losses, leading to savings of **4 Nm³/t** in natural gas consumption. • This will improve both operational efficiency and sustainability of the production process.	1,208	The work was completed in 2024, the proposed energy performance monitoring follows	**Energy efficiency**
A4.E1. Installation of an industrial water recirculation and cooling system with savings of 50 MWh/year	The installation of the industrial water recirculation and cooling system will bring significant benefits, both in terms of energy efficiency and use of natural resources. By implementing this system, have the following benefits: • **Reduced electricity consumption** thanks to optimized cooling. • **Reduce annual consumption of fresh industrial water** by about **108,000 m³**, contributing to saving water resources. • **Upgrade existing equipment** such as the induction and electric furnaces, to make them more efficient in their use of recirculated water and more economical in their energy consumption.	13.5	The project was finalized in February 2025, following the energy performance monitoring	**Energy efficiency**
A5.E1. Installation of a new ageing furnace	The proposed new furnace uses innovative technology, operating at much lower temperatures, between **140°C** and **180°C**, compared to the two existing furnaces, which operate between **470°C** and **540°C**. This leads to a significant reduction in electricity and natural gas consumption. **Benefits:** • **Specific consumption of natural gas and electricity** is much lower compared to current technologies. • **Maintenance and upkeep costs** are comparable to those of CO_1 and CO_2 furnaces, ensuring **long-term economic efficiency**. • **The operating temperature** is significantly lower, contributing to more efficient energy use. • **Reduce environmental impact** by reducing emissions and consumption of natural resources.	7,730.6	The project is scheduled for completion in 2025	**Energy efficiency**

3 According to the Supervisory Audit – ALRO – January 2025.
4 the scenario in which 50,000 t/year Al is produced by waste re-cycling instead of producing this additional amount by electrolysis

Regarding the progress for **Action A7.E1.** Construction within ALRO of a 470 MW Combined Cycle Turbine Power Plant by 2027, in 2024 the procedure for obtaining the Environmental Agreement was continued (estimated deadline for obtaining – Q3 2025). Also, the design contract for a was signed. New update of the existing Feasibility Study and the completion of the Form for submission of non-priority investment proposals to the Guidelines for Evaluation of Projects Proposed for Financing – Modernization Fund In accordance with the schedule project implementation, the design & construction start date be late 2026. However, is estimated to this date may be influenced both by the procedure for obtaining the approvals necessary and authorizations and the project financing modality.

Regarding **Action A8. E1 The development, design, construction, connection, ownership, operation and maintenance of an 850 MW natural gas combined cycle power plant** (CCGT) at Ișalnița, in 2024 was the tender documentation prepared and the procurement procedure was by the tender notice of opened June 2024. In the absence of firm bids, the action was continued by starting the procedure to revise the tender documentation with a view to resuming the procurement procedure public. In accordance with the schedule project implementation, the commissioning date is estimated for the end of 2028. However, this date may be influenced both by the procedure for obtaining the permits necessary and authorizations and the way in which the project is financed.

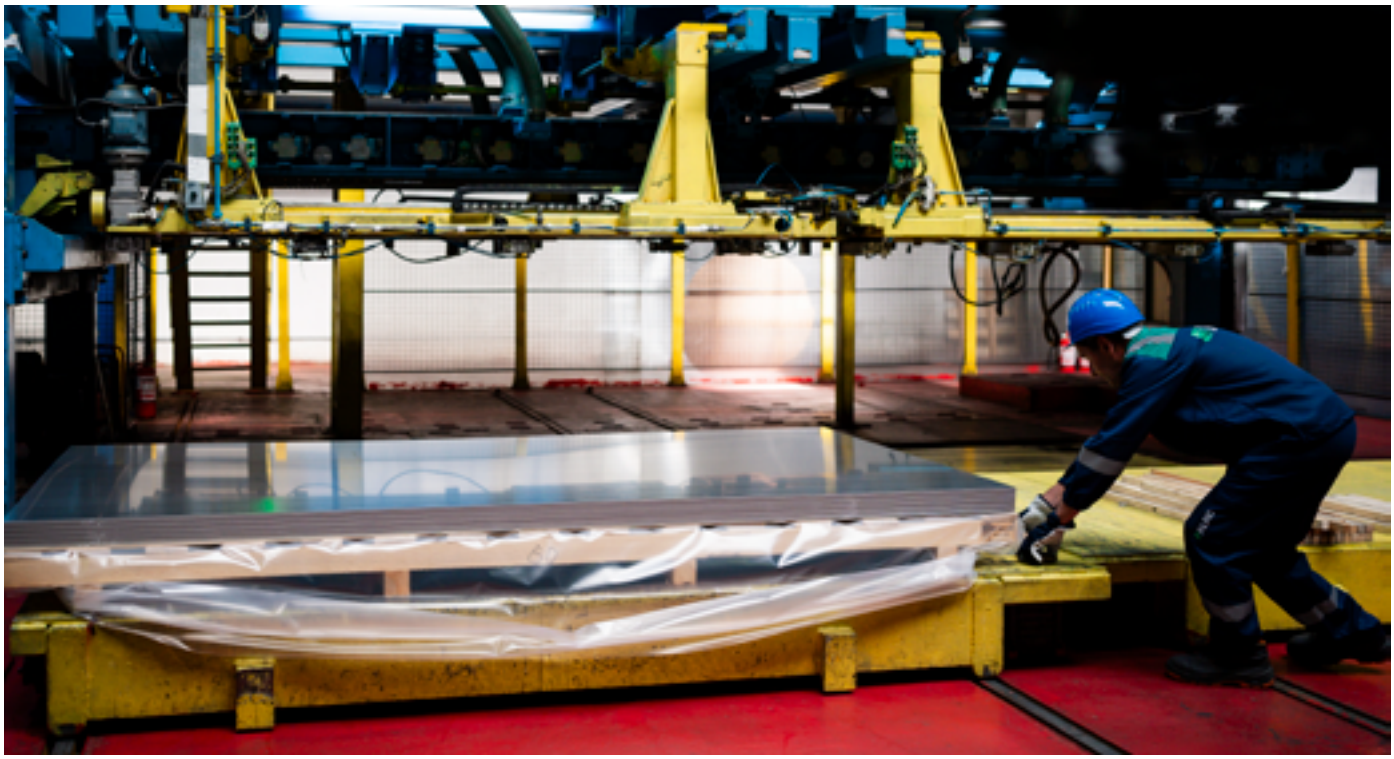
Additionally, as part of its sustainability efforts, ALRO obtained Environmental Product Declarations (EPDs) in 2024 for two of its products: Aluminium Wire Rods and Aluminium Hard Plates 7xxx. These Environmental Product Declarations (EPDs) are internationally recognized certifications that provide transparent and verified information about the environmental impact of a product throughout its life cycle. While this action does not directly a imply tangible decrease in consumption/emissions, it is an element that re-confirms ALRO's efforts to mitigate and adapt to climate change by at looking the entire cycle of life products, reinforcing the company's position as a leader in sustainable aluminium production.

Ways in which actions contribute to climate change mitigation and adaptation and the time frame for achieving them

Action	Term Progress 2024	Type of decarbonization solution	Type of adaptation solution
A1.E1. Modernization of cells electrolysis with Rio Tinto AP-12 LE technology	**Term 2023-2026** In 2024, 37 electrolysis cells were upgraded, reaching a total of 252 upgraded cells, which has an equivalent decrease in energy consumption of 56,675.84 MWh/year	**Energy – Efficiency** One of the largest sources of CO_2 emissions in aluminium production comes from the electricity consumption required for the electrolysis process. AP-12 LE technology improves the efficiency of the electrolysis cells, reducing the amount of energy required to produce aluminium. This is achieved by optimizing the design of the cells, using new materials that allow better electrical conductivity and reducing energy losses.	Limiting vulnerability to fluctuating energy costs-The industry aluminium is highly dependent on electricity, and fluctuations in energy prices or availability can pose a significant risk. AP-12 LE technology helps increase energy efficiency by reducing dependence on non-renewable energy sources. This makes the process more resilient to economic and climate changes related to energy availability and costs. **Diversification of energy sources** More than that, AP-12 LE technology can more easily integrate with renewable energy sources (e.g. solar or wind), which are becoming increasingly important as the energy transition towards cleaner energy sources accelerates.
A2.E1. Development and optimization of waste reuse capacities within Eco Recycling Workshop;	**Term 2023-2025** On 13.02.2024 was issued the Acceptance Report on Completion of Works and Commissioning with no. 812/13.02.2024 related to the project "Development of the waste melting capacity in the ECO Recycling Workshop by installing two double chamber furnaces, a holding furnace and the related installation for the collection and treatment of flue gases" and the sub-project " Charging machine double-chamber furnaces "	**Reduced energy consumption** The new aluminium scrap processing line contributes significantly to reducing CO_2 emissions, as aluminium recycling consumes only 5%[5] of the energy required for primary production. Since electrolytic aluminium requires about 13-15 MWh per ton produced, replacing it with recycled aluminium drastically reduces energy consumption and thus greenhouse gas emissions. In addition, the use of locally sourced scrap reduces the indirect emissions associated with the international transportation of raw materials, and increased flexibility in sourcing allows for optimized sourcing and reduced dependence on polluting supply chains.	**Reducing dependence on conventional energy sources and conserving natural resources** Increasing recycling capacity helps ALRO to become more resilient in the face of economic and climate change, reducing dependence on primary aluminium, which requires high electricity consumption. In the context of the energy transition and rising energy prices in Europe, recycling offers a more stable alternative that is less vulnerable to market fluctuations. In addition, the possibility to process contaminated and mixed waste allows diversification of feedstock sources, providing greater operational flexibility in the face of global market instability. Also, by reducing bauxite mining and primary aluminium production, the new line contributes to the protection of natural resources and the mitigation of the impact on ecosystems, thus supporting a more sustainable economy and better adapted to future climate challenges.
A3.E1. Charging machine for 3 melting furnaces	**Term 2023-2024** Realized on 13.02.2024	**Energy – efficiency** The Charging machine optimizes energy distribution and management to the ovens. By supplying the raw material in a constant way and controlled, the risk of energy losses is reduced and this contributes to more efficient energy utilization.	**Optimizing energy use** Climate change can lead to pressures on natural resources, including water and energy. By optimizing energy consumption and reducing the risks of under/overloading of equipment, the weaving machine contributes to the long-term sustainability of production processes, making them more resilient to extreme climatic conditions or economic fluctuations.
A4.E1. Installation of an industrial water recirculation and cooling system with savings of 5 MWh/year	**Term 2023-2025** Contract concluded No. 4600020898/25.03.2024 INDEMAK ELEKTRIK ELEKTRONIK MAKINA and ALRO S.A	**Reduced energy consumption** The water recirculation and cooling system reduces the amount of electricity required for the industrial cooling process. By saving 5 MWh/ year, overall energy consumption is reduced, and this can have a direct impact on lowering CO_2 emissions associated with electricity production. More specifically, energy savings mean less need for energy from conventional sources, indirectly contributing to the reduction of greenhouse gas (GHG) emissions.	**Optimizing the use of resources** In a changing climate, water resources may become more scarce and drought-affected regions may have difficulty in ensuring a constant flow of water for industrial cooling. By implementing a system water recirculation, fresh water consumption is reduced, making the cooling process more sustainable and more resilient to limited water conditions.
A5.E1. Installation of a new ageing furnace	**Term 2023-2025** Contract No. 4600020399/29.09.2023 concluded between the contracting parties SECO/WARWICK S.A. has been and ALRO S.A.	**Reducing energy consumption** One of the main ways in which this ageing oven contributes to decarbonization is by saving 1591 MWh/year of energy. This means less electricity consumption, and depending on the energy sources used to power the oven, this can lead to a significant reduction in CO_2 emissions. For example, if the energy comes from renewable or less polluting sources, the energy savings translate directly into lower greenhouse gas emissions.	**Reducing reliance on conventional energy sources** At a time when climate change can lead to volatile energy markets or even disrupt energy supply, implementing a more efficient furnace can help your company be more resilient to price fluctuations or energy supply disruptions. A more efficient furnace reduces energy requirements, thus helping the company to be more flexible in the face of climate-related supply risks.

The financial resources allocated for the implementation of these measures come from both own sources and bank loans.

5 World Aluminium (International Aluminium Institute – IAI)



Financial resources allocated to climate change mitigation and adaptation actions (th. RON), ALRO.

	2024	Short term (2025)	Medium term (2026-2030)	Long term (after 2030)
A1 E1 Financial resources allocated to transitional measures (CapEx)	30,981	48,906	0	0
A4 E1 Financial resources allocated to transition actions (CapEx)	1,589	156	0	0
A5 E1 Financial resources allocated to transition actions (CapEx)	9,450	1,332	0	0

The financial resources allocated to actions A1, A4 and A5 partially cover the financial resources allocated to action A3 under Section ESRS S4, being joint investment projects. The financial resources allocated to action A4 partially cover the financial resources allocated to action A1 under Section ESRS E3. The financial resources allocated to action A5 are the same as the financial resources referred to in action A2 under Section ESRS E2, being joint investment projects.

ALUM

ALUM's actions demonstrate the company's commitment to address the challenges of climate change by implementing measures to reduce greenhouse gas emissions and adapt to new climatic conditions.

These measures are detailed in the "Plan of Measures" developed following the SMI Quality-Environment-SSM-Energy management review of 31.01.2024, as a result of 2023-2026 ALUM Energy Audit. The actions target IRO 's M5, M6, RO_1A and correspond to the Sub-topics "Climate Change Mitigation" and "Energy Efficiency". Evidence of actions initiated and their progress is presented in table below.

The timeframe for these actions is 2023-2026.

Record of actions taken by ALUM for decarbonization and adaptation to climate change, and the main anticipated benefits

Action	Description of the action and anticipated benefits	Decrease in emissions [6] (tons CO_2e)[7], expected	2024 progress in cutting emissions[8]	Sustainability topic
A10.E1 Repairs and technological cleaning of transportation pipelines, storage vessels and pumping equipment	Maintenance and cleaning of industrial equipment, such as transportation pipelines, storage cells and pumping equipment, is essential for the optimal operation of ALUM systems. These activities prevent breakdowns, extend equipment life and maintain high standards of safety and efficiency. Regular servicing is crucial to correct component wear. Inspection and timely replacement of worn parts prevent major breakdowns and help maintain operational safety and optimal performance. In addition, proper maintenance reduces energy losses and associated costs. Inefficient equipment can result in additional material and energy consumption, with a negative impact on the environment and the company's budget.	424	0	**Energy efficiency**
A11.E1 Optimizing the operation of high pressure water pumps used in technological cleaning	Adjusting the operation of high-pressure pumps according to the thickness and hardness of the deposits on pipes, storage vessels and pumps, as well as eliminating idling, helps to reduce the fuel and electricity consumption of this equipment. This optimization increases energy efficiency and minimizes component wear and tear, prolonging equipment life and reducing the need for frequent repair or replacement, leading to significant long-term savings.	15,625	0	**Climate Mitigation and Energy Efficiency**
A12.E1 Reducing the number of transformers in operation	Reducing the number of transformers can improve the energy efficiency of electrical networks by decreasing energy losses and facilitating more efficient electricity transmission. It also contributes to lower environmental impact, given the resources and emissions involved in their production and operation. Fewer transformers simplify the infrastructure, reducing the risk of failure and the need for maintenance, which increases the reliability and availability of the electricity system.	143.1	30.63	**Climate Mitigation and Energy Efficiency**
A13.E1 Eliminating idle running of ATLAS and INGERSOLL compressors.	Eliminating idle running of ATLAS and INGERSOLL compressors improves energy efficiency by reducing unnecessary electricity consumption, leading to savings and a smaller carbon footprint. In addition, this extends the life of the equipment, reducing premature component wear and the need for frequent maintenance, thus improving system reliability.	10,865	2.33	**Climate Mitigation and Energy Efficiency**
A14.E1 Installing frequency converters on wetting pumps	Installing frequency converters brings significant benefits in controlling and saving energy as well as improving system performance. They allow precise adjustment of pump speed, essential in variable applications such as wetting or slurry pumping. Optimal speed adjustment reduces energy consumption, avoiding idling and the wasted energy associated with running at full capacity. Improved efficiency also increases equipment life, reducing stress and maintenance and repair costs.	6,625	1,418	**Climate Mitigation and Energy Efficiency**
A15.E1 Rainwater harvesting to be used as a source of water for wetting the red mud pond	Rainwater harvesting for wetting the red mud pond is an environmentally friendly and efficient solution for water resource management in industrial processes. Rainwater is a valuable resource and its use reduces dependence on traditional water sources, saving resources and treatment costs. Replacing the water pumped from the Danube and the retention basin decreases the energy consumption for operating the pumps.	3,975	0.851	**Energy efficiency**

6 Calculated to reduce energy consumption, using emission factor 71.874 g CO_2e/kwh
7 According to the Supervisory Audit – ALRO – January 2025.
8 The emission factor on the basis of which the 2024 progress in emission reduction has been calculated is 56.715 g/kWh, according to the 2023 energy label

In terms of types of decarbonization solutionand adaptation, they are summarized in table below.

Types of decarbonization and adaptation solutions

Action	Deadline 2024 Progress	Decarbonization solution	Adaptation solution
A10.E1 – A14.E1	**Term 2023-2026** **A10.E1: Production activity being suspended, no progress was recorded. This measure will demonstrate its effects when the alumina production process is restarted.** **A11.E1: In 2024, high-pressure pump cleaning was not required** **A12.E1: This measure was applied in 2023 and is maintained throughout the suspension of the production process, i.e. also in 2024.** **A13.E1: This measure has been applied in 2023 and is maintained throughout the suspension of production** **A14.E1: Measure has been fully completed.**	By increasing process efficiency, consumption electricity and fuel is reduced. Since both forms of energy are associated with emissions, the measures contribute directly to reducing the amount of emissions.	Historically, energy dependence has generated numerous market fluctuations with significant financial consequences for consumers. Reliance on fossil fuels and electricity, particularly in the context of the transition to renewables, entails considerable risks associated with imbalances between supply and demand. Adaptation measures that improve mechanical efficiency help to reduce energy consumption, thereby reducing vulnerability to these fluctuations. By limiting consumption, it mitigates the financial impact of fluctuations in the energy market, providing a greater degree of economic stability in the face of uncertainties related to the energy transition.
A15.E1	**Term 2023-2026** This measure has been applied and is maintained permanently.	N/A	Diversification of water sources is a key strategy for Climate change adaptation, given the increasing frequency and intensity of extreme events such as droughts. Exclusive reliance on traditional sources such as rivers increases the vulnerability of water systems to climate variability and reduced resource availability. Integrating alternative sources, such as rainwater harvesting, reduces pressure on existing resources and ensures continuity of supply even under adverse conditions.

For the measures that progressed in 2024, the financial resources were covered internally by the company, and for the future, the source of funding will be analyzed at the appropriate time, subject to the resumption of production activity.

VE

The actions implemented by VE demonstrate the company's commitment to address the challenges of climate change through measures dedicated to reducing greenhouse gas emissions and adapting to new climatic conditions.

These initiatives have been developed based on the results of the Energy Audit conducted in February 2024 for the whole operational perimeter of the EV and cover IRO M5, M6, RO_1A and correspond to the Sub-topics "Climate Change Mitigation" and "Energy Efficiency".

The evolution and progress of the actions undertaken are documented in detail in table below, providing a clear record of the measures taken and the results achieved.

Evidence of actions pursued by EVs for decarbonization and adaptation to climate change and main expected benefits

Action	Share description and anticipated benefits	Decrease in emissions[9] (tons CO_2e)[10]	Progress 2024	Sustainability topic
A16.E1 Installation of a frequency converter for controlling the main extrusion pump of press 2	The proposed solution involves the installation of a variable frequency converter to control the main pump motor of Extrusion Press 2, allowing the motor to be completely shut down during periods of inactivity, which will reduce energy consumption (approximately 40 kWh). These measures include the installation of the variable frequency drive, the addition of braking resistors and modification of the PLC software and electrical connections. The anticipated benefits are reduced energy consumption, increased efficiency and durability of the equipment, lower CO_2 emissions and increased automation.	55.5	The action was planned for completion in 2025	**Energy efficiency**
A17.E1 Dead time reduction (DCT) for press 2 by one second	Reducing the dead time (DCT) for press 2 by one second will save 0.304 tons/day, given an estimated 650 billets/day, with an average length of 620 mm and a weight of 67 kg/ml. The estimated number of working days is 333 per year. The extrusion time of a billet is about 70 seconds and the technological scrap is 20%. The annual throughput obtained from the reduction of dead time per cycle is about 81 tons/ year. The specific electricity consumption for processing one ton of aluminium is 0.3612 MWh/t before implementation and 0.3601 MWh/t after implementation, thus demonstrating the energy efficiency of the measure.	0[11]	Action planned for completion in 2026	**Energy efficiency**
A18.E1 Installation of an automatic profile unloading system at the final saw in Press 1	It is proposed to install an automatic unloading system profile loading to replace manual handling and eliminate the risk of scrap. This system will reduce diesel consumption, scrap and energy resources. It will also reduce the use of a gantry crane and reduce the number of workstations from eight to four, with a saving of approximately 90 MWh/year in electricity consumption for the gantry crane and station heating.	307.06	The measure was fully achieved with an estimated reduction of 307 ($tonsCO_2e$)	**Energy efficiency**
A19.E1 Modernization of the CO_3 heat treatment furnace	In 2022, the CO_3 heat treatment furnace consumed 3,270 MWh/year of natural gas. By modernizing the furnace, this consumption is expected to be reduced by approximately 7%. The proposed measures to reduce natural gas consumption in the profile aging process are: changing the loading door to a more airtight one, adjusting the gas burners and installing a new roller convector inside the furnace.			
A20.E1 Demolition of the CO_4 heat treatment furnace	In order to create the necessary space for the new packaging line, it is proposed to demolish the CO_4 heat treatment furnace and move its production to the new extrusion line 3 and the CO_3 furnace. This move involves the purchase of approximately 400 containers. The replacement of the CO_4 furnace with new conveyors for the transfer of the containers will contribute to the efficiency of consumption in the new extrusion line 3. The estimated energy resource savings from the demolition of the CO_4 furnace are: reduction of natural gas consumption by about 1,881 MWh/year and reduction of electricity consumption by about 200 MWh/year.			
A21.E1 Installation of automatic packaging line	At present, the packing of profiles is completely manual and involves operations such as preparing the packing materials, checking and cleaning the profiles, and packing them, with forklifts picking up the package.			
A22.E1 Implementation of a 100 kW on-grid photovoltaic system	The implementation of a 100 kW on-grid photovoltaic system brings two main types of benefits: reduction of the electricity bill by electricity and reduction of the carbon footprint. The proposed PV system will include 310 photovoltaic panels of 450 W. The system performance will be influenced by losses such as inverter losses (4-10%), losses due to photocell temperature (5-20%), losses in DC and AC power lines (1-3%), losses due to shading (0-80%) and other external conditions (dust, snow, pollution). The techno-financial analysis will assess the viability of implementing this system.	50.82	This action is planned for completion in 2027	**Renewable energy**

9 Calculated to reduce energy consumption, using emission factor 71.874 g CO_2e/kwh
10 According to the Supervisory Audit – ALRO – January 2025.
11 To show that this measure is a measure to increase energy efficiency, the specific electricity consumption for processing one ton of aluminium was calculated. As a result of the calculations, the specific electricity consumption is about 0.3612 MWh/t before the implementation of the measure and about 0.3601 MWh/t after the implementation, thus demonstrating the belonging of this measure in the comprehensive energy audit.

In terms of types of decarbonization solution and adaptation, they are summarized in table below:

Record of types of adaptation and decarbonization solutions

Action	Deadline 2024 Progress	Decarbonization solution	Adaptation solution
A16.E1 – A21.E1	**Term: 2025** **A16.E1:** no progress. **Term: 2025** **A17.E1:** no progress. The automatic handling system for aluminium profiles and the automatic conveyor system for taking containers were put into operation empty and discharging full containers according to the working schedule. **Term: project completed in 2024** **A19.E1:** The container entry/exit door was replaced with profiles, and roller conveyors were installed, which operate automatically according to the orders placed by customers. **Term: project completed in 2024** **A20.E1:** The demolition of the CO_4 ageing furnace has facilitated the optimization of the production flow and a significant decrease in the company's consumption of natural gas and electricity. **Term: project completed in 2024** **A21.E1:** By replacing manual packaging standards, the production flow was optimized, leading to increased productivity in packaging standard profiles.	By increasing process efficiency, electricity consumption and fuel is reduced. Since both forms of energy are associated with emissions, the measures contribute directly to reducing the amount of emissions.	Historically, energy dependence has generated numerous market fluctuations with significant financial consequences for consumers. Reliance on fossil fuels and electricity, particularly in the context of the transition to renewables, entails considerable risks associated imbalances between supply and demand. Adaptation measures that improve mechanical efficiency help to reduce energy consumption, thus reducing vulnerability to these fluctuations. By limiting consumption, it mitigates the financial impact of fluctuations in the energy market, providing a greater degree of economic stability in the face of uncertainties related to the energy transition.
A22.E1	**Term: the deadline is 2027** No progress.	**Reducing CO_2 emissions** – The energy produced by the PV power plant partially replaces fossil fuels, which emit large amounts of carbon dioxide (CO_2). This contributes directly to reducing the carbon footprint, a key objective of decarbonization processes. **Promoting renewable energy** – Photovoltaic use solar energy, a clean source of energy systems and inexhaustible that produces no greenhouse gas emissions, thus contributing to the transition to a more environmentally friendly energy system.	**Reducing dependence on external energy grids** – A photovoltaic power plant reduces an entity's vulnerability to fluctuations in the price and availability of energy from conventional sources, providing greater energy security, especially in the face of climate change that can affect energy infrastructure. Resilience to climate change-Solar-based are adaptable solutions and can help increase the resilience of energy infrastructure to extreme weather conditions, such as storms or heat waves, which can affect traditional electricity distribution grids.

For the measures that progressed in 2024, the financial resources were covered internally by the company, and for the future, the source of funding will be analyzed at the appropriate time, subject to the resumption of production activity.

II.2.7 [E1-4] Targets related to climate change mitigation and adaptation

ALRO

ALRO recognizes the importance of setting measurable targets to highlight and quantify the progress achieved through actions focused on energy efficiency. These targets are part of the Specific Measurable Targets of the Integrated Quality – Environment – Safety Management System – ALRO 2024, and the Sustainability Strategy.

Measurable targets for decarbonization and energy efficiency and correlation with significant IROs

Target	Application period Target value and reference year	Performance in 2024	Linking to Impacts, Risks and Opportunities (IRO)	Sustainability topic
MEASURABLE TARGETS				
LCA Electrolytic Aluminium < 7.8 tCO_2e / tAl (Scope 1 + Scope 2 + Scope 3) *Absolute*	**Term 2024-2030** ≤ 7.8 t CO_2e/t Al Year: 2023	7.8 t CO_2/tAl	M3, M4, M6, RO1_A, RO9_B, RO2_A	**GHG emissions**
LCA AERO tiles < 15.5 tCO_2e / tAl (Scope 1 + Scope 2 + Scope 3) *Absolute*	**Term 2024-2030** ≤ 15.5 t CO_2e/t Al Year: 2023	15.5 t CO_2/tAl	M3, M4, M6, RO1_A, RO9_B, RO2_A	**GHG emissions**
Total emissions Scope 1 = 183,545 t CO_2e *Absolute*	**Term 2024** 183,545 t CO_2e Year: 2023	203,645.74 t CO_2e	M3, M4, M6, RO1_A, RO9_B, RO2_A	**GHG emissions**
Total emissions Scope 2 = 227,420 t CO_2e *Absolute*	**Term 2024** 227,420 t CO_2e Year: 2023	77,298.15 t CO_2e	M3, M4, M6, RO1_A, RO9_B, RO2_A	**GHG emissions**
Total emissions Scope 3 = 923,130 t CO_2e *Absolute*	**Term 2024** 923,130 t CO_2e Year: 2023	1,166,248.17 t CO_2e	M3, M4, M6, RO1_A, RO9_B, RO2_A	**GHG emissions**
Alignment by 2025 compared to 2015 with the EAA targets to reduce energy consumption by 10% per ton of aluminium produced or processed in Europe. *Relative to 2015*	**Term 2015-2025** -10% Year: 2015	In 2024, according to the Energy Analysis, a reduction in energy consumption of approximately -14.95% for ALRO Primary and -8.93% for ALRO Processed, resulting in a reduction in energy consumption at ALRO Group of -16.73% compared to 2023.	M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**
ALRO to build a 470 MW Combined Cycle Turbine Power Plant by 2027 *Absolute*	**Term 2023-2027** 470 MW Year: n.a.	n.a.	M3, M4, M6,RO1_A, RO9_B, RO2_A	**Energy efficiency**
Development, design, construction, connection, ownership, operation and maintenance of an 850 MW natural gas-fired combined cycle power plant (CCGT) in Ișalnița *Absolute*	**Term 2024** 850 MW Year: n.a.	n.a.	RO16_B	**Energy efficiency**
Increasing energy efficiency for Primary and Processed *Absolute*	**Term 2021-2030** less than 10.888 MWh equivalent/ T Al smelted, with respect[12] iv less than 1,976 MWh equivalent/ T Al processed Year: 2021	6.473 MWh equivalent/ T Al and 2.121 MWh equivalent/ T Al processed	M3, M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**
Decrease in specific consumption of energy resources *Relative*	**Term 2023-2024** - 2.58% Year: 2023	-18.05 %.	M3, M4, M6,RO1_A, RO9_B, RO2_A	**Energy efficiency**

12 According to EU Directive 2018/2002 and PNIESC

In order to monitor and evaluate progress, specific targets have been set and measurable that reflect the contribution of different factors to the overall emission reduction target. These targets include the implementation of advanced technologies to optimize industrial processes, the use of renewable energy sources, and the promotion of resource efficiency. Also included are measures to modernize equipment and reduce energy consumption, thus contributing to achieving climate neutrality by 2050.

The measurable targets in the above table are established following the Surveillance Audit carried out in the framework of the ALRO Energy Management System according to ISO 50001, a system audited annually by SRAC, with a view to monitoring the status of implementation of the energy efficiency measures proposed in the comprehensive energy audit work carried out in 2023 for the entire industrial platform belonging to ALRO. Thus, this Audit represented the second Surveillance Audit for the actions undertaken during 2024.

In terms of target setting, ALRO has considered a series of actions related to environmental performance, quantification of specific objectives and presentation of action directions, in accordance with the legal requirements stipulated in:

- Integrated Environmental Authorization for ALRO social no. 1 dated 29.01.2016, revised on 01.04.2024;
- Environmental Authorization no. 201 of 05.12.2019 for ALRO's secondary site, revised on 21.11.2024;
- Environmental Permit No. 129 dated 01.10.2024 for the Repairs and Parts Department and the Road Transportation Section;
- Greenhouse gas emission permits for the period 2021-2030 from combustion plants for both sites: no. 90/01.03.2021, revised on 14.05.2024 for the main site and no. 91/02.03.2021 for the secondary site;
- Water Management Permit No. 52/09.06.2020 for the registered office;
- Water Management Permit No. 81/04.09.2020 for the secondary premises.

ALUM

Measurable targets for decarbonization and energy efficiency and correlation with significant IROs

Target	Application period Target value	Performance in 2024	Linking to Impacts, Risks and Opportunities (IRO)	Sustainability topic
MEASURABLE TARGETS				
Total energy consumption (MWh) *Absolut*	**Term 2024** 375.72	342.61	M3, M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**
Total natural gas consumption (MWh) *Absolut*	**Term 2024** 24.801	26.01	M3, M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**
Total consumption electricity(MWh) *Absolut*	**Term 2024** 329.845	297.67	M3, M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**
Total diesel consumption (MWh) *Absolut*	**Term 2024** 45.871	18.93	M3, M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**
Commissioning of a facility for the production of electricity and thermal energy using CHP (combined heat and power) technology at ALUM *Absolut*	**Term: the project is postponed until resumed production** > 0		M3, M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**
TARGETS NON-MEASURABLE				
Reducing electricity consumption by switching on plant equipment strictly necessary for wetting the red mud pond, and otherwise only for trial and test situations after repairs or rotations scheduled machine. *N/A*	**Term 2024** N/A	100%	M3, M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**
Reducing electricity consumption for lighting by installing day-night sensor and switching off lighting in conservation spaces. *N/A*	**Term 2024** N/A	100%	M3, M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**
Reducing electricity consumption by restricting administrative space – offices, changing rooms, etc., according to existing staff. *N/A*	**Term 2024** N/A	100%	M3, M4, M6, RO1_A, RO9_B, RO2_A	**Energy efficiency**

The measurable in the above table are set targets in the analysis energy performed in ALUM's Energy Management System ISO 50001, which is audited annually by SRAC. The overall target in ALUM in the situation with a suspended is to reduce the total energy consumption production process as of 1.08.2022 and its components (electricity, natural gas, diesel) by 1%. After setting this target at the overall level, the absolute values available in the table above are determined on the contribution of each energy source.

VE și VT

At level VE and VT, no targets have been set for energy efficiency and CO_2 reduction.

II.2.8 [E1-5] Energy consumption and energy mix

Energy consumption is detailed in the table below:

Energy consumption and energy mix (in MWh)

Energy consumption and energy mix	Further Information	Consolidated	ALRO	ALUM	VE
(1) Fuel consumption from coal and coal products (MWh)		0.00	0.00	0.00	0.00
(2) Fuel consumption from crude oil and petroleum products (MWh)	diesel+ gasoline	7,637.06	6,905.52	229.45	502.09
(3) Fuel consumption from natural gas (MWh)		473,940.85	457,139.58	312.14	16,489.13
(4) Fuel consumption from other fossil sources (MWh)		0.00	0.00	0.00	0.00
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	based on conventional sources from the suppliers' energy label	123,477.32	121,958	344.23	1,175.09
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)		651,349.36	632,297.22	885.82	18,166.32
Share of fossil sources in total energy consumption (%)		0.38	0.38	0.22	0.63
(7) Consumption from nuclear sources (MWh)		621,743.63	610,112.62	2,354.96	9,276.05
Share of consumption from nuclear sources in total energy consumption (%)		0.40	0.40	0.57	0.32
(8) Fuel consumption for renewable sources, including biomass (also comprising industria and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)		0.00	0.00	0.00	0.00
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	based on unconventional sources in the suppliers' energy label	345,810.79	343,396.72	873.26	1,540.81
(10) The consumption of self-generated non-fuel renewable energy (MWh)		0.00	0.00	0.00	0.00
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)		345,810.79	343,396.72	873.26	1,540.81
Share of renewable sources in total energy consumption (%)		0.22	0.22	0.21	0.05
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)		1,572,609.65	1,539,512.44	4,114.03	28,983.18

Data was collected from the responsible persons of each entity from invoices received from suppliers and meter readings. For the calculation methodologies, we note that have been used, heat capacity factors taken from DEFRA 2024[13] facilitating conversions from cubic meters/liters to MWh, the unit required by the standards.

13 https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024

For companies multi-supplier, the electricity received from each supplier is analyzed separately and associated with the label specific. In terms of the quality of the estimates, 77.7% of the energy consumed by ALRO, 100% of the energy consumed by ALUM and 100% of the energy consumed by VE is to attributed the supplier's label, while the rest comes from the label national, associated to each label of all suppliers. There were no other estimates/assumptions in the calculation of the indices presented.

As regards requirements related to activities in sectors with high impact climate, the situation is presented in the table below.

Energy intensity of activities in sectors with high climate impact

Request	Drive	ALRO	ALUM	VE
Energy intensity from activities in sectors with high climate impact (total energy consumption per net income)	report	0.48	0.06	0.05
Total energy consumption from activities in sectors with high climate impact	MWh	1,539,512.44	4,113.67	28,981.97
High climate impact sectors used to determine energy intensity	semi-narrative			
Presentation of reconciliation of net income from activities in high climate-impact sectors to the relevant line item or note in the financial statements	narrative	Total revenue	Total revenue	Total revenue
Net income from activities in sectors with high climate impact	thousand RON	3,202,739	69,699	574,302
Net income from activities other than high climate impact sectors	monetary	N/A, all revenues are from sectors with high climate impact	N/A, all revenues are from sectors with high climate impact	N/A, all revenues are from sectors with high climate impact

At ALRO Group level, there are no revenues that do not come from activities in sectors with high impact climate. The only calculation assumption is that 100% of energy consumption is allocated to these activities, the in absence of a clear breakdown. The activities taken into account to estimate these indicators are visible in ANNEX 3.

II.2.9 [E1-6] Gross emissions of GHG categories 1, 2, 3 and total GHG emissions

ALRO

Below are the ALRO GHG emission values according to the EU ETS Directive, which are calculated according to:

1. Commission Implementing Regulation (EU) 2020/2085 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;
2. 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 and amending Commission Regulation (EU) No 601/2012 monitors greenhouse gas emissions;

Greenhouse gas emissions are calculated annually and verified and approved by an external authority accredited in accordance with Commission Implementing Regulation (EU) 2020/2084 amending and correcting Implementing Regulation (EU) 2018/2067 on data verification and accreditation of verifiers pursuant to Directive 2003/87/EC of the European Council and of the European Parliament and ISO14066 – Competence requirements for greenhouse gas validation teams and verification teams

The resulting values for 2024 are as follows:

- GHG emissions Scope 1 = 194,863 t CO_2 of which 1,074 t CO_2 from PFCs
- GHG emissions Scope 2 = 77.416 t CO_2 (only from energy used directly in the production process and using the ALRO energy label for 2023)

Verification criteria for EU ETS GHG emissions:

- EU ETS Directive – Directive 2003/87/EC as amended and supplemented;
- Regulation (EU) No 2066/2018 with subsequent additions and amendments;
- Delegated Regulation (EU) 2019/331 on the harmonized free allocation of emission allowances, as supplemented and amended;
- Authorization and approved GHG Emission Monitoring Plan / Monitoring Methodology Plan.

Below is the distribution of greenhouse gas (GHG) emissions for ALRO according to the GHG Protocol, highlighting emissions by categories and types of activities.

In the analysis of GHG emissions, certain categories in Scope 3 were **excluded from the analysis**, including: **employee commuting, upstream and downstream leased assets, use of products sold, franchises, investments**. This was reasoned on the basis that these categories do not generate a GHG emissions value under the GHG Protocol that exceeds 5% of the impact generated by the total Scope 3 emissions. Moreover, ALRO does not use leased assets relevant to its activities, the products are predominantly raw materials for other industries and their further use does not generate GHG emissions. Also, ALRO does not operate under a franchise model, so there are no relevant GHG emissions associated with this category.

Detailed distribution of GHG emissions, ALRO, t CO_2e

Requirement	ALRO Group GHG Protocol 2024	From which ALRO GHG Protocol 2024	ALRO EU-ETS 2024
Scope 1 GHG emissions			
Gross Scope 1 greenhouse gas emissions	206,769.75 tCO_2	203,645.74 tCO_2	194,863 tCO_2
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	95.66%	95.69%	100%
Scope 2 GHG emissions			
Gross location-based Scope 2 greenhouse gas emissions	187,886.34 tCO_2	185,206.26 tCO_2	
Gross market-based Scope 2 greenhouse gas emissions	78,182.06 tCO_2	77,298.15 tCO_2	77,416 tCO_2
Significant scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions	1,389,876.24	1,166,248.17	
Percentage of Gross Scope 3 greenhouse gas emissions	80.59%	80.59%	
Purchased goods and services	487,107.97	284,978.15	
Cloud computing and data center services	0	0	
Capital goods	6,022.68	3,411.76	
Fuel and energy-related activities	89,344.42	87,143.69	
Upstream transportation and distribution	12,516.91	10,965.78	
Waste generated in operations	2,362.99	1,587.23	
Business travel	111.90	13.07	
Employee commuting	588.03	0	
Upstream leased assets	0.30	0	
Downstream transportation and distribution	23,568.01	17,397.60	
Processing of sold products	739,167.35	736,202.87	
Use of sold products	0	0	
End-of-life treatment of sold products	28,903.48	24,548.03	
Downstream leased assets	165.13	0	
Franchises	0	0	
Investments	0	0	
Indirect GHG emissions from imported energy	0	0	
Indirect GHG emissions from transportation	0	0	
Total GHG emissions			
Total GHG emissions (location-based)	**1,784,532.35**	**1,555,100.18**	
Total GHG emissions (market-based)	**1,674,828.06**	**1,447,192.07**	

ALRO GHG emissions – Value chain

	Upstream value chain	Own operations	Transportation	Downstream value chain
Gross Scope 1 greenhouse gas emissions	0	203,645.74	0	0
Gross Scope 3 greenhouse gas emissions	372,121.84	0	28,376.45	765,749.89
Total location-based greenhouse gas emissions	372,121.84	388,852.00	28,376.45	765,749.89
Gross location-based Scope 2 greenhouse gas emissions	0	185,206.26	0	0
Total market-based greenhouse gas emissions	372,121.84	280,943.90	28,376.45	765,749.89
Gross market-based Scope 2 greenhouse gas emissions	0	77,298.15	0	0

ALRO reports greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Standard (2004 version). The emissions accounting methodology complies with the requirements of the standard, including the definition of reporting boundaries and market-based emissions disclosure for Scope 2.

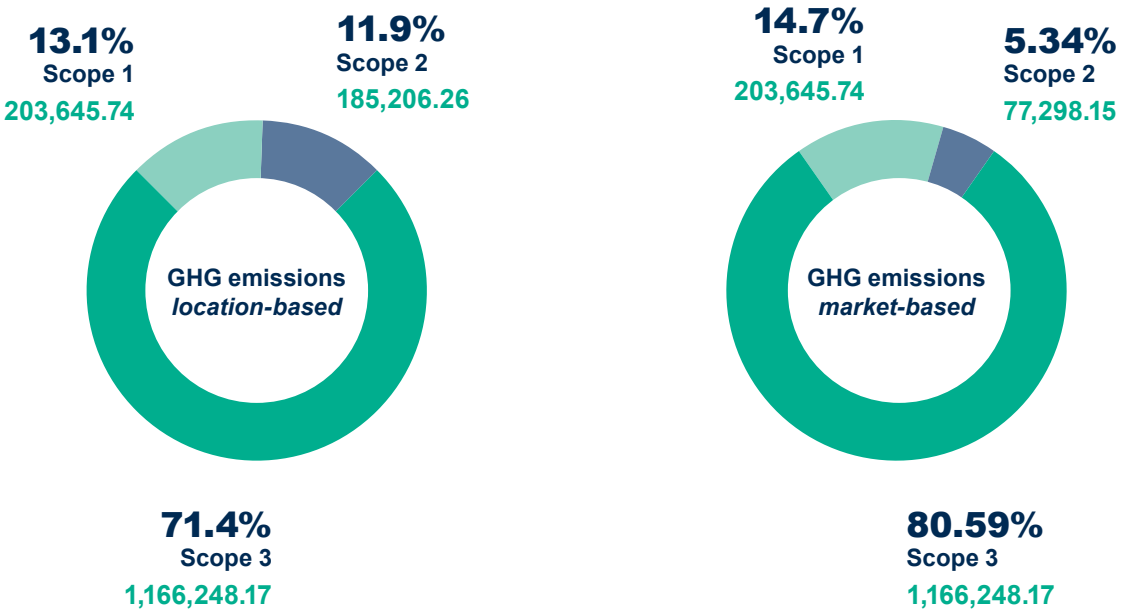
Activity data is obtained from clearly defined sources, such as invoices provided by the accounting department and the EU-ETS emissions data verification report. Methodologies based on IPCC guidelines, international databases such as Exiobase, DEFRA 2024, Ecoinvent 3.10 and emission factors provided by various suppliers are used to calculate GHG emissions. The choice of these factors is based on their accuracy and timeliness, and each factor is documented with units of measurement and sources of information. The GHG inventory includes all gases regulated under the GHG Protocol, i.e. CO_2, CH_4, N_2O, PFCs[14]. The conversion of non-CO_2 to CO_2e gases is done using the latest Global Warming Potential (GWP) values published by the IPCC, based on a 100-year time horizon, thus ensuring international comparability of the reported data.

The reporting boundaries for GHG emissions include the relevant activities and locations, thus determining the scope of the inventory. Since biogenic emissions are generated by waste paper and wood, as defined in the document "Technical Guidance for Calculating Scope 3 Emissions", they have a value of zero, given that waste paper and wood are fully recovered by ALRO through recycling and emissions are associated with the company that purchases and uses them as raw material. According to the GHG Protocol, the methods used to calculate Scope 3 emissions vary depending on the type and source of data available. In the case of ALRO, the data used to estimate Scope 3 emissions are mainly based on the "average data"method and Economic Input-Output models (EIO), given the availability of data and the specificity of the activities analyzed, without relying on emission factors directly provided by suppliers.

14 Within Scope 1 and 3.

Total ALRO SA GES emissions in 2024

Scope	GES emissions estimated location-based (tCO_2e/year)	GES emissions estimated market-based (tCO_2e/year)
Scope 1	203,645.74	203,645.74
Scope 2	185,206.26	77,298.15
Scope 3	1,166,248.17	1,166,248.17
Total	**1,555,100.18**	**1,447,192.07**



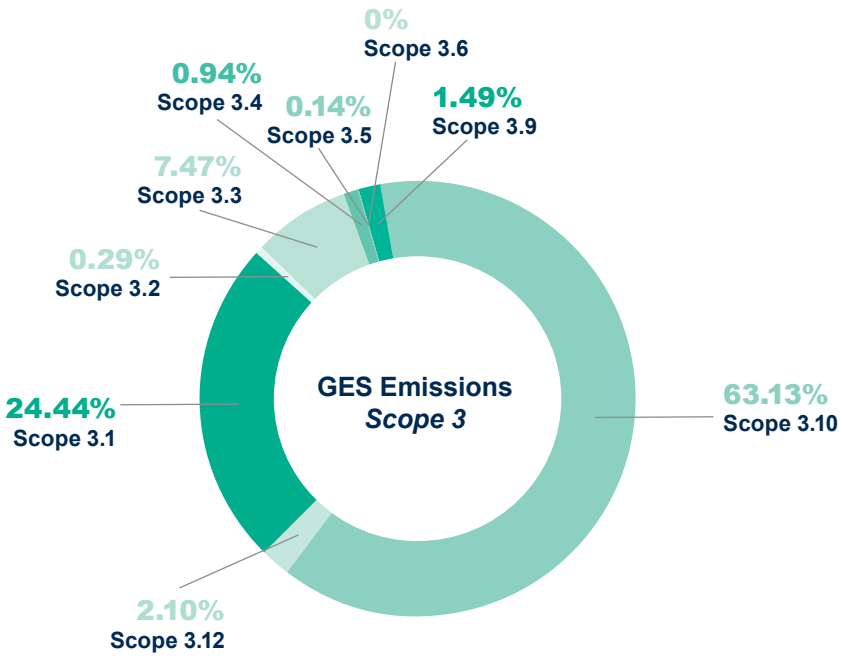
ALRO's total Scope 1 and 2 emissions for the reference year 2024 total 388,852.00 tCO_2e (location – based method for Scope 2 emissions) or 280,943.90 tCO_2e (market-based method for Scope 2 emissions).

These values are provisional because at the date of this report, ANRE has not announced the value of the national EF for 2024. ALRO suppliers have also not communicated the energy label for 2024. In this situation, the emission factor values from the most recent year (2023) were used to estimate Scope 2 emissions.

ALRO's total Scope 3 emissions for the established material categories for the reference year 2024 were 1,166,248.17 tCO_2e.

GHG emissions related to Scope 3, in 2024

Category	GES Emissions
3.1 Purchased goods and services	284,97815
3.2 Capital goods	3,411.76
3.3 Fuel and energy-related activities	87,143.69
3.4 Upstream transportation and distribution	10,965.78
3.5 Waste generated in operations	1,587.23
3.6 Business travel	13.07
3.9 Downstream transportation	17,397.60
3.10 Processing of sold products	736,202.87
3.12 End-of-life treatment of sold products	24,548.03
Total, t CO_2e	**1,166,248.17**



Percentage distribution of GHG emissions from Scope 3 in 2024

The analysis of GHG emissions related to Scope 3 indicates that emissions from further processing of products sold (Scope 3.10), i.e. 736,202.87 tCO_2e (63.13% of total Scope 3), is the most important category. Another important category is the purchases of goods and services by the company (Scope 3.1), i.e. 284,978.15 tCO_2e (24.44% of total Scope 3). These two categories account for more than 87% of the total emissions generated in the categories included in Scope 3.

ALUM

The section below shows the distribution of carbon emissions (Scope 1-2-3) for the 2024 reporting year for ALUM. All values are expressed in tons of carbon dioxide (t CO_2e).

In the greenhouse gas (GHG) emissions report for ALUM in 2024, some emission categories have been excluded from the detailed analysis as their values are reported as 0. These include:

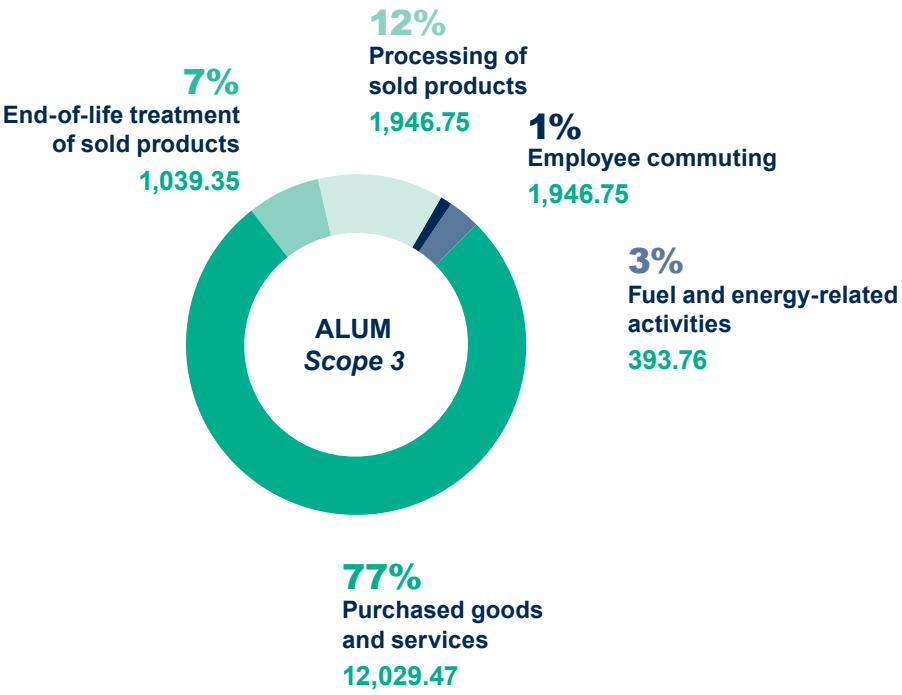
- Emissions from the use of products sold: These emissions are considered insignificant, as ALUM produces only hydroxidealuminium, a product that does not generate significant emissions during use.
- Issues from franchising activities: ALUM has no franchising activities and this type of issue is not relevant to the operational structure of the company.
- Investment emissions: As ALUM does not carry out investment activities, this category has not been included in the report.
- Emissions from leased assets (downstream leasing): the Company does not have any assets leased to other entities and emissions from this activity were not relevant in the specific context of ALUM.

The rationale for these exclusions is based on the characteristics of the company's operations, which are primarily focused on the production of dry aluminium hydroxide and do not involve significant franchising, investing or leasing activities, nor the use of products sold that would generate additional emissions. These categories do not contribute significantly to the company's carbon footprint, which is why they were excluded from the final report.

Detailed distribution of GHG emissions, ALUM, t CO_2e.

	ALUM GHG Protocol 2024
Scope 1 GHG emissions	
Total Scope 1 GHG Emissions	106
Percentage of GHG Emissions Scope 1 of regulated emissions trading schemes	0.53
Scope 2 GHG emissions	0
Total location-based GHG emissions Scope 2	615.15
Total market-based GHG emissions Scope 2	203,70
Significant GHG Emissions Scope 3	
Total gross indirect GHG emissions (Scope 3)	15,722.56
Percentage of gross GHG emissions Scope 3	
Goods and services purchased	12,029.47
Cloud, computing and data center services	0
Capital goods	0
Fuel and energy activities	393.76
Upstream transportation and distribution	5.71
Waste generated in operations	35.00
Business travelers	8.31

	ALUM GHG Protocol 2024
Employee commute	170.96
Upstream leased assets	0
Downstream transportation	75.21
Processing of products sold	1,946.75
Use of products sold	0
End-of-life treatment of products sold	1,039.35
Downstream leased assets	0
Francize	0
Investments	0
Water	0.98
Indirect GHG emissions from imported energy	0
Indirect GHG emissions from transportation	0
Total GHG Emissions	
Total GHG emissions (location-based)	**16,443.72**
Total GHG emissions (market-based)	**16,032.27**



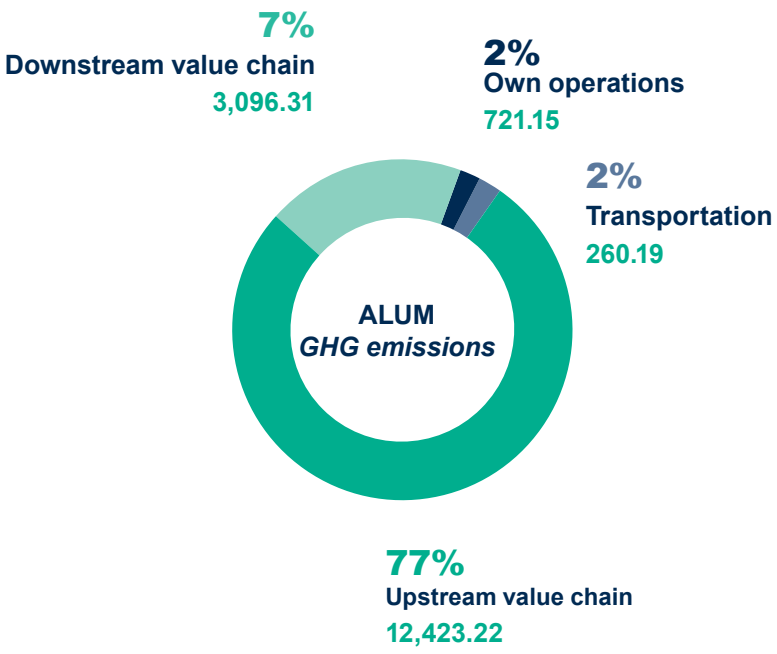
Visual distribution of the weights of Scope 3, categories, ALUM, t CO_2e.

In its analysis of greenhouse gas (GHG) emissions for ALUM in 2024, the report highlights the company's main sources of emissions and "hot spots", which focus on the production of dry aluminium hydroxide. In Scope 1, direct emissions are relatively low at 106 tCO_2e, suggesting that the production process does not generate significant emissions directly on the company site. In Scope 2, indirect emissions from energy use electricity are much higher, reaching 615,15 tCO_2e on a site-based basis and 203,70 tCO_2e on a market-based basis. The significant difference between the two calculations suggests that ALUM is using energy from low-carbon or renewable sources, which could contribute to reducing its carbon footprint.

However, the highest emissions come from Scope 3, with a total of 15.722,56 tCO_2e, mostly generated by products and services purchased (12,029.47 tCO_2e) and the processing of products sold (1.946,75 tCO_2e). These indirect emissions from the supply chain and product processing are the most significant and could be an action point for the company to reduce its carbon footprint. Other sources of emissions, such as transportation and employee commuting, are much smaller but also contribute to the company's overall carbon footprint.

Detailed distribution of GHG emissions by value chain, ALUM, t CO_2e

ALUM	Upstream value chain	Own operations	Transportation	Downstream value chain
Total GHG emissions Scope 1	0	106	0	0
Total GHG emissions Scope 3	12,423.22	0	260.19	3,096.31
Total location-based GHG emissions	12,423.22	721.15	260.19	3,096.31
Total location-based GHG emissions Scope 2		615.15		
Total market-based GHG emissions	12,423.22	309.71	260.19	3,096.31
Total market-based GHG emissions Scope 2		203.70		



Visual GHG emissions, total emissions, distribution of ALUM, t CO_2e

Biogenic and other GHG emissions, ALUM, t CO_2e

Biogenic emissions	
CO_2 emissions in tons CO_2e	380.24
CH_4 emissions in tons CO_2e	0.33
N_2O emissions in tons CO_2e	3.28
GHG not yet defined (CO_2e)	16,274.01
HFCs emissions in tons CO_2e	0
PFCs emissions in tons CO_2e	0
SF_6 emissions in tons CO_2e	0
NF_3 emissions in tons CO_2e	0

Furthermore, the table above also shows the emissions of other greenhouse gases (GHGs), which, although having a lower contribution compared to CO_2, are still relevant in the analysis of the climate impact of the activities carried out.

In reporting greenhouse gas (GHG) emissions for ALUM in 2024, the principles and guidelines set by the GHG Protocol Corporate Standard, including relevant methodologies and specific emission factors, were applied. For Scope 1 and Scope 2 emissions, data from energy bills and National Electricity Grid (NES) consumption were used to calculate emissions.

In the case of Scope 2 emissions, two values have been calculated, based on Romania's energy label for 2023 and on the energy suppliers' energy label for 2023. In particular, for energy supplier 1, the emission factor was 58.810 g CO_2/kWh for 530.674 MWh of energy consumed, and for energy supplier 2, the emission factor was 56.715 g CO_2/kWh for 3,041.413 MWh consumed. These data have been chosen to more accurately reflect the company's energy impact, complying with the GHG Protocol requirements for estimating and calculating emissions.

For Scope 3 emissions, for the category Goods and services purchased, an estimate was made based on ancillary materials, which can be considered a less precise approach, as it would have been ideal to detail more precisely the types of materials and their specific impact on emissions. As for employee commuting emissions, the estimation was based on a simplified model, multiplying the number of kilometers traveled by employees by the total number of commuters. Reference sources were also used for the emission factors and calculation methods, including data from DEFRA UK, ClimateQ and available academic literature, which are recognized as valid methodologies for assessing the climate impact of economic activities.

In terms of the approach used to calculate emissions, it is important to note that ALUM did not use a "spend-based" methodology and the estimates for Scope 3 emissions were based on available average data. This means that for some categories, such as ancillary materials or employee commuting, standardized values and approximations were applied, rather than exact data derived from direct company transactions. This method may lead to some deviations from a more detailed and specific valuation, but was chosen to ensure a reasonable estimate in the absence of precise data, given the nature of the company's activities and the availability of information.

All significant greenhouse gas categories were considered, including CO_2, CH_4, N_2O, HFCs and SF_6, and emissions were expressed in CO_2 equivalent (CO_2eq), using the latest Global Warming Potential (GWP) values published by the IPCC for a 100-year time horizon. These methodologies have been applied to ensure an accurate and complete calculation of GHG emissions in accordance with applicable international standards.

VE

The section below shows the distribution of carbon emissions (Scope 1-2-3) for the reporting year 2024 for VE. All values are expressed in tons of carbon dioxide (t CO_2e).

It can be seen that there are certain categories in Scope 3 that have been excluded, follows:

- **Investments** – not relevant as the company does not make significant investments in external entities that would generate reportable indirect emissions.
- **Franchising** – is excluded because Ve does not operate as a franchise, as it does not have independent business units to be included in the emissions inventory.
- **Upstream leased assets** – not considered as the company owns the main production infrastructure and does not use significant leased assets in its supply chain.
- **Business travel** – this is a marginal category for the company, with an insignificant impact on the total carbon footprint, justifying its exclusion.
- Furthermore, the use of the products sold not is relevant, as the aluminium products supplied by products VE are semi-finished, used in various industries, without a predictable end-use consumption pattern that would allow a precise quantification of the emissions related to their use.

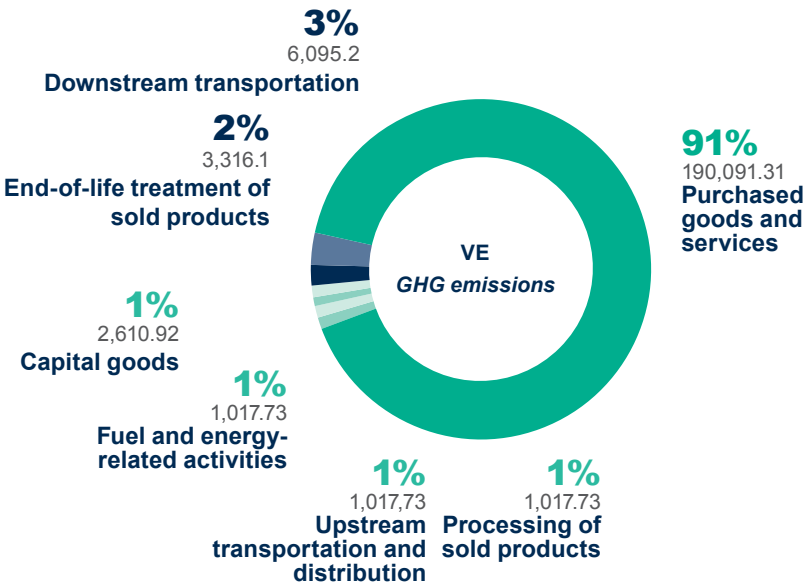
Distribution of Detailed GHG emissions, VE, t CO_2e

Biogenic emissions	VE GHG Protocol 2024
Scope 1 GHG emissions	
Total Scope 1 GHG Emissions	3,001.55
Percentage of GHG Emissions Scope 1 of regulated emissions trading schemes	0%
Scope 2 GHG emissions	
Total location-based GHG emissions Scope 2	2,053
Total market-based GHG emissions Scope 2	676.13
Significant GHG Emissions Scope 3	
Total gross indirect GHG emissions (Scope 3)	207,760.97
Percentage of gross GHG emissions Scope 3	97.30%
Goods and services purchased	190,091.31
Cloud, computing and data center services	0
Capital goods	2,610.92
Fuel and energy activities	1,796.83
Upstream transportation and distribution	1,544.96
Waste generated in operations	727.03
Business travel	0
Employee commuting	392.77
Upstream leased assets	0

Biogenic emissions	VE GHG Protocol 2024
Downstream transportation and distribution	6,095.2
Processing of products sold	1,017.73
Use of products sold	0
End-of-life treatment of products sold	3,316.1
Downstream leased assets	165.13
Francize	0
Investments	0
Water	2.99
Indirect GHG emissions from imported energy	0
Indirect GHG emissions from transportation	0
Total GHG Emissions	
Total GHG emissions (location-based)	212,815.52
Total GHG emissions (market-based)	211,438.65

There have been no significant changes in the definition of what the company reports or in the structure of the company's value chain, so that the comparability of reported GHG emissions from one year to the next has not been affected [15].

This is the first reporting year, which establishes it as the baseline year for measuring progress towards greenhouse gas reduction targets. The establishment of a base year is essential to ensure comparability of data over time and to allow effective monitoring of emission trends. Based on this baseline year, the company will be able to assess the impact of implemented measures and adjust decarbonization strategies to meet sustainability targets.

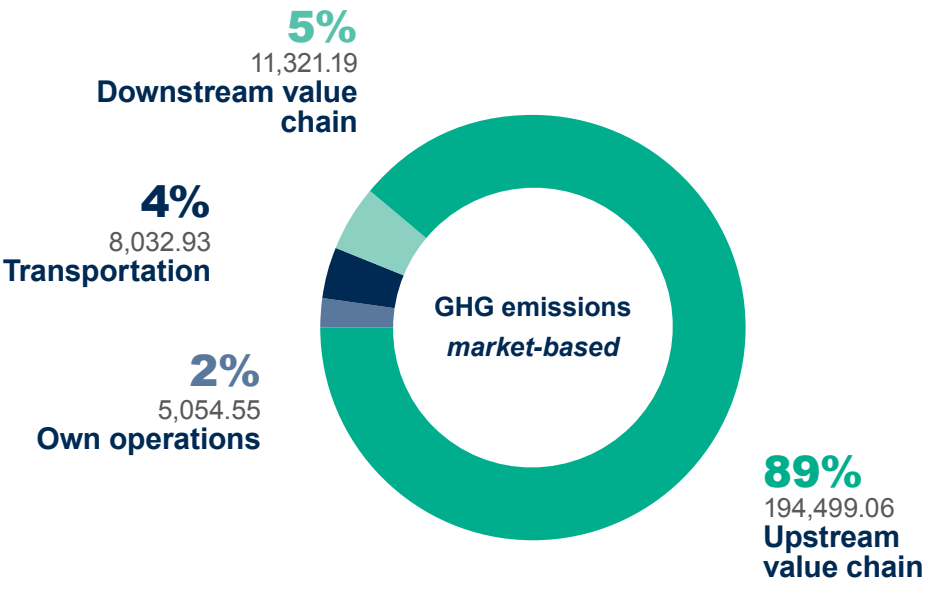


Visual distribution of the weights of the categories of Scope 3, VE, t CO_2e.

15 Applicable to all companies, it will be mentioned here. In addition, the data is not presented in comparison with past years, 2024 being the "baseline year".

Detailed distribution of GHG emissions by value chain, VE, t CO_2e

	Upstream value chain	Own operations	Transportation	Downstream value chain
Total GHG emissions Scope 1	0	3,001.55	0	0
Total GHG emissions Scope 3	194,499.06	0	8,032.93	11,321.19
Total location-based GHG emissions	194,499.06	5,054.55	8,032.93	11,321.19
Total GHG emissions location-based Scope 2		2053		
Total market-based GHG emissions	194,499.06	3,677.68	8,032.93	11,321.19
Total market-based GHG emissions Scope 2		676.13		



Distribuția vizuală a emisiilor de GES, emisii totale, VE, t CO_2e.

It can be seen that Scope 3 emissions are the main contributors to the carbon footprint, being an order of magnitude higher than Scope 1 emissions, with the main "hot-spots" being the of purchase goods and services, followed by transportation.

Biogenic and other GHG emissions, VE, t CO_2e

Scope 3 Emissions	**207,761**
Biogenic emissions	426.52
CO_2 emissions in tons CO_2e	10,220.99
CH_4 emissions in tons CO_2e	244.23
N_2O emissions in tons CO_2e	120.38
Emissions t CO_2 and other gases (HFCs, PFCs, SF_6, NF_3 together)	58.24
GHG gases not yet defined (CO_2e)	196,951.99

Furthermore, table above shows biogenic emissions (associated with wood and paper) and emissions of other GHGs.

The calculation of GHG emissions for VE has been performed in accordance with the GHG Protocol Corporate Standard, using operational control to delineate reporting boundaries. This means including emissions associated with activities over which the company has operational control, as required by the standard. The methodology applied is also based on a GHG Protocol template, which ensures alignment with international best practice.

Data used to calculate greenhouse gas emissions were collected from relevant sources according to the scope. For Scope 1 and Scope 2, the information comes from energy and fuel consumption bills, thus ensuring the accuracy of data on direct and indirect emissions associated with electricity consumption and fossil fuel combustion. For Scope 3, data was obtained from internal accounting and management systems, including information on supply chain, transportation, waste management and other relevant activities. These sources allow a detailed estimation of the indirect impact of the company's operations on GHG emissions, ensuring compliance with international reporting standards.

The emission factors used come from globally recognized sources, such as US EPA, UK DEFRA, Canada NIR, Australia National Greenhouse Accounts and IPCC AR5, ensuring the accuracy and transparency of the calculations. In addition, Global Warming Potential (GWP) values from the IPCC Fifth Assessment Report (2014) were used to determine the CO_2 equivalent, ensuring compliance with the requirements to use the latest available GWP values.

The calculation of GHG emissions for EVs was carried out using the method.GHG Protocol This approach was chosen because no Supplier-Specific data is available and no Spend-Based methodology was applicable. Accordingly, the emission estimates are based on average emission factors for the types of products and processes involved, retrieved from public databases, sector studies and internationally recognized sources. This methodology ensures robust reporting aligned with the GHG Protocol requirements, allowing a transparent and comparable assessment of the company's carbon footprint.

VT

The section below shows the distribution of carbon emissions (Scope 1-2-3) for the 2024 reporting year for VT. All values are in tons of carbon dioxide (t CO_2e).

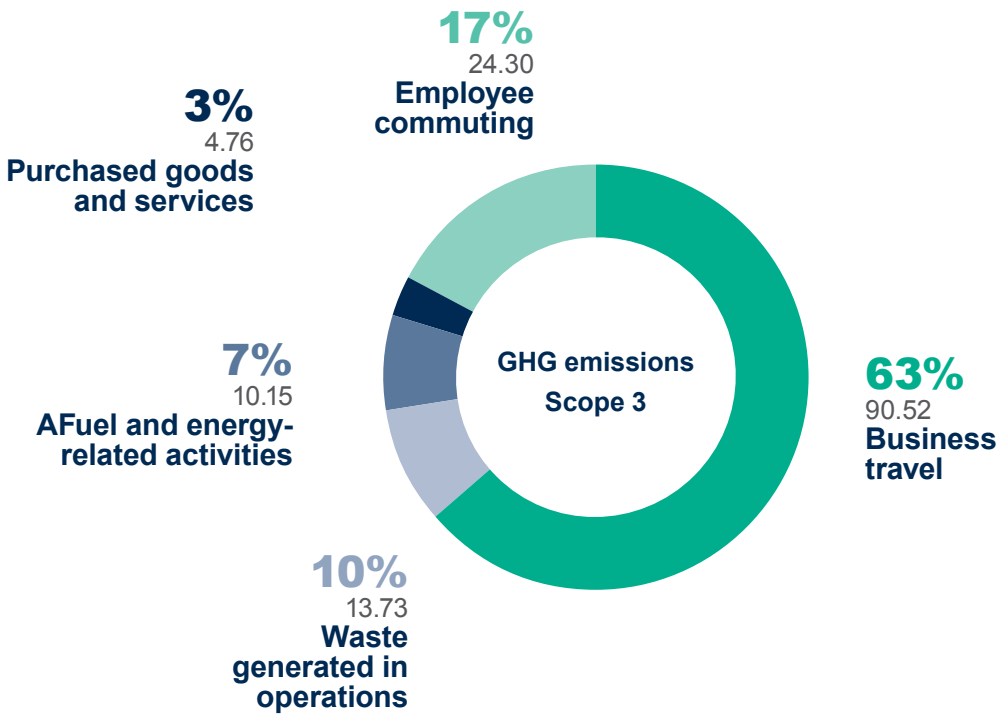
VT operates as a sales brokerage company, with an office-based activity and no significant industrial or logistical operations. In this context, certain categories of emissions have been excluded from the GHG emissions inventory, either due to lack of relevance to the company's business or due to insignificant impact on the carbon footprint, as follows:

- **Investments (3.15)** – Not relevant, as the company does not make significant investments in external entities that generate reportable indirect emissions.

- **Franchise (3.14)** – Excluded because VT does not operate as a franchise and does not own independent business units to be included in inventory.
- **Upstream leased assets (3.13)** – Not considered as the company does not use significant leased assets in its supply chain.
- **The use of products sold (3.11)** – Not applicable, as VT intermediates the sale of aluminium products without directly influencing their use and without a predictable pattern of final consumption that would allow quantification of related emissions.
- **Process Emissions (1.4)** – Not applicable as the company does not carry out industrial processes that generate direct emissions.
- **Emissions from volatile gases (1.3)** – Not relevant as the company's activities do not involve the use or release of volatile gases.
- **Steam (2.2), Heat (2.3), Cooling (2.4)** – These energy sources are not used in the company's office activity, justifying their exclusion.
- **Capital goods (3.2)** – Not considered, as the company does not acquire significant capital goods for production or extensive technological infrastructure.
- **Downstream Transport (3.9)** – Not relevant, as Vimetco Trading does not carry out physical transportation of products, its activity being limited to sales intermediation.
- **Processing of products sold (3.10)** – Not applicable as the products sold are not subject to additional processing under the control of the company.
- **Disposal of products (3.12)** – Not included, as the aluminium products marketed are not subject to a company controlled life cycle.

Detailed distribution of GHG emissions, VT, t CO_2e.

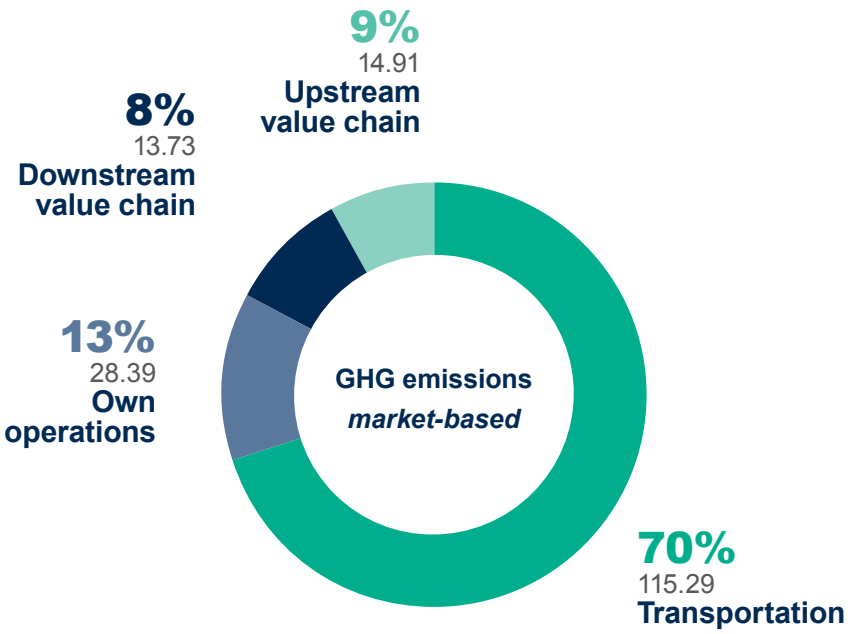
Emissions Scope 3	VT GHG Protocol 2024
Scope 1 GHG emissions	**0**
Total Scope 1 GHG Emissions	16.46
Percentage of GHG Emissions Scope 1 of regulated emissions trading schemes	0
Scope 2 GHG emissions	**0**
Total location-based GHG emissions Scope 2	11.93
Total market-based GHG emissions Scope 2	4.07
Significant GHG Emissions Scope 3	**0**
Total gross indirect GHG emissions (Scope 3)	144.54
Percentage of gross GHG emissions Scope 3	0
Goods and services purchased	4.76
Cloud, computing and data center services	0
Capital goods	0
Fuel and energy activities	10.15
Upstream transportation and distribution	0.46
Waste generated in operations	13.73
Business travel	90.52
Employee commuting	24.30
Upstream leased assets	0.30
Downstream transportation and distribution	0
Processing of products sold	0
Use of products sold	0
End-of-life treatment of products sold	0
Downstream leased assets	0
Francize	0
Investments	0
Water	0.32
Indirect GHG emissions from imported energy	0
Indirect GHG emissions from transportation	0
Total GHG Emissions	**0**
Total GHG emissions (location-based)	**172,93**
Total GHG emissions (market-based)	**165,08**



Visual distribution of the weights of Scope 3, categories VT, t CO_2e

Detailed distribution of GHG emissions by value chain, VT, t CO_2e

VT	Upstream value chain	Own operations	Transportation	Downstream value chain
Total GHG emissions Scope 1	0	16.46	0	0
Total GHG emissions Scope 3	14.91	0	115.29	13.73
Total location-based GHG emissions	14.91	28.39	115.29	13.73
Total location-based GHG emissions Scope 2		11.93		
Total market-based GHG emissions	14.91	20.54	115.29	13.73
Total market-based GHG emissions Scope 2		4.07		



Visual distribution of GHG emissions, total emissions, VE, t CO_2e

The emissions inventory results for Vimetco Trading show that the largest sources of emissions come from business travel (3.6 – Business travel) and employee commuting (3.7 – Commuting), which is typical for a predominantly office-based company. Business travel generates the largest amount of emissions, indicating a significant reliance on employee travel for business meetings and negotiations. The next significant category is Employee Commuting, suggesting that the transportation used by employees to get to the office has a considerable impact. In addition, waste management (3.5 – Waste) contributes 13.73 tCO_2e, reflecting the impact of waste generation from administrative activities.

From an emissions distribution perspective, the largest contributions come from the value chain and indirect activities (Scope 3 – upstream/upstream), due to the impacts generated by business travel, employee transportation and waste management. Emissions from own operations (Scope 1 & 2) are significantly lower, largely attributable to electricity consumption and fuel used for mobility. Scope 3 – downstream/upstream has no emissions, as VT does not carry out any activities that generate material impacts after the

sale of products.

Biogenic and other GHG emissions, VT, t CO_2e.

Biogenic emissions	0,0
Offsets	1.2
CO_2 emissions in tons CO_2e	125.27
CH_4 emissions in tons CO_2e	0.27
N_2O emissions in tons CO_2e	1.98
Emissions t CO_2 and other gases (HFCs, PFCs, SF_6, NF_3 together)	0.04
GHG gases not yet defined (CO_2e)	49.52

Furthermore, Table above also shows the emissions of other greenhouse gases (GHGs), which, although having a lower contribution compared to CO_2, are still relevant in the analysis of the climate impact of the activities carried out. In addition, the table also highlights offsets related to the use of carbon neutral paper, which indicates an effort to offset the emissions generated by paper consumption through carbon neutralization mechanisms.

The methodology used to account for greenhouse gas (GHG) emissions follows the principles and requirements of the GHG Protocol Corporate Standard.

For the estimation of emissions, a mixed approach was adopted, combining Average data and Spend-based methods, depending on data availability and reliability. For fuels used by company vehicles, consumption was estimated on the basis of distances traveled, which were converted into liters of fuel using specific consumption factors. Distance data was determined by odometer readings, ensuring the most accurate method of calculation. As for electricity consumption, a methodology based on the area occupied in the rented building was used, in relation to the total area of the building, given that the space is sublet from ALRO.

For the calculation of Scope 2 emissions, both the market-based method, using the specific emission factors provided by the electricity provider in its 2023 label, and the location-based method, using the 2023 national grid emission factors, were applied. The emission factors used for other emission categories were taken from recognized sources such as DEFRA UK, Climatiq, GREEN VIEW (2024) – Hotel Footprinting Tool based on the CHSB (2024) methodology and Environmental Footprint Standards (EFS).

For emission categories related to business travel and hotel accommodation, the methodology applied is purely spend-based, as specific data on fuel or electricity consumption is not available at a granular level for these activities. In the case of purchased goods, the data comes from the company's purchasing logbook, providing a basis for calculating the associated emissions.

Emissions are reported including all relevant greenhouse gases according to international standards, such as CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3. The latest Global Warming Potential (GWP) values published by the IPCC, based on a 100-year time horizon, are used to convert these emissions into CO_2 equivalent (CO_2eq), thus ensuring alignment with the most current scientific standards.

For spend-based methods of calculating the carbon footprint, US emission factors were also used, which is a source of error. These calculations, which are based on what consumers or businesses spend on various products and services, are influenced by structural differences between the economies of the two countries. The application of emission factors specific to an economy with different characteristics, such as that of the United States, can lead to significant errors in the carbon footprint estimates, as they do not reflect local conditions in Romania.

The table below shows the ratio of greenhouse gas (GHG) emissions to net income at the Group company level, providing a perspective on emissions intensity in relation to financial performance.

Ratio of GHG emissions intensity to net income

Indicators	UM	ALRO	ALUM	VE	VT
Total GHG emissions, location-based	kg CO_2 e	1555100,2	16443,7	212815,5	172,9
Total GHG emissions, market-based	kg CO_2 e	1447192,1	16032,3	211438,7	165,1
Location-based GHG intensity (total GHG emissions per net revenue)	kg CO_2e/ RON	0.49	0.24	0.37	N/a
Market-based GHG intensity (total GHG emissions per net revenue)	kg CO_2e/ RON	0.45	0.23	0.37	N/a
Presentation of reconciliation to financial statements of net revenue used to calculate GHG intensity	narrative	Total income	Total income	Total income	Total income
Presentation of reconciliation to relevant line item or notes in financial statements of net revenue amounts	narrative	Total income	Total income	Total income	Total income
Net revenue	monetary (Thousands of RON)	3,202,739	69,699	574,302	N/a
Net revenue used to calculate GHG intensity	monetary (Thousands of RON)	3,202,739	69,699	574,302	N/a
Net revenue other than that used to calculate GHG intensity	monetary (Thousands of RON)	0,0	0,0	0,0	0,0

ANNEX 3 Economic activities considered

CAEN	NACE rev 2	Class	CAEN – Description
2442	C24.42	C	Aluminium Metallurgy
2562	C25.62	C	General mechanical operations
3312	C33.12	C	Car repairs
3311	C33.11	C	Repair of articles made of metal
3314	C33.14	C	Repair of electrical equipment
3600	E36.00	E	Water distributioncollection, treatment and
3831	E38.31	E	Dismantling (disassembly) of disused machinery and equipment for material recovery
4321	F43.21	F	Electrical installation works
4672	G46.72	G	Wholesale of metals and metal ores
4677	G46.77	G	Wholesale of waste and scrap
4950	H49.50	H	Pipeline transport
5210	H52.10	H	Warehouses
5229	H52.29	H	Other transportation support activities
6820	L68.20	L	letting and sub-letting of own or leased real estate
2511	C25.11	C	Manufacture of metal structures and parts of metal structures
3320	C33.20	C	Installation of machinery industrial equipmentand
3811	E38.11	E	Collection of non-hazardous waste
3812	E38.12	E	Collection of hazardous waste (toxic, contaminated, radioactive, etc.)
3821	E38.21	E	Treatment and disposal of non-hazardous waste
3832	E38.32	E	Recovery of sorted recyclables
4334	F43.34	F	Painting, painting workand glazing
4520	G45.20	G	maintenance and repair of motor vehicles
4675	G46.75	G	Wholesale of chemicals
4690	G46.90	G	Non-specialized wholesale
4941	H49.41	H	Road cargo transport
2445	C24.45	C	Production of other non-ferrous metals
2451	C24.51	C	Cast iron
2452	C24.52	C	Steel casting
2453	C24.53	C	Casting of light non-ferrous metals

2550	C25.50	C	Manufacture of fabricated metal products; powder metallurgy
3514	D35.14	D	Commercialization of electricity
3522	D35.22	D	Piped distribution of gaseous fuels
3523	D35.23	D	Marketing of gaseous fuels through pipelines
4322	F43.22	F	Plumbing, heating and air conditioning work
4671	G46.71	G	Wholesale of solid, liquid fuels and gaseous and derivate products
4673	G46.73	G	Wholesale of wood and building materials and sanitary equipment
4730	G47.30	G	Retail sale of automotive fuel
5221	H52.21	H	Ancillary services activities for land transport
4612	G46.12	G	Wholesale and retail trade in fuels, ores, metals and industrial chemicals
2561	C25.61	C	Treatment and coating of metals
2011	C20.11	C	Manufacture of industrial gases
2399	C23.99	C	Manufacture of other non-metallic mineral products n.e.c.
2454	C24.54	C	Casting of other non-ferrous metals
4391	F43.91	F	Roofing, roofing and terrace on buildingsworks
4399	F43.99	F	Other special construction works n.e.c.
4311	F43.11	F	Building demolition work
5224	H52.24	H	Manipulations
4669	G46.69	G	Wholesale of other machinery and equipment
9609	S96.09	S	Other service activities n.e.c.

II.3 ESRS E2 Pollution

This section presents information on the material sub-topics **Air Pollution** and **Substances of Concern** and the related impacts of the ALRO Group on the topic of pollution, including information on how they are managed.

Materials Impacts, Risks and Opportunities (IRO) – regarding Pollution

ESRS Standard	Sub-topic	Name IRO	Location of IRO in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	Category IRO	↑	↔	↓	ST	MT	LT
ESRS E2 Pollution	Air pollution:	**M8 (-) Air emissions from own activities other than GHG emissions and impact on soil at the red mud pond.[16]** *Current negative impact*		ALRO ALUM		●		
	Substances of concern:	**M12 (-) Potential impact of the use of substances of concern** *Potential negative impact*		ALRO ALUM VE				●

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: TS – short term, MT – medium term, LT – long term

The impacts resulting from the materiality process are associated with the ALRO Group's business model and are related to its own activities, given that both the production of aluminium and alumina and the storage of the red mud at the blast furnace generate air emissions other than GHG (M8). At the same time, the production activities at ALRO, ALUM and VE involve the use of substances of concern, whose management could cause negative environmental impact (M12).

Air pollution

The first impact (M8) refers to air pollution through emissions of gases other than GHGs resulting from the production process and from its own operations, such as SO_2, NOx, particulate matter and PFCs, and which occurs at the level of its own operations in ALRO. At ALRO, the sections whose activity generates direct industrial emissions are: Aluminium Plant, Dome Silo, Anode Section, Foundry, Eco-Foundry, Natural Gas Micro Thermal Power Plants (serving the flows of Primary Aluminium and Processed Aluminium), Hot Rolling and Cold Rolling furnaces, as well as those within the Research and Development Department.

At ALUM, the impact occurs during the process of obtaining calcined alumina at the level of the calcination and CET facilities, as well as at the sludge dump managed by the company that could generate dust emissions. The impact on the soil generated by the storage of sludge at the dump is minimal. As a result of the suspension of alumina production in 2024, there were no direct industrial emissions resulting from alumina production and no sludge was sent to the landfill. At the same time, due to the adverse economic conditions that led to the suspension of activity at the company level, no emissions were generated and their treatment measures were therefore discontinued. However, the impact was taken into account in the event of the resumption of production. This impact may affect air quality and the health of local communities, and in the event of the resumption of alumina production activities at ALUM, this impact could increase.

No significant impacts related to this sub-topic were identified at the upstream and downstream value chain level. However, by implementing the supplier evaluation procedure according to environmental criteria and assuming the '*Supplier Code of Conduct*', the Group strives to reduce the environmental impact in the supply chain, including in terms of atmospheric emissions.

16 At the ALUM slurry dump, the impact on soil is minimal and was not considered material as a result of the double materiality process. However, the Group decided to include the policies addressing it for transparency reasons.

Substances of concern

Regarding the second topic, Substances of Concern, the impact is considered potential and could occur at the level of ALRO, ALUM and VE and refers to the generation of potential negative impacts on the environment and people in the event of inappropriate use and storage of substances of concern used in the Group's activities. At ALRO, these substances include pitch, high-temperature coal tar, PCB-containing oils, non-chlorinated mineral insulating and heat transfer oils waste, at ALUM, the risks are associated with the use of sulfuric acid, hydrochloric acid, flocculants and other chemicals as detailed in reporting requirement E2-5, and at VE, soda ash is used as a raw material, as well as other substances mentioned in reporting requirement E2-5.

ALRO is a member of the REACH Consortium for Aluminium and the REACH Consortium for Coal Tar Pitch, demonstrating its commitment to the responsible management of chemicals. The use and storage of substances of concern could generate a number of emergency situations, potentially posing various hazards to the company's employees, the employees of subcontractors present in the area, and the community. Managing emergency activities and preparing the company for them are part of the legal obligations. The company complies with national requirements and regulations regarding emergencies and civil protection, such as, but not limited to: Law 307/2006 on fire protection; Law 481/2004 on civil protection; Order MAI 163/2007 on the approval of general fire protection norms; Law 59/2016 on the control of major accident risks involving dangerous substances. At the upstream and downstream value chain level, no significant impacts related to this sub-topic were identified.

At ALUM, a significant impact in a possible emergency situation could occur at the sludge 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, according to the environmental permit, the company uses sodium hydroxide solution and diesel fuel which are considered hazardous substances. Regarding the sodium hydroxide solution, min. 48% used by VE, although there is a potential impact also considered for the Environmental Permit, it does not overlap with the criteria leading to the classification of substances as substances of concern. The hazard codes are H314: causes severe skin burns and eye damage and H290: may be corrosive to metals, which do not fall under the definition provided by ESRS E2. Furthermore, the substance does not meet the criteria for classification as PBT or vPvB in accordance with Annex XIII to Regulation (EC) No 1907/2006. No other hazards have been identified.

II.3.1 [E2.IRO-1] Description of the processes for identifying and assessing significant pollution-related impacts, risks and opportunities

The information related to the description of the processes for identifying and assessing significant pollution-related impacts, risks and opportunities is reported in Section IRO-1 of the ESRS 2 standard.

II.3.2 [E2-1] Policies related to pollution

In the context of the industry in which the Group operates, it is aware of the environmental impact of industrial emissions from production activities and pays particular attention to good management in this respect. The Group has invested significantly in measures to treat and manage direct industrial emissions, such as SO_2, NOx and total dust, and ALRO is the first company in Olt to receive the Integrated Environmental Authorization. Through the correct management of industrial emissions is ensured not only a reduced impact on the atmosphere, but also compliance with national and European legislation requirements.

ALRO

ALRO's policy on quality, environment, energy, information security, occupational health and safety includes clear objectives oriented towards sustainable development and continuous improvement. General objectives include the development of the 's activities, processes and products in organizational sustainable manner, so as to ensure the reduction or elimination of the sources of pollution associated with them (M8 and M12). More information on this policy has been included in section E5-1 of ESRS E5.

In order to mitigate the negative impacts related to air pollution and avoid incidents and emergencies caused by air emissions and the management of hazardous substances, as well as to control and limit their impact on people and the environment when they occur (M8, M12), ALRO has developed an **Internal Emergency Plan** assimilated at policy level. Although the impact identified in the materiality process is a current one, this policy addresses only isolated incidents, of a greater magnitude and spread compared to the current situation of plant operation. The occurrence of emergencies at ALRO with air pollution impacts can be caused by fires, explosions, accidental equipment failure or natural disasters. The plan also addresses the risks associated with the improper use and storage of hazardous substances, such as acetylene, chlorine and tar pitch granulated, which can have a negative impact on the environment and human health. To prevent them, the company has developed this Internal Emergency Plan, which includes specific measures for the management of fires and explosions, as well as contingency plans in case of accidental air pollution. The document details the actions and responsibilities necessary to minimize the risks associated with uncontrolled emissions of pollutants into the atmosphere, ensuring the continuity of activities and reducing environmental impacts. ALRO also holds an Integrated Environmental Authorization that covers also the limits and management of air emissions other than GHGs.

Thus, the policy addresses mainly air pollution and the use of substances of concern, determined to be material (M8), but also water and soil pollution (determined to be insignificant for ALRO).

The internal emergency plan has four main essential objectives. The first objective is to control and limit the effects of incidents, with the aim of minimizing their impact on the health of the population, the environment and property. The second objective concerns the implementation of measures necessary for the protection of human health and the environment to prevent and limit the effects of major accidents. The third objective concerns the communication of effective information to the general public and the authorities involved, thus ensuring transparency and coordination in the event of an accident. Finally, ecological restoration and clean-up of the affected area is the fourth objective, focusing on remedying environmental damage after a major incident.

The Internal Emergency Plan applies to the entire area of the ALRO site located at 116 Pitesti Street, as well as to the companies providing services in this area. All employees and collaborators, including contractors and subcontractors, must comply with the provisions of this plan. Emergency response trained personnel will implement the necessary measures to effectively respond to various contingencies. In cases where emergency situations affect the environment and/or the communities of the site business, the Internal Emergency Plan will be correlated with the External Emergency Plan of the competent authorities. The expansion of

air pollution in the value chain as a topic resulted in the determination of relevance, given that 57% of the suppliers surveyed stated that they have either taken measures to reduce air emissions or are planning to do so in the next 12 months, which decreases the irreparability of the impact. The value chain is therefore excluded from this policy.

The highest authorized organizational level of the company responsible for the implementation of the policy is the CEO. This Internal Emergency Plan, prepared on the basis of the results of the risk analysis of the Safety Report Edition 2020 rev. 1/2023, complies with the provisions of Law No. 59/2016 on the control of major accident hazards involving dangerous substances. Stakeholders involved in the consultation process for compiling the plan were the Inspectorate for Emergency Situations Olt County "Matei Basarab" and the Olt Environmental Protection Agency, as well as ALRO employees directly responsible for the sectors involved. The plan is drawn up in order to communicate the necessary information to the target public, as well as to the services or authorities involved in the area. It is available for consultation at ALRO registered office.

In addition, ALRO has communicated to the public the following information (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/ stored on 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 what to do and what to do in the event of a major accident;
- detailing the sources where more relevant information can be obtained.

ALRO aims to mitigate the negative impacts of air pollution by implementing measures to prevent, control and manage critical incidents. The policy is mainly aimed at reducing the risks associated with accidental releases of toxic substances and minimizing the consequences for human health and the environment.

Specifically, the company has developed detailed procedures to deal with critical situations such as massive chlorine releases, industrial fires and ventilation system failures. In case of accidental releases of chlorine into the atmosphere, the company has implemented a method based on the use of water curtains. This process involves liquefying a large proportion of chlorine vapors, thereby reducing their concentration in the air. In addition, the chlorine is partially absorbed into the water through a chemical process to form "chlorine water", which effectively reduces the risk of toxicity. This system is essential for the protection of the environment and communities in the vicinity of industrial facilities and is immediately activated in emergency situations.

ALRO also pays particular attention to fires that can occur in different areas of the facility. In the case of fires in the pitch and coke storages or in the pulp towers, the policy is based on process automation and proper training of personnel to prevent human error and ensure rapid responses. The capture of volatile compounds is another important aspect aimed at minimizing the discharge of toxic combustion products into the air. Automatic fire detection and extinguishing systems play a key role in the rapid management of fires, thus limiting the impact on the environment.

Another crucial aspect of the policy relates to breakdowns in ventilation systems, which can lead to the discharge of noxious gases or dusts. In order to prevent such situations, the company has implemented a rigorous program of regular equipment maintenance, ensuring that all machinery is operating at optimal parameters. Process automation contributes significantly to reducing the risks from human error, while reactive containment measures help to limit air pollution in the event of a breakdown. In installations with a high risk of fire, such as oil heating or volatile piping, systems are designed to operate in sealed and enclosed regimes, reducing the possibility of uncontrolled leakage or release of gases. In the event of a fire, automatic detectors initiate an immediate shutdown of the process, followed by water flooding of the affected areas. These advanced systems provide robust protection against the negative effects of thermal radiation and toxic emissions.

Moreover, according to the CSR Policy, through ALRO's self-monitoring program, approved by the local environmental authority and which is part of the integrated environmental permit, the operator monitors all emissions to air, water, soil, noise, in order to reduce the pollutants generated on site, to ensure a suitable climate from the environmental point of view.

With regard to substances of concern (M12), at present no opportunities have been identified to modify the technological process in order to reduce the amount of their use. While ALRO understands the importance of substituting these substances, it has not yet developed policies to address substitution and minimization of the use of substances of concern, as there are not yet available technologies that allow major changes in the technological flow steps. However, the Internal Contingency Plan emphasizes the prevention of contamination with these substances and their safe use and storage.

ALRO has well-defined organizational and management procedures in place to prevent incidents and emergencies, ensuring that they are effectively managed in the event of occurrence. They are designed to ensure rapid and coordinated responses to protect human health and the environment, with the aim of minimizing the negative impact of incidents.

In the event of an incident, there is provision for operational notification of company management and alerting employees and relevant authorities, as well as the surrounding communities, to minimize risks. Once the situation is under control, a detailed investigation of the causes, effects and damage is initiated, followed by the development of a concrete response plan. This plan sets out the material and human resources needed to remedy the situation, locate the affected area and restore order. These procedures are made known to the employees and include concrete measures such as stopping industrial processes, isolating the affected installations and communicating information to the competent authorities within two hours.

Emergency response teams, organized on a weekly basis and supported by a back-up team on permanent alert at home, are properly trained and equipped to respond promptly to any emergency. Preventive measures also include strict rules on access to and operation of facilities, use of personal protective equipment and maintaining a high level of employee training. For example, access to critical areas is restricted and only trained personnel is allowed to handle hazardous substances. Any activity involving risks is supervised and regulated by clear procedures.

The policies implemented by ALRO, at company level, including ALUM and VE, are the based on zero pollution hierarchy, as defined in the EU Action Plan on Zero Pollution of Air, Water and Soil[17]. They set pollution prevention as a first priority, focusing on the implementation of technical measures that mitigate the associated risks, as well as close monitoring of installations at risk of accidental pollution and the use of substances of particular concern. The next step in the hierarchy concerns the minimization of pollution, which is the main objective of staff and management in accident situations. Lastly, it is mentioned that in the event of a pollution incident, the authorities competent are involved and the polluter pays principle is applied. local The EU Action Plan for Zero Pollution of Air, Water and Soil is based on the principle that the European Union's environmental policy must be based on the precautionary principle and on the principles that preventive measures should be taken, environmental damage should be limited at source as a priority and the polluter pays principle must be respected, all of which are reflected in the policies and procedures implemented by ALRO..

ALUM

ALUM's General Manager's Policy Statement on Quality, Environment, Energy, Information Security, Social Responsibility and Occupational Health and Safety includes several objectives including developing the 's and products in organization activities, processes such a way as to ensure that the associated sources of pollution are reduced or eliminated, energy are saved and natural resources, hazards are eliminated and MSHS risks are reduced (M8 and M12). More information on this policy has been included in section E5-1 of ESRS E5.

Also ALUM has four other internal policies related to pollution prevention and control related to M8 and M12 impacts, namely: *Plan for the Prevention and Combating of Accidental Pollution for the Objective "Dana Fluvială de Expediție Alumină", Intervention Plan for the Prevention of Major Accidents Involving Hazardous Substances*, Plan for the Prevention and Combating of Accidental Pollution at the Waste Deposit "Red Mud pond", The Plan for the Prevention and Combating of Accidental Pollution at Potentially Polluting Water Uses, as well as the Specific Emergency Management Plan for Heavy Rainfall and Natural Disasters (floods, earthquakes, fires). ALUM also holds an Integrated Environmental Authorization that covers also the limits and management of air emissions other than GHGs.

Through the Accidental Pollution Prevention and Control Plan for the Objective "Dana Fluvială de Expediție Alumină", the company aims to manage the critical impacts and risks associated with industrial activities, focusing on the M8 impact on air pollution caused by particulate matter (PM), resulting from the process of unloading alumina into the feed hopper and loading alumina into the ship.

The Accidental Pollution Prevention and Combating Plan for the "Alumina Shipping River Berth" objective defines the objectives related to the management of accidental pollution in the context of ALUM activities. It includes the main measures to be followed in the event of an accidental pollution incident, as well as the responsibilities of the personnel involved in such situations. The main objectives of the plan are related to the management of risks and material impacts associated with accidental pollution. These include: the creation of a healthy working environment, considered essential for the efficient operation of machinery and equipment; the implementation of specific environmental protection measures to prevent the risks identified within the perimeter of the dams; the demonstration, through the documentation, of responsible conduct in the performance of activities to avoid environmental risks. The plan also aims to improve staff training, including training for emergency situations, prevent accidents or incidents that could cause damage to the environment and the health of the population, ensure efficient management of the company's assets and maintain an optimal balance between safety measures at the berth and environmental protection. Responsibility for monitoring accidental pollution situations rests with the shift supervisor, who is appropriately trained by management. The plan is periodically reviewed to ensure the effectiveness and currency of the measures, although the exact frequency of these reviews needs to be clarified.

The Prevention Plan applies only to the site located in Tulcea County, not to other upstream or downstream activities. This Plan considers the following activities: storage and loading of finished products on barges or other means of water transportation. In particular, this policy refers to the Alumina Shipping River Berth located on the right bank of the Danube, Tulcea arm Mila 39+500, in the immediate vicinity of the Mineral Port. In the event of an emergency (subsidence) ALUM notifies the local authorities, in particular the port administration, ARBDD and SGA Tulcea. These institutions are informed about the event and the measures taken to reduce, mitigate or eliminate the effects on flora, fauna and human health.

17 European Commission. (2021). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – EU strategy on adaptation to climate change. https://eur-lex.europa.eu/legal-content/RO/TXT/HTML/?uri=CELEX:52021DC0400

The highest authorized organizational level of the enterprise responsible for the implementation of the policy is the General Director. This Plan is prepared in view of the legislation referred to in ANNEX I. The stakeholder groups affected are: the personnel of the establishments at risk of accidental pollution, in particular the technician, and the external authorities mentioned in the previous paragraph. The policy shall be drawn up in order to communicate the necessary information to the target public as well as to the services or authorities concerned in the area. The plan is available for consultation at ALUM's head office, and for employees it is available on INTRANET, the company's internal platform.

The Accidental Pollution Prevention and Response Plan for the "Dana Fluvială de Expediție Alumină" addresses in detail the necessary measures to mitigate negative impacts on air, water and soil. Although the environmental risks are considered minimal, the document underlines the importance of rigorous procedures and effective organization to avoid any incidents.

Staff responsibilities are well defined in the operating rules, job descriptions and emergency instructions. At all levels, from the general manager to the shift manager and operational staff, there is a clear assignment of tasks so that in the event of an accident, intervention measures can be implemented quickly and effectively. In situations of accidental pollution, the procedures provide for immediate identification of the phenomenon, reporting to the competent authorities and coordination of intervention teams to eliminate the causes, limit the effects and restore normal conditions. The plan includes preventive measures, such as the installation of effective risk reduction systems such as filter bags, and regular training of staff in the correct application of emergency procedures. Activities at the berth are carefully monitored and adjusted, with a particular focus on protecting the quality of the Danube's waters and surrounding areas. The plan emphasizes the commitment to accident prevention and the application of the "polluter pays" principle in cooperation with the competent authorities.

Intervention Plan for the Prevention of Accidents Major Involving Hazardous Substances. The policy aims to manage major impacts and risks related to the possible contamination of the environment or the occurrence of accidents that may affect the workforce due to the mismanagement of hazardous substances (M12). The impact is significant because where contamination occurs, remediation requires considerable resources and complex technical interventions.

The policy applies to the site located in Tulcea County. In particular, the relevant the site to which applies points of this policy are the points where substances of concern (both those included in this policy and excluded from reporting because they do not meet the criteria of the hazard classes[18], and those included E2-5) are located at: the Neutralization Station, the CET Section, the Filtration Plant, the Fuel Storage, the Secure Store and the CET Boiler Feeding Network. Since the policy focuses on hazards conditional to on-site substances, it is not exposed in the value chain due to specificity. The highest authorized organizational level of the enterprise responsible for the implementation of the policy is the Director Managing.

This Intervention Plan is prepared in view of the legislation exemplified in Annex I. The stakeholder groups affected are: members of the Accidental Pollution Response Collective, workers at points working with hazardous substances who undergo specialized training, members of the Incident Response Collective formed in the event of an accident involving hazardous chemicals, and members of management who approve this policy. The policy is drafted to communicate the necessary information to the target audience as well as to the services or authorities involved in the area. The plan is available for consultation at ALUM's head office, and for employees it is available on INTRANET, the company's internal platform.

With regard to reducing the quantity of use of substances of concern, at present no possibilities have been identified to modify the technological process to allow such a reduction. Although ALUM understands the importance of substituting these substances, there are not yet policies in place to address this element. However, in all of the policies described in this section, there is an emphasis on preventing contamination with these substances and their safe use and storage.

The policy is centered on avoiding and minimizing accidents arising from the use of substances of concern. In order to ensure control as well as mitigation of some emergency situations, ALUM prepares an Annual Simulation Plan on emergency preparedness and response capability and conducts simulations of possible emergency situations involving hazardous substances. Thus, in the third quarter of 2024, a simulation was conducted on: sulfuric acid storage tank cracking with discharge outside the retention tank, with the possibility of penetration into storm water sewers (1) and Simulation of intervention in case of an acetylene tube explosion following a fire(2).

ALUM has integrated the major-accident prevention policy into its environmental policy in order to guarantee a high level of protection for the environment and the health of the population. The SSM-M Service manages essential information on hazardous substances present on the site. This includes data enabling the identification of hazardous substances and categories of substances and the implementation of measures for their management in accordance with the requirements of the safety data sheets.

In accordance with Order 1084/2003, ALUM has drawn up and submitted notifications of dangerous chemical substances and preparations on the site. It also documents how the hazardous substances are stored, their quantity and physical state, as well as the activities carried out or proposed for the storage facilities and units. The elements in the vicinity of the site that could cause major accidents or aggravate their consequences shall also be assessed. In the event of a major accident or imminent danger, the intervention teams act according to the plan, prioritizing the limitation and control of incidents in order to reduce the effects on the health of the population, the environment and material assets.

According to Law No. 59/2016 on the control of major accident hazards involving hazardous substances, the ALUM site is classified as a "lower level site". However, the company implements measures to protect the health of the population and the environment and communicates the necessary information to the competent authorities in the area, including the notification of the accident to the Environmental Protection Agency Tulcea, GNM-CJ Tulcea, ARBDD Tulcea and the Tulcea Emergency Inspectorate, and in cases of major accidents to the Prefecture and the Tulcea City Hall. All the necessary logistical resources are provided for labor protection and fire prevention and extinguishing, and after the accident, action is taken to restore the affected area. A report is also being drawn up analyzing the causes of the accident, the corrective and preventive measures applied to avoid similar situations in the future.

The Plan for the Prevention and Combating of Accidental Pollution at the "Red Mud pond" Waste Repository is drafted in accordance with national and European legislative requirements, ensuring compliance with EU legislation and addresses the M8 impact. It includes general data on the location and storage of waste at the waste heap as well as specific measures to prevent and combat accidental pollution. The policy aims to reduce the negative environmental impacts associated with the disposal of the red mud, which is an essential aspect of soil protection.

18 Substances that are assigned hazard classes for the purposes of Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labeling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006, but the hazard classes do not fall under ESRS E2; e.g. flammable substances.

A central element of the policy is the implementation of a project to supplement the embankments for the sludge dump, designed to reinforce safety measures and prevent the risks associated with waste disposal. The policy also details the course of action in the event of accidental pollution or an event that may lead to imminent soil and water pollution. To this end, a specialized team is set up to prevent and combat accidental pollution, coordinated by the Operational Director.

To ensure effective and responsible management, the policy provides for a comprehensive program of measures and works aimed at preventing accidental pollution at landfills, including the sludge heap. The policy is periodically at intervals of up to updated 1-5 years, taking into account legislative updates and changes in staffing structure and responsibilities. This constant monitoring ensures compliance with current standards and the maintenance of a safe environment.

The plan focuses exclusively on the operations at the red mud pit and does not extend to upstream or downstream activities. The main stakeholders affected are internal, in particular the employees directly involved. The Collective for the Prevention and Combating of Accidental Pollution at the Waste Repository is constituted from among them, with responsibility for managing and minimizing the associated risks. The document is approved at the highest management level and signed by the Director General. References to the applicable standards are listed in Annex 1 under the document name. The plan is available for consultation at ALUM's head office and for employees on the company's internal platform INTRANET.

With regard to mitigating negative impacts on air, water and soil, the policy is implemented through strict adherence to the operational procedures in place. In this regard, PO-111-02 – "Site and Activity Description of the Red mud Dump Site" and PO-135-02 – "Recording, Management and Recovery/Disposal of By-Products and Wastes of the Company" will be implemented.

In the event of accidental pollution or an event with the potential for imminent soil and water contamination, action will be taken according to a clearly established protocol. The person who observes the phenomenon shall immediately notify the head of the SSM-M Service and the dispatcher. The head of the Production Dispatch orders the notification of specialized teams with pre-established tasks to combat pollution, which will immediately intervene to eliminate the causes and mitigate the effects. At the same time, the company's management and the competent authorities, including the Water Management System, the Environmental Protection Agencyare informed immediately, the National Environmental Guard – Tulcea County Commissioner's Office and the Tulcea ARBDD,, and the remedial actions are monitored and reported periodically until the causes and effects of the pollution are completely eliminated.

After the occurrence of a pollution incident, the company's management thoroughly analyzes the causes and orders technical, material and organizational measures to prevent such situations in the future. Changes or additions may also be made to working procedures, taking into account the experience gained during the event.

The Plan for the Prevention and Combating of Accidental Pollution at Potentially Polluting Water Uses as well as for the Management of Specific Emergency Situations for Heavy Rainfall and Natural Disasters (floods, earthquakes, fires) sets out general objectives, specific measures and a monitoring framework to reduce the risks associated with the activities carried out at the Alum. The policy also has relevance to the storage of red mud at the Alum, covering a potential impact on the ground in the event of an emergency following an extreme weather event or natural disaster, and may be relevant to the M8 impact.

It aims to manage significant material impacts, to identify and control risks, and to capitalize on opportunities to improve environmental practices in accordance with applicable legislative requirements. The policy applies both within the company's perimeter and downstream areas, including preventing and combating the effects of accidental pollution of water sources through proactive measures of continuous monitoring, rapid response and improvement of water protection infrastructure. Clear procedures are also defined on how to act in the event of accidental pollution or an imminent pollution risk event on company premises, through immediate reporting, effective management of the situation and elimination of the causes of pollution. An essential component is also the identification of specific risks within Alum, which may lead to accidental pollution, in order to implement appropriate preventive measures. The policy also includes the course of action in the event of accidental pollution downstream of the company's premises, the necessary interventions in the event of natural disasters and the management of emergency situations to ensure an effective response and minimize the impact on the environment. It is reviewed at intervals of 1 to 6 years, depending on legislative changes or functional changes within the organization.

The document is approved at the highest management level and signed by the Director General. References to applicable standards are listed in Annex 1 under the name of the document. The plan is available for consultation at ALUM's head office, and for employees it is available on INTRANET, the company's internal platform.

The policy to mitigate negative impacts on air, water and soil aims to prevent and manage accidental pollution through specific intervention and monitoring measures. In the case of environmental accidents, staff are trained to act quickly to limit the spread of pollutants, either by stopping spills or by using absorbent materials such as sand or specialized substances. Measures are also taken to isolate affected areas, collect and properly dispose of hazardous substances, prevent contamination of surface waters and restore the environment to its baseline state. In case of reported downstream pollution, reporting and response procedures are activated and laboratory analyses are intensified to monitor contamination. Reducing the environmental impact involves measures such as improving infrastructure to prevent spills, using advanced methods to treat polluted water, continuous monitoring of industrial processes and applying solutions to recycle or reuse the waste generated.

The policy focuses in particular on the prevention and management of emergencies caused by natural disasters, with the aim of minimizing the risks and their impact on people and the environment. The measures adopted include prevention and preparedness actions, followed by rapid interventions in the event of the occurrence of hazards, and subsequent recovery and rehabilitation measures. These actions are coordinated by the Emergency Situations Committee, under the leadership of the Director of Operations, and interventions are supported by dedicated operational centers, which ensure effective emergency management. The process also includes monitoring risks, warning the population and working closely with the competent authorities to ensure rapid and coordinated responses.

VE

Emergency Preparedness and Response Procedure aims to manage the critical impacts and risks associated with the company's business activities. VE also holds an Environmental Authorization that establishes special conditions for compliance with the legal provisions on hazardous substances. The main impacts include the potential contamination of the environment or the occurrence of accidents that may affect personnel as a result of inadequate management of Substances of Potential Concern (SOC) (M12).

The policy details how to prevent and respond to incidents of (but not limited to) accidental pollution. The document contains the following: definitions of the topics covered (accidental pollution, emergency), applicable standards, responsibilities and obligations of personnel to prevent and respond to an emergency, the method by which the emergency is identified, the response measures and the conduct of training of personnel. The overall objectives are to create a practical and effective emergency plan to manage the risks related to emergencies, taking into account the possibility of events that may affect staff, the community and the environment; to identify and manage the risks related to emergencies appropriately to prevent possible loss of life, environmental damage and financial impacts on the organization.

This procedure covers the actions required for all situations that could give rise to emergencies within VE and applies to VE staff, contractors and subcontractors. The impact on substances of concern is only significant at the level of own operations.

The highest authorized organizational level of the company responsible for the implementation of the policy is the General Director. The relevant legislation is listed in Annex I. Stakeholders involved in the consultation process for the compilation of the policy are employees within VE who are directly responsible for the sectors concerned. The policy is drafted to communicate the necessary information to the target audience as well as to the services or authorities involved in the area concerned. The policy is available for consultation at VE's head office.

The procedure sets out the necessary measures for emergency preparedness and management, including incident assessment and analysis, response coordination and staff training. In the event of an emergency, the plan provides for actions to reduce environmental and safety impacts, such as shutting down utilities, repairing faults and restoring affected areas. Emphasis is placed on collaboration between designated officials and the competent authorities, as well as on continuous training for effective management.

With regard to reducing the amount of use of substances of concern, at present no possibilities have been identified to modify the technological process to allow such a reduction. Therefore, the policy does not include any mention to this effect.

The procedure sets out the necessary measures for emergency preparedness and management, including incident assessment and analysis, response coordination and staff training. In the event of an emergency, the plan provides for actions to reduce environmental and safety impacts, such as shutting down utilities, repairing faults and restoring affected areas. Emphasis is placed on collaboration between designated officials and the competent authorities, as well as on continuous training for effective management.

II.3.3 [E2-2] Actions and resources related to pollution

To support the implementation of the policies described in *section E2-1*, the Group is implementing a number of specific actions aligned with the Environmental Permits obtained, some of which are also mentioned in the Sustainability Strategy.

ALRO

In line with its Sustainability Strategy, the Group has set a target to reduce untreated to air to close to zero, in line with BATemissions. This target is in line with ALRO's Policy on Quality, Environment, Energy, Information Security, Occupational Health and Safety. Within the Sustainability Strategy, in correlation with this objective and policy, two specific actions are foreseen in response to how to manage the impacts of M8:

- **A.1.E2**. Reduction of emissions and compliance with associated EU regulations by expanding the Flue Gas Treatment in the Center Casthouse and by installing a capture and filtration station for coke dust generated in Assembly Shop 2Section.
- **A.2.E2.** Increase the efficiency of the ageing operations by replacing the CO_1, CO_2 and IPROLAM furnaces with a new ageing furnace.

Also, in line with 's Policy ALRO on quality, environment, energy, information security, occupational health and safety, with the Internal Emergency Plan and with the provisions of the Environmental Authorization, in addition to the actions in the Sustainability Strategy, the following actions have been established at ALRO level:

- **A.3.E2.** Periodic monitoring of air pollutant emissions.
- **A.4.E2.** Management of hazardous substances and regular organization of emergency drills.

Action A.1. E2. was started in previous years by selecting the best technical solutions and issuing an Urban Planning Certificate and starting the procedure to obtain the Environmental Agreement in order to revise the Integrated Environmental Authorization. In 2024, the project for the expansion of the Flue Gas Treatment in the Center Casthouse was suspended due to the reduction of the primary aluminium production activity and its correlation with the planned sleb casting equipment Section. ALRO intends to continue in 2025 the activities required to obtain the necessary permits and authorizations, with the stated aim to re-analyze and start project implementation in 2026, in view of the start of the new capacity for the production of slabs (the end of 2025modification of the W1 Billets casting plant in order to cast both bars and slabs) at. Starting from 2026, the implementation of the project for the reduction of emissions in the Assembly Workshop No. 2 will start by installing a station for the capture and filtration of the coke dust generated. Thus, the time horizon of this action is 2025-2026.

Action A.2.E2 was started in 2023 with the approval of the project "Increasing the efficiency of aging operations by replacing CO_1, CO_2 and IPROLAM furnaces with a new aging furnace". In 2024, ALRO continued the implementation of the project involving the installation of a new slab aging furnace in its Preprocessed Aluminium Division. The project will provide aging capacity in line with the forecasted production mix as well as improve the energy performance of the technological process by decommissioning the gas-fired CO_1, CO_2 and IPROLAM aging furnaces and installing an electric aging furnace, which will also reduce CO_2 emissions into the atmosphere. The action has a time horizon of 2025-2026, with acceptance testing of the new electric ageing furnace to be commissioned by April 2025.

Action A.3.E2 on monitoring of air pollutant emissions aims to manage major impacts and risks related to industrial activities in line with the Integrated Environmental Authorization. Material impacts include air pollution through emissions of non-GES gases such as NOx, SOx and total particulates from production processes and internal operations (M8). The monitoring action is closely linked to ALRO's Policy on Quality, Environment, Energy, Information Security, Occupational Health and Safety, the Internal Contingency Plan presented in the policy section and is part of the Integrated Management System (IMS). In order to manage the negative pollution impacts – M8 and M12 – ALRO has defined and implemented an Integrated Management System 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.

SMI is self-assessed through the internal audit program of management systems, processes and products, as well as through the system of regular reviews conducted at all operational levels. These internal audits are carried out by qualified internal auditors from the Technical Quality – Investment Department and cover SMI elements, processes ALRO's and products, constituting a complete audit cycle on an annual basis.

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 Greenhouse Gas. Within ALRO, according to the Integrated Environmental Authorization (related to the premises in 116 Pitesti Street, Slatina) and the Environmental Authorization (related to the work point in 1 Milcov Street, Slatina), direct industrial emissions are constantly monitored. Air pollution monitoring actions are coordinated with the limits imposed by national legislation in order to Permitscomply with the Integrated Environmental Authorization.

According to the environmental permit, limit values not to be exceeded are set for the concentration of carbon monoxide (CO), dust, sulphur dioxide (SO_2) from the combustion of fuels in thermal power plants, but also for pollutants specific to the production process, such as chlorine and inorganic compounds (HCl), fluorine and inorganic compounds (HF), etc. All air emissions must comply with the limit values set and environmentally significant emissions, except those legally accepted, must be avoided. This helps to prevent excessive pollution, which can affect public health and harm the environment. In this context, it is imperative that emission abatement, control and monitoring equipment is calibrated and maintained in accordance with the standards and regulations in force. Proper calibration ensures accurate monitoring of emissions, which is essential for the correct assessment of compliance with legal limits.

Furthermore, all measurement results must be recorded, processed and presented in a form accessible to the competent authorities in order to facilitate verification of compliance with the authorized operating conditions and emission limit values set. This is an important preventive measure to protect the environment and prevent uncontrolled pollution. Emissions monitoring is also crucial to ensure compliance with environmental legislation, protecting the company from possible sanctions. By regularly reporting the monitoring results to local environmental authorities, such as APM Olt, the company guarantees the transparency of its activities and demonstrates its responsibility towards the environment.

The action is carried out on an ongoing basis, with virtually no time horizon, in accordance with the Integrated Environmental Authorization. Thus, the action can be assigned a short timeframe (< 12 months after reporting), since the frequency of reporting is at least annual. Emission monitoring reports shall be submitted monthly and annually to the competent authority. Thus, on a monthly basis the company carries out direct emission monitoring in its own testing laboratory, and on an annual basis it carries out specialized analysis with an external ISO 17025:2018 accredited laboratory.

Action A.4.E2 relates to the management of hazardous substances and the regular organization of emergency drills, and is linked to impact M12. In work its, the Group pays particular attention to the management and use of hazardous substances, which are used in almost all sites Group, especially ALRO, ALUM and VE, to ensure a safe and secure working environment for employee sits.

The measures taken for the safe handling, storage and transportation of hazardous materials are described in the documents outlined in the policies section. The indications set out in the Safety Data Sheets (SDS) for hazardous substances are also followed. SDSs are periodically processed to workers and are posted at workplaces where hazardous substances are used/storage.

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

ALRO also has a contract with Rivergate Fire SRL (private emergency service) for: installation and maintenance of fire signaling, alarm and warning systems and installations, installation and maintenance of fire extinguishing systems and installations, maintenance of installations in special fire fighting vehicles. The private emergency service provides firefighters and fire engines – 24 hours/day, 7 days/week at ALRO sites.

In each sector of the company there are employees appointed by decision as Emergency Officers. The job description is updated accordingly with their responsibilities and specialized training is carried out. All ALRO staff is regularly trained in emergency situations.

ALRO staff is regularly trained in emergency situations, in accordance with the emergency training topics approved at company level. Regular drills and exercises are conducted on how to announce, organize and conduct emergency response actions.

ALRO has fire containment and fire extinguishing systems and installations: sprinklers, FM 200 suppression systems, interior and exterior hydrants and fire extinguishers.

Evacuation and fire defense organization plans are prominently posted and are worked out regularly with employees.

Emergency response procedures are tested during exercises and simulations in the production sectors, and where weaknesses in communication, organization 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/analysis shall be carried out to establish the circumstances and causes leading to the incident and to propose technical and organizational measures to avoid similar incidents.

Exercises/simulations/prepare for emergencies

	ALRO
Number of emergency drills	17
Number of simulations	32
Number of training and theoretical exercises according to the European Seveso III Directive	15

In the year 2024 the all incident rate and the frequency rate of hazardous events was 0% for all companies that are part of our Group. The action is carried out on an ongoing basis, with virtually no set time horizon. Thus, the action can be attributed to a short timeframe (<12 months from reporting), since the management of hazardous substances is a continuous activity and the frequency of carrying out exercises and simulations is at least annual.

Resource disclosure in relation to pollution policies (thousands RON)

	Current (2024)	Short deadline < 1 year	Medium term 1-5 years	Long term > 5 years
Financial resources allocated to the action plan (CapEx) – Action A1.E2	-	-	37.477	-
Financial resources allocated to the action plan (CapEx) – Action A2.E2	9.450	1.333	-	-

The financial resources allocated to action A2 are the same as the financial resources mentioned for action A5 under section ESRS E1, being joint investment projects.

ALUM

In line with the ALUM CEO's Policy Statement on Quality, Environment, Energy, Information Security, Social Responsibility and Occupational Health and Safety and with the Internal Emergency Plan and the provisions of the Environmental Authorization, the Group has also established the following actions implemented only at ALUM level:

- **A.5 E2** Regular monitoring of emissions of air pollutants.
- **A.6 E2** Management of hazardous substances and regular organization of emergency drills.

Action A.5 E2. in order to limit the negative impacts related to air pollution is the reduction of air pollutant emissions by monitoring them and maintaining the equipment for the containment, discharge and discharge of pollutants. The action aims to manage the major impacts and risks related to industrial activities on air pollution by emissions of non-GES gases, such as NOx, SO_2 and particulate matter (PM), resulting from production processes and internal operations. The impact the policy addresses is M8

As regards the monitoring of air pollutants, air pollution monitoring actions are coordinated with the limits imposed by national legislation for the issuance of the Integrated Environmental Authorization. According to this authorization, have been limit values not to be exceeded for the concentration of carbon monoxide (CO), dust, sulphur dioxide (SOset 2). ALUM adopts key measures to prevent, monitor and reduce air pollution, ensuring that emissions of pollutants are in line with best practice. Monitoring systems are in continuous operation and emission limit values are complied with under the conditions of the environmental permit. In this way, the company ensures that emissions of pollutants into the air are controlled through discharge stacks and the production process includes local purification stages where pollutants are reduced at source. Another important aspect is the continuous monitoring of gaseous and particulate emissions, which is carried out by using analyzers installed at discharge stacks at various plants, such as calciners, CET, lime and whitewash silos and storage facilities. These analyses are essential to measure emissions in real time and to ensure that emissions do not exceed the limits set by environmental regulations. The on-site traffic also generates exhaust emissions, which include CO, NMVOCs, NOx, NH3, SO_2, dust and heavy metals. These emissions are carefully managed and fugitive dust emissions from raw material handling and storage areas are prevented by following BAT compliant procedures. To limit emissions, the operator of the company is required to adopt measures to collect and direct fugitive emissions and to use pollutant containment equipment

at source, depending on the type of pollutant. These measures are essential to prevent uncontrolled leakage and to protect the environment, so over the years, ALUM has replaced the combustion systems at the CET and Calcination combustion plants allowing the switch from the use of fuel oil to natural gas consumption, and at the end of 2018, low NOx burners were installed on the CET boilers.

Another important point is the maintenance of pollutant containment, exhaust and discharge equipment. The company ensures that this equipment is kept in optimal working order, and any failure of this equipment requires the immediate shutdown of the plant or part of the plant affected until the fault is rectified. Any malfunction shall also be reported to the competent authorities and work shall not be resumed until the malfunction has been completely rectified and the pollution abatement systems have been put into operation. In order to comply with BAT requirements on the prevention and reduction of diffuse emissions into the air, ALUM is committed to the identification of the most relevant sources of diffuse dust emissions and the definition and application of appropriate measures and techniques to prevent or reduce diffuse emissions, implemented over a well established period. In addition, ALUM shall identify all relevant pollutants and have a detailed plan of measures to prevent accidental pollution, demonstrating compliance with BAT requirements and commitment to environmental protection. ALUM shall maintain detailed records of abnormal operation of the facilities pollution abatement and disposal, documenting aspects such as malfunctions of the abatement system, description of the malfunction, date of occurrence, duration of operation without abatement facility and date of restart. This practice is implemented to prevent pollution and ensure compliance with environmental requirements.

The action is out carried continuously in accordance with the Integrated Environmental Authorization. Emission monitoring reports shall be submitted monthly to the authority competent. The action can be assigned a short timeframe (<12 months after reporting), since the frequency of reporting is at least annual.

As production activity at ALUM is suspended, the company did not generate any air emissions in 2024 and therefore did not implement any actions to reduce them. However, ALUM has developed a plan of measures and actions to comply with its environmental obligations, which be will implemented if production activity resumes. It includes a number of measures, including: remedying leaks in the transport system alumina, checking of regular the quality of the filter bags, permanent checking of the purge air route, regular checks on the timely and proper functioning of the emission monitoring system at the calcination and CET plants, optimization of the combustion system at the CET and calcination plants and permanent monitoring of the technological parameters to keep SO emissions 2, NOx, CO and dust within the limits allowed by the Environmental Authorization.

Emission monitoring actions do not cover the Group's upstream and downstream value chain, as ALRO and ALUM's air pollution policies only cover their own operations.

Action A.6.E2. concerns the management of hazardous substances and the regular organization of emergency drills (M12). In accordance with the applicable Romanian legislation, ALUM has developed internal procedures and action plans for emergency management, employee protection and community safety. An emergency cell has been created under the coordination of the General Manager and its activity is strictly regulated by the specific legislative framework. The Director General is also a member of the County Committee for Emergency Situations, which is chaired by the County Prefect. The Emergency Manager is responsible for the preparation of official documentation, maintaining relations with public authorities and verifying that internal procedures are followed by employees. This manager has training and professional skills in the fields of fire prevention and civil protection.

ALUM collaborates with Rivergate Center SRL for protection and security services, monitoring of alarm systems, interventions, design and installation of technical security systems, as well as technical security risk assessment. The security and protection staff is available 24 hours a day, 7 days a week at ALUM locations.

ALUM also has a contract with Rivergate Fire SRL (private emergency service), which provides installation and maintenance of fire signaling, alarm and extinguishing systems and installations, maintenance of equipment in special firefighting vehicles, as well as 24/7 on-site firefighting personnel and fire engines at the company's locations.

Employees responsible for emergency situations are designated in each sector of the company by official decision. Their job description is updated to reflect their specific duties and they receive specialized training. All ALUM staff are regularly trained in emergency preparedness according to a company-approved topic. Simulations and practical exercises on procedures for announcing, coordinating and carrying out intervention actions are regularly organized.

ALUM is equipped with systems and installations for fire containment and extinguishing, including sprinklers, FM 200 suppression systems, indoor and outdoor hydrants and fire extinguishers. Evacuation and fire defense organization plans are posted in visible locations and reviewed regularly with employees.

Emergency response procedures are tested through exercises and simulations in the production sectors. If problems are identified related to communication, organization or coordination of actions, adjustments and improvements are made. Following an emergency or a potentially damaging incident, an investigation is carried out to determine the circumstances and causes of the incident and to propose technical and organizational measures to prevent similar incidents from occurring.

Exercises/simulations/prepare for emergencies

2024	ALUM
Number of emergency drills	14
Number of simulations	2
Number of training and theoretical exercises in accordance with the European Seveso III Directive	6

The action can be attributed to a short timeframe (<12 months after reporting), since several exercises and simulations have been carried out in the reporting year.

VE

In line with Emergency Preparedness and Response Capability Procedure VE's and the provisions of the Environmental Authorization, the Group has also established the following actions implemented only at company level VE, correlated to the impact M12:

- **A.7.E2** Management of hazardous substances and regular organization of emergency drills.

At **VE**, sodium hydroxide solution is used as raw material or waste soda ash, as well as diesel. Concerning the sodium hydroxide solution, min.48% used by VE, it does not fall under the definition provided by ESRS E2. Thus, although there is a potential impact also considered for the purposes of the Environmental, it does not overlap with the criteria leading to the classification of substances as substances of concern Authorization. Instead, the company uses diesel that falls under this standard. The hydraulic oil from the 3 presses, could have a significant impact if it were to in come contact with glowing parts (aluminium scrap, etc).

The occurrence of emergencies at VE may be caused also by possible accidental damage to equipment or as a result of natural disasters. Their prevention is achieved by following the instructions laid down in the Procedure Internal on Emergency Preparedness which covers all actions and responsibilities at company level in the event of such situations occurring, thus covering the impact of M12. The action can be attributed to a short timeframe (<12 months after reporting), since several exercises and simulations have been carried out in the reporting year.

Emergency response procedures are tested during exercises and simulations in the production sectors, and where weaknesses in communication, organization or management of emergency response actions are identified, updates and are made improvements Following the occurrence of an emergency or near-miss incident, an investigation/analysis shall be carried out to establish the circumstances and causes leading to the incident and to propose technical and organizational measures to avoid similar incidents.

Exercises/simulations/prepare for emergencies

2024	VE
Number of emergency drills	4
Number of simulations	4
Number of training and theoretical exercises in accordance with the European Seveso III Directive	n/a

II.3.4 [E2-3] Targets related to pollution

ALRO

To meet the objectives set by its policies, ALRO has set a target of compliance with the limits of air pollutant the Integrated Environmental Authorization. The target aims to manage the impacts related to industrial activities that generate air pollution through emissions of non-GES gases such as NOx, SOx and total particulate matter (PM)M8). The target is closely linked to ALRO's Quality, Environment, Energy, Information Security, Occupational Health and Safety Policy and Internal Emergency Plan and addresses the sustainability topic "Air Pollution". The Target makes direct reference to the first objective of the Internal Emergency Plan, namely to control and limit the effects of incidents (including but not limited to accidental air) pollution and to the objective reducing or eliminating pollution sources as stated in **ALRO's Policy on Quality, Environment, Energy, Information Security, Occupational Health and Safety.**

The targets per pollutant, except for the almost zero untreated emissions target, which is uniform across all categories, are shown in Table 5 and are variable by pollutant type. They represent absolute values and have been set by the Integrated Environmental Authorization. As they are permissible limit values, set by a Romanian state authority, the Olt Environmental Protection Agency, in accordance with national legislation, the company cannot report whether the in setting them ecological thresholds were taken into account

Targets per pollutant – ALRO

Location	Pollutant	BAT-EEL targets[19] (mg/Nmc)	Values from the latest analysis[20]
CTG1 (in conservation) and CTG2 electrolysis rooms	Dust	≤ 5	1.95
	HF	≤ 1	< 0.070
	Total fluorides	≤ 1.5	0.47
	SO_2	≤15 kg (kg/t Al)	12.887
Silo Dome	Dust	≤10	2.10
Anodes-CTF Section	Dust	≤5	1.42
	BaP	≤0.01	< 0.0001
	HF	≤0.5	< 0.070
Anodes-CTV Section	Dust	≤5	2.79
	BaP	≤0.01	< 0.0001
Section ANOZI- TP1,TP2	Dust	≤5	3.31
	BaP	≤0.01	< 0.0001
CASTHOUSE SECTION (Individual stack ovens)	Dust	≤50	3.02
	HCl	≤40	0.92
	NOx	≤300	7.66
Aluminium smelting plant, gas treatment plant CTG ECO_1	Dust	≤5	1.66
	PCDD/F	≤ 0.1 ng I-TEQ/Nmc	0.0018
	HCl	≤10	0.055
	HF	≤1	0.07
Aluminium scrap smelting plant, gas treatment plant CTG ECO 2	Dust	≤5	1.91
	PCDD/F	≤ 0.1 ng I-TEQ/Nmc	0.0034
	HCl	≤10	0.085
	HF	≤1	0.07
MICRO THERMAL POWER STATIONS	SO_2	≤35	2.86
	NOx	≤350	102.23
	CO	≤100	4.55
		≤5	1.99

The indicators correspond to the air pollutants reported in the disclosure requirement E2.5, being part of Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC. The targets apply to for ALRO explicit the Slatina site. For the targets exemplified in the table, the year since progress monitoring started is 2022, at the time of the review of the last environmental For the zero untreated emissions target, the year of implementation was 2021. The period to which the permits. numerical targets is apply from 2022 until the requirements are potentially updated for further revisions. The period to which the zero emissions target applies is 2021-2024.

19 BAT-AEL – Best Available Techniques – Associated Emission Level
20 The analysis is performed by an external laboratory accredited ISO 17025/2018.

The stakeholders involved are local authorities and the public. Several stakeholders have been involved in the review process of the Integrated Environmental Authorization for ALRO, including: the Olt Environmental Protection (APM Olt), which registered the application and reviewed the supporting documentation; the member authorities of the Technical Analysis Collective, which participated in the formal consultations and provided comments and views on the environmental impact of the company's activities; the public and other stakeholders, who had the opportunity to submit their submissions, comments and views during the public consultation procedure. This process demonstrates the involvement of Agency a wide range of stakeholders, both institutional and civil society, to ensure that the review of the Integrated Environmental complies with legal requirements and the principles of transparency. Authorization

The objectives described in the section previous make direct reference to reducing air pollution by reducing the amount of regulated pollutants. Targets are not set for reducing the quantities of substances of potential concern (SOCs) used in operations, but procedures are detailed for their safe storage and disposal. At present no opportunities have been identified to change the technological process to reduce the amount of substances of potential concern. In 2024, no accidents related to SOC or SOC contaminated waste have been recorded.

The target is set in accordance with the provisions of the Integrated Environmental Authorization, as well as with the legislation in force, and compliance with it is a condition for granting and maintaining the environmental authorization.

ALUM

To meet the objectives set by its policies, ALUM has set a target of compliance with the air pollutant limits set in the Integrated Environmental Authorization. The target aims at managing the impacts related to industrial activities impacts on air pollution through emissions of non-GES gases, such as NOx, SO_2 and particulate matter (PM), resulting from production processes and internal operations (M8).

The target is closely linked to ALUM's CEO's Policy Statement on Quality, Environment, Energy, Information Security, Social Responsibility and Occupational Health and Safety and addresses the sustainability topic "Air Pollution" ALUM's air pollution objectives are integrated into the Integrated Environmental Authorization, revised in 2022. These objectives aim to prevent accidental pollution incidents and are defined by specific air emission limits that must be met to ensure compliance with environmental regulations. As they are targets set by a Romanian state authority, the Olt Environmental Protection Agency, in accordance with national legislation, the company cannot report on whether environmental thresholds have been taken into account in setting them.

The objectives are illustrated in the table, being variable, per type of pollutant. They represent absolute values.

Targets per pollutant – ALUM

Source name	Pollutant	Limit values set according to BAT EFTA (mg/Nm^3)		Depollution technology	BAT compliance	Values from the latest analysis
Fuel		Natural gas	fuel oil			0
CET discharge stack	SO_2	35	350	burners with low NOx	YES	0
	CO	100	-			0
	NOx	100	450			0
	Dust	5	30			0
Calcination discharge stack	SO_2	35	250	Bag filter	YES	0
	CO	100	-			0
	NOx	272.6	272.6			0
	Dust	29.97	29.97			0
Lime deposit discharge stack	Dust		5	Bag and cartridge filters	-	0
Discharge stack for lime milk preparation	Dust		5	Cyclists		
Alumina silos discharge bin	Dust		5	Bag filters	-	0

The indicators correspond to the air pollutants reported in the disclosure requirement E2.5, being part of Annex II of Regulation (EC) No. 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC. The targets apply to ALUM, explicit to the Tulcea site and are set by the Tulcea Environmental Protection Agency in the Integrated Environmental Authorization, in accordance with BAT. The year since the start of progress monitoring is 2022, at the time of the last Environmental Authorization revision. The period to which the targets is from 2022 apply until the requirements are potentially updated for further revisions. The values emission limit are set by the Environmental Protection Agency Tulcea in accordance with national legislation.

The stakeholders involved are local authorities and the public. Several stakeholders were involved in the review process of the Integrated Environmental Authorization for ALUM, including: the Tulcea Environmental Protection (APM Tulcea), which registered the application and reviewed the supporting documentation; the member authorities of the Agency Technical Analysis, which participated in the formal consultations and provided comments and views on the environmental impact of the company's activities; the public and other stakeholders, which had the opportunity to submit their submissions, comments and views during the public consultation procedure. This process demonstrates the involvement of a wide range of stakeholders, both institutional and civil society, to ensure that the review of the Integrated Environmental Permit complies with legal requirements and transparency principles.

The objectives described in the section previous make direct reference to reducing air pollution by reducing the amount of regulated pollutants. Targets are not set for reducing the quantities of substances of potential concern (SOCs) used in operations, but procedures for their safe storage and disposal are detailed. At present no opportunities have been identified to change the technological process to reduce the amount of pollutants. While ALUM understands the importance of reducing these pollutants, given that there are not yet available technologies that would allow major changes to the steps in the technology flow, no policies have been issued. In the year 2024, given the suspension of alumina production, ALUM has not purchased or used any such substances, nor has it experienced any accidents related to SOC or SOC-contaminated waste.

All the targets are laid down in the legislation and compliance with them is a condition for environmental permitting.

II.3.5 [E2-4] Pollution of air, water and soil

Quantities of pollutants emitted into the atmosphere ALRO

	U.M.	2024	2023	2022	2021
SO_2 (sulphur dioxide)	t	368,65	338,1	411,0	1.069,0
NOx (nitrogen oxides)	t	216,84	172,6	148,8	313,0
Particulate matter (PM)	t	226,30	125,2	90,1	165,0

Calculations shall be carried out in accordance with the Technical Guidelines for the Preparation of Inventories National Emission Air Pollutant.

In order to represent as faithfully as possible the way of traditional submitting and approving the information from the local emission inventories questionnaires, the SIM (Integrated Environmental System) was built from two fully integrated components, distinct in terms of their two complementary roles in the Local Emission Inventory generation flow, as follows:

- dedicated to economic operators such as ALRO and ALUM, which implements a structured way of and easy reporting all the information provided for in Ministerial Order 3299/2012.
- dedicated to APM for viewing, approving, rejecting, communicating with operators responsible for the agents preparation and preparation of local emission inventories.

The joint EMEP/EEA guidelines for air pollutant emission inventories support the reporting of emission data in accordance with the UNECE Convention on Long-Range Transboundary Air Pollution (CLRTAP) and the EU Directive on National Emission Ceilings.

It provides expert guidance on how to compile an air emissions inventory.

Compared to the previous year, there is a increase in 9% the amount of emissions sulphur dioxide, a 26% increase in the amount of nitrogen oxides and an 81% increase in the amount of particulate matter. This difference can be attributed to the intensity of the production processes in the context of the decrease in activity from 2022. Compared to the year 2021, when the company's activity was carried out under normal conditions, the quantities of sulfur dioxide decreased by 66%.

Quantities of pollutants emitted into the atmosphere – ALUM

	U.M.	2024	2023	2022	2021
SO_2 (sulphur dioxide)	t	0,00	0,00	1,047	0,196
NOx (nitrogen oxides)	t	0,00	0,00	18,45	79,84
Particulate matter (PM)	t	0,00	0,00	0,90	6,66

In ALUM the monitoring of pollutants is done through an accredited continuous monitoring system and the data obtained are stored in the history of the software program used. The calculation of the annual amount of emissions for each monitored pollutant is performed using the amount of gas consumed, the volume of flue gas discharged and the annual average values of the emitted pollutants. In the years 2023 and 2024, as production activity was suspended, no direct emissions of SO_2, NOx and dust were recorded.

Although the emissions disclosed above, for both ALRO and ALUM, do not exceed the thresholds mentioned in Annex II of Regulation (EC) No. 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC, the companies have voluntarily chosen to present this information for higher transparency and understanding of the data.

II.3.6 [E2-5] Substances of concern

According to the Integrated Environmental Authorizations and the inventories of the substances covered by Law 59/2016, the following table shows the list of substances classified as "Substances of Concern" (SOC)_ by ESRS E2 Pollution and related legislative objects. Within ALRO Group, these substances exist only stored on site and/or used in production processes. There are no SOCs leaving the facilities as primary products, by-products, emissions or services. Moreover, ALRO acts in compliance with the REACH Regulation, so ALRO products do not contain substances listed in Art. 57 of the Regulation.

Evidence of substances of concern acquired, stored or used in production in 2024

Requirement	Included in production, purchased, or just stored in 2024	Hazard code after REGULATION (EC) No 1272/2008	ALRO (kg)	ALUM (kg)	VE (kg)
Synthetic cryolite		H411	0	0	0
Tar pitch	Stored/ Purchased/ Used in production	H317 H340 H350 H360FD H413	S: 1,536,489.7 A: 5,893,809.2 U: 5,991,933.2	0	0
Technological oils		H412	S: 10,612.26 A: 56,458.94 U: 48,517.35	0	S: 217.06 A: 29,284.55 U: 29,067.48
Water treatment reagents		H370 H412	S: 4,345.00 A: 27,480.00 U: 25,415.00		0
Tar pitch, granulated		H317 H350 H360FD H413	0	0	0
Diesel		H226 H304 H332 H351 H373 H411	S: 34,441.36 A: 452,619.34 U: 438,799.84	S: 4,801.03 A: 16,647.50 U: 17,036.28	S: 1,032.30 A: 39,960.00 U: 38,927.70
PCB-containing oils		H373	S: 360 kg	0	0
Flocculant HX 3000		H290 H335 H314 H411 EUH066	0	0	0
Nalco 85542 Flocculant		H318 H411	0	0	0
Flocculant Nalco 7837-1		H413	0	0	0
Fuel oil		H350	0	0	0
Total quantity of substances of concern generated or used during production or procured			S: 1,586,248.32 A: 6,430,367.48 U: 6,504,665.39	S: 4,801.03 A: 16,647.50 U: 17,036.28	S: 1,249.36 A: 69,244.55 U: 67,995.18

*S – Stock at 31.12.2024; A – acquired in 2024; U – used in 2024

The evidence, per hazard phrase, is visible in the following table:

Sharing total quantities by hazard class

Danger phrase	Explanation	ALRO (kg)	ALUM (kg)
H317 (Tar pitch)	May cause an allergic skin reaction	0	0
H340 (Tar pitch)	May cause genetic abnormalities	5.991.933,2	0
H350 (Tar pitch)	Can cause cancer	0	0
H351 (Diesel)	Susceptible to cause cancer	432.211,3	
H360 (Tar pitch)	May affect fertility or harm the unborn baby	0	0
H370 (Water treatment reagents)	May cause damage to organs or systems through prolonged exposure	0	0
H373 (Diesel and PCB containing oil)	May cause organ damage with prolonged or repeated exposure	360	0
H411 (Diesel and Cryolite)	Toxic to the aquatic environment with long-term effects	0	0
H412 (Water Treatment Reagents and Technological Oils)	May cause long-term adverse effects on the aquatic environment with long-lasting effects	0	0
H413 (Tar pitch)	May cause long-term adverse effects on the aquatic environment	0	0

Although substances of concern (SOCs) are used, they are managed with the highest degree of caution and safety. To this end, detailed emergency and accident prevention plans and specific measures have been developed to prevent the misuse of these substances. The aim of these measures is to protect the health of the population and employees, as well as to minimize the negative impact on the environment, thus ensuring compliance with safety and sustainability standards.

Substances of concern and substances of very high concern – Main hazard classes (in kg)

Hazard class	H317	H340	H350	H351	H360	H370	H373	H411	H412	H413
Substances of concern										
Generated or used during production and purchased	0	5.991.933,2	0	432.211,3	0	0	360	0	0	0
They leave facilities as emissions, products or as part of products or services.	0	0	0	0	0	0	0	0	0	0
Leaving facilities as emissions	0	0	0	0	0	0	0	0	0	0
Leave facilities as products	0	0	0	0	0	0	0	0	0	0
Leave the facilities as part of the products	0	0	0	0	0	0	0	0	0	0
Leaving facilities as services	0	0	0	0	0	0	0	0	0	0

The data presented in the tables above are taken from the product safety data sheets, where the hazard phrases are mentioned.

ANNEX 4 – Procedures

Intervention Plan for the Prevention of Major Accidents Involving Hazardous Substances

3. EC Regulation No 1272/2008 on classification, labeling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006;
4. Commission 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC;2. Regulation (EC) No 1907/2006 (REACH) concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Regulation (EC) No
5. COUNCIL DIRECTIVE 96/82/EC of December 9, 1996 on the control of major-accident hazards involving dangerous substances;
6. DIRECTIVE 2003/105/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of December 16, 2003 amending Council Directive 96/82/EC on the control of major-accident hazards involving dangerous substances;
7. DIRECTIVE 75/439/EEC on waste oils, amended by Directive 87/101/EEC, Directive 91/692/EEC and Directive 2000/76;
8. DIRECTIVE 91/689/EEC on hazardous waste, replacing Directive 78/319/EEC on toxic and hazardous waste, as amended by Council Directive 94/31/EC;
9. Law No 59 of April 11, 2016 on the control of major accident hazards involving dangerous substances;
10. ORDER no. 520 of May 29, 2006 on the approval of the Procedure for investigating major accidents involving dangerous substances;
11. ORDER no. 647 of May 16, 2005 for the approval of the Methodological Norms regarding the elaboration of emergency plans in case of accidents involving dangerous substances;
12. ORDER no. 142 of February 25, 2004 for the approval of the Procedure for the assessment of the safety report on activities that present major accident hazards involving dangerous substances;
13. ORDER no. 1084 of December 22, 2003 on the approval of the procedures for the notification of activities that present hazards of major accidents involving dangerous substances and, respectively, of major accidents produced;
14. Strategy for the implementation of the obligations of Directive 96/82/EC, transposed by HG no. 95/2003 on the control of activities presenting major-accident hazards involving dangerous substances – Seveso II, for the period 2005-2006;
15. Law 360/2003 on the regime of dangerous chemical substances and preparations;
16. Law no. 263/2005 for the amendment and completion of Law no. 360/2003 on the regime of dangerous chemical substances and preparations.

Plan for the Prevention and Control of Accidental Pollution for the Objective "ALUMINA SHIPPING RIVER DOCK "

1. Integrated Environmental Authorization no. 1/19.03.2018;
2. Law no. 265/2006 on environmental protection approving O.U.G. no 195/2005;
3. Law No 59/2016 on the control of major accident hazards involving dangerous substances.

Plan to Prevent and Combat Accidental Pollution from Potentially Polluting Water Uses

1. Integrated Environmental Authorization;
2. Water Management Authorization;
3. Law no. 107/1996 – APPELS LAW, M.Of. no. 244/8.10.1996;
4. Law 310/2004 for amending and supplementing Law 107/1996, Official Gazette no. 584/30 June 2004;
5. Law no. 458/2002 on drinking water quality – M.Of. nr. 552/29.07.2002;
6. Law No 311/2004 amending and supplementing Law 458/2002 – Official Gazette No 582/30.06.2004;
7. HG no. 188/2002 for the approval of some norms regarding the conditions of discharge of wastewater into the aquatic environment – M.Of. no. 187.20.03.2002 NTPA-011 – Technical norms regarding the collection, treatment and discharge of municipal wastewater (Annex 1) NTPA-002/2002
8. NTPA-001/2002 on the establishment of pollutant load limits for industrial and municipal wastewater discharge into natural receptors;
9. GD no. 352/2005 on amending and supplementing GD 188/2002 for the approval of certain rules on the conditions of discharge into the environment;
10. Law No. 59/2016 on the control of hazards major accident involving dangerous substances.

Procedure for emergency preparedness and response capacity

1. ISO 9001:2015 Requirements;
2. Standardul ASI;
3. Legea 307 din 2006 privind apărarea împotriva incendiilor cu modificările și completările ulterioare. Publicat în Monitorul Oficial, Partea I nr. 633 din 21/07/2006;
4. Ordin M.A.I. 712 din_2005 – Dispoziții generale privind instruirea salariaților în domeniul situațiilor de urgență, modificat și completat prin Ordinul M.A.I. nr. 786/2005;
5. Ordinul M.A.I. 163 din 2007 Norme generale de apărare împotriva incendiilor, Publicat în M.Of. nr.216 din 29 martie 2007;
6. Legea nr. 319 din 14 iulie 2006 a securității și sănătății în muncă.

The Plan for the Prevention and Combating of Accidental Pollution at Potentially Polluting Water Uses as well as for the Management of Specific Emergency Situations for Heavy Rainfall and Natural Disasters (floods, earthquakes, fires)

1. Integrated Environmental Authorization;
2. Water Management Authorization;
3. Law no. 107/1996 – APPELS LAW, M.Of. no. 244/8.10.1996;
4. Law 310/2004 amending and supplementing Law 107/1996, Official Gazette no. 584/30 June 2004;
5. Law no. 458/2002 on drinking water quality – M.Of. nr. 552/29.07.2002;
6. Law No 311/2004 amending and supplementing Law 458/2002 – Official Gazette No 582/30.06.2004
7. HG no. 188/2002 for the approval of some norms regarding the conditions of discharge of wastewater into the aquatic environment – M.Of. no. 187.20.03.2002 NTPA-011 – Technical norms regarding the collection, treatment and discharge of municipal wastewater (Annex 1) NTPA-002/2002;
8. NTPA-001/2002 on the establishment of pollutant load limits for industrial and municipal wastewater discharge into natural receptors;
9. GD no. 352/2005 on amending and supplementing GD 188/2002 for the approval of certain rules on the conditions of discharge into the environment;
10. Law no. 59/2016.

Plan for the Prevention and Combating of Accidental Pollution at the "Red Mud pond" Waste Deposit

1. Integrated Authorization Environmental no. 1/19.03.2018 revised on 05.04.2022;
2. Law no. 265/2006 on environmental protection which approves O.U.G. no 195/2005;
3. Government Decision 349/2005 on waste disposal;
4. Order No. 757/2004 for the approval of the Technical Regulation on landfilling, construction, operation, monitoring and closure of landfills;
5. Order No. 95/2005 on acceptance criteria and preliminary procedures for acceptance of waste at landfill and the national list of waste accepted in each class of landfill;
6. Law No 59/2016 on the control of major accident hazards involving dangerous substances;
7. COUNCIL DIRECTIVE 1999/31/EC on the landfill of waste.

II.4 ESRS E3 Water and Marine Resources

This section presents information on the material sub-topic **Water consumption** and the related impacts of the ALRO Group on the topic of water and marine resources, including information on how they are managed.

Material Impacts, Risks and Opportunities (IRO) – on Water and Marine Resources

ESRS Standard	Sub-topic	Name IRO	Locating the impact in the value chain*			The time horizon over which IRO manifests**		
	Sub-sub-topic	Category IRO	↑	↔	↓	ST	MT	LT
ESRS E3 Water and marine resources	**Water resources:**	**M14 (-) Water consumption.**		ALRO ALUM VE VT CONEF				
	Water consumption	*Current negative impact*						

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: TS – short term, MT – medium term, LT – long term

The impacts that resulted from the materiality process are associated with the ALRO Group's business model and are related to its own activities, given that both aluminium production and administrative activities require the use of water resources, thus generating an environmental impact (M14).

ALRO

At the ALRO Group level, water is mainly used in the production processes for primary and processed aluminium.

At ALRO, headquartered at 116 Pitesti Street, Slatina, the water utilities consist of:

1. **The drinking water utility** (extracted from underground) consists of: ten deep wells, two buried reception tanks of 100 m³ and 400 m³, a chlorination station, a water pumping station from the network, a water tower and a network of underground polyethylene pipes for distribution;
2. **The industrial water management** (extracted from the surface source) consists of: two supply points (the Arcești Lake intake and a temporary intake on Slatina Lake), treatment and pumping facility (equipped with a sand remover, decanters, quartz sand filters, tanks and pumping station), a 10,000 m³ semi-buried tank, four underground tanks of 500 m³ each, a water tower and a network of underground cast iron pipes for distribution. The water castle permanently contains at least 1,000 m³, which represents the intangible reserve in case of fire. The industrial water management also includes a recirculation station, with a natural draft cooling tower composed of:
    - bunderground hot water basin, made of reinforced concrete, with a capacity of 600 cubic meters;
    - hot water pumping station;
    - hyperbolic cooling tower, made of reinforced concrete, with natural draft, Q=3000 mc/h, equipped with a chilled water pool, used only during hot weather (generally started in May and stopped in October);
    - cold water pumping station, used only together with the cooling tower (they are stopped during cold weather);
    - recirculation network made of metal pipe Dn 400÷800 mm, above ground.

For the headquarters at 1 Milcov Street, the water utilities consist of:

1. Drinking water utility: four deep wells, 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;
2. Industrial water management: four medium-depth boreholes, capture front on the left bank of the Milcov stream, four underground reservoirs of 400 m³ each to ensure fire extinguishing, a 200 m³ underground basin, two pumping groups, cooling system, demineralization station and underground distribution network.

ALUM

Within ALUM, under normal operating conditions, the main process for which water is used is the production of alumina, by generating steam (except for the calcination process) and for cooling the installation. Industrial water supply is provided from surface sources (Danube River – Tulcea Branch), from a “pocket” type basin in which a pumping station is located. In 2024, due to the cessation of alumina production activity, no water consumption was carried out for industrial purposes, except for the water used to moisten the sludge dump to prevent dust emissions into the atmosphere, and no technological wastewater was generated.

VE

Within **VE**, water is used for drinking and industrial purposes (including softened water), the largest consumption being for industrial water, which is recirculated throughout all technological processes. Water supply and sewage service are provided by ALRO.

Within **VT** and **CONEF**, no water consumption is recorded, these being assimilated into ALRO consumption.

At the upstream and downstream value chain level, no significant impacts related to this sub-topic were identified. However, by implementing the supplier evaluation procedure according to environmental criteria and assuming the '*Supplier Code of Conduct*', we are making efforts to reduce the environmental impact in the supply chain, including in terms of water consumption.

II.4.1 [E3.IRO-1] Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Information regarding the description of processes for identifying and assessing impacts, risks, and significant opportunities related to water and marine resources is reported in Section IRO-1 of the ESRS 2 standard.

II.4.2 [E3-1] Policies related to water and marine resources

The ALRO Group has not adopted a formal water resource management policy at the level of its companies, but through the general policies at ALRO level **ALRO Policy on Quality, Environment, Energy, Information Security, Occupational Health and Safety, at ALUM level ALUM CEO's Statement on Quality, Environment, Energy, Information Security, Social Responsibility and Occupational Health and Safety Policy** and at VE level VE *Code of Conduct*, the Group has set general objectives oriented towards sustainable development, continuous improvement and reduction of environmental impact. Among the general objectives of ALRO's policy isthe reduction of environmental impact through efficient use of all resources, including water, among the objectives of ALUM's policy is mentioned the also objective of saving energy and natural resources in the conduct of activities, and in the VE *Code of Conduct* the company states that in conducting its activities the company takes into account the environmental impact.

More information on these policies has been included in *section E5-1 of ESRS E5*.

To date, no formal water management policy has been developed, as our operations are in areas without water stress, where access to water is not a critical issue and there are no significant restrictions on use, and are considered sufficient these general policies. However, we recognize the importance of a structured approach to sustainable water management and are committed to consider in the future the advisability of developing a dedicated policy, especially if we observe changes in the availability of this resource.

The water needed for production activities comes mainly from the Olt River for ALRO and the Danube River for ALUM. Given that these sources are accessible and not located in regions affected by water stress, the Group did not consider it necessary to adopt a specific policy for the management of water resources. However, the ALRO Group is implementing concrete measures to reduce water consumption, including through wastewater recirculation, as outlined in the reporting requirement E3-2. These measures contribute to making water use more efficient and minimizing environmental impacts, even in the absence of a formal policy

Furthermore, as regards sustainable oceans and seas, given that the Group's activities do not have a significant impact on them, no specific policies have been adopted in this area. However, ALRO Group will continue to assess opportunities to develop appropriate measures should its activities affect these resources in the future.

II.4.3 [E3-2] Actions and resources related to water and marine resources

Water is an indispensable and essential resource for the Group's activities, being used for industrial, drinking and domestic purposes. The correct management of water consumption and ensuring adequate water supply are mandatory conditions for carrying out activities in optimal conditions.

The actions undertaken by ALRO and ALUM are part of the Sustainability Strategy 2021-2025 and the company's overall activity, given the focus on optimizing production processes with positive environmental impacts, are correlated with the M14 impacts and the two general policies presented in section E3-1: ALRO's Quality, Environment, Energy, Information Security, Occupational Health and Safety Policy Social Responsibility ALUM's CEO's Statement on Quality, Environment, Energy, Information Security, Social Responsibility, Occupational Health and Safety Policyand.

ALRO

In order to support the implementation of its policies and to streamline water consumption in its operations, the company implemented the following actions in 2024:

- **A1 E3.** Implement water efficiency projects.
- **A2 E3.** Develop and implement technical measures to increase recirculation of industrial water.
- **A3 E3.** Rainwater harvesting.
- **A4 E3**. Continue to bring the wastewater effluent parameters in line with the quality standards, as required by the legislation.

Related to **action A1. E3.** in 2024, a series of documents were prepared to promote and approve the project "Improving the energy efficiency of the Repair and Spare Parts Section (SRPS) by modernizing the induction furnace and installing a water cooling/ recirculation system". This project aims to modernize the induction furnace with energy efficient equipment and install a cooling/ recirculation system, thereby achieving both energy and water savings. In 2024 the contract was signed with a specialized company and the first part of the project was completed by upgrading the induction furnace.

Also in the framework of **action A1.E3.**, the project for the replacement of the water pipes supplying ALRO equipment was carried out in 2024, with the completion of the second stage of the diversion of the industrial water supply route from the Olt Inlet to ALRO Aluminiu Primar, on the segment of the Curtișoara Hill Base – Upper Hill Flat Connection. Using the new supply route will eliminate the water losses recorded in the past due to the poor technical condition of the old pipes and water pumping equipment, thus ensuring a safe and reliable supply to ALRO Primar equipment.

For the time horizon 2025-2026, the Group aims to implement the following actions:

- Continuing its commitment to reduce the impact of the Group's operations on the environment and the community, ALRO will continue the project "Improving the energy efficiency of the Spare Parts and Repair Section (SRPS) by upgrading the induction furnace and installing a cooling/recirculating water system" by installing a cooling/recirculating system.

All these measures contribute to the objective of achieving a water recycling rate of more than 80%.

In addition to the above actions, in order to efficiently manage water consumption, water recirculation measures are applied in all ALRO production divisions. In addition, the pumping stations in 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, starting in 2025, cooling water will be fully recirculated in the Repair and Parts Production Units, as envisioned in the Sustainability Strategy.

ALUM

In order to support the implementation of its and to streamline water consumption in its operations, the company has set a number of actions, but as alumina production was also suspended in 2024, no progress has been made in this direction. For the time horizon 2025-2026, in case of resumption of production, the following actions will be considered

- Continue actions to increase the safety of water supply installations and the degree of water recirculation in technological processes.
- Implement a measure to collect rainwater from the platform as a source of water for wetting the red mud pit.

In ALUM, where alumina production takes place, industrial water is supplied from surface sources (Danube River – Tulcea Arm), from a basin, which is a "pocket" type, in which a pumping station is located. Efficient water management is achieved through an action program to reduce water consumption and a self-monitoring program for effluent quality. Evaluation of the efficiency of the water management system is carried out under normal operating conditions by tracking water consumption per ton of alumina, including an annual water efficiency assessment. Following the suspension of the alumina production activity, monitoring activities included only domestic wastewater quality tests as required by the permits held.

The actions undertaken by ALRO address the second level of the mitigation hierarchy of impacts related to water and marine resources, i.e. reducing the amount of water used by implementing efficiency measures. Furthermore, the initiative to diversify water sources using rainwater source belongs to the first level of the hierarchy, i.e. avoiding the use of water resources. None of the sites with production operations included in the current reporting are operating in high risk areas in terms of water resources availability.

Within the ALRO Group there are entities with activities in high risk areas for competition associated with water resources (Bucharest-Ilfov), ALRO Working Point Bucharest and VT, which, however, record low water consumption.

Financial resources related to the shares discussed in the previous paragraphs have a higher weight for A1.E3 shares for ALRO.

Content of reporting on resources in relation to climate change policies (in thousands of RON)

	Entity	Current 2024	Budget in the near future (<1 year)	Budget in the medium future (1-5 years)	Budget in the distant future (>5 years)
Financial resources allocated to the action plan (CapEx)	ALRO	2,644	156	-	-

The financial resources allocated to action A1 also include the financial resources referred to in action A4 under Section ESRS E1.

II.4.4 [E3-3] Targets related to water and marine resources

There are two measurable group-wide for water consumption targets correlated with all the actions presented in section *E3-2: Achieve greater than 80% water recycling (1) and 100% recirculation of cooling water in the Repair and Parts Section (2)*. These targets, as well as the calculation and analysis methodology, are unchanged from the time they were established, from 2021 to the present. As with the actions discussed in the previous paragraphs, the objectives are closely related to Impact M14

Both metrics are based on paragraph 28 of ESRS E3, in particular the amounts of water recycled and reused and the total water consumption which is directly monitored by meters. Metrics are relative values, but have absolute comparative value (progress is monitored by determining the deviation from the highlighted percentage). The base year for measuring progress is 2016 (1) and 2025 (2). The implementation period for the first target is 2016-2025, implicitly until the end of the current Sustainability Strategy implementation period.

When defining the objective of achieving a water recycling rate of more than 80%, several essential aspects were taken into account, among which we can mention: (i) the environmental impact in terms of reducing water consumption, reducing pollution by treating and reusing wastewater, assessing the availability and quality of wastewater sources to determine the viability of recycling at such a high level; (ii) the availability of water treatment technologies which is a critical factor as it must ensure efficiency, sustainability and compliance with environmental standards; (iii) analysis of long-term economic costs and benefits, including investments in infrastructure and reduced dependence on natural resources; and last but not least (iv) legislative and regulatory issues, as well as community and stakeholder engagement, to support the adoption of responsible and sustainable practices.

Setting the goal of achieving a water recirculation rate of more than 80% involves collaboration between several stakeholders, including public authorities such as the Olt Water Basin Administration, the Olt Water Company, which sets regulations and monitors progress; ALRO, responsible for implementing the necessary technologies; and environmental organizations, which promote sustainability and educate the public. In addition, the Company contributes to the development of projects and feasibility studies, while employees play an important role by adopting sustainable practices to achieve this ambitious goal.

In defining the of objective 1*00% recirculation of cooling water in the Repairs and Spare Parts Department*, several aspects have been considered: (i) environmental impact – optimizing water consumption and eliminating the need for additional input from external sources contributes to reducing the environmental impact. By implementing a full recirculation system, losses are minimized and the sustainable use of resources is ensured. (ii) the existing technological process – in order to achieve 100% recirculation, efficient technical solutions for the treatment and reuse of cooling water were evaluated. The systems adopted must ensure consistent performance, operational reliability and compliance with internal technical requirements. (iii) Cost-benefit analysis – the required investments were evaluated from an economic efficiency perspective, taking into account both implementation costs and long-term benefits. Reducing water consumption and optimizing internal processes generates significant cost savings and improves operational sustainability. (iv) Operational efficiency and team involvement. Repair and Parts employees play an active role in maintaining system performance and implementing best practices for cooling water management.

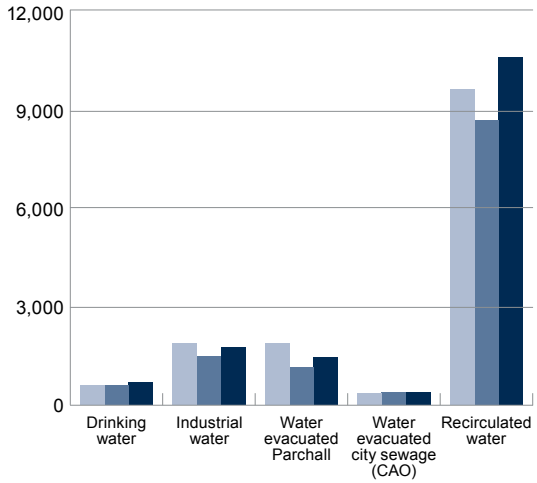
By adopting this objective, ALRO demonstrates its commitment to the responsible use of resources and continuous optimization of industrial processes. This is an important step towards sustainability and operational efficiency, contributing to improved environmental performance and strengthening a sustainable water management model.

Performance towards objective (1) is illustrated in table for ALRO. In 2024, ALUM has no production activity for which cooling water is used, and at VE water is recirculated only for cooling equipment and hardening aluminium profiles.

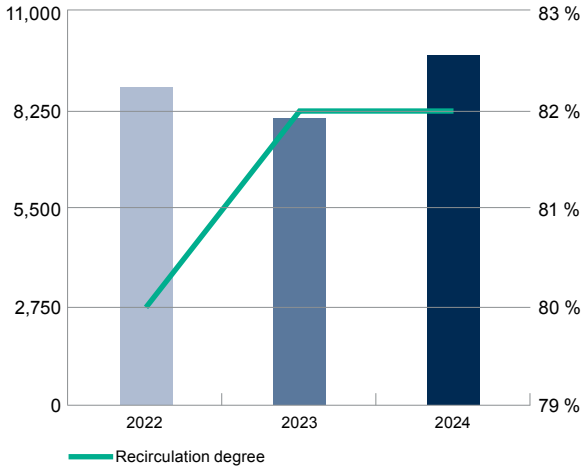
Performance towards target (1)

Entity	Target	2022	2023	2024	Relative gap 2023-2024
ALRO	over 80%	76.77%	75.62%	74.46%	-1.16%

Progress of water-related indicators ALRO 2022-2024 (th. m³)



Progress of indicators related to recirculated water / degree of recirculation ALRO 2022-2024 (th. m³)



An	Drinking water (well extraction – underground)	Industrial water (head waters – surface)	Water evacuated Parchall	Water evacuated city sewage (CAO)	Recirculated water	Recirculation degree
2022	537.02	1,829.15	1,803.80	293.49	9,597.09	80 %
2023	522.39	1,414.68	1,092.63	298.55	8,647.13	82 %
2024	610.78	1,707.35	1,399.87	318.47	10,570.13	82 %

Fresh water consumption, combined with the level of production achieved in 2024, recorded decreases compared to the previous year, demonstrating ALRO's constant efforts in achieving targets.

The objective aims to mitigate the negative impacts related to water consumption in ALRO, ALUM and VE. By increasing at the entity level and maximizing in allocated areas the degree of recirculated water, the demand for extracted decreases. Although none of the counties with production activity are at risk of unavailability of water resources, a precautionary approach can only emphasize ALRO Group's commitment to sustainable resource management.

The objective has not changed since the date of establishment and is included in the Integrated Environmental Authorization.

II.4.5 [E3-4] Water consumption

ALRO is the largest water consumer in the group and is supplied from surface (Olt River) and groundwater sources. At its headquarters in 116 Pitesti Street, Slatina, drinking water comes from ten deep boreholes and is treated in a chlorination plant and distributed through a network of metal pipes. Industrial water comes from the surface source (Acrești and Slatina lakes), and wastewater management includes a collection and treatment system that discharges into the Milcov stream. Domestic wastewater is discharged into the municipal sewer. The waterworks at 1 Milcov Street includes deep boreholes and a system distribution, and industrial water is abstracted from the Milcov stream with a similar distribution and treatment system.

Technological wastewater from the premises in Pitesti Street comes from various industrial processes and is treated before being discharged. The storm and technological wastewater management system includes a collector that discharges into the Milcov stream. ALRO applies water recirculation measures to reduce consumption and environmental impact, and the water used for cooling will be fully recirculated from 2025. The water stress index for the Olt basin is 0.0689, indicating a minor impact on water resources.

At ALUM, typically during periods of production operation, most of the captured industrial water is used to cool equipment, a process that involves recirculating it through forced-draft cooling towers. However, in 2024, due to the suspension of production activity, this use did not occur. A smaller proportion of the captured water is normally filtered, softened and used to supplement the demineralized water in the CET circuit. A proportion of the water abstracted is also used to replenish the red mud pit during dry periods, thus helping to reduce environmental impact. The quality of drinking water and wastewater is constantly monitored and analyzed both internally and externally in accordance with legal regulations. The efficiency of water management is evaluated annually with an analysis of water consumption per ton of alumina.

To prevent negative environmental impacts, ALRO implements strict measures to protect water resources, including an accidental pollution prevention plan. Measures taken include updating risk management plans to reduce the risk of soil and groundwater contamination. However, natural events or emergency situations could affect the integrity of water households. Within VT and CONEF there are no significant water consumption records.

Water consumption in 2024 (in m³)

Entity	Drive	ALRO	ALUM	VE
Total water consumption	m³	599,796	442,709	10,991
Total drinking water consumption	m³	292,310	5,292	2,971
Total technological water consumption	m³	307,486	437,417	8,020
Total cooling water consumption	m³	0	0	8,020
Total water consumption in areas at risk of water availability, including areas with high water stress (only if available)	m³	0	0	0
Total water recycled and reused	m³	10,570,129	0	0
Total stored water[21]	m³	1,000	0	0
Changes in stored water	m³	0	0	0
Disclosure of contextual information on water consumption	Narativ			At VE it is done the same as at ALRO, there are meters that are read monthly, and based on the readings, a Minutes are drawn up between VE and ALRO, based on which the consumption is invoiced.
Water intensity ratio	Percent	0.19	6.35	0.02
Net profit	mil. ron	3,202,769	69,699	574,302
Water abstracted	m³	2,318,129	437,417	0
Water spills	m³	1,718,333	1,645	0

21 The basins have a construction volume, and the volume of industrial water in the water tower is 1000 m³, which is the maximum level. The water is pumped into the tower (which is 60 m high), and at the top, there is a mushroom-shaped structure which maintains this 1000 m³ volume. The pump works on the basis of a level sensor, and when the water level drops below 90%, the pump starts automatically (24/24). Losses cannot be metered. The water is supplied through the Olt Priza, on this 6.5 km route, the amount of water leaving the Olt Priza is metered, but not how much enters ALRO. Everything that leaves the Priza is considered as consumption, without metering losses. On the 2.4 km section from Priza Olt to ALRO, four old pipes were replaced with two polyethylene pipes as a measure to stop-lossreduce water losses along the route. Also, hydrometeorological events have no impact on the storage infrastructure.

ALRO

In ALRO's business, monitoring and managing water consumption are essential to optimize industrial processes. Fresh industrial water, drawn from the Olt Intake, is properly accounted for and wastewater is discharged through the Parshall, thus contributing to the water resource management process. Also, a rigorous control is carried out on the addition water, which comes from the Olt Intake and is used to monitor the reagents involved in the technological processes.

However, as far as the balance of utilities is concerned, recirculated water quantities are not measured directly, but are calculated on the basis of approved consumption norms for each domestic consumer. Thus there is no metering system in place to provide precise data on the exact quantities of water actually used. This method of estimation, based on standardized rules, may not always reflect the real-time accuracy of recirculated water consumption.

In addition, the flow of water abstracted and repumped from the Olt Intake working point is regulated according to the water level in the water tower and in the underground tanks of the Treapta II pump station. The quantities of water pumped to ALRO are metered at the inlet of the adduction route, but these quantities do not always correspond to the volume of fresh water actually used in the industrial process. The differences are due to water losses caused by breakdowns in buried pipes, which are not easily detectable, making it difficult to determine exactly how much water is actually consumed by the company.

The methodology for calculating the water indicators, based on meter reading, aims to ensure an accurate and transparent assessment of the consumption and reuse of water resources. First, raw data is collected by reading meters installed at key points in the system, such as water inputs to the network, outputs to consumers and recycling or treatment points. These readings are taken at regular intervals to monitor variations and trends over time. The data collected is validated to identify and correct any errors caused by incorrect readings, equipment failures or unexpected losses. Relevant indicators are then calculated, such as total water consumption, total consumption of drinking and industrial (process) water, total consumption of cooling water. For detailed analysis, meter data can be correlated with other operational factors, such as industrial production or number of users, to get a complete picture of the efficiency and sustainability of the system. Finally, the calculated indicators are integrated into regular reports that facilitate informed decisions to optimize water consumption.

Regarding the recirculated water, the calculation formula for the recycling rate is the ratio between the total recirculated water and the total water used (the makeup water from the Olt Intake is added to the total recirculated water).

ALUM

At ALUM, water consumption is carefully monitored by means of meters installed for all categories of water used, both industrial water and drinking water. Discharged water is also metered, being the technological wastewater discharged into the Danube, as well as rainwater and cooling water discharged into the Somova Gorge. In 2024, due to the suspension of production activity, there was no recirculated cooling water or technological wastewater. The amount of industrial water captured was used exclusively for wetting the red mud pit, thus adapting the consumption to the specific requirements in this context.

Another important aspect is the fact that ALUM does not store any category of water, managing the resources directly and efficiently. In terms of 2024 water consumption (industrial captured and potable), quantities are determined by meter readings and billed monthly according to the data collected. This process provides a clear and transparent record of consumption for both industrial and potable water.

VE

At VE, the water management process is similar to that at ALRO, as there are meters that are quoted monthly. On the basis of these readings, a Verbal Process is drawn up between VE and ALRO, which is the document on which the water consumption is billed. The water recirculated at VE, which is used to cool the equipment and harden the aluminium profiles, is subject to minimal evaporation loss. This loss occurs during the hardening of the aluminium profiles and in the heat exchange process in the water towers. In general, the amount of water lost through evaporation is negligible compared to the total volume used, indicating efficient management of recirculated water in VE operations.

ANNEX 5 Water Risk Assessment

Water stress is the ratio of total water demand to available renewable surface and groundwater resources. Water demand includes consumption for domestic, industrial, irrigation and livestock. Renewable water resources take into account the impact of upstream consumptive users as well as the influence of large dams on downstream water availability.

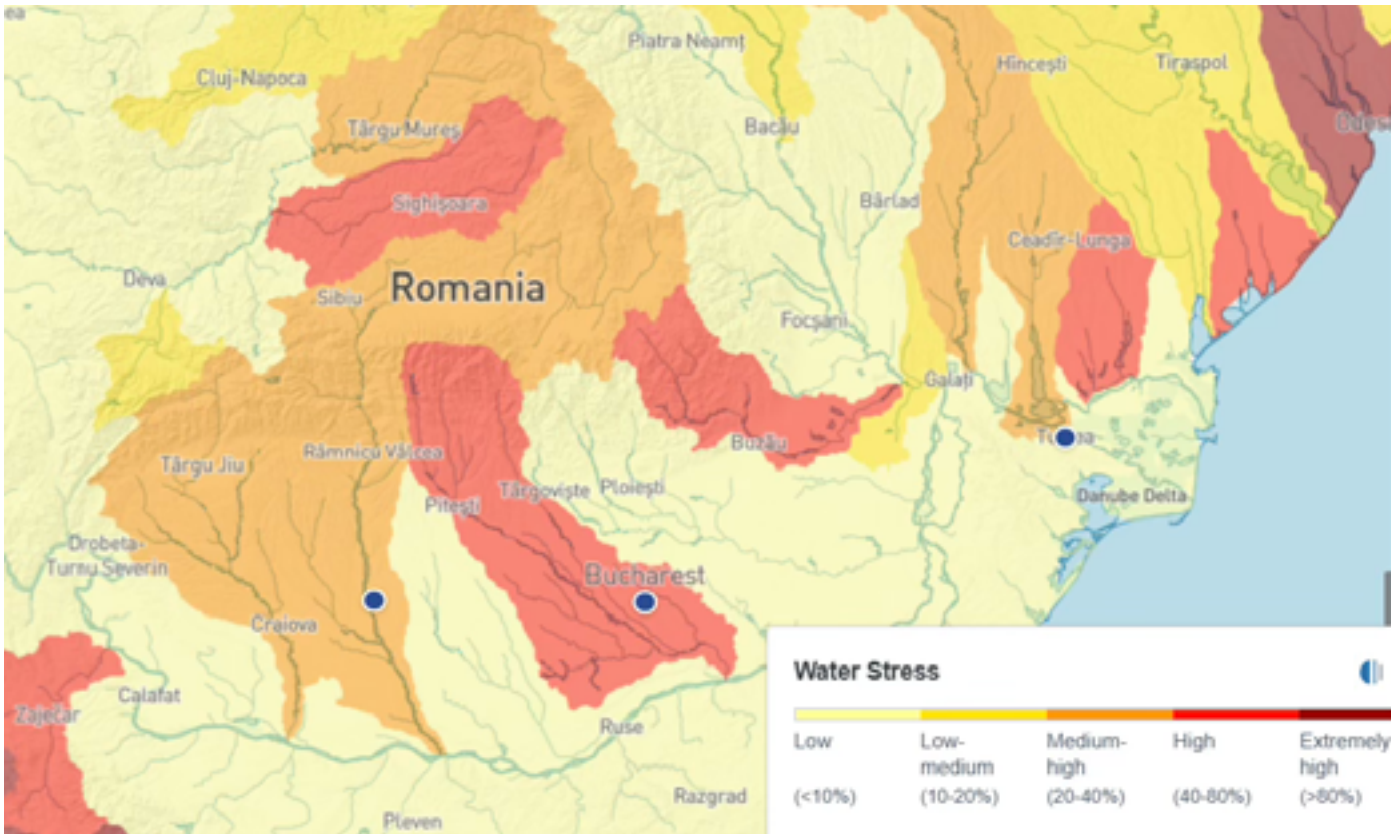
High values of water stress indicate increased competition between users, which can pose a major risk for economic sectors and local communities, especially in regions with intensive agricultural activities or high population concentration.

The analysis for the areas in which ALRO operates can be seen in the table, with the mention that the activities that record consumption waterare not carried out in Bucharest County or in the vicinity[22].

Evidence of water risk

Country	County	Water stress level
Romania	Bucharest	High (40-80%)
Romania	Olt	Medium (20-40%)
Romania	Tulcea	Low (<10%)

Visual representation of the degree of water risk



22 Based on the WRI Aqueduct methodology, there were no additional assumptions.

II.5 ESRS E5 Resource use and circular economy

This section presents information about the material sub-topics and related IROs of the ALRO Group related to the topic of **Resource use and circular economy**, including how we manage them: **Resource inputs, including resource use, and Resource outputs related to products and services.**

Material Impacts, Risks and Opportunities (IRO) – on Resource Use and Circular Economy

ESRS Standard	Sub-topic	Name IRO	Locating the impact in the value chain*			The time horizon over which IRO manifests**		
	Sub-sub-topic	Category IRO	↑	↔	↓	ST	MT	LT
ESRS E5 Resource use and the circular economy	Resource inputs, including resource utilization:	**M24 (+) Use of aluminium scrap in the production process.** *Current positive impact*		ALRO VE				
		RO10_A Opportunity: increase the capacity to use aluminium scrap in the manufacture of finished products. *Oportunity*		ALRO VE		●		
		M25 (-) Use of raw materials and materials in own activities. *Current negative impact*		ALRO ALUM VE VT				
		RO11_A Risks related to limiting consumption of natural resources in the context of climate change. *Risk*		ALRO ALUM VE		●		
	Resource outflows related to products and services:	**M26 (+) Low-emitting aluminium supports decarbonization of other economic sectors.** *Current positive impact*		ALRO VE				
		RO12_A Opportunity to decarbonize other sectors by providing low-emission aluminium products with significant environmental and industrial impacts. *Opportunity*		ALRO VE		●		

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓

** Time horizon in which IRO occurs: ST – short-terms, MT – medium-terms, LT – long-terms

The impacts identified through the materiality assessment process are associated with ALRO Group's business model and are related to its own activities, given that aluminium production requires the use of a wide range of resources and materials, thus generating an environmental impact (M25). At the same time, given the technologies used and the specificity of the industry, ALRO Group can reduce this negative impact by using externally purchased aluminium scrap as raw material, as well as aluminium scrap resulting internally from the production processes of ALRO and VE companies (M24).

Given, on the one hand, the specific properties of aluminium, but also a number of low-emission aluminium products made by ALRO Group, it contributes to the decarbonization of other economic sectors (M26). The low carbon footprint of the Group's products, especially those made of recycled aluminium, confirmed by numerous LCA and EDP studies demonstrate that the emissions of these products are reduced both in the manufacturing phase and in the transportation, distribution and use phases. Aluminium is recognized as having an important role in decarbonizing other economic sectors. It has specific properties that support ALRO Group's mission to minimize the negative impact on the environment and that also influence other key sectors of the economy, such as the automotive, construction and aeronautics industries. Its high resistance to various forms of corrosion and, above all, its infinite recyclability, make a significant contribution to reducing greenhouse gas emissions.

These impacts can generate risks and opportunities for certain ALRO Group companies, as presented in the tables above. The use of natural resources in the Group's activities also generates a significant direct economic impact because, if resource consumption is limited as a result of intensifying climate change, in the long term, dependence on exhaustible natural resources may lead to increased acquisition costs as access to resources becomes increasingly difficult (RO11_A). In addition, environmental regulations and investor sustainability standards may require the Group to adopt sustainable practices, leading to investments in sustainable processes and technologies production processes (RO10_A).

At the same time, the optimal management of resources and the increased capacity to use aluminium scrap in the manufacture of finished products also has a positive financial impact on the Group, contributing to improving its financial performance by increasing revenues and decreasing costs used in the production processes (RO10_A and RO12_A). Aluminium stands out for its ability to be recycled indefinitely without suffering degradation of its properties, making it an ideal material for a low-carbon circular economy.

The protection of natural resources is a priority for the management and development of the Group's activity and is an integrated part of the business. To this end, the Group is constantly seeking to improve the way in which all the natural resources used in its production processes are managed, thereby reducing the impact on the environment and ensuring sustainable business growth by anticipating market trends and legal obligations. In support of this objective, the Group has implemented a number of policies and actions through which it seeks to continuously develop, identify needs and formulate new specific measures, as outlined in sections *[E5-1] Policies related to resource use and the circular economy* and *[E5-2] Actions and resources related to resource use and the circular economy.*

II.5.1 [E5.IRO-1] Description of the processes for identifying and assessing significant impacts, risks and opportunities related to resource use and the circular economy

Information on the description of the processes for identifying and assessing significant impacts, risks and opportunities related to resource use and the circular economy is reported in Section IRO-1 of the ESRS 2 standard.

II.5.2 [E5-1] Policies related to resource use and circular economy

ALRO

ALRO's policy on quality, environment, energy, information security, occupational health and safety includes clear objectives oriented towards sustainable development and continuous improvement. General objectives include meeting customer requirements and expectations, increasing product competitiveness, reducing environmental impact by implementing the circular economy, and efficient use of resources (M24), (M25) and (M26).

ALRO also promotes social responsibility, respecting employee rights and ensuring safe and healthy working conditions. The integrated management system ensures consistency of these objectives by constantly monitoring and improving internal processes and activities.

ALRO's policy includes circular economy objectives such as: increasing the use of aluminium scrap in the production of finished products (RO10_A), managing the risks associated with natural resource limitations in the context of climate change (RO11_A) and opportunities to decarbonize other sectors by supplying low-emission aluminium products (RO12_A).

ALRO's policy applies to the entire organization and all its activities, including both production processes and the management of natural and energy resources. The scope encompasses the entire value chain, both upstream (sourcing of raw materials, including recycling of aluminium scrap) and downstream (distribution and use of finished products). In terms of stakeholders, the policy covers employees, customers, local and central authorities, suppliers, business partners and local communities, all of whom are affected by sustainability and energy efficiency decisions.

The highest level in ALRO responsible for policy implementation is the General Manager. He/she ensures the necessary resources to meet the requirements related to quality, environment, energy, information security, occupational health and safety, asset management, as well as the continuous improvement of the organization's products, processes and activities. The General Director shall also coordinate the periodic review of the management system and establish the necessary measures to ensure its continuity and adequacy in relation to the objectives set.

ALRO aligns its policy to international standards such as EN ISO 9001, ISO 14001, EN ISO 50001, ISO 45001, ASI (Aluminium Stewardship Initiative) and other relevant certifications, ensuring compliance with best practices in sustainability, quality, energy and safety. Also, for the next reporting period, ALRO Group intends to align this policy, including the setting of targets, with the requirements of ESRS E5 Standards.

Although there was no direct stakeholder consultation process, the policy is formulated taking into account the expectations of key stakeholders, including customers, employees, shareholders, the local community and authorities, ensuring transparency and involvement in decision-making and continuous improvement processes.

The document is available for consultation at ALRO's registered office and on INTRANET, the internal platform for employees. ALRO policy supports the reduction of dependence on virgin resources by increasing the use of aluminium scrap in the production process. The company invests in recycling technologies and making the consumption of raw materials more efficient, thus promoting the circular economy and reducing the carbon footprint associated with primary aluminium extraction. Furthermore, ALRO orients its sourcing policy towards responsible sourcing, encouraging suppliers to adopt the principles and commitment to responsibility and to develop programs to support these principles. In addition, the company invests in energy efficiency and the use of renewable energy sources, helping to reduce environmental impact and ensure sustainable production.

ALUM

ALUM CEO's policy statement on quality, environment, energy, information security, social responsibility and occupational health and safety includes several objectives, among which the saving of energy and natural resources in the conduct of activities (M25 and RO11_A). In order to ensure the coherence of the efforts company's in achieving this objective, as well as the other objectives mentioned in this policy, an integrated quality, environment, energy, information security, social responsibility management system has been implemented in the organization and health occupational and safety, which complies with the standards: SR EN ISO 9001, SR EN ISO 14001, SR EN ISO 50001, ISO/ CEI 27001, SA 8000, SR EN ISO 17025, SR EN ISO 45001. This system was implemented a long time ago (more than 7 years), is recertified every 3 years and is subject to annual surveillance. In the framework of the integrated management system implemented several years ago and periodically recertified, the main lines of action mentioned with regard to this object refer to the orientation towards the "Circular Economy" using diversified approaches, appropriate to the ALUM profile. In the context created by national legislation and European, ALUM to aims make the more effective – both at company level, at community level solutions adopted to achieve the objectives of the circular economy for society as a whole. The circular economy is an opportunity for ALUM to utilize new resources in the most efficient way possible, to and constantly adapt its business model to the latest trends and to respond to the need to reduce the environmental impact in terms of depletion of basic raw material resources.

The policy applies to all the company's operations, including both production processes, energy and natural resource management, and the upstream value chain (raw material sourcing, including waste recycling). In terms of stakeholders, the policy covers employees, customers, local and central authorities, suppliers, business partners and local communities, all of whom are affected by sustainability and energy efficiency decisions.

The highest level in the ALUM organization responsible for the implementation of the policy is the Director General. The definition and understanding of the external context that has been taken into account in the realization of this policy has been based on information from the statutory regulations, in the technological, cultural, social, economic, competitive fields and market, whether international, national, regional or local in nature, without however organizing specific events to consult all its stakeholders. The definition and understanding of the internal context is based on information related to values, culture, ALUM's and performance own knowledge.

ALUM communicates its policy internally through dedicated channels, the document being available for consultation at the company's head office and on INTRANET, the internal platform for employees, ensuring access to its stakeholders and promoting their engagement in the implementation of strategic measures for sustainability.

VE

VE does not have a policy dedicated to the management of the sub-topics **Resource Inputs, including resource utilization** and Outputs **Resource related to products and services** covered by ESRS E5. However through the **VE Code of Conduct** approved by the CEO and applicable to all its operations, the company declares that in carrying out its activities it takes into account the impact on the environment, seeking to minimize negative environmental impacts and reduce carbon emissions. This Code must be complied with by all employees and all persons acting for or providing services to VE, as well as by all other business partners, who must apply rules the same or similar and standards as those set out in this Code.

II.5.3 [E5-2] Actions and resources related to resource use and the circular economy

To support the implementation of the policies described in section **E5-1 Policies related to resource use and the circular economy**, ALRO implements a number of specific actions, some of which are also mentioned in the Sustainability Strategy.

ALRO

In line with the Sustainability Strategy, the Group has set an objective aimed at increasing the degree of waste recycling, recirculation and recovery in line with ALRO's Quality, Environment, Energy, Information Security, Occupational Health and Safety Policy. Within the Sustainability Strategy, in correlation with this policy, with the aim of increasing recycling capacity by 2025, are foreseen three specific actions to be implemented at the level of its own operations and responding to the management of IRO M24, M26, RO10_A and RO12_A:

- **A.1. E5** The development of waste remelting capacities in the Eco-Foundry Facility process through the installation of two double-chamber furnaces, a holding furnace, and the associated flue gas collection and treatment system;
- **A.2. E5** Optimize the Eco-Foundry Facility's waste recovery operation by installing a waste processing line including shredding, separation and burning/paint removal equipment.
- **A.3. E5** Increase the share of high and very high value added products in the production mix, in particular those that we can sell to highly technical end customers.

Action A.1. E5 was started in 2021, all the building works and equipment installation (two double chamber furnaces together with dedicated charging machine, a holding furnace, the corresponding gas capture and treatment plant) were completed in 2023 and the commissioning of the recycling plant took place in 2024. Therefore, the action has been completed and will not be continued in the following years, as ALRO's capacity to recycle aluminium scrap has increased from 60,000 tons to about 100,000 tons per year, thus improvings performance[23] 'in recycling and reducing energy consumption associated with the production of liquid metal.

Action A.2. E5 consists in the purchase of two specialized equipments for sorting/ treating/ processing/ valorization of aluminium and aluminium alloys waste, namely "Specialized shredding and separating/sorting equipment for recycling aluminium and aluminium alloys waste into added value products higher" and "Specialized paint burning and drying equipment for recycling aluminium waste and aluminium alloys into higher added value products". In 2024, the documentation for obtaining financing through the National Recovery and Resilience Program – NRRP) was submitted and the procedure for obtaining the building permit was started. The action has a time horizon for completion through 2027, with a total project value of approximately $13 million.

Action A.3. E5 foresees the introduction into ALRO's portfolio of new high and very high value-added flat products that incorporate more aluminium scrap and whose production involves CO emissions intensity. The action started in 2023 by registering the trademarks OSIM2 ALRO EsențiAL, ALRO VitAL and ALRO VitALMax with a 10-year protection period. In 2023 certificates were obtained for ALRO EsențiAL and ALRO VitAL, and in 2024, the OSIM certificate for ALRO VitALMax was obtained. Thus, starting from this, ALRO holds the license to market these products, having the possibility to produce them according to the requirements of each customer. The action is considered to be completed, the product portfolio is considered to be extended, ALRO has the ability to support its customers in their decarbonization process.

Resource disclosure in relation to Policies related to resource use and circular economy (in thousands of RON)

	Current (2024)	Short term < 1 year	Medium term 1-5 years	Long term > 5 years
Financial resources allocated to the action plan (CapEx) – Action A2.E5			60.225	

23 Compared to the starting target of 60,000 in 2022

II.5.4 [E5-3] Targets related to resource use and the circular economy

ALRO

Action *A.1. E5 Development of the Eco-Opitorie's waste reprocessing capacities by installing two double chamber furnaces, a holding furnace and the plant related flue gas collection and treatment and A.2. E5 Optimize the Eco-Foundry Facility's waste re-melting operation by installing a waste processing line including shredding, separation and combustion/paint removal equipment, the company has set its targets*: Target 1 – Increase recycling, recycling and recovery of waste in line with Directive (EU) 2018/851 and specifically increase the use of secondary raw materials, with progressive targets for 2023-2030, aiming at an efficient circular economy and Target 2: Increase aluminium recycling capacity by 60,000 tons per year by 2025. These are linked to the IROs: M24, M26, RO10_A and RO12_A. These Targets are tracked and reported quarterly in ALRO-wide management meetings. Furthermore, Target 2 has been fully achieved by exceeding the amounts of recycled aluminium scrap, reaching in 2024 an amount of approximately 100,000 tons recycled in the Eco-Foundry Workshop.

TARGET 1 is aligned with **ALRO's Quality, Environment, Energy, Information Security, Occupational Health and Safety Policy** on reducing the consumption of primary resources by integrating secondary resources, aligning with the objectives of the circular economy. It aims to transition away from the extraction of virgin raw materials by increasing the use of recycled materials.

https://data.europa.eu/en/publications/datastories/open-data-track-progress-eus-recycling-targets

The target is measurable and quantitative, based on performance indicators set at European level, with progressive objectives for the period 2025-2035. The scope includes the ALRO Group, but in particular ALRO, where waste is reintegrated into production, facilitating designcircular, the use of secondary materials being one of the main pillars of the Circular Economy Paradigm and to resource conservation. The target has no value referenceas it is not a comparative target (e.g. a decrease compared to one year's value), it refers to the percentage by weight of waste that is recovered through various operations. The same is valid for the reference year, which can, at most, be taken as the year in which **Directive (EU) 2018/851** amended **Directive 2008/98/EC** on waste, which was the main waste management legislation in the European Union.

As the EU targets are set by Directive (EU) 2018/851 and are regulated at EU level, there is no need to disclose the methodologies and significant assumptions used to define them. Also, the targets related to environmental concerns are already supported by conclusive scientific evidence and no is needed further justification. They are the result of extensive analysis and consultation at EU level and related agencies – EEA, reflecting the latest scientific knowledge and trends in waste management and the circular economy.

ALRO's objective of reusing aluminium scrap in production is closely linked to resource utilization and circular economy, as it reduces dependence on primary natural resources and contributes to closing the material loop. By recycling aluminium, ALRO supports the circular economy, in which materials are continuously recirculated and reused, thereby reducing environmental impact and greenhouse gas emissions. In addition, this objective supports the growth of circular design, as products are designed in such a way that they can be efficiently recycled by melting at the end of their life cycle.

By integrating recycled aluminium into production, the company is promoting a sustainable business model in which materials are continuously circulated without compromising the performance or quality of the final products. It also aims to increase the utilization rate of circular material, thus contributing to the saving of primary resources and reducing the need for bauxite mined aluminium. This process helps to minimize the use of primary raw materials, which means more efficient management of natural resources and reduced environmental impact. By using recycled aluminium scrap, ALRO is also helping to reverse the depletion of natural resources, helping to preserve renewable resources for the future and supporting the transition to a more sustainable economy.

TARGET 2 Increasing aluminium recycling capacity by 60,000 tons per year by 2025 is also aligned with ALRO's Quality, Environment, Energy, Information Security, Occupational Health and Safety Policy and is set in 2021 following impact studies based on internal needs in the production process as well as customer requirements to increase the percentage of aluminium waste in the manufacturing process. The target applies to the period 2021-2025, is measurable, absolute, applicable at ALRO level, reflecting the company's commitment to efficiency, sustainability and operational performance.

By setting this target, the company contributes to the efficiency of waste re-covery operations and, implicitly, to the reduction of natural gas consumption and emissionsCO_2, impacting the Group's efforts to align with the Paris Agreement. This target was reached in 2024, when new recycling equipment was commissioned. This brought ALRO's aluminium scrap recycling capacity to approximately 100,000 tons per year, improving the use of aluminium scrap in the production process, facilitating the marketing of low CO emitting aluminium products 2 and reducing energy consumption associated with the production of liquid metal. This target has a direct link to resource utilization and circular economy, helping to optimize the flows of raw materials and reduce waste generated in the production process. By integrating a higher proportion of recycled material into products, the company supports the growth of circular design, ensuring more efficient use of resources. At the same time, this objective supports the increased use of circular material, facilitating the transition to a more sustainable industry and reducing dependence on primary resources. Maximizing the recycling and use of secondary materials allows minimizing the use of primary raw materials, reducing environmental impact and conserving natural resources. In addition, it helps to reverse the depletion of renewable resources, promoting a sustainable balance in their exploitation and reinforcing the company's commitment to sustainability

II.5.5 [E5-4] Resource inflows

As regards technical and biological materials, these are only reported for entities carrying out production activities, as for such entities raw materials, auxiliary materials and packaging are managed and monitored as required by the environmental permit. Given that VT is engaged in sales intermediation activities and CONEF is engaged in holding and management activities, these entities do not record inputs of materials and/or packaging specific to the group's activities. The only potentially relevant input categories for these entities are consumables, which do not fall into the category of technical materials[24], as defined in this reporting.

Technical and biological materials

	ALRO	ALUM (in case of production activity)	VE
Raw materials used	• Calcined petroleum coke • Tar pitch • Manganese 80% • Silicon • Chrome tablets 80% • Zinc • Iron tablets 80% • Secondary aluminium from waste and by-products	• Bauxite – complex ore containing varying concentrations of aluminium oxides, iron oxides, titanium dioxide, silicon dioxide • NaOH lye (50%);	• Aluminium alloy bars
Secondary materials/ Products	• Water treatment reagents • Technical oils • Chlorine • Degresant • Filter earth • Acetylene • Oxygen	• Industrial lime; • NaOH lye (50%); • High-pressure steam • Hydrochloric acid	• NaOH solution: used in the mold degreasing process • Technical oils: hydraulic, transmission • Steel granules and compressed air
Packaging	• Paper/ cardboard • PET Band • White paper • Corrugated cardboard • Wood • Metal packaging	• Wood • Big bags (polypropylene)	• Wood (pallets, wooden frames) • Plastics (film and adhesive tape) • Paper and corrugated board • Metal containers
Critical rocks, based on Regulation (EU) 2024/1252	N/A	N/A	N/A
Rare raw materials, based on Regulation (EU) 2024/1252	• Alumina • Magnesium		

In terms of rare earth and critical elements, as defined by Regulation (EU) 2024/1252 – Critical Raw Materials Act, the Group uses the following in its operations. At ALRO level, copper, manganese, magnesium and silicon are used. The distribution is available in Annex 1. At ALUM, VE, VT and CONEF level, no material defined as critical raw material is used. The Group does not use rare earths.

24 For technical materials, primary resources have been chosen according to the environmental authorizations, i.e. those materials that enter the production process and are retained as part of the output of the production process. This field of the environmental permit is explicitly defined in the category "resource inputs", thus complying with the purpose of the standard.

Information on the properties, facilities and equipment used in the company's own operations and upstream supply chain

In order to determine the main categories of plant, fixed assets and equipment used by each enterprise, the following method was applied for the ALRO Fixed Assets Register. Following the main conclusions, the method is extrapolated to the rest of the ALRO Group entities:

1. Separation by type of asset class.
2. The descending order of assets, using the "Acquisition value" indicator.
3. Ranking the top 10 assets by category.
4. Following the finding of significant differences between the values of assets occupying the same ranking position in different asset classes, it was decided to analyze the dataset in a homogeneous way.
5. In availability, creation of pivot table with the record of classes/ account descriptions with the sum of values and the total number of fixed assets, in order to observe the distribution of the dataset.
6. Quantile analysis[25]: In the context of equipment, quantile analysis can help identify equipment that is in the upper range of the value distribution (e.g., highest quantile), indicating the equipment with the highest inventory values or those with the highest remaining value that is essential to the enterprise's operations. It was decided that this equipment is the most significant to the group's activities.
7. Identify the upper quantile: Identify the percentage above which there is a reasonable number (below 50) of fixed assets to be grouped and described.
8. Summarization in terms of count and sum per purchase category of the dataset in the upper quantile.

ALRO

Within ALRO, there are two types of classification: by class (resulting in 9 categories) or by description of the fixed means (resulting in 6190 unique categories). Due to the lack of an intermediate step resulting in a reasonable number of categories, step 5 could not be completed, starting directly with the quantile analysis. This will be interpreted and described only within ALRO, to facilitate the understanding of the statistical analysis and to avoid repetition of the same concept in later sections.

Result of quantile analysis, ALRO

Quantile no.	Acquisition value	Count of rows
0.25	6,169.22	10,909.00
0.50	25,846.64	7,273.00
0.75	104,277.00	3,636.00
0.85	281,668.27	2,182.00
0.90	343,417.00	1,440.00
0.95	598,787.98	728.00
0.99	2,877,956.25	146.00
0.997	9,795,348.16	44.00

Percentage analysis of purchase values indicates a significant distribution of data based on quantiles. At 25% of the data (0percentile.25th), the purchase value is approximately RON 6,169.22, suggesting that much of the data analyzed is in the lower

25 Quantile analysis is a statistical process used to divide a data set into equal intervals according to specific values. Quantiles are points that divide the data into a number of groups, and their analysis can provide a detailed understanding of the distribution and variability of the data.

ranges of value. At 50% of the data (median or 0percentile.50th), the value is RON 25,846.64, which represents a center point of the distribution, where half of the data are lower and half are higher. At 75% of the data (0percentile.75), the value reaches RON 104,277, signaling a significant increase in the acquisition values. The data continues to move away as we move to the higher quantiles: at 85% of the data, the value reaches RON 281,668.27, and at 90%, the value reaches RON 343,417. The higher quantiles, such as 95%, 99% and 99.7%, indicate extremely high values, with purchases of RON 598,787.98, RON 2,877,956.25 and RON 9,795,348.16, respectively. These data suggest that there is a small number of significantly higher purchases compared to most others.

This analysis resulted in 44 significant fixed assets, illustrated in table.

ALRO's superior quantity of fixed assets

Class	Fixed assetsdescription
1000	BUILDING GAS TREATMENT CENTER H5-6
1000	H10 ELECTROLYSIS BUILDING
1000	ELECTROLYSIS BUILDING HALL 4
1000	ELECTROLYSIS BUILDING HALL 9
1000	CASTHOUSE BUILDING
1000	COLD STRIP ROLLING MILL
1000	PRODUCTION HALL EXTRUDED SECTION 3
1000	SILOZ DOME
1002	EXTRUDED BUILDING
2000	ANODE FURNACE NO.4
2000	RECTIFIER TRANSFORMER GROUP 59 MVA 500
2000	SLAB CASTING MACHINE, PECHINEY
2000	SLAB CASTING MACHINE, PECHINEY
2000	FURNACE
2000	ANODE BAKINGFURNACE NO.1
2000	VIBRATINGPRESS FOR LARGE ANODES PRODUCTION
2000	SLAB CASTING MACHINE, WAGSTAFF 3
2000	OTTO JUNKER HORIZONTAL HEAT TREATMENT FURNACE
2000	HOT ROLLING MILL
2000	HOT ROLLING MILL
2000	COLD ROLLING MILL-mechanical components
2000	COLD ROLLING MILL -electrical installations
2000	COLD ROLLING MILL hydraulic and safety systems
2000	HUNTER COLD ROLLING MILL
2000	HUNTER COLD ROLLING MILL

Class	Fixed assetsdescription
2000	SMA STATION 1
2000	FLUX HEATING FURNACE NO.2
2000	SMS MEER SMS MEER
2000	PROPERZI WIRE ROD MILL MODEL 9 NR.4
2000	TENSION LEVELLING LINE C 11020
2000	CUT TO LENGTH LINE C11025
2000	SLITTING LINE C 11030
2000	AUTOMATION INSTALLATION
2000	ALUMINUM BILLETS FOR D.C. – HALL 5
2000	ALUMINUM BILLETS FOR DIRECT CURRENT – HALL 6
2000	ALUMINUM BILLETS FOR DIRECT CURRENT – HALL 7
2000	ALUMINUM BILLETS FOR D.C. – HALL 8
2000	ALUMINUM BILLETS FOR D.C. – HALLE 10
2000	ALUMINUM BILLETS FOR DIRECT CURRENT – HALL 9
2000	Double chamber FURNACE CDC2
2000	DOUBLE CHAMBER FURNACECDC3
2003	Indep. Research. EQUIPEMENT FOR Al alloys sheets QUENCHING
2003	Indep. RESEARCH EQUIPEMENT FOR Al alloys SHEETS AGING
2003	Indep. Research EQUIPEMENT FOR Al alloys SHEETS STRETCHING

On the basis of the data provided, ALRO owns a variety of equipment and installations essential for the production and processing processes, in particular in the field of rolling and heat treatment for alloys.

1. Buildings and production halls:

- Gas treatment and electrolysis buildings (e.g. "Gas Treatment Center No. 2 (CTG 2 electrolysis)", "Gas Treatment Center No. 1 (CTG 1 electrolysis) – currently in conservation") are used to support the electrolysis and gas treatment processes essential in aluminium production and processing.
- Production halls such as the "COLD ROLLING MILL HALL" or "EXTRUSTED SECTION 3 PRODUCTION HALL" are dedicated to the processing of materials and their extrusion into the desired shapes, with purchase values up to 14 million RON.

2. Rolling and molding plants and equipment:

- Cold and hot strip mills are fundamental installations for the processing of metallic materials into strip, essential for the production of semi-finished products. Plants of this type include equipment such as 'HOT ROLLING MILL' and 'COLD ROLLING MILL' (including mechanical, electrical and hydraulic components).
- Baking and hardening ovens (e.g. "ANODE BAKING FURNACE NO.4" and " HORIZONTAL ANNEALING FURNACE IN OTTO JUNKER FLUX ") are used for essential heat treatments in the aluminium production process.

3. Molding and processing equipment:

- Slabs casting plants (such as "SLAB CASTING INSTALLATION, PECHINEY" and "SLAB CASTING INSTALLATION, WAGSTAFF 3") are essential in the forming of aluminium castings.

- Large size anode vibrating presses and grinding mills are high performance equipment used for the processing of materials for industrial purposes with high purchase values.

4. Automation and control systems:

- Automation and stretch flattening line installations are vital for optimizing production processes and ensuring efficient and consistent production.

5. Independent research equipment:

- Independent equipment for researching the processes of hardening, aging of aluminium alloy sheets is essential for research and development of new technologies and improving production processes.

Distribution of classes in view of total amounts of purchase values and number of purchases per class, ALRO

Item	Inventory valuation process	Average inventory value
1000	102,805,178.67	8
1002	17,727,172.00	1
2000	503,867,738.67	32
2003	78,783,968.19	3
Grand total	703,184,057.53	44

It can be seen that the largest share is held by class 2000, which contains equipment such as furnaces and rolling mills, followed by class 1000, which sums up the values of purchases of buildings.

ALUM

Within ALUM, the descending distribution of fixed asset classes by acquisition value and number of acquisitions per category type is as follows:

Main categories of fixed assets and number of acquisitions per class, ALUM

CAP Account	Description	Percentage of Aquisition Value	Number of Aquisition Value.2
21310000	Technological equipment	77.00%	1451
21200000	Buildings and construction	11.84%	316
21320000	Measurement, control and regulation equipment and installations	3.88%	376
21330000	Means of transportation	3.67%	160
21310070	Equip.tech. POC Contr. Fin. 64/08.09.2016	3.16%	12
21310002	Plant and machinery – PPE	0.24%	26
21400000	Furniture, office equipment and other tangible assets	0.21%	51

It can be seen that technological equipment dominates within fixed assets, having both the highest share in the amount and the highest number of purchases.

Based on this distribution the quantile analysis was performed. A base value of 0.997 (99.7%) was chosen for the upper quantile, because within ALRO, this value resulted in a reasonable number of goods in the upper category (44). To standardize the analysis, the value was kept for all companies present in the Group. This resulted in the following assets belonging to the upper quantile (First 0.03% as value of the dataset).

Upper quantity, ALUM

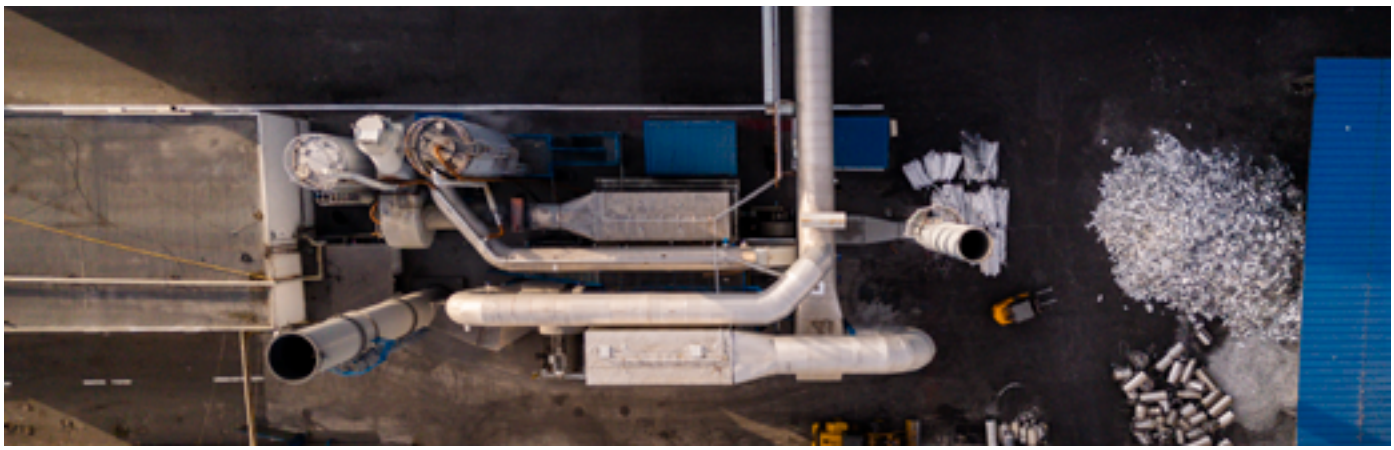
Fixed asset	SNr.	Date of act.	Fixed asset description	Percentage of acquisition value	CAP Account
101366	13	16/07/2015	Red Mud Pond Dam closing provision	12.49%	21200000
101366	28	31/12/2021	Red Mud Pond Dam_Heightening Red Mud Pond Dam	12.20%	21200000
202893	0	28/03/2001	STATIC FURNACE NO.1	14.79%	21310000
202924	0	28/07/1978	STEAM BOILER 105 TO/H	12.95%	21310000
202925	0	28/09/1979	STEAM BOILER 120 T/H NR.3	15.00%	21310000
202936	0	28/09/1973	STEAM BOILER 120T/H NR.1	18.42%	21310000
202937	0	28/06/1974	STEAM BOILER 120TO/H NR.2	14.15%	21310000

On the basis of the analysis, the most important fixed assets used by/under possession of ALUM are:

1. RED MUD POND DAM (provision for closure and overtopping of the dike): The red mud dump dam is a structure used for the safe storage of residues resulting from industrial processes, such as the processing of bauxite into alumina. This construction helps contain solid and liquid waste to prevent environmental contamination.

2. STATIC FURNACE No.1: A static furnace is a piece of equipment used in industrial processes for heating, melting or treating materials. In the metallurgical industry, a static furnace is used for melting aluminium or for heat treatments to improve the properties of metal.

3. STEAM BOILERS (105-120 T/H): Steam boilers are essential equipment in industrial installations for the generation of steam at high pressure and temperature, used in technological processes or for the production of electricity.



VE

Within EV, the descending distribution of fixed asset classes by purchase value and number of purchases per category type is as follows:

Main categories of fixed assets together with the total sum of acquisition values and number of acquisitions per each class, EV

Categories	Percentage of acquisition value	Number of inventory value
Total	73.77%	5090
Matrices	4.93%	1
Tech. Equip. Equip.	7.39%	654
EXTRUSION PRESS PRESS NO. 3	5.28%	1
EXTRUSION PRESS PRESS NO.8	2.03%	1
Extrusion press CCE/229599/29.06.12	1.29%	1
EXTRUSION PRESS PRESS NO.4	0.96%	1
Extrusion press – ineligible expenses EXTRUSION PRESS	0.81%	3
Fixed assets of an intangible nature	0.74%	903
CONSTRUCTION – OFFICES AND INDOOR SPACES	0.49%	26
Billets oven with flow system CCE/229599/29.06.12	0.42%	1
Office Equipment	0.38%	834
Lifting Machinery	0.34%	508
Computer Licenses	0.21%	1413
Furniture	0.19%	636
Capitalization of pump repair costs	0.13%	25
Container relining for press	0.10%	7
Construction	0.08%	9
Mould Furnace CCE/229599/29.06.12	0.08%	1
PRIORITY PROGRAM	0.07%	10
CONSTRUCTION – METAL FENCING	0.06%	12
CONSTRUCTION – TECHNICAL SHED	0.05%	5
FIBER-OPTIC NETWORK	0.03%	4
Means of Transportation	0.02%	3
WAREHOUSE MANAGEMENT SYSTEM 2017-2019	0.02%	1
Other Intangible Fixed Assets	0.02%	7

Categories	Percentage of acquisition value	Number of inventory value
DEMATERIALIZED WATER BASIN	0.02%	1
CHARISMA HCM PAYROLL+ADMIN ONLINE	0.02%	1
NEW LIGHTING SYSTEM 2018	0.02%	1
CONSTRUCTION-DIE SHOP	0.02%	1
ISO certification	0.01%	1
Dedicated medical equipment	0.01%	1
PLC SYSTEM FOR P4	0.01%	2
"Inst.De Mas. Si Ctr.;Mij.Transp. "	0.01%	6
DTM Tool	0.00%	3
SOLIDWORKS PROFESSIONAL 2016 3D MODELING	0.00%	2
Digital system	0.00%	2

Based on this distribution the quantile analysis was performed. A base value of 0.997 (99.7%) was chosen for the upper quantile because within ALRO, this value yielded a reasonable number of goods in the upper quantile (44). To standardize the analysis, the value was kept for all companies present in the group. This resulted in the following assets belonging to the upper quantile (First 0.03% as the value of the dataset).

Upper fixed assets, VE

Account no.	Account description	Fixed asset	Percentage of acquisition value	No.
2139	EXTRUSION PRESS NO. 3	EXTRUSION PRESS NO. 3	26,44%	1
		Matrite	24,67%	
2138	EXTRUSION PRESS NO.8	EXTRUSION PRESS NO.8	10,17%	1
213-Presa	Extrusion press CCE/229599/29.06.12	Extrusion press	6,48%	1
2131	Tech. Equip.	AUTOMATIC PACKING LINE – PACKING LINE	6,29%	1
2135	EXTRUSION PRESS NO.4	EXTRUSION PRESS NO.4	4,81%	1
2131	Tech. Equip.	AUTOMATIC PACKING LINE – PROFILE DE-STACKER	3,71%	1
2131	Tech. Equip.	STACK MANAGEMENT– STACK MOVEMENT CENTRAL AREA	3,28%	1
2131	Tech. Equip.	STACK MANAGEMENT – TSO OVEN AREA	3,04%	1
213-PE1	EXTRUSION PRESS – not eligible expenditure	EXTRUSION PRESS – not eligible expenditure	3,04%	1
213-FURNACE Furnace bars	Billets furnace with flow system CCE/229599/29.06.12	Billets furnace with cutting system	2,11%	1
2122	CONSTRUCTION – OFFICES AND INTERIORS	Roof repairs	1,41%	1
2131	Tech. Equip.	PRESS P1 STACKER LINE	1,37%	1
2131	Tech. Equip.	AUTOMATIC STACK STORAGE AND RETRIEVAL SYSTEM AD	1,22%	1
2131	Tech. Equip.	NITRIDING EQUIPMENT(DIES) 2019	0,99%	1
2131	Tech. Equip.	New Aging Oven	0,97%	1

This evidence results in the last step of the analysis – grouping by class of purchases – and calculating the sums and numbers per class of purchases:

Distribution of classes of purchases in the top quantile and sum of values and number of purchases per class

Item	Inventory valuation	Percentage
CONSTRUCTION – OFFICES AND INTERIORS	1	1,73%
Billets furnace with flow system CCE/229599/29.06.12	1	2,58%
Technical Equipment	8	3,19%
Extrusion press CCE/229599/29.06.12	1	7,93%
EXTRUSION PRESS – not eligible expenditure	1	3,71%
EXTRUSION PRESS NO. 3	1	32,35%
EXTRUSION PRESS NO. 4	1	5,89%
EXTRUSION PRESS NO. 8	1	12,44%
Matrices	1	30,18%
Grand total	**16**	**7,65%**

Based on the data provided, VE uses a wide range of equipment and facilities in its operations. This equipment is essential to the production process and includes extrusion presses, automatic packaging lines, bin handling equipment and specialized ovens, all of which play an important role in the efficiency and continuity of operations.

1. Vimetco Extrusion operates with three direct extrusion presses of 1.900, 1.650 and 3.500 tons and ALUMINUM BILLETS of Ø178 and Ø254 diameter, which allow the production of different ranges of profiles up to 13 kg/m.
2. There are a number of extrusion presses, the most recent of which are Press No. 3 (purchased October 2022) and Press No. 8 (purchased May 2010). This equipment is used to process materials by extrusion and has significant inventory value. The presses are equipped with molds for product molding.
3. Dies: Dies are an essential part of the extrusion process, used to mold extruded materials into a specific shape. They are held in large quantities and have significant value in the production process.
4. Automated Packing Line: The automated packing line, which includes several pieces of equipment such as the Packing Line and Profile De-Stacker, is used for packing products and efficiently managing production flows.
5. Bin management systems: Various equipment is used to manage and handle stacks, such as the Stack Management system. This equipment helps to efficiently move and store stacks in various areas of the production facility.
6. Furnaces and Heat Treatment Equipment: Furnaces for the treatment of bars with cutting systems, as well as Nitriding Equipment, are used for specific heat treatments, which are essential for the production process of high quality materials.
7. Buildings and internal premises: The enterprise also has investments in buildings and internal premises, including offices and storage areas. These are used to support the company's administrative and support activities.

VT

Due to sales intermediation activity, the main fixed assets fall into the following categories:

- IT goods: laptops, phones, computers, TVs.
- Cars.
- Furniture.

CONEF

Due to its office activity and the small number of employees, CONEF does not use machinery or production facilities. The main fixed assets are summarized as follows:

- Technical equipment: computers, printers, scanners.
- Furniture: armchairs, tables, desks, sofas, lamps, wardrobes.

Description of water use in the company's own operations and along the upstream supply chain

ALRO uses water in its technical processes for a wide range of essential applications in aluminium production. Primarily, water is used in cooling systems, both for technical equipment and anodes, to maintain optimum operating temperatures of the facilities. Water thus plays a crucial role in preventing overheating of equipment and ensuring a constant flow of energy in the production process. Water is also used to wash equipment and external platforms, helping to maintain cleanliness and safety in production facilities.

At **ALUM**, under normal operating conditions, water is used mainly for alumina production, being necessary for steam generation (except for the calcination process) and for cooling the PLANT. However, in 2024, due to the suspension of alumina production activity, no technical wastewater was generated and water consumption for industrial purposes was absent, except for water used for wetting the red mud pit, necessary to prevent dust emissions into the atmosphere.

At **VE**, water plays an essential role in supporting technical and industrial processes. The main use of water is in the cooling of extruded profiles, where it provides immediate thermal stabilization of the aluminium after it leaves the die, thus preventing deformation. Softened water is also indispensable in the processing process thermal and is used in the quenching stage after heat treatments to guarantee the mechanical and physical properties of the finished products.

In **VT** and **CONEF**, water is used only for domestic purposes and consumption is very low compared to companies where industrial activities are carried out.

Information on technical and biological materials and products used to manufacture the products Group's

The numerical information regarding the flow of technical, biological materials and products used in the company's production processes is visible in the table. The methodology followed classifies technical, biological materials and products according to the information in column C of the table.

Numerical information on inputs (consumption) of resources [kg]

Indicator	Disclosed Information	Category under which it is classified according to the methodology/ Calculation formula	ALRO	ALUM	VE
1	Total weight of technical and biological products and materials used in the reporting period	2+3+4	179.135.592,29	n.a.	97.822.289,83
2	Total weight of products used in the reporting period	Secondary raw materials according to the Environmental Authorization	13.331.922,29	n.a.	45.887.321,83
3	Total weight of technical materials used in the reporting period	Main raw materials according to the Environmental Authorization	160.254.500	n.a.	45.650.060
4	Total weight of biological materials used in the reporting period[26]	Defined as materials that originate from natural sources and return, at the end of their life cycle, to nature without complex treatment processes (wood, paper, corrugated board)	5.549.170	14.810	6.284.908
5	Percentage of biological materials (and bio-fuels used for non-energy purposes)	4/1	3.09%	n.a.	6.42%
6	Absolute weight of reused or recycled secondary components, secondary intermediates and secondary materials used in the manufacture of the enterprise's products and services (including packaging)	are waste/by-products of other processes, cells 7,8,9	94.852.038	n.a.	n.a.
7	Scrap AL Internal result		48.598.191	n.a.	n.a.
8	Scrap Al purchased		46.213.086	n.a.	n.a.
9	Scrap Cu purchased		40.761	n.a.	n.a.
10	Percentage of reused or recycled secondary components, secondary intermediates and secondary materials	6/1	52,95%	n.a.	

26 Data is extracted from the system. These quantities are consumed from the internal stores on the basis of consumption receipts. Their receipt is made on the basis of the note receiptby weighing or counting.

There are the following assumptions and quantification methods underlying the reported data:

- For technical materials, primary resources have been chosen according to the environmental authorizations, i.e. those materials that enter the production process and are retained as part of the output of the production process. This field of the environmental permit is explicitly defined in the category "resource inputs", thus complying with the purpose of the standard.
- For biological materials, the definition given in the academic literature has been followed, namely: 'Biological material or renewable energy source derived from living or recently living organisms, consisting mainly of carbon, oxygen, hydrogen and nitrogen[27] '. Biological materials have been considered to be those derived from a naturally occurring resource with the ability to re-enter the stream natural without extensive treatment[28] This definition excludes materials of synthetic/industrial origin that can re-enter the economic cycle (not to be confused with recyclable plastics/metals, which can be processed in a sustainable way but are not, in terms of their constituent substances, biodegradable).
- For the products involved in the production process, these were considered to be the auxiliary/ secondary materials used in the production process, which do not account for a share in the finished process. Thus, they refer to substances that cause physico-chemical changes/ function as a catalyst for the production processes, without forming chemical bonds with the raw materials and without resulting as part of the finished product.
- For the secondary components/by-product materials used to manufacture the products, materials have been considered as waste/by-products that would not otherwise have been recovered and are re-introduced into the final production process. For ALRO Group, these are represented by Aluminium and Copper scrap, purchased or internally generated, which are then revalorized.
- The numerical data (weight in kilograms) are obtained through a series of queries that refer to internal inventories and purchase journals, which are taken from the ERP-SAP integrated system. Each component is evaluated and reported individually, then the amounts are calculated taking into account the categories explained above.

There is only one place where double-counting could occur, in packaging made from secondary materials. However, by defining the category of secondary materials, only metal waste is taken into account. There are no circumstances in which the metal packaging defined in the ALRO Environmental Authorisation would be made from the three sub-categories defined in points 7-9 of the above table.

Calculation methodologies

ALRO

For the quantification of the data required in the above table, the numerical information was provided by ALRO in the form of a centralization. Due to the fact that acetylene and oxygen are also listed in the centralizer, they have been included as secondary materials/products[29]. Annex 2 shows the whole calculation process for ALRO, which consists of: assigning categories, standardizing the units (by density transformations) and calculating the totals. It is noticeable that, although included under main raw materials, fuels are excluded because the provisions in the environmental do not fully overlap with the permit ESRS E5 requirements. There is no assumption and no approximation, all data is provided in clear.

ALUM

In the reporting year, ALUM did not purchase any of the raw or secondary materials mentioned in the first table in section E5.4 due to the fact that there was no production activity. The only raw materials[30] used were gas and industrial water, which are not reported under section **E5 Circular Economy.**

VE

In order to quantify the data requested the numerical information was provided by the VE in the form of a acquisition journal. This contained sections on each material identified in the above table with methodology calculation (sorting and calculation of amount) is presented in **Annex 3**. The densities of the used materials were taken from the data sheets of each product.

27 Petruccioli, M., Raviv, M., Di Silvestro, R., & Dinelli, G. (2011). Agriculture and Agro-Industrial Wastes, Byproducts, and Wastewaters. Comprehensive Biotechnology, 531–545. https://doi.org/10.1016/b978-0-08-088504-9.00389-5
28 Do not confuse it with the characteristic of being compostable, as there are also fossil-based polymers that are biodegradable.
29 See definition above
30 Not to be confused with technological materials

II.5.6 [E5-5] Resource outflow

The Group's activities and products are based on aluminium, a material with properties – its outstanding resistance to corrosion and, above all, its unlimited recyclability – that support the Group's commitment to reducing its environmental impact.

ALRO

ALRO is one of the largest vertically integrated aluminium producers in Europe by size of production capacity and is organized into two main divisions:

1. **Primary Aluminium Division** which includes Anodes Section, Electrolysis Section, Casthouse Section, Aluminium Scrap Melting Plant, Repair and Spare Parts Shop, Road and Rail Transportation and other sections responsible for ancillary services.

The main end products of this division include:

- **Wire**: used in the production of electrical cables and conductors, including high-voltage cables and conductors, and is a crucial component in utility infrastructure.
- **Slugs**: are used as raw material in hot and cold rolling processes in the fabricated aluminium division and further processed into high value-added products.
- **Bars**: extruded to create standard or customized profiles according to customer requirements.

2. **Processed Aluminium Division** where flat rolled products such as plates, coils, sheets and strips are manufactured. These products are used in industries such as construction, automotive, aerospace and general engineering due to aluminium's excellent mechanical properties and light weight.

Moreover, ALRO is diversifying and optimizing its production mix by developing high and very high value-added products that address industries with high technical requirements. These products are based on advanced technologies, optimized processes and a high degree of aluminium recycling, thus reducing environmental impact.

To support the transition to a circular economy, ALRO has registered with OSIM trademarks for aluminium products with a high recycled content, contributing to reducing carbon emissions:

- **ALRO EsențiAL** – Contains a minimum of 30% recycled aluminium scrap and is available in the form of bars, strips, sheets and strips.
- **ALRO VitAL** – Contains a minimum of 50% recycled aluminium scrap, keeping the same shapes and applications.
- **ALRO VitAL Max** – Contains a minimum of 70% recycled waste and is intended for high-tech industry. This product features a CO_2 emission intensity of less than 4 tons CO_2/ton of product (cradle to gate), making it one of the most sustainable options on the market.

ALUM

ALUM produces calcined alumina and, as an intermediate product, aluminium hydroxide (called hydrate) in various forms: wet, dry and dry-situ. The production of calcined alumina, which was the main focus of the business, is currently suspended. ALUM aims to increase the production of high value-added products that include significant value-added components, in particular innovative or niche products that offer unique value propositions and do not align with traditional price or profit margin structures. In this context, ALUM aims to increase the production of aluminium hydroxides of various grades and specialty aluminas, as well as to expand their range.

VE

VE is one of the largest extruded products producers in Romania and a major player on the Western European extruded products market. Through VE, the Group adds value to the ALUMINUM BILLETS produced by ALRO in its primary aluminium division. VE produces and sells a wide range of extruded profiles, including ALUMINUM BILLETS and tubes.aluminium Aluminium extrusion is a technique that transforms ALUMINUM BILLETS into objects with a defined cross-sectional profile used in a wide range of applications. VE's products are used in a variety of industries and applications, including transportation, construction, aluminium metal structures and photovoltaic panels. These products are also used in the construction and interior design industries in applications such as curtain walls, ceilings, partitions, balustrades and panels. Extruded products are also used in lighting, air conditioning/ventilation systems, reflective products and in the photovoltaic industry.

Aluminium has specific properties that support the Group's mission to mitigate the negative impact on the environment and that also influence other key sectors of the economy, such as the automotive, construction and aeronautics industries. Its high resistance to various forms of corrosion and, above all, its infinite recyclability make a significant contribution to reducing greenhouse gas emissions.

ALRO Group products are manufactured in accordance with European Standards EN 485, EN 515 and EN 573, which regulate the mechanical properties, chemical composition and performance characteristics for aluminium alloys. These standards ensure the quality, reliability and compliance of products with industry requirements, but do not include direct indicators of the expected durability of the products during their life cycle.

Compared to other materials (e.g. steel), aluminium has a longer service life due to its corrosion resistance and high recyclability. However, the ALRO Group produces raw materials (aluminium alloys and products) and the ultimate durability of products containing aluminium depends on the technical specifications and processes applied by its customers in various industries.

The ALRO Group does not currently have quantitative data comparing the sustainability of its products with the industry average, but is considering the possibility of developing such indicators in collaboration with value chain partners. A possible approach could include assessing the estimated lifetime of finished products containing aluminium, analyzing the percentage of recycled aluminium used in production, and comparing the life cycle of aluminium with alternatives on the market.

Information on waste

Information on waste

	UM	ALRO	ALUM	VE
Total waste generated	Mass (tons)	91,924.20	2,196.2	10,311.16
Hazardous waste removed from disposal	Mass (tons)	42.36	181.1	912.06
Hazardous waste diverted from disposal due to preparation for re-use (on-site)	Mass (tons)	0	0	0
Hazardous waste diverted from disposal due to recycling (off-site)	Mass (tons)	42.36	0	0
Hazardous waste diverted from disposal due to other (off-site) recovery operations	Mass (tons)	0	181.1	912.06
Non-hazardous waste removed from disposal	Mass (tons)	88,276.88	1,947	9,399.1
Non-hazardous waste diverted from disposal due to preparation for re-use (on-site)	Mass (tons)	69,252.58	0	0
Non-hazardous waste diverted from disposal due to recycling (off-site)	Mass (tons)	18,702.04	1,947	8,931.66
Non-hazardous waste diverted from disposal due to other recovery operations (off-site)	Mass (tons)	322.26	0	467.44
Hazardous waste sent for disposal	Mass (tons)	39.32	0	0
Hazardous waste going for disposal by incineration (off-site)	Mass (tons)	0.06	0	0
Hazardous waste going to landfill	Mass (tons)	0	0	0
Hazardous wastes diverted for disposal by other disposal operations	Mass (tons)	39.26	0	0
Non-hazardous waste sent for disposal	Mass (tons)	3,604.96	68.1	0
Non-hazardous waste for disposal by incineration	Mass (tons)	0	0	0
Non-hazardous waste diverted to landfill by landfilling	Mass (tons)	2,755.96	68.1	0
Non-hazardous waste destined for disposal by other disposal operations	Mass (tons)	849.00	0	0

	UM	ALRO	ALUM	VE
Non-recycled waste	Mass (tons)	3,604.96	249.2	1,379.5
Percentage of waste not recycled	Percent	4%	11%	13%
Total amount of hazardous waste	Mass (tons)	86.61	181.1	912.06
Total amount of radioactive waste	Mass (tons)	0	0	0

Waste composition

ALRO

At ALRO, the main categories of waste generated on the site are: recoverable technological and non-technological waste, non-hazardous waste deposited at the environmental landfill, non-hazardous/hazardous waste destined for disposal by authorized economic agents, as well as household and other waste (paper, cardboard, PET, glass) generated by different services and offices. The industrial waste analyzed contains a variety of materials with potential for recycling or controlled disposal. Ferrous and non-ferrous metals are present in scrap iron waste (17 04 05), iron (12 01 01) and aluminium waste (10 10 99), and are recoverable through smelting and reuse processes in the metallurgical industry. Ceramic and refractory materials scrap are found in classes such as refractory bricks (16 11 06) and silicon carbide (16 11 02). Plastics, including polyethylene (PE), polypropylene (PP) and PET, are found in plastic packaging (15 01 02) and PET tape (15 01 02), which are recyclable by mechanical or chemical processes. Paper and cardboard in packaging (15 01 01) are also easily recyclable, contributing to the circular economy. Alongside these, hazardous waste, such as used oil (13 03 07*) and packaging contaminated with hazardous substances (15 01 10*), contain chemical compounds that require disposal in accordance with environmental regulations.

At the level of the Company, the degree of waste recirculation and valorization in 2024 was 96.0% (2023: 95.5%; 2022: 94.7%; 2021: 95.3%; 2020: 96.6%, 2019: 92.4%).

Of the recoverable waste, the largest amount is non-ferrous slag waste and inert waste that is crushed. In 2024, the total amount of recoverable waste was 17,233 tons (2023: 18,466.83 tons; 2022: 11,775 tons; 2021: 18,078 tons; 2020: 14,670 tons). Also, in 2024 the total amount of waste disposed of was 3,604.96 tons (2023: 2,656.81 tons; 2022: 2,861.5 tons; 2021: 6,072 tons; 2020: 3,555 tons). In 2024, the document traceability for waste generated by ALRO was 100% for third party recoverable waste both, third party disposable waste and third party disposable hazardous waste.

Within the waste management activity, ALRO recovers internally several types of waste, including spent rods (aluminium ingot casting scrap), recirculated anode scrap, scrap from crust, aluminium scrap generated in the primary Casthouse (solid metal), aluminium scrap generated in the Casthouse and aluminium scrap from ALRO's sections, such as scrap and rods. Old cast-iron scrap from anode consumption is also recovered. In terms of recovery by authorized operators, this includes raw and raw anode scrap, refractory brick waste, refractory brick waste, iron slag, scrap iron, waste oil, silicon carbide waste, non-ferrous melting slag, rubber waste, concrete mixtures, bricks, tiles and ceramics, NAP-plastic waste, WEEE, carbon-containing waste and unground crust waste. There are also wastes disposed of by authorized operators, such as waste filter media, aqueous emulsion-type wastes, wastes from sanitation, solid wastes from gas cleaning, PET tape, waste insulation materials, waste rubber, packaging contaminated with hazardous substances, waste textiles, other unspecified wastes from wastewater treatment plants, and waste plastics. There are also wastes that are disposed of at the environmental landfill, such as carbon-containing wastes, flue gas dust and other unspecified wastes that are biodegradable. In addition, packaging waste is also managed.

ALUM

The main waste resulting from the production process is divided into direct and indirect waste. Direct wastes include sludge and limestone, which are deposited in 's own sludge landfill ALUM, while indirect wastes consist of scrap metal, filter cloth, household waste and used oil. Scrap metal and used oil are recovered, thus contributing to a more sustainable process, while household waste and filter cloth are disposed of by authorized companies in compliance with environmental regulations. As of August 1, 2022, the production activity was suspended, and in 2024, the main waste generated was scrap metal and household waste, reflecting the adjustments in the production process during this period. In 2024, the following categories of waste were generated: non-hazardous – 68.1 tons of household waste and 942 tons of metal waste, and hazardous – 180.9 tons of fuel oil waste and 0.2 tons of medical waste. In addition, 1005 tons of were recovered from the existing stock in the waste dump bauxite residue. The red is the relevant waste for the ALUM activity, being the main waste resulting from the calcined alumina technological process. In 2024, due to the suspension of the production activity, no more produced bauxite residue was, which led to a significant decrease in the amount of waste generated.

Within the ALUM activity, different types of waste were generated, each with specific compositions. Municipal household waste (code 20 03 01) includes waste from households, such as food, packaging, paper, plastic, textiles, glass and other household waste. Metallic wastes (code 17 04 05) consist of various metallic materials such as iron, aluminium, copper and steel. Medical wastes such as sharps (needles, syringes, etc.) under code 18 01 01, waste of expired or spoiled medicines (code 18 01 09), and infectious medical wastes (code 18 01 03*), which include biologically contaminated materials, were also generated. In addition, fuel oil wastes, resulting from refining processes, are mainly composed of hydrocarbons and bitumens. Each of these wastes requires appropriate management, recycling and disposal measures to minimize the environmental impact in accordance with the regulations in force.

VE

In 2024, the following waste categories were generated: **other emulsions** (code 13 08 02*) – 81.88 tons, **aqueous washing solution containing dangerous substances** (code 11 01 11*) – 110.111 tons, **aluminium scrap from scrapping** (code 17 04 02) – 8.22 tons, **waste paper and cardboard** (code 15 01 01) – 71.14 tons, **wood waste** (code 15 01 03) – 141.3 tons, **aluminium waste** (code 12 01 03) – 8858 tons, **electrical waste** (code 20 01 36) – 2.48 tons, **iron waste** (code 20 01 40) – 281.88 tons, **metal strip waste** (code 15 01 04) – 16.04 tons and **waste protective equipment** (code 15 02 03) – 2.86 tons. The relevant waste for the VE activity is aluminium waste. In the year 2024, 8858 tons of aluminium waste were produced and recovered by ALRO, thus contributing to a more sustainable process of material reuse.

Data estimation methodologies

For ALRO, the methodology for calculating waste quantities is based on the reporting of waste quantities by different departments and internal company sources. Waste quantities are reported by the Administrative Logistic Department (DAL), through invoices and delivery notes, and for household waste, quantities are confirmed by the dispatch dispatch, which uses scale tickets. Also for combustible waste, quantities are reported by the PUP (Point of Uniting and Processing), which uses weighing scales to ensure a correct and accurate measurement of the waste produced. This methodology ensures accurate monitoring of waste streams and proper waste management.

The quantities of waste generated are determined on the basis of scale tickets and delivery-receipt slips between the production sections and the central landfill. In the case of red mud (ALUM), a monthly balance sheet is drawn up using the metered data from the thickenerred mud. This process ensures accurate and efficient monitoring of the waste streams, thus contributing to proper waste management.

ANNEX 6 Quantities used of critical raw materials

Critical material name	ALRO purchases (Y/N)	ALRO quantity (kg)	ALUM purchases (Y/N)	ALUM quantity (kg)	VE procurement (Y/N)	VE quantity (kg)
(a) stibium(antimony)	NO		NO		NO	
(b) arsenic	NO		NO		NO	
(c) bauxite/alumina/aluminium	NO		NO		NO	
(d) baritin	NO		NO		NO	
(e) beryllium	NO		NO		NO	
(f) bismuth	NO		NO		NO	
(g) bor	NO		NO		NO	
(h) cobalt	NO		NO		NO	
(i) cokes	NO		NO		NO	
(j) copper	FROM	337.064	NO		NO	
(k) feldspar	NO		NO		NO	
(l) fluorine	NO		NO		NO	
(m) Galician	NO		NO		NO	
(n) germanium	NO		NO		NO	
(o) hafniu	NO		NO		NO	
(p) helium	NO		NO		NO	
(q) heavy rare earth elements	NO		NO		NO	
(r) light rare earth elements	NO		NO		NO	
(s) lithium	NO		NO		NO	
(t) magnesium	FROM	2.130.000	NO		NO	
(u) manganese	FROM	402.419	NO		NO	
(v) graphite	NO		NO		NO	
(w) nickel in batteries	NO		NO		NO	
(x) niobium	NO		NO		NO	
y) phosphate rock	NO		NO		NO	
(z) phosphorus	NO		NO		NO	
(aa) platinum group metals	NO		NO		NO	
(ab) scandiu	NO		NO		NO	
(ac) silicon metal	FROM	434.000	NO		NO	
(ad) strontium	NO		NO		NO	
(ae) tantalum	NO		NO		NO	
(af) titan	NO		NO		NO	
(ag) tungsten	NO		NO		NO	

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III.1. ESRS S1 Own Workforce

III.1.1 Strategy

This section presents information on the significant sub-topics: *Working conditions, Equal treatment and opportunities for all, Other work-related rights*, as well as the related impacts, risks and opportunities of the ALRO Group's topic Own workforce, including information on how these aspects are managed.

Impacts Significant, Risks and Opportunities (IROs) – Social

ESRS Standard	Sub-topic	IRO Designation	Localizing IROs in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	IRO Categories	↑	↔	↓	ST	MT	LT
ESRS S1 Own Workforce		**S1 (+) Salary benefits provide economic and social protection for employees.** *Positive current impact*		ALRO ALUM VE VT CONEF				
	Working conditions: ***Secure jobs***	**S2 (-) Job cuts affect employees.** *Current negative impact*		ALUM VE				
		RO13_A Reduction of jobs at Group level. *Risk*		ALRO ALUM VE		●		
	Working conditions: ***Working time***	**S3 (-) Potential intensive work schedules in own activities.** *Negative potential impact*		ALUM VE VT		●		
	Working conditions: ***Adequate salaries***	**S4 (-) Payment of wages at a minimum level in the economy** *Current negative impact*		ALUM VE				
	Working conditions: ***Freedom of association***	**S5 (+) Trade union structures improve labour relations.** *Positive current impact*		ALRO ALUM VE VT CONEF				
	Working conditions: ***Collective bargaining, including the proportion of workers covered by collective agreements***	**S6 (+) Collective bargaining protects employees.** *Positive current impact*		ALRO ALUM VE VT CONEF				
		RO16_A Opportunity: Increasing the stability and productivity of the workforce through attractiveness as a responsible employer. *Opportunity*		ALRO ALUM VE VT		●		
	Working conditions: ***Work-life balance***	**S6 bis (+) Granting leave for family reasons.** *Positive current impact*		ALRO ALUM VE VT CONEF				

ESRS Standard	Sub-topic	IRO Designation	Localizing IROs in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	IRO Categories	↑	↔	↓	ST	MT	LT
ESRS S1 Own Workforce		**S7 (-) Own activities may cause occupational diseases.** *Current negative impact*		ALRO ALUM VE VT CONEF				
	Working conditions: ***Health & Safety***	**RO17_A Risks associated with occupational diseases that may occur among the Group's employees, as a result of the activities carried out in the workplace.** *Risk*		ALRO				
		S8 (-) Potential health and safety incidents in own activities. *Negative potential impact*		ALRO ALUM VE VT CONEF		●		
		RO18_A Occupational health and safety risks in its own operations. *Risk*		ALRO ALUM VE		●		
	Equal treatment and opportunities for all ***Measures against violence and harassment at work***	**S8 bis (+) Work environment free of violence and harassment.** *Positive current impact*		ALRO ALUM VE VT CONEF				
	Equal treatment and opportunities for all ***Diversity***	**S9 (-) Under-representation of women in their own activities.** *Current negative impact*		ALRO ALUM VE VT CONEF				
	Equal treatment and opportunities for all ***Training and skills development***	**S11 (+) Training programs supporting professional development.** *Positive current impact*		ALRO ALUM VE VT CONEF				
	Equal treatment and opportunities for all ***Employment and inclusion of persons with disabilities***	**S12 (+) Employment of persons with disabilities promotes inclusion.** *Positive current impact*		ALRO ALUM VE VT CONEF				
	Other work-related rights: ***Privacy***	**S13 (-) Protection of personal data of employees and customers** *Negative current impact*		ALRO ALUM VE VT CONEF			●	
		RO19_A Risks associated with cyberattacks. *Risk*		ALRO ALUM VE VT		●		

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓

** Time horizon in which IRO occurs: TS – short term, MT – medium term, LT – long term

III.1.1.1 [ESRS 2 SBM-2] Stakeholders' interests and views

The information is reported under section SBM-2 of the ESRS 2 standard.

III.1.1.2 [ESRS 2 SBM-3] Significant impacts, risks and opportunities and their interaction with the business model and strategy

The actual and potential impacts on own workforce are closely linked to the specificities of the industry in which ALRO Group operates and the operational strategies implemented, including complex industrial processes, re-engineering initiatives and cost optimization measures. Intense work schedules, characterized by the organization in continuous shifts work, are a direct consequence of the operational requirements of industrial production, influencing the work-life balance of employees (**S3 (-) Potential intense work schedules in own activities**). In addition, exposure to noxious and other industry-specific conditions generates health risks for employees, contributing to occurrence of occupational diseases such as occupational bronchial asthma (**S7 (-) Own activities may cause occupational diseases**).

The impacts associated with health and safety in the workplace are intrinsic to industrial operations, based on the use of moving equipment, handling of hot materials, use of hazardous substances, and require constant implementation of preventive and corrective measures (**S8 (-) Potential health and safety incidents in own activities**). The under-representation of women in the Group's activities is also a significant impact, influenced by the technical and physical specificity of the industry, which traditionally attracts predominantly male staff (**S9 (-) Under-representation of women in own activities**).

At the same time, strategic decisions on cost optimization, re-engineering processes or operational adjustments, such as expansion or discontinuation of activities, have led to job reductions, generating effects on employee stability and motivation, as well as potential risks related to grievances and labour disputes (**S2 (-) Job reductions affect employees**).

The positive impacts on its own workforce stem from the Group's strategy and business model, reflecting its commitment to social responsibility and the development of a sustainable working environment. **Wage benefits (S1), union structures (S5)** and **collective**

Labor (S6) are essential tools that support organizational stability and promote collaboration between employees and employer. They underpin the business model, ensuring a balance between economic performance and social protection.

In addition, measures such as granting family leave (S6 bis), creating an environment free from violence and harassment (S8 bis) and implementing training programs (S11) contribute to the continuous adaptation of the organizational strategy to meet the needs of employees. Employing people with disabilities (S12) reinforces the Group's focus on inclusion, diversity and respect for human rights, strengthening its competitive advantages and image as a responsible employer.

The relationship between the significant risks and opportunities derived from the impacts on its own workforce and ALRO Group's strategy and business model reflects an integrated strategic approach aimed at ensuring the sustainability and competitiveness of operations. The risk such as **RO13_A Job reduction impact-derived is caused by the processes of re-engineering and cost optimization**. This risk influences human resource allocation decisions and may have financial and reputational implications, affecting public perception and relationships with employees and partners.

The risks related to the health and safety of employees (**RO17_A Risks associated with occupational diseases that may occur among the Group's employees as a result of the activities carried out at work**, **RO18_A Risks related to occupational health and safety at the level of own operations**) stem from the specificity of the industry, characterized by industrial activities with potential for injury or exposure to harmful factors. The Group's strategy includes constant investments in upgrading technologies, improving working conditions and developing health and safety policies to protect employees, thus minimizing the financial impacts associated with absenteeism, staff turnover and operational costs.

Regarding the risk **RO19_A Risks associated with cyber-attacks**, the Group implements measures to protect employees and customers information, preventing financial, legal and reputational risks. This is essential for maintaining trust and compliance with international regulations.

We have identified a significant opportunity **RO16_A Opportunity: Increased workforce stability and productivity through attractiveness as a responsible employer** stemming from positive impacts on our own workforce, such as competitive salary

benefits, functional union structures and effective collective Labor, closely linked to our Group's strategy and business model. These elements contribute to a stable and attractive work environment that supports employee retention and the attraction of valuable talent. In this way, the Group reinforces its position as a responsible employer, which ensures alignment with its strategic objectives.

The ALRO Group includes in the Double Materiality Analysis the entire workforce, taking into account both employees with individual employment contracts and non-salaried workers who are involved in the Group's operations and activities. In 2024, both employees with individual employment contracts and non-salaried workers carried out their activities within ALRO Group.

VE's workforce is made up of both its own employees with permanent or temporary individual employment contracts and non-salaried workers (people supplied by third party companies that carry out employment activities and to whom the company's SSM policies and measures apply).

In the case of the other Group companies, the workforce is made up of their own employees with permanent or temporary individual employment contracts.

In the process of analyzing the double materiality, we have considered the main types of people in our own workforce who, due to the specific characteristics of the activities they perform, are or could be affected negatively or positively. In particular, people working in production departments and shift workers exposed to demanding conditions, such as handling chemicals, operating heavy equipment or working in extreme temperature environments, are at increased risk to their health and safety. These risks include both potential workplace incidents and the development of long-term occupational diseases as a result of constant exposure to specific risk factors.

Also, young employees, who are in the process of adapting to the demands of the industry, may face challenges related to professional integration, lack of experience to manage complex tasks and the need for an extended period of additional training and mentoring in the working conditions. At the same time female individuals in the context of low representation in the industry, may face challenges in accessing technical or leadership roles.

Also, people with disabilities, by the nature of their specific needs, require special attention to ensure that the workplace is adapted to their requirements and to prevent any additional risks.

In order to develop a thorough understanding of these impacts on the workforce, the Group has carried out direct consultations with employees, their representatives and internal experts, ensuring that specific impacts are identified and properly addressed. These efforts reflect our commitment to creating a safe, fair and inclusive working environment for all employees.

Our workforce is our most important asset and the foundation of ALRO Group's success and development. Without the professionalism and dedication of our employees, we would not be able to sustain our operations and strategic objectives. We are fully cognizant of the impacts we generate on our workforce and are constantly concerned about their well-being through measures aimed at safety, fairness and professional development. The Double Materiality Analysis has enabled us to identify significant negative impacts, both actual and potential, which are presented in the table below:

Significant negative impacts

No.	Significant Negative Impacts	Workforce category affected	Type of impact
1	**S2 (-) Job cuts affect employees.**	Own employees with individual contracts employment in production areas.	*Current impact negative linked to individual incidents*
2	**S3 (-) Potential intensive work schedules in own activities.**	Own employees with individual contracts employment in production areas.	*Potential negative systemic impact*
3	**S4 (-) Payment of wages at a minimum level in the economy.**	Own employees with individual contracts employment in production areas.	*Current negative systemic impact*
4	**S7 (-) Own activities may cause occupational diseases.**	The Group's own employees with individual employment contracts in the production areas, but also other Group employees who carry out other activities even if the risks are much lower.	*Current negative systemic impact*
5	**S8 (-) Potential health and safety incidents in your own activities.**	Our own employees with individual employment contracts in the production areas, non-salaried workers, as well as other Group employees who carry out other activities even if the risks are much lower.	*Potential negative impact linked to individual incidents*
6	**S9 (-) Under-representation of women in their own activities.**	Female persons working in their own activities.	*Current negative systemic impact*
7	**S13 (-) Protection of personal data of employees and customers.**	All Group employees.	*Potential negative systemic impact*

The Double Materiality Analysis also revealed multiple positive impacts that our Group generates on the workforce. Please refer to the table below, which shows the activities that contribute to generating these positive impacts, together with the categories of employees and non-salaried workers within our own workforce that benefit from these favourable impacts:

Significant positive impacts

No.	Significant Positive Impacts	Impact generating activities	Workforce affected
1	**S1 (+) Salary benefits provide economic and social protection for employees.**	Implementation of CCM provisions in all Group companies.	All the Group's own employees with individual employment contracts, wherever they work.
2	**S5 (+) Trade union structures improve labour relations.**	Promoting social dialog through active and representative trade union structures.	All the Group's own employees with individual employment contracts, wherever they work.
3	**S6 (+) Collective bargaining protects employees.**	Initiating and conducting collective Labor processes between the employer and the representative trade union organizations within ALRO Group.	All the Group's own employees with individual employment contracts, wherever they work.
4	**S6 bis (+) Family-related leave.**	Implementation and enforcement of the *Collective Labor Agreement* (CBA) and national legislation.	All the Group's own employees with individual employment contracts, wherever they work.
5	**S8 bis (+) Work environment free of violence and harassment.**	Implementation of the Guidelines on preventing and combating harassment based on sex as well as bullying and harassment in the workplace/ *Human Rights Policy*/CCM.	The Group's entire workforce, including all its own employees with individual employment contracts, non-salaried workers carrying out activities within the Group's operations.
6	**S11 (+) Training programs supporting professional development.**	Organization of internal and external courses training.	All the Group's own employees with individual employment contracts, wherever they work.
7	**S12 (+) Employment of persons with disabilities promotes inclusion.**	Inclusive recruitment, adapting jobs to meet the needs of people with disabilities and promoting diversity.	The Group's entire workforce, including all its own employees with individual employment contracts, non-salaried workers carrying out activities within the Group's operations.

In analyzing significant risks and opportunities, the Group constantly assess the impacts and dependencies on its own workforce, considering both internal factors and external influences that may affect the stability and competitiveness of its operations. In identifying these issues, the Group considers how the availability and quality of human resources influence the activities, as well as the effects of stringent social and environmental regulations. Also, are taken into consideration the volatility of the labor market and the increasing demands on working conditions and employee protection, which can create both operational risks and opportunities to optimize processes and strengthen a sustainable business model.

Significant risks and opportunities

No.	Significant Risks / Opportunities	Derived from impact	Impacts risks/opportunities
1	**RO13_A Reduction of jobs at Group level.**	**S2 (-) Job cuts affect employees.**	Potential financial and operational consequences, including possible legal costs from employment litigation, increased expenditure on social protection measures, reduced employee motivation with impact on productivity and reputational risks.
2	**RO17_A Risks associated with occupational diseases that may occur among the Group's employees, as a result of the activities carried out in the workplace.**	**S7 (-) Own activities may cause occupational diseases.**	It mainly targets employees in production departments and is associated with potential health problems, with implications for staff safety, company reputation and operational efficiency.
3	**RO18_A Occupational health and safety risks in its own operations.**	**S8 (-) Potential health and safety incidents in own activities.**	Risk is associated with possible workplace accidents and possible legal implications, with the potential to negatively impact employee safety, and operational costs.
4	**RO19_A Risks associated with cyberattacks.**	**S13 (-) Protection of personal data of employees and customers.**	Such incidents can have a considerable impact on the continuity of the 's Group essential operations, given the unpredictable and evolving nature of cyber-attacks, the which frequency and complexity of have increased significantly in recent years.
5	**RO16_A Opportunity: Increasing the stability and productivity of the workforce through attractiveness as a responsible employer.**	**S1 (+) Salary benefits provide economic and social protection for employees; S5 (+) Union structures improve labor relations; S6 (+) Collective bargaining protects employees.**	By ensuring safe working conditions, offering competitive salaries, social protection, professional development opportunities and an inclusive working environment, the Group optimizes its human resources management, significantly reducing the costs associated with staff turnover and frequent recruitment.

The ALRO Group has not identified any significant impacts on its own workforce as a result of the implementation of transition plans aimed at reducing negative environmental impacts and adopting more sustainable and climate neutral operations. We maintain constant monitoring of these issues, ensuring a sustainable transition that does not generate major negative impacts on employees.

The ALRO Group is firmly committed to ensuring fair working conditions and respecting the fundamental rights of all its employees, in accordance with the highest ethical and legislative standards. To this end, we constantly assess our activities to identify and eliminate any potential risk of forced, compulsory or child labor. Within our operations and in the geographical regions in which we operate, no incidents associated with these forms of exploitation have been identified. By adhering to the Aluminium Stewardship Initiative (ASI) standards and complying with national and international legislation, we promote a safe, responsible and ethical business environment characterized by zero tolerance for any form of labor exploitation.

Although there are currently no reported cases of forced or child labor in our operations, we recognize the importance of continuous monitoring and implementation of robust prevention mechanisms. The ALRO Group applies strict anti-slavery and forced labor policies, complying with national and international regulations, and the risk of such situations occurring is almost non-existent given the rigorous supervision and strict compliance with applicable legislation. Finally, by the nature of our operations and the jurisdictions that cover our workforce, we are not exposed to the risk of incidents related to forced or child labor.

III.1.2. Managing impacts, risks and opportunities

III.1.2.1 [S1-1] Own workforce policies

ALRO Group implements dedicated procedures and policies to manage the significant impacts, risks and opportunities identified through the Double Materiality assessment process. These policies, specific to each company within the Group, are developed and implemented according to the particularities of the operations carried out, ensuring an approach tailored to the context and needs of each entity, in line with the overall sustainability objectives and applicable regulatory requirements.

In this chapter policies are presented separately for each company.

ALRO

POLICY NUMBER 1:
The Collective Labor Agreement

The Collective Labor Agreement (CLA) is a formally regulated framework between trade union organizations and company management that defines the mutual rights and obligations arising from employment relations.

It applies to all ALRO employees, covering all segments of the company's own operations. Negotiation of the CLA is carried out annually, in compliance with the provisions of Law no. 367/2022 on Social Dialogue, providing a regulated framework for establishing mutual rights and obligations between employees and employer. This process reflects ALRO's commitment to maintain an open and transparent dialog that upholds fairness and stability in labor relations.

The ALRO Group's *Collective Labor Agreement* governs key issues related to "safe workplaces" and addresses the significant impact of job cuts. The document provides for mandatory consultation with trade unions in the case of redundancies and includes social protection measures, such as compensatory benefits, to support affected employees and minimize the social and economic effects of this impact.

Provisions regarding the *working hours* of our employees are laid down in the *Collective Labor Agreement*, which regulates working hours, monitors overtime work and adapts the regulations according to the specifics of each sector, ensuring compliance with the legislation and protecting the health and well-being of employees.

The health and safety of employees our is a fundamental priority for ALRO. Through the *Collective Labor Agreement*, legal measures are established and implemented to monitor and minimize negative impacts on employees, including both the prevention of health and safety incidents and the mitigation of risks associated with occupational diseases. Within this framework, the risks generated by these impacts are also addressed, such as occupational diseases that may arise from exposure to specific working conditions, as well as operational risks related to workplace safety. ALRO implements dedicated actions, such as constant monitoring of working conditions, regular medical check-ups and easy access to specialized medical services, thus reaffirming its commitment to the protection and well-being of the workforce.

Providing an inclusive working environment where equal treatment and equal opportunities are a fundamental principle is a priority for our Group. In this respect, the *Collective Labor Agreement* promotes equal opportunities and prohibits any form of discrimination in employment relations, regardless of gender, sexual orientation, social origin or family responsibilities. In the recruitment and hiring process, ALRO applies fair treatment policies and is committed to eliminating gender pay differentials for equal pay for equal work or work of equal value.

ALRO's *Collective Labor Agreement* integrates key aspects related to the protection of personal data employees' and customers', reflecting our firm commitment to regulatory compliance and the implementation of rigorous standards of security and confidentiality. In addition, the CLA not only addresses the negative impacts associated with data protection, but also emphasizes the benefits to the workforce through proactive measures designed to ensure a safe and transparent working environment.

Through this document, we support the positive impact of salary benefits on the economic and social protection of our employees, strengthening the stability and attractiveness of the working environment and thus covering the sustainability aspect of "Safe Workplaces". At the same time, retention and employee loyalty strategies are defined, including competitive salary packages, fringe benefits and social protection measures, thus contributing to the security and well-being of our employees.

Through the *Collective Labor Agreement*, we strengthen a stable and fair working environment, supporting social dialog and the protection of employees' rights, thus covering the sustainability aspects of "Social Dialogue/Freedom of Association" and "Collective Labor". We ensure a transparent framework for labor relations and the active involvement of trade unions in decision-making.

We recognize trade union organizations as essential partners and support their work through fair consultation and negotiation mechanisms, contributing to the stability and well-being of the workforce. Through the provisions of the CCM, we protect employees and promote an effective social dialog aimed at ensuring a balance between the interests of the company and those of the staff, thus strengthening long-term employment relations.

Supporting work-life balance is a priority for us, which is why the *Collective Labor Agreement* includes clear provisions on employees' entitlement to family-related leave. These provisions ensure paid days off for special family events, respecting both the legal regulations and the specificities of each professional category.

Through the *Collective Labor Agreement*, we reaffirm our commitment to the professional development of our employees, thus addressing the topic of "Training and skills development". We establish clear conditions for access to training programs, planned annually in collaboration with the representative trade union organizations, thus ensuring continuous improvement of skills and increased performance at individual and organizational level.

Promoting a fair, safe and inclusive work environment is a fundamental principle of our organizational strategy. We ensure that all stages of the recruitment, selection, promotion and training processes are carried out without discrimination, guaranteeing equal opportunities for all employees, including people with disabilities. By implementing clear measures on social protection, working conditions and fair pay, we reaffirm our commitment to respect employees' fundamental rights and support inclusion at all levels of the organization.

The main objectives of the *Collective Labor Agreement (CLA)* are related to the management of the risks and material impacts associated with the workforce, including ensuring safe and healthy working conditions, promoting equality and non-discrimination, clearly regulating the rights and obligations of employees and employers, and establishing effective social protection, fair pay and professional development. It also regulates the conclusion and management of individual employment contracts, with the objective of fairness and legality.

The highest authorized organizational level of the enterprise responsible for the implementation of the *Collective Labor Agreement* is the General Director.

The stakeholders involved in the consultation and negotiation process for the elaboration of the *Collective Labor Agreement* were the employer, ALRO, and the designated representatives of the Federation of Trade Unions in the Non-ferrous Metallurgy, the Trade Union Federation of Steelworkers METAROM and the National Trade Union Federation Solidaritatea Metal.

The document is available for consultation at ALRO's head office and on INTRANET, the internal platform for employees. At the same time, the *Collective Labor Agreement* is being distributed to the heads of the sectors of activity in order to be properly implemented.

POLICY NUMBER 2:

PO – 407 Vocational training in ALRO

The professional development of employees through training and development programs is a significant aspect for us, being essential in increasing company performance.

The procedure applies to all ALRO personnel regardless of position, hierarchical level, gender, age, ethnic origin, religion, sexual orientation or any other criteria. This approach ensures equal treatment and respect for the rights of each employee, in accordance with ethical principles and applicable legislation, fully covering the positive impact **S11 (+) Training programs that support professional development**.

The main aim is to define the methodology of the vocational training system, as well as the mechanisms for assessing individual performance and the effectiveness of continuing vocational training.

The training of employees is carried out according to the annual training program, with the main objectives: adapting employees to the specific requirements of the job, obtaining the necessary qualifications, updating knowledge, retraining, acquiring advanced skills, supporting the promotion process and compliance with the legal provisions on employees' access to training opportunities.

ALRO is an authorized vocational training provider for non-ferrous metallurgy operators and rolling mill operators, qualifications specific to this field of activity, but which are in short supply on the labor market.

In establishing criteria for the selection of training providers, ALRO ensures that they are accredited by the Ministry of Education and Training, authorized by the relevant bodies and internationally recognized.

For the provision of training programs, the company complies with the regulations of the Romanian Classification of Occupations (COR) and the requirements established by the County Authorization Commission, thus ensuring an educational process in accordance with applicable national and international standards.

As far as the interests of our employees are concerned, the Annual Training Plan is drawn up in consultation with the representative trade union organizations, and training programs are adjusted according to the needs expressed by union leaders and company management.

The highest authorized organizational level of the enterprise responsible for the implementation of *Procedure PO-407 on Vocational Training* in ALRO is the General Manager, who also approves the Annual Vocational Training Plan.

The document is available for consultation at ALRO's head office and on INTRANET, the internal platform for employees.

POLICY NUMBER 3:

OP-1700 Operational Procedure for conducting occupational safety and health training

The procedure aims to establish the necessary steps in the process of training employees to manage critical occupational health and safety impacts and risks, focusing on: negative impact **S8 (-) Potential health and safety incidents in own activities; and associated risks**, such as **RO18_A Risks related to occupational health and safety in own operations**. The employer is obliged

to provide each employee with appropriate and sufficient training, which includes information and work instructions specific to the position and job held, in accordance with Article 20 of Law 319/2006 – Occupational Safety and Health at Work Act.

The main objective of the procedure is to ensure adequate training for all employees, which includes the presentation of occupational safety and health legislation, the possible consequences of ignoring or not complying with it, the risks of occupational injury and illness specific to the establishment, as well as the measures adopted at the enterprise level for first aid, fire-fighting and evacuation of workers, in accordance with the topics approved by the employer.

This procedure applies to all operations carried out within ALRO and covers all employees of the company, workers of other companies carrying out activities within the company, as well as visitors, ensuring them appropriate and sufficient training in the field of occupational safety and health.

The procedure regulates the three phases of training and provides for the use of various methods and techniques, such as presentations, demonstrations, case studies, movie shows, slides, projections and training computer-assisted to ensure full understanding of safety and prevention measures. Safety and health training for employees is mandatory, thus contributing to the prevention of incidents and the creation of a safe and healthy working environment.

With regard to the consideration given to the interests of key stakeholders in establishing the occupational safety and health training policy, the document considers the specific needs of employees, external workers and visitors. The training procedure is designed to meet legal requirements and to ensure a safe working environment in accordance with applicable legislation and international standards such as the standards **Aluminium Stewardship Initiative (ASI)** and **ISO 45001:2018**. In addition, the policy includes mechanisms for consultation and regular updating to reflect changes in occupational safety and health regulations and to incorporate feedback from relevant stakeholders.

The document is available for consultation at ALRO's head office and on INTRANET, the internal platform for employees.

The highest authorized organizational level of the enterprise responsible for the implementation of the *Procedure Operational Procedure on Conducting Occupational Health and Safety Training* is the Head of the Occupational Health and Safety Department.

POLICY NUMBER 4:

PS-018 – Planning, hazard identification, risk assessment and control

Within ALRO there are a number of health and safety risks: contact with hot materials, falling from heights, catching or hitting moving equipment, electric shocks and exposure to toxic dust and gases, chemical burns to the eyes and skin, trauma; contact with soda substances, etc.

The purpose of this procedure is to identify all risk factors in the system under review and evaluate them in order to mitigate the effects of negative impacts on employee health, i.e. impacts: **S7 (-) Own activities may cause occupational diseases** and **S8 (-) Potential health and safety incidents in own activities**.

The procedure applies to all activities carried out in the company, including non-permanent activities and those carried out by subcontractors and visitors. This procedure sets out the responsibilities, courses of action and the method used to identify hazards, assess and control occupational safety and health risks and applies to all activities carried out in the establishment, including those of a non-permanent nature, and to activities carried out by subcontractors and visitors.

The document describes the method developed by I.N.C.D.P.M. Bucharest, used within ALRO for the assessment of occupational health and safety risks, including those identified as significant in the Double Materiality process **RO18_A Risks related to health and safety at work at the level of own operations** and **RO17_A Risks associated with occupational diseases that may occur among Group employees** as a result of activities carried out at work, as well as the responsibilities and actions required to identify and assess the risks at work.

The main objective of the procedure is to carry out a rigorous process of hazard identification, risk assessment and risk control. It also focuses on the determination of all risk factors within the system under consideration, which are assessed according to the severity of impact and the frequency with which they may affect human health.

In establishing the policy for *Planning, Hazard Identification, Risk Assessment, and Risk Control*, several structures and specialists within ALRO are involved. Thus, the risk assessment process is carried out by a designated team, which includes representatives of the Occupational Safety and Health Management (RSMSSM), occupational physicians, occupational protection specialists and representatives of the Occupational Health and Safety Committee (CSSM). In addition, employee opinions, medical observations, audit results and internationally applicable best practices are taken into account in the process of risk identification and management. in the establishment of the policy. Planning, Hazard Identification, Risk Assessment and Control

The highest authorized organizational level of the enterprise responsible for the implementation of the *Procedure Planning, Hazard Identification, Risk Assessment and Control is the General Manager*, who approves the provisions of the Occupational Safety and Health Management Programme related to risk assessment.

The document is available for consultation at ALRO's head office and on INTRANET, the internal platform for employees.

POLICY NUMBER 5:

Guidelines on preventing and combating harassment based on sex and workplace bullying

This Guide covers the topic of Workplace free from violence and harassment in particular the positive impact of **S8 bis (+) Workplace free from violence and harassment**.

This Guide aims primarily to support ALRO employees by providing the essential resources and mechanisms for the protection and full exercise of their individual rights and freedoms within the work environment, in accordance with the provisions of Ordinance no. 137/2000 on the prevention and sanctioning of all forms of discrimination.

The main objective of the guidelines is to create and maintain an optimal working environment, based on equal respect for human dignity, providing all employees, regardless of gender, with the necessary conditions for a climate based on trust, empathy, understanding, professionalism and dedication to the general interest.

This document is addressed to all ALRO employees, as well as to those with whom they interact during working hours.

The guide on preventing and combating gender-based harassment and bullying in the workplace sets out a clear and comprehensive framework for identifying, reporting and dealing with cases of harassment, ensuring the protection of employees and promoting a respectful working environment. It defines the concept of harassment and gives concrete examples of physical, verbal and non-verbal behaviors that may constitute harassment at the workplace, thus contributing to awareness and prevention.

The Guidelines also provide for the establishment of a person or committee specifically designated to receive and deal with complaints, and their tasks, which include registering complaints, conducting investigations and preparing case reports. The final stage of the

procedure is the resolution of the complaint and the application of sanctions against those found guilty, in accordance with the established provisions.

At the same time, the Guide regulates how to submit complaints and ensures a transparent and fair approach to case management. Heads of Directorates and Departments, together with case handlers, are actively involved in monitoring the application of the Guidelines and reporting regularly to management on compliance, with clear deadlines by the end of the first quarter of each year for the previous year.

The document is available for consultation at ALRO's head office and on INTRANET, the internal platform for employees.

The Director General is responsible for the implementation of the policy and ensures that employees are made aware of its provisions through designated persons.

POLICY NUMBER 6:

PO-422: Procedure for the protection of individuals with regard to the processing of personal data

The purpose of this procedure is to establish clear rules at company level, in its capacity as data controller, on the collection and processing of personal data in a lawful, fair and transparent way, both towards employees and customers. Processing is carried out for well-defined purposes and in a manner that ensures adequate protection and security of personal data.

This procedure shall apply within the company in all situations where the processing of personal data takes place, either wholly or partly by automated means, as well as in the case of processing by non-automated means involving personal data.

The Personal Data Protection Procedure sets out the key measures by which we prevent and manage information security risks, ensuring compliance with EU Regulation 679/2016. We aim to protect the confidentiality, integrity and availability of employee and customer data through strict rules for processing, access and notification of security breaches. The main issues covered include management of sensitive data, access to databases, protection of union and whistleblower information, and measures to prevent cyber-attacks. Through this procedure, we contribute to minimizing significant negative impacts on employees and customers (**S13 (-) Protection of employees' and customers' personal data**) and to reducing the risks associated with cyber-attacks (**RO19_A Risks associated with cyber-attacks**) by implementing a clear framework of responsibilities and preventive actions.

The document is available for consultation at ALRO's head office and on INTRANET, the internal platform for employees.

The Director General, together with the Data Protection Officer, is responsible for implementing the policy.

ALUM

POLICY NUMBER 1:
The Collective Labor Agreement

Through the *Collective Labor Agreement (CLA)*, ALUM manages key sustainability issues that have a direct impact on workforce stability, employee health and safety and general working conditions.

The CLA includes clear provisions on the management of job cuts (**S2(-) Job cuts affect employees**), with an obligation to consult trade unions prior to any redundancies, whether individual or collective. Social safeguards are also foreseen, such as compensatory benefits for affected employees.

The CLA regulates rigorous measures to protect the health and safety of employees, especially those working in areas production (**S7 (-) Own activities may cause occupational diseases** and **S8 (-) Potential health and safety incidents in own activities**). The company implements prevention strategies, which include continuous monitoring of working conditions, organization of regular medical check-ups, access to specialized medical services and collaboration with authorized institutions for the prevention of occupational accidents. In addition, employees benefit from extensive facilities, such as access to a canteen, appropriate protective equipment and an in-house dispensary available 24/7.

The CLA sets rules on working hours, ensuring an optimal balance between productivity and employee well-being (**S3(-) Potentially intense work schedules in own activities**). Strict measures are in place to monitor overtime work and the schedule is adapted to the specifics of each sector and working conditions. The entitlement to family leave also **S6 bis (+) Provision of leave for family reasons) is clearly regulated, allowing employees** to take paid days off for special family events or parental leave.

The CLA also covers salaries issues, setting clear criteria for remuneration according to qualification, complexity of activities and professional skills (**S4(-) Payment of salaries at a minimum level in the economy**). Although some salaries are at the minimum level of the economy, the company maintains a constant concern to improve them, reaffirming its commitment to the well-being and quality of life of its employees.

The company reaffirms its commitment to equal opportunities through provisions that prohibit any form of discrimination, including on grounds of gender, sexual orientation, social origin or disability (**S9(-) Under-representation of women in its activities** and **S12 (+) Employment of people with disabilities promotes inclusion**).

The ALUM supports the work of trade unions, recognizing their essential role in representing the interests of employees (**S5 (+) Union structures improve industrial relations** and **S6 (+) Collective Labor protects employees**). The JCC includes provisions that strengthen social dialogue, facilitating a level playing field for collective Labor and contributing to the prevention of industrial disputes. This mechanism ensures the stability of employment relations and the economic and social protection of employees.

The company supports employees through training programs (**S11 (+) Training programs that support professional development**), contributing to the development of competencies and improving individual and team performance. The MCC provides access to training and education sessions, planned on an annual basis, in collaboration with trade union organizations, to meet the specific needs of each department.

The main objectives of the *Collective Labor Agreement* (CLA) are related to the management of the risks and material impacts associated with the workforce, including ensuring safe and healthy working conditions, promoting equality and non-discrimination, clearly regulating the rights and obligations of employees and employers, and establishing effective social protection, fair pay and professional development. It also regulates the conclusion and management of individual employment contracts, with the objective of fairness and legality.

The implementation of the *Collective Labor Agreement (CLA)*, ALUM, is in line with the provisions of Law no. 53/2003 – Labor Code republished and Law no. 367/2022 on social dialogue, which regulate labor relations, the rights and obligations of employees and employers, as well as the principles of collective Labor, thus ensuring compliance with national requirements in the field of labor and labor relations, strengthening a fair working environment, based on respect for employees' rights and the promotion of an effective social dialogue.

The highest authorized organizational level of the enterprise responsible for the implementation of the *Collective Labor Agreement* is the General Director.

The stakeholders involved in the consultation and negotiation process for the elaboration of the *Collective Labor Agreement* were the employer, ALUM, and the employees of the company represented by the Free Trade Union ALUM Tulcea.

The document is available for consultation at ALUM's head office and on INTRANET, the internal platform for employees.

POLICY NUMBER 2:

Operational Procedure Training workers in operational health and safety.

The procedure aims to establish the necessary steps to train workers in occupational safety and health, with the objective of managing critical impacts and associated critical risks. It specifically addresses the **S8 (-) Potential negative impact of health and safety incidents in own operations**, as well as related risks such as **RO18_A Occupational health and safety risks in own operations**. The training aims to prevent work-related in juries and occupational diseases by developing the knowledge and skills necessary to ensure a safe and healthy working environment.

The main objective of the procedure is to ensure adequate training for all employees, which includes the presentation of occupational safety and health legislation, the possible consequences of ignoring or not complying with it, the risks of occupational accidents and diseases specific to the establishment, as well as the measures adopted at the enterprise level for first aid, fire-fighting and evacuation of workers, in accordance with the topics approved by the employer.

This procedure applies within ALUM Tulcea, to all workers of the company and to workers of other companies performing activities within the organization. The aim is to provide each person with sufficient and appropriate training in occupational safety and health during the performance of their activities, in accordance with the specific risks. The procedure also includes visitors, providing them with clear information on potential health and safety risks.

The negative impact **S8 (-) Potential health and safety incidents in own activities is addressed by implementing the procedure for training workers in occupational safety and health**. According to Art. 20 of Law 319/2006 – Occupational at Work Safety and Health Act. The employer has the obligation to provide each employee with appropriate and sufficient training, which includes information and work instructions specific to the position and job.

The procedure regulates the three phases of training – introductory-general training, on-the-job training and periodic training – by clearly stipulating when they are to be carried out, the methods used and the expected results. Training shall be carried out using a variety of methods and techniques, such as presentations, demonstrations, case studies, movie shows, slides, projections and computer-assisted training, to ensure a full understanding of safety and prevention measures. At the end of each training session, the results are documented in a Training Sheet, which attests the completion of the training process. This mandatory procedure contributes significantly to the prevention of occupational incidents and illnesses, promoting a safe and healthy working environment for all employees.

The document is available for consultation at ALUM's head office and on INTRANET, the internal platform for employees.

The highest authorized organizational level of the enterprise responsible for the implementation of the *Operational Procedure Training workers in operational health and safety* is the General Manager.

VE

POLICY NUMBER 1:
The Collective Labor Agreement

VE's *Collective Labor Agreement* plays a key role in managing impacts on employees by providing a clear and fair framework for labor relations. Among the key issues covered are **S2 (-) Job cuts, which may influence job stability and generate economic and social impacts**. The JCC provides for mandatory consultation of the social partners in the case of restructuring, providing protection for vulnerable groups and establishing compensatory measures for affected employees, thus reducing the risks related to fluctuations in the workforce and the social impact of redundancies.

With regard to **S3 (-) Potentially intense work schedules**, the JCC regulates working hours according to the specifics of each activity, including clear provisions for shift work and continuous shift work. It ensures compliance with legal limits on working hours and monitoring of overtime, thus helping to protect the health and well-being of employees.

With regard to **S4 (-) Payment of salaries at a minimum level**, the CCM sets objective criteria for remuneration, such as the qualifications, skills and responsibilities of employees. Although some salaries are at the minimum level of the economy, the company remains committed to improving them, reaffirming its commitment to employee well-being and motivation.

Impacts related to **S7 (-) Own activities may cause occupational diseases** and **S8 (-) Potential health and safety incidents in own activities** are addressed through dedicated prevention measures, medical surveillance and access to specialized services. An Occupational Safety and Health and Safety Committee (OSHSC) monitors the implementation of safety measures, ensuring that employees are protected against risks specific to the activities they perform. The company also offers additional benefits such as access to continuous medical care, protective equipment and facilities that help improve working conditions.

As regards **S9 (-) Under-representation of women in its own activities** and **S12(+) Employment of people with disabilities**, the JCC promotes equal opportunities by ensuring a fair framework of recruitment and promotion based on competencies and prohibiting any form of discrimination. Through the rules of the CCM, VE is committed to ensuring equal opportunities for all employees, including through specific measures facilitating access for women and people with disabilities to technical and operational roles. These initiatives not only contribute to a more equitable work environment, but also support the company's goals of attracting and retaining talent, while enhancing VE's reputation as a responsible and inclusive employer.

Another positive impact covered by the JCC is **S1 (+) Salary benefits provide economic and social protection for employees**, which supports the economic and social protection of employees, contributing to a stable and attractive working environment. The document sets out a package of financial and social benefits that support staff retention and motivation, ensuring economic security for employees.

S5 (+) Union structures improve labor relations and **S6 (+) Collective Labor protects employees and plays a key role in maintaining a stable and fair work climate**. The JCC ensures employee representation through trade union organizations and facilitates active social dialogue between management and trade unions, helping to prevent labour conflicts and ensure business continuity.

Also, **S6 bis (+) The provision of family-related leave** is supported by the JCC, which provides for paid days off for special family events and measures for work-life balance.

As regards **S11 (+) Training programs that support professional development**, the CCM ensures that employees have access to continuous training, facilitating skills development and increased productivity. Training plans are developed on an annual basis, with the involvement of trade union organizations, to meet the development needs of employees and the operational requirements of the company.

The main objectives of the *Collective Labor Agreement* (CLA) are related to the management of the risks and material impacts associated with the workforce, including ensuring safe and healthy working conditions, promoting equality and non-discrimination, clearly regulating the rights and obligations of employees and employers, and establishing effective social protection, fair pay and professional development. It also regulates the conclusion and management of individual employment contracts, with the objective of fairness and legality.

In implementing the *Collective Labor Agreement*, VE is in line with the provisions of Law no. 53/2003 – Labor Code republished and Law no. 367/2022 on social dialog.

The highest authorized organizational level of the enterprise responsible for the implementation of the *Collective Labor Agreement* is the General Director.

The stakeholders involved in the consultation and negotiation process for the elaboration of the *Collective Labor Agreement* were the employer VE and the employees of the company represented by the Independent Trade Union ALRO Extrusion.

The document is available for consultation at VE's head office and on INTRANET, the internal platform for employees.

Our internal regulations cover significant sustainability issues in relation to human rights, including through the *Collective Labor Agreement (CLA)*, described in the previous paragraph, and the *Code of Ethics and Conduct*, detailed in ESRS G1 – Business Conduct. In addition, each Group company has a Human Resources Policy, which aims to provide the necessary personnel in correlation with the company's development objectives, anticipate possible fluctuations in staff shortages or surpluses, create a reserve of qualified and authorized personnel in trades in short supply and increase internal mobility of employees, all in line with the *Human Rights Policy.* In addition, in line with the MLC and the *Human Rights Policy*, the Internal Rules set out the rights and obligations of both employees and the employer in employment relations and apply to all employees.

ALRO's *Human Rights Policy* is committed to respecting the national and international human rights principles and legal requirements contained in Labor Law, the European Convention on *Human Rights*, the Universal Declaration of Human Rights, the *International Labor Organization Declaration on Fundamental Principles and Rights at Work*, the United Nations Global Compact and the UN Guiding Principles on Business and Human Rights.

ALRO aligns its Human Rights commitments with both the principles set out in its internal policy and applicable international standards. The *Human Rights Policy* covers relevant sustainability issues identified in the Double materiality process, including:

Negative impacts:

- **S3 (-) Potential intensive work schedules in own activities;**
- **S4 (-) Wages paid at a minimum level;**
- **S7 (-) Own activities may cause occupational diseases;**
- **S8 (-) Potential health and safety incidents in own activities;**
- **S9 (-) Under-representation of women in their own activities.**

Positive impacts:

- **S5 (+) Trade union structures improve labour relations;**
- **S6 (+) Collective bargaining protects employees;**
- **S12 (+) Employment of persons with disabilities promotes inclusion;**
- **S8 bis (+) Work environment free of violence and harassment;**
- **S11 (+) Training programs supporting professional development.**

The Group is committed to promoting respect for and implementation of human rights through a range of measures actively involving employees. They are regularly informed about the fundamental principles of human rights and relevant internal policies through training sessions, internal communications and access to documents such as the *Code of Conduct* or the *Human Rights Policy*.

Respect for human rights is ensured through clear consultation and reporting mechanisms, which include social dialogue committees, regular meetings between management and union representatives, as well as internal surveys on working conditions and ethical principles. At ALUM, employees can use the Operational Procedure for Organizing Hearings and Annual Satisfaction Reports to address their concerns, and at ALRO, the Operational Procedure for Handling Requests and Complaints ensures a transparent and accessible process. At VE, the Whistle Blowing Policy allows for confidential reporting of violations of the law or internal rules, thereby supporting an ethical and responsible work environment.

To ensure human rights compliance, employee training sessions are organized at the level of each company and a strict record is kept of the number of staff participating in such sessions as well as the number of hours of training.

ALRO Group aligns its human rights impact management strategies with relevant international standards, such as the Universal Declaration of Human Rights, the International Labor Organization (ILO) Conventions and the UN Guiding Principles on Business and Human Rights.

In this context, we are committed to respecting and protecting the fundamental rights of our employees by implementing concrete measures that ensure a fair, safe and inclusive working environment.

For **S3 (-) Potentially intense work schedules in our own activities**, we regulate working time through *Collective Labor Agreements*, setting clear rules on working hours and rewarding overtime work, either through overtime pay or by granting appropriate time off. We also apply flexible working hours measures to reduce the risks associated with overwork and to ensure work-life balance.

For **S4 (-) Paying salaries at a minimum level in the economy**, we ensure transparency and fairness in pay through regulations in individual and collective employment contracts. We set clear criteria for remuneration, taking into account qualification, complexity of activities and professional skills. At the same time, we offer compensatory measures, including bonuses and social incentives, such as meal vouchers and financial aids, designed to cushion the impact on employees at minimum wage level.

With regard to **S7 (-) Our own activities may cause occupational diseases** and **S8 (-) Potential health and safety incidents in our own activities**, we implement measures to prevent workplace risks by identifying, assessing and controlling them. We implement strict occupational health and safety procedures, including monitoring of working conditions, regular training of employees and provision of appropriate protective equipment. At ALRO, ALUM and VE, the Occupational Health and Safety Committee analyzes the causes of work-related in juries and proposes measures to reduce risks.

We promote equal opportunities and prohibit all forms of discrimination in recruitment, promotion and pay. We are committed to promoting a fair working environment, based on the principles of equal treatment, and constantly strive to reduce the negative impact associated **S9 (-)** under-representation of women in our own activities.

For **S13 (-) Protection of employees' and customers' personal data**, we apply rigorous measures for the security and confidentiality of personal data in accordance with the Operational **Procedure PO-23-04 – Information and Communication Resources Security and the Cyber Security Best Practice Guide**, aligning ourselves with the best practices in the field.

ALRO Group companies have clear and well-defined policies that address issues including human trafficking, forced labor, compulsory labor and child labor. These principles are integrated in documents such as the *Code of Ethics and Conduct* (the document is presented in section G1-Business Conduct), which promotes equal human rights and includes essential commitments such as: the right to equal opportunities, the elimination of all forms of discrimination and harassment, the avoidance of all forms of child labor, with child labor permitted only in situations expressly provided for by law and the prohibition of the worst forms of child labor, as well as the prohibition of forced labor.

ALRO Group's internal regulations on labour rights are aligned with recognized international standards, reflecting our commitment to respect human rights. The *Human Rights Policy* is based on fundamental principles such as occupational health and safety, the elimination of forced labor and human trafficking, fair wages, fair pay, vocational training, freedom of association, collective Labor, community relations, resolution of requests or grievances and responsible sourcing.

These principles are integrated into our internal regulations, including the *Collective Labor Agreement*, the *Code of Ethics and Conduct* and the Human Resources Policy, which contribute to the development of a fair and responsible working environment. At the same time, our approach is aligned with the international framework on fundamental employee rights, with an emphasis on respecting and applying globally recognized principles.

In addition, ALRO, ALUM and VT have adopted the Declaration on Combating Modern Slavery, committing to combat modern slavery and human trafficking in all their forms, in line with the international standards set by the Aluminium Stewardship Initiative (ASI). In addition, the *Supplier Code of Conduct* in place at each Group company regulates these issues, demonstrating the commitment to maintain supply chains free from modern slavery and forced labor.

The *Human Rights Policy* reinforces these principles, emphasizing that ALRO does not tolerate the exploitation of children or any form of forced labour, including detention, slavery, forced apprenticeships, militarized labour or any form of human trafficking, both in its own facilities and those of its suppliers.

ALUM's *Human Rights Policy* addresses human trafficking, forced labor, compulsory labor and child labor. According to the principles promoted, each individual is free to choose the job and profession they wish to pursue and the company prohibits the use of any form of forced labor.

ALRO, ALUM and VE have policies and systems dedicated to the prevention and management of accidents in the workplace, implementing operational procedures and measures tailored to the specifics of each Group company.

At ALRO are applied, the Operational Procedure for the Implementation of Occupational Safety and Health Training, which sets out the necessary steps for training employees in the management of critical risks, and the Procedure for Planning, Hazard Identification, Risk Assessment and Control, which aims to minimize adverse effects on employee health by identifying and managing risk factors, These procedures have been outlined in section S1-1 Policies related to own workforce.

At ALUM, the Operational Procedure for Health and Safety Training of Workers Occupational aims to train employees to manage critical occupational health and safety impacts and risks. This procedure is outlined in **Section S1-1 Policies related to own workforce**.

At VE level, the Occupational Health and Safety Committee plays an important role, focusing on analyzing the causes of work-related in juries, evaluating proposals made by employees and developing effective measures to improve working conditions.

ALRO promotes diversity and inclusion by integrating the principles of discrimination and equal opportunities into all internal regulations that define the rights and obligations of the workforce work. ALRO policies are also designed to eliminate all forms of discrimination, promote equal opportunities and support diversity within the organization and are supported by robust internal regulations such as the Internal Regulations and the *Collective Labor Agreement* (CLA).

The *Code of Ethics and Conduct* reflects ALRO's commitment to equal treatment and equal opportunities for all employees, reinforcing a firm policy on diversity and fair treatment. This document prohibits any form of discrimination, whether direct or indirect, at all stages of the employment relationship, including recruitment, promotion, training and appraisal, irrespective of criteria such as gender, sexual orientation, age, race, religion, national origin or family status. At the same time, all forms of harassment are prohibited and ALRO implements proactive measures to prevent and combat them. The Internal Regulations and the *Collective Labor Agreement* provide clear sanctions for employees who commit acts of moral harassment. Regarding harassment in the workplace, ALRO has implemented the Guidelines on Preventing and Combating Gender-based Harassment and Moral Harassment in the Workplace.

The purpose of this document is to provide employees with the tools to fully exercise their individual rights and freedoms in a safe and respectful working environment.

The guidelines apply to all ALRO employees, as well as to those with whom they interact during working hours. The document includes detailed examples of harassment to facilitate a clear understanding of this unacceptable behavior and describes the procedure for filing and resolving harassment complaints. Constant monitoring and evaluation of the implementation of the guidelines are key aspects in ensuring an ethical and fair working environment.

The company's policy commitments on inclusion and positive action for people from vulnerable groups are embedded in the *Human Rights Policy* as well as in the *Code of Ethics and Conduct* and other internal regulations. These documents promote equal opportunities, diversity and fair treatment, prohibiting any form of discrimination based on gender, sexual orientation, disability, age, race, race, religion or family status. The definition and requirements for filling posts are strictly related to their specific responsibilities and duties and do not include criteria based on ethnicity, gender or other similar aspects, thus ensuring an inclusive and equitable working environment.

Also, within the Group, adaptations of the physical environment are in place to ensure the health and safety of workers, customers and other visitors with disabilities, thus special parking spaces are allocated for people with locomotor disabilities.

Moreover, in 2024, ALRO participated in the Job Fair for disadvantaged people from disadvantaged communities, organized in the framework of the "Shaping ProjectAcademic Employment Skills for Young Roma", an action for recruitment among minorities and disadvantaged groups.

ALRO implements its policies on preventing and mitigating discrimination, as well as promoting diversity and inclusion, through specific procedures embedded in its internal regulations. The *Code of Ethics and Conduct*, the *Internal Regulations* and the *Collective Labor Agreement (CLA)* are just some of the documents in place at the level of each company within the Group and include clear provisions on the prevention of discrimination and harassment, as well as detailed mechanisms for managing and resolving situations where such behaviors are identified.

For example, the Operational Procedure on the Handling of Requests, Complaints and Grievances sets out clear steps for filing, investigating and resolving complaints of discrimination or other inappropriate behavior, ensuring confidentiality and protection of the individuals involved. At the same time, employees benefit from a dedicated channel for reporting any breaches of internal policies, as well as support from the designated committee for analyzing and resolving cases.

In order to promote diversity and inclusion, ALRO organizes training and awareness-raising sessions for employees on human rights, equal opportunities and diversity. These sessions also include trainings based on the company-wide Guidelines on Preventing and Combating Gender and Moral Harassment. In addition, mitigation measures are regularly monitored and evaluated through internal reporting to ensure their effectiveness.

III.1.2.2 [S1-2] Processes for engaging with own workers and workers' representatives on impacts

In order to manage the negative impacts of our activities on our workforce, we pay constant attention to dialog and collaboration with employees. This is done both directly, through consultations and participative initiatives, and indirectly, through employee representatives. Direct consultations include internal surveys and feedback procedures that allow employees to express their perspectives on working conditions and potential impacts on them.

Indirectly, social dialogue is facilitated through regular meetings and negotiations between management and representatives of trade union organizations, reflecting the collective voice of employees

Consultations with employees take place regularly through social dialogue committees, meetings between management and representatives of trade union organizations, as well as internal surveys to collect feedback on working conditions and ethical principles. Social dialogue is a central element of the collaboration, which takes the form of annual meetings, and whenever necessary, between representatives of trade union organizations and the employer. At these meetings, key issues concerning working conditions, pay, social protection and other fundamental employee rights are discussed and negotiated. Meetings to negotiate the terms of the *Collective Labor Agreement* (CLA) are usually held annually, before the newis signed CLA, and are formalized by minutes. Additional meetings are also organized for the negotiation and conclusion of the additional acts to the CLA.

The operational responsibility for ensuring effective collaboration in the negotiations and implementation of the *Collective Labor Agreement* rests with the General Manager, who oversees the entire process, ensures that employees' rights are respected and integrates the results of this collaboration into the company's strategic approach, promoting a fair and inclusive working environment.

The Human Resources Director is responsible for ensuring that the consultation and social dialogue processes are carried out in an efficient and effective manner, coordinating the organization and smooth functioning of the social dialogue committees, as well as facilitating regular meetings between management and representatives of trade union organizations.

At ALUM, employees have at their disposal the Operational Procedure on the organization of hearings, which regulates the stages through which employees can address requests, complaints, grievances, complaints and proposals to the company's management through a hearing. Registration for the hearing is carried out at the ALUM Registrar's Office. The hearings are organized whenever necessary, depending on the requests received, and the deadline for communicating the conclusions and measures adopted is clearly set out in the procedure.

The operational responsibility for ensuring the efficient conduct of the hearing process and for handling requests, complaints, referrals and proposals addressed to management lies with the Director General.

Also within ALUM through the two system procedures: "Communication, consultation, participation" Code: PS-09/Rev.6/2020; and the procedure "Assessment of customer satisfaction and other ALUM stakeholders" Code: PO-134-04 /Rev.5/2021, we annually send to all employees a consultation questionnaire on quality, environment, SSM, energy and social responsibility issues, materialized in the form of an Employee Satisfaction Report. The Employee Satisfaction Report is produced annually, and includes conclusions based on employee responses compared to previous years as well as proposals for improvement of working conditions.

The operational responsibility for ensuring collaboration and implementation of the results obtained from the Employee Satisfaction Report lies with the HR Manager, who coordinates the data collection and analysis process, integrates the conclusions and proposals into the organization's strategy and promotes initiatives aimed at constantly improving working conditions and employee satisfaction.

The entire collaboration process between the ALRO Group and employee representatives is materialized through the signing of the *Collective Labor Agreement (CLA)*, which is a fundamental agreement that regulates the respect of employee rights and ensures a fair and transparent working environment. The CCM is the result of negotiations between the employer and the workers' representatives, reflecting the perspectives and needs of the employer's own workforce.

At ALRO Group level, the effectiveness of the collaboration with its own workforce is assessed through collective Labor, materialized through the signing of *Collective Labor Agreements* and additional acts, providing a formal framework for integrating employee perspectives and clear commitments by the employer. In addition, ALUM assesses the effectiveness of the collaboration with its own workforce through annual internal employee satisfaction surveys, which include relevant findings, comparisons with previous years and concrete proposals for improving working conditions. The ALRO Group also constantly monitors the implementation of the established measures, using dedicated operational procedures, such as hearings and grievance mechanisms, which facilitate continuous and up-to-date feedback from employees.

The collaboration processes outlined above cover all categories of employees, regardless of gender, race, religion, sexual orientation, age, social origin or any other criteria that could give rise to discrimination.

The Group has not yet taken specific steps to understand the perspectives of people in its own workforce who may be particularly vulnerable to impact or marginalized, such as women, migrants or people with disabilities. However, the Group plans to develop and implement a general collaborative process in the coming year that will include dedicated mechanisms for collecting feedback from these categories of employees, thereby ensuring a more inclusive and diversity-oriented approach.

III.1.2.3 [S1-3] Processes for addressing negative impacts and channels through which own workers can raise concerns

To remedy significant negative impacts on the workforce, ALRO Group implements clear processes to ensure that remedial measures are taken or contributed to by identifying, reporting and remedying adverse effects, as well as mechanisms to monitor and evaluate the effectiveness of corrective measures.

To remedy the negative impact **S2 (-) Job reductions affect employees**, ALRO Group adopts an approach based on clear remedial measures and well-defined processes, ensuring the protection of affected employees. The *Collective Labor Agreement* regulates the consultation of trade union organizations prior to any collective or individual layoff decision, thus ensuring that employees' rights are respected and their representatives are involved in the decision-making process. In addition, social protection measures, such as compensatory benefits and support for retraining or redeployment, are implemented. The effectiveness of these measures is monitored through direct feedback from employees, internal reports and regular evaluations carried out in collaboration with trade union organizations in order to identify and improve the results of the remedial process.

In order to manage and remedy the negative impacts associated with intense work schedules (**S3 (-) Potential intense work schedules in own activities**), we implement the provisions of the *Collective Labor Agreements* at each company level as a priority. It clearly defines working conditions, including working hours, rest time and overtime rewards, thus preventing overwork of employees. In case of intense or unplanned work, compensatory measures such as extra time off or financial benefits are applied.

The effectiveness of these measures is assessed through constant monitoring of working conditions, as well as through discussions at regular meetings with trade union organizations, thus ensuring continuous adjustment of processes to minimize negative impacts on the workforce.

In order to manage and remedy the negative impact associated with paying wages at a minimum level in the economy (**S4 (-) Paying wages at a minimum level in the economy**), we implement salary scales regulated by the *Collective Labor Agreement*, which sets clear and fair criteria for employee remuneration. All employees benefit from salaries set in accordance with their qualifications, the importance and complexity of the activities carried out, as well as their professional training and skills. In addition, we offer additional benefits, such as social incentives and bonuses, designed to support employees' well-being and reduce the economic impact on them.

The effectiveness of the remedial measures is assessed through internal employee satisfaction surveys, regular monitoring of pay conditions against market standards and consultations with representatives of trade union organizations, thus ensuring continuous improvements in pay policy.

With regard to **S7 (-) Own activities may cause occupational diseases as well** as **S8 (-) Potential health and safety incidents in own activities**, we attach particular importance to measures to mitigate the effects of these impacts on our workforce.

ALRO Group is implementing remedial measures for affected employees, alongside preventive initiatives. Among these measures are the provision of social benefits for the impacted persons, free medication for employees diagnosed with occupational bronchial asthma, registered at the company's dispensary, as well as the organization of regular determinations of microclimate parameters through the Nox Analysis and Assessment Office.

The effectiveness of these measures is monitored through detailed employee health reports, collaboration with public health authorities and regular reviews of working conditions.

S9 (-) Underrepresentation of women in own activities – Although the Group has implemented gender equality policies over the years, the process of integrating a diverse workforce can be difficult to achieve given the specificities of the industry.

With regard to the potential impact S13 (-) Protection of employees' and customers' personal data, we continuously implement measures to prevent a potential cyber-attack. All company assets and IT infrastructure are used by employees according to established internal rules and procedures. Thus, we have established a working group responsible for the implementation of cyber security measures. As cybersecurity is a high priority for us, this working group is coordinated by and reports directly to the CEO. Working Group meetings are held on a weekly basis or whenever necessary.

In the event of a security breach affecting its own workforce, strict response procedures are activated in accordance with Operational Procedure PO-23-04 – Information and Communication Resources Security, which sets out the steps for detecting, remediating and preventing recurrence of incidents.

To support affected employees, rapid recovery mechanisms are in place, such as restoring access to IT systems, specialized technical assistance and transparent communication on corrective actions. Employees are also encouraged to report any irregularities through internal reporting channels so that we can react effectively and minimize any negative consequences.

In addition, the Cybersecurity Best Practice Guide provides employees with clear guidance on protecting data and using IT infrastructure safely.

The effectiveness of remedial measures is regularly assessed through internal audits, security testing and analysis of risk indicators, and the findings are integrated into the continuous improvement strategy.

ALRO Group has set up several specific channels that allow its own workforce to express their concerns or needs directly to the company, thus ensuring a prompt and efficient approach. These channels include:

At ALRO, employees can submit complaints, complaints or requests concerning human rights through the Operational Procedure on the Settlement of Requests, Complaints and Grievances.

The procedure is also addressed to those ALRO employees who wish to express their point of view in the form of a request, complaint or referral in relation to a possible violation of national legislation, the *Collective Labor Agreement*, the Code of Conduct, the Internal Regulations or Internal Procedures. The purpose of this procedure is to regulate the lawful way of dealing with requests, applications, requests, complaints and grievances.

These can be submitted whenever an employee deems it necessary. Reporting can be done either internally by using the company's postal address, dedicated e-mail or online forms available on the company's website, or by meeting face-to-face with the person making the report, or by telephone through a voice messaging system, or externally to the competent public authorities and institutions.

The reports shall be entered in a register and kept by a designated person. This person is obliged to keep the identity of the whistleblower confidential. The Human Resources Department is responsible for the registration of complaints and the General Director of the company will nominate the person designated to deal with complaints.

The reports are submitted to the company's management, which will designate the persons responsible for its resolution. The procedure shall include the deadline for the resolution of the report.

In 2024, no employee complaints were registered at ALRO. The communication channels were used exclusively for personal document requests from former employees, which were processed and resolved promptly.

The Operational Procedure for the Settlement of Requests, Complaints and Grievances is available for consultation at ALRO's head office and on INTRANET, the internal platform for employees.

At ALUM, employees are provided with the Operational Procedure on Organizing Hearings, which governs how they can request and participate in direct meetings with management to express their concerns or needs. Hearing requests are recorded in a special electronic register. Following the hearing, it is the Director General who decides how to resolve the matter. In 2024, no requests for hearings were registered.

The Operational Procedure for Organizing Hearings is available for consultation at ALUM and on INTRANET, the internal platform for employees.

At VE, employees are provided with the Integrity Whistleblowing Policy and Procedure, through which employees and other stakeholders can submit human rights complaints and petitions in relation to a possible violation of the law, the *Collective Labor Agreement*, the Code of Conduct, the Internal Rules and Internal Procedures. The purpose of this policy is to provide guidance on how to report concerns and to ensure the confidentiality of the person reporting a violation. In accordance with the procedure the submission of concerns can be made online on the Company's website at the email address, by filling in the dedicated form. In the year 2024, there were no complaints/complaints and petitions registered.

The Integrity Whistleblowing Policy and Procedure is available for consultation at VE's head office and on INTRANET, the internal employee platform.

The Group actively supports the operation of dedicated employee communication channels, allocating essential resources such as specialized staff responsible for their management, modern IT infrastructure and monitoring systems. Clear rules and procedures are also implemented to ensure the confidentiality and safety of employees using these channels, thus promoting a transparent and inclusive working environment. To facilitate employees' access to these resources, relevant policies and procedures are available both at the company's premises and on the internal INTRANET platform, providing an accessible framework for information and use.

In order to monitor and ensure the effectiveness of our complaints and feedback channels, we regularly analyze the issues raised through these channels, track how they are resolved and identify opportunities for improvement.

The ALRO Group has implemented several channels for handling requests, complaints and grievances, providing employees with accessible and confidential methods of reporting. Complaints can be submitted in writing, through forms submitted to ALRO's Registrar or suggestion boxes, electronically, by e-mail to sesizari@alro.ro, by phone, by contacting designated persons, or through the internal portal, which allows real-time tracking of the status of requests.

All complaints are formally recorded in a follow-up register and given a unique identification number. The employee receives a confirmation within 7 calendar days and the complaint is categorized according to its nature (working conditions, safety, remuneration, interpersonal relations) and is directed to the responsible department. For complex issues, interdisciplinary teams (Human Resources, Legal, Occupational Health and Safety) may be involved, and internal inspections and consultations with specialists may be carried out for further investigation.

After analysis, the responsible department determines the optimal solution and the employee is informed within 30 calendar days. If further investigations are necessary, the deadline may be extended up to 90 days with prior notice. Corrective measures are implemented and ALRO monitors their effectiveness to prevent recurrence. If the solution is not definitive, additional corrective actions tailored to the specific context are applied.

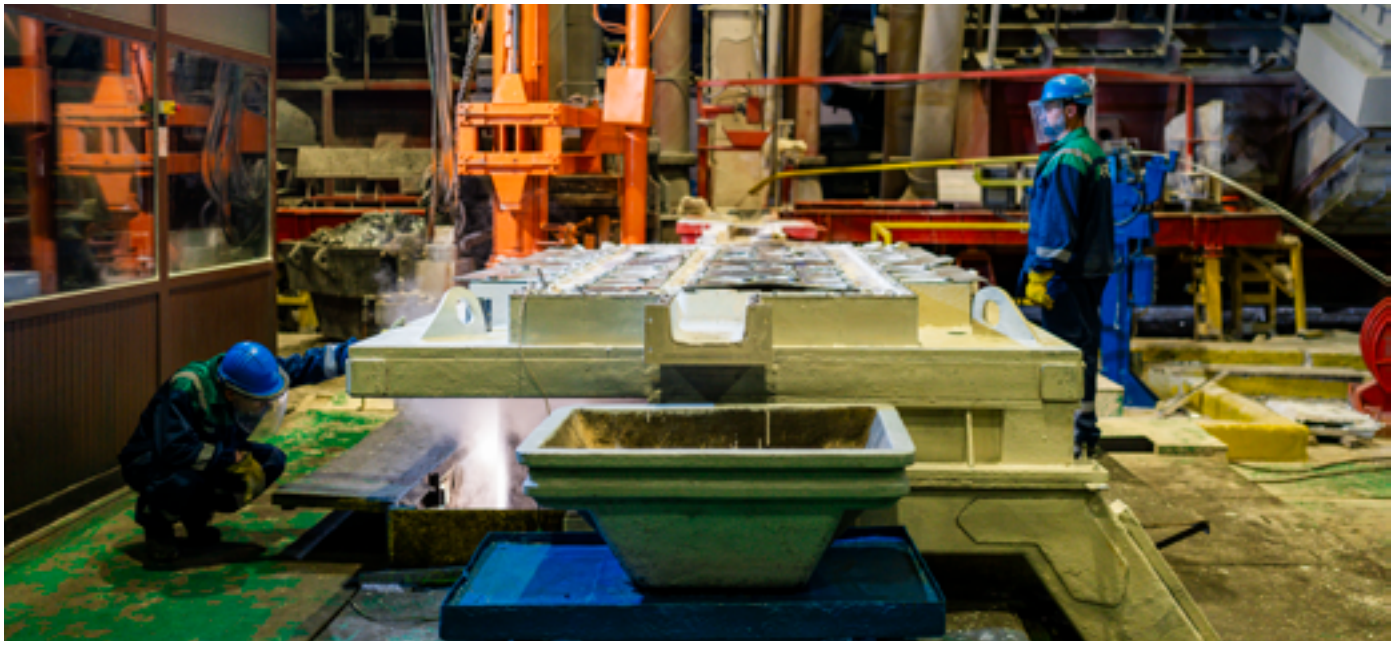
All referrals are documented and tracked throughout the resolution process, and regular reviews identify trends and recurring issues. ALRO ensures the confidentiality of all referrals and applies strict anti-retaliation policies, preventing any negative consequences for employees. The reporting channels are constantly evaluated and optimized based on the feedback received, and in case of complex issues, employees can request the support of a mediator. This approach ensures transparency, accessibility and efficiency in complaint handling and continuous process improvement.

In addition having received administrative requests from former employees through the dedicated channels during 2024, the Group considers that these communication channels are functioning adequately.

By actively and accessibly communicating the relevant policies through which the workforce can express their concerns or needs, we ensure that employees are aware of and trust the structures and processes in place.

As regards the Integrity Whistleblowing Policy and Procedure as well as the Operational Procedure on the Resolution of Requests, Complaints and Grievances, they are brought to the knowledge of each employee by posting them in visible places at the headquarters. In addition, all internal procedures and regulations are uploaded on the internal INTRANET platform for employees. They also clearly regulate the whistleblower's rights and obligations.

To protect employees against retaliation, existing policies clearly define the rights and obligations of whistleblowers, explicitly prohibiting any form of retaliation against those who use dedicated channels to report violations. We also ensure that whistleblowers' identity and confidentiality are protected, preventing any repressive or punitive action. These measures are essential to create a safe and supportive environment in which employees can express themselves freely and communicate their concerns or needs.



III.1.2.4 [S1-4] Taking action on significant impacts on own workforce and approaches to mitigate significant risks and to pursue significant opportunities related to own workforce, and the effectiveness of these actions

In the reporting year ALRO Group implemented concrete measures to manage this negative impact generated by job cuts (**S2 (-) Job cuts affect employees**). At VE, the redeployment of staff was the result of the re-technologization process, and at ALUM, the redundancies occurred in the context of the suspending of alumina production activity. In accordance with the provisions of the *Collective Labor Agreement*, compensatory payments were granted to the dismissed employees, thus ensuring adequate financial support and respect for their rights.

All measures were implemented in compliance with labor legislation and contractual provisions, ensuring fair and non-discriminatory treatment in the restructuring process.

At VE, as a result of the re-engineering process, the affected employees have been relocated to other departments, thus avoiding job losses and ensuring the continuity of their work.

At ALUM, in the context of the suspending of alumina production activity, the dismissed employees received financial compensation, as provided for in the *Collective Labor Agreement*, to reduce the economic impact of the transition.

In the medium and long term, the Group is considering the implementation of retraining programs and support in the transition to other business sectors for affected employees.

The actions implemented cover the ALRO Group's own operations, mainly affecting ALUM and VE employees. The measures are applicable internally and aim both at the social protection of employees and at maintaining operational stability. Stakeholder groups directly affected include employees, trade unions and local communities.

In order to ensure support for employees impacted by job cuts, ALUM offered compensatory payments in 2024 and implemented staff redeployment measures, minimizing the social effects of restructuring. A total of 81 employees were made redundant in the company representing approximately 40% of the total number of employees at the beginning of 2024. Compensation payments representing Opex expenses amounting to RON 2,586,067 were granted.

A total of 27 employees were laid off at VE representing approximately 6% of the total number of employees at the beginning of 2024.

In previous periods, the Group has implemented similar social protection measures, and in the reporting year, the focus was on swift and effective measures to mitigate the impact of restructuring.

Impact of restructuring

	ALUM	VE
Resources earmarked for compensatory payments (Opex) (RON)	2,586,067	–
Number of persons made redundant	81	27
Number of persons redeployed to other departments	5	8

In 2024, ALRO Group has implemented specific measures to manage the impact of S3 (-) Potentially intense work schedules in its activities, ensuring respect for employees' rights and balancing operational requirements and workforce health. These actions have been aligned with the provisions of the *Collective Labor Agreement*, which regulates "Working Time" and ensures a fair distribution of tasks, especially in sectors with continuous shift work.

In 2024, the Group implemented mechanisms to manage working hours, whereby overtime work was either compensated by equivalent days off or paid as per the provisions of the CCM. Regular checks were also carried out to ensure compliance with the legal limits of working hours, reducing the risk of overwork and fatigue among employees. In the medium term, the Group aims to explore new solutions to optimize working hours in order to improve operational efficiency while minimizing the negative effects on employee health and productivity.

These measures have been implemented in all ALRO Group entities where shift work is involved, with a particular focus on production sectors where continuous-fire working hours are required. Stakeholders directly affected include employees, trade unions and operational management.

In the previous period, ALRO Group had implemented similar measures, and in the reporting year focused on reinforcing them in a more effective way of monitoring and enforcement. In the future, the Group will continue to adapt working hours to operational requirements and employees' needs, maintaining a sustainable balance between productivity and employee well-being.

Financial resources have been allocated to support actions to mitigate the negative effects of this impact, as detailed in the table below:

Resources earmarked for overtime payments

	Current (2024)
Resources assigned to overtime pay (OpEx) (ALRO)	3,933,239
Resources assigned to payment for overtime worked (OpEx) (ALUM)	0
Resources assigned to overtime payments (OpEx) (EV)	3,210,522

The actions taken to mitigate the effects caused by the negative impact **S4 (-) Payment of salaries at a minimum level in the economy**, were in line with the objectives set in the *Collective Labor Agreement*, which regulates the remuneration criteria, salary increases and additional benefits granted to employees, contributing to ensuring a sustainable and competitive working environment.

In 2024, the Group continued to apply transparent salary structures based on qualification, importance and complexity of the positions, as set out in the *Collective Labor Agreement*.

In addition to the salaries set by individual employment contracts, all employees receive meal vouchers, performance bonuses, bonuses for special events and financial support.

The Group constantly monitors the remuneration structure and market conditions in line with applicable legislation to identify opportunities to adjust benefits and compensation packages.

In the medium and long term, the Group aims to continue to analyze the competitiveness of pay packages and implement solutions that will help attract and retain the workforce.

These measures are applied across all ALRO Group entities and have a direct impact on the entire workforce. The main stakeholders affected include employees. In addition trade unions and operational management are actively involved in the process of negotiating and implementing wage policies.

Financial resources have been allocated to support actions to mitigate the negative effects of this impact, as detailed in the table below:

Average percentage wage increases

	2024
Average percentage pay increase (ALUM)	N.A.
Average percentage pay increase (EV)	7%

S7 (-) Own activities may cause occupational diseases
S8 (-) Potential health and safety incidents in own activities

We have continued to implement measures and policies to mitigate the impacts of **S7 (-) Own activities may cause occupational diseases** and **S8 (-) Potential health and safety incidents in own activities, ensuring the health and safety of our workforce**.

The measures implemented are in line with the objective set out in the *Collective Labor Agreement*, which covers "Working conditions, health and safety at work, labor protection and social protection". They also reflect the commitment to the principles of the *Human Rights Policy*, which promotes the implementation of measures designed to ensure that employees work in optimal health and safety conditions.

We are constantly striving to promote health and safety through dedicated campaigns and by continuously reviewing our own occupational health and safety policies and instructions. This is an ongoing process with annual reassessments.

We have integrated digitalization into health and safety and adopted new technologies that reduce emissions and improve the working environment. These include the expansion of the Flue Gas Treatment Station in the Cast House section and the installation of a station to capture and filter the coke dust generated in Assembly Shop No. 2, measures that contribute to reducing nox emissions and compliance with EU regulations (ALRO). Additionally, an electric aging furnace was installed, which significantly reduces CO2 emissions into the atmosphere (ALRO). These actions were completed in 2024.

At VE, we have implemented ergonomic measures, such as the automated packing line, which reduces employees' physical exertion and the risk of accidents, and we have added fume exhaust systems to improve working conditions. In addition, we ensure that employees benefit from continuous training through training sessions held by doctors specialized in occupational medicine and fire drills organized by authorized companies (VE, ALRO, ALUM). These sessions are held regularly and will continue in the coming years.

In 2024, in line with the objectives of the *Collective Labor Agreement*, we provided specific benefits such as rest and treatment tickets for employees with occupational diseases working in the Group's own operations, and on completion of all work we have planned workplace risk reassessments to take appropriate action. This measure will be maintained in future years as part of our policy to support employee health.

Based on the measures implemented in previous years, we have seen a reduction in work-related incidents and the impact on employee health. In the coming periods, we will continue to evaluate the effectiveness of these actions through quantitative and qualitative indicators on safety at work.

Financial resources have been allocated to support actions to mitigate the negative effects of this impact, as detailed in the table below:

Resources allocated to benefits for employees who have developed occupational diseases

	Current (2024)
Resources allocated to benefits for employees who have developed occupational diseases (ALRO)	33,600

S9 (-) Under-representation of women in their own activities

We have continued to promote equal opportunities and combat the under-representation of women in our activities, ensuring that all female employees benefit from the same pay and promotion opportunities as their male colleagues (ALRO, VE). We have conducted training and re-training sessions on the *Code of Ethics and Conduct* and the *Human Rights Policy*, providing employees with a clear understanding of the principles of equality and inclusion (ALRO, VE).

The actions implemented to mitigate this impact have not required significant financial resources as they are integrated into the company's existing processes and policies. However, we are committed to assess the financial impact of future measures and report, where relevant, on the resources allocated to improve gender balance within the organization.

Our commitment to promoting diversity and inclusion is ongoing.

In 2024, we focused on providing and supporting stable jobs with a special emphasis on respecting human rights and eliminating all forms of discrimination. Through training sessions and the application of a rigorous non-discrimination policy, we have ensured that all employees, regardless of gender, ethnicity or other characteristics, are treated with fairness and respect, thereby strengthening a diverse and inclusive work environment.

In the coming years, we will continue to evaluate and optimize our practices to ensure a steady increase in diversity within the company.

S13 (-) Protection of personal data of employees and customers

To protect sensitive data and ensure a high level of information security in all Group operations in order to prevent a potential negative impact on the workforce, we focus on the following actions:

- We constantly monitor technological developments and identify innovative solutions and cybersecurity technologies useful to the Group and integrate them into our operational processes.
- We periodically review and update our cybersecurity policies and procedures to reflect changes in technology and new threats, based on ALRO's Chief Executive Officer's Information Security Policy Statement, which sets out broad objectives focused on protecting the confidentiality, integrity and availability of information, complying with data protection legislation and preventing incidents. This is an ongoing process with annual reassessments.
- Conduct regular cybersecurity risk assessments and update security strategies and plans based on newly identified threats and vulnerabilities through a continuous risk management process, completed in 2024, with planned annual updates
- We have created dedicated working groups responsible for monitoring the progress of each approved project, both in line with local legislation and company-developed initiatives, a measure implemented in 2024.
- In 2024, we revised *PO-422 – Procedure on the Protection of IndiviDoubles with regard to the Processing of Personal Data*, which sets out the rules applicable at company level regarding the collection and processing of data in an equal, fair and transparent manner towards employees and customers (ALRO), completed in 2024, with the next review planned for 2025.

The measures to manage and mitigate this impact meet the objectives set by the P*rocedure 422 – Procedure for the protection of individuals with regard to the processing of personal data,* on the rules applicable to the processing of personal data, and the *Code of Ethics and Conduct* on the Protection of personal data

Our personal data protection actions cover all of the Group's operations, including the protection of employee, collaborator and customer information in internal systems, security compliance in dealing with suppliers and business partners, and the implementation of measures to prevent unauthorized access and cyber risks throughout the value chain.

The implementation of data protection measures has not required the allocation of significant financial resources and has mainly been achieved by optimizing the existing infrastructure and improving internal processes. However, with the development of new technologies and increasing cyber threats, we are considering additional investments in advanced cyber security solutions. If such investments become financially relevant, we will consider reporting them in future periods.

S1 (+) Salary benefits provide economic and social protection for employees.

Our Group continues to adopt concrete strategies and measures to achieve and maintain positive impacts on the workforce, ensuring economic and social protection through competitive salary benefits. We ensure that employees benefit from attractive compensation packages, including health insurance, pension plans, meal vouchers, bonuses and other perks, thereby contributing to their financial stability. These are set out in *Collective Labor Agreements* and reviewed annually.

The actions implemented have a broad scope, covering all categories of employees within the Group, including operational, technical and administrative staff, and apply to all locations where we operate.

To support professional and personal development, we have invested in training programs, advancement opportunities and mentoring, providing support to each new employee by assigning a mentor during the adaptation period. In addition, we have created a performance recognition and reward system, offering attractive remuneration, bonuses and special allowances in line with the provisions of the *Collective Labor Agreements*.

In terms of progress on actions, wage and social benefits have been steadily adjusted in recent years to respond to labor market developments and employee needs.

The ALRO Group is constantly concerned about employee well-being by promoting a healthy work-life balance, offering flexibility in working hours and remote working. We also monitor employee satisfaction through regular surveys, using feedback to identify and solve potential problems, thus reinforcing a positive organizational culture and a working environment based on ethical values and social responsibility.

S5 (+) Trade union structures improve labour relations

S6 (+) Collective bargaining protects employees

ÎIn 2024, the Group focused on strengthening labor relations through trade union structures and collective Labor, which are key to achieving and maintaining positive impacts on the workforce. In each Group company, the renegotiation of the *Collective Labor Agreement* (CLA) between the employer and union representatives took place and was successfully concluded with the signing of a new one-year CLA. This action will be repeated every year.

The Group has continued to promote active social dialogue, transparent information, collective Labor and consultation with trade union organizations, ensuring that the voice of employees is heard and integrated into decision-making processes.

The measures implemented concerned the entire Group, covering all operations its and having a direct impact on employees in all locations. The trade union structures and collective Labor process involved all relevant social partners, including representative trade union organizations and company management.

In recent years, collective Labor has led to significant improvements in working conditions, including wage adjustments, expanded employee benefits and increased transparency in decision-making. The Group continues to the monitor impact of these measures, strengthening the relationship between management and trade unions to maintain a stable and fair work climate.

The implementation of these measures has not required the allocation of significant financial resources, as social dialogue and collective Labor mechanisms are already embedded in organizational processes.

These actions, aligned with the fundamental principles of the *Human Rights Policy*, support a working environment that is fair, inclusive and respectful of the rights of every employee.

S6 bis (+) Granting leave for family reasons

For **S6 bis (+) Granting of leave for family reasons**, in 2024, the Group has ensured the granting of leave for family reasons in accordance with the objective Working Time and Rest Time of the *Collective Labor Agreement* (CLA). The Group is committed to supporting employees in maintaining a healthy work-life balance by providing them with the opportunity to take leave in family-related situations, in accordance with the regulated framework. This action is applicable for the entire duration of the CCM and regularly updated in line with legislative regulations and organizational needs, reflecting commitment the companies' to the well-being of the workforce and contributing to a supportive and responsible working environment.

Measures to promote family leave apply to all Group employees, regardless of position or location, helping to support a fair and inclusive working environment.

In previous years, the Group has maintained and improved its employee support measures, facilitating access to family-related leave and ensuring a clear and fair process for their application. We continue to monitor and adjust these policies to best meet the needs of the workforce, reinforcing our commitment to work-life balance.

The implementation of these measures did not require the allocation of significant financial resources, as they are covered by the MCC and included in our current work-life balance policy.

S8 bis (+) Work environment free of violence and harassment

To support the positive impact of **S8 bis (+) Work environment free from violence and harassment**, we have adopted and implemented the Guidelines on Preventing and Combating Gender-based Harassment and Bullying at Work (Revision – /09.02.2024), ensuring a safe and non-discriminatory working environment for all employees. The Guidelines prevent any form of discrimination on the basis of race, nationality, religion, gender, sexual orientation, age, disability or any other criteria, protecting the fundamental rights of employees in all aspects of working life. The implementation of these Guidelines across all Group companies is a major priority for the coming year, reinforcing our commitment to an inclusive, respectful and harassment-free working environment.

The implementation of these measures has not required financial resources, as the processes are integrated in the internal regulations and carried out with the support of existing structures

We also ensure the effective enforcement of *PO-426 on resolving whistleblower inquiries, referrals and complaints, provide employees with a secure and confidential channel* for reporting any violations.

S11 (+) Training programs supporting professional development

ALRO employees participated during 2024 in initiation, qualification, requalification, retraining, refresher, specialization and authorization courses for employees performing specific activities (e.g. crane operators, forklift operators, ISCIR-authorized or ANRE-authorized electricians).

ALRO has continued training programs for employees to develop professional competences and skills, creating a pool of qualified / authorized / specialized staff according to internal needs.

In the year 2024 ALRO continued the professional training and specialization of the employees involved in the AERO project and the AUTO project. Also, focusing on changing the employees' mindset on self-control, quality, cost reduction, efficient use of resources necessary for carrying out activities, compliance with system and operational procedures, improving communication, internal training programs for employees on sustainability policies and procedures continued, namely Cybersecurity Policy, PolicyHuman, PolicyRights Anti-Bribery and Anti-Corruption, *Code of Ethics and Conduct*, Procedure for dealing with requests, equal opportunities, complaints and grievances, etc.

Inclusion of new employees in qualification/licensing programs enabling them to be promoted to higher categories (ALRO, VE). Continuation of training programs for employees to develop professional skills and abilities, creating a pool of qualified/licensed/ specialized staff according to internal needs. Annual training plan is approved within VE, developed based on individual needs as well as those identified by the Human Resources Department. (VE)

Annual training programmes are drawn up at the end of each year for the following year, in consultation with trade union leaders, thus ensuring alignment with the professional development needs and operational requirements of companies.

Compared to previous periods, we have expanded the number of training programs, covering a wider range of skills and areas strategic to our business. In addition, we have strengthened the integration of new employees through dedicated qualification and development programs, leading to an increase in the number of certified and specialized employees.

Believing that employees are a key factor in an organization's success, VE consistently supports the creation of training opportunities and a learning environment.

In order to support actions taken to promote the positive effects of this impact, financial resources have been allocated as detailed in the table below:

Resources allocated to vocational training programs

	Current 2024 (RON)	Short term 2025 (RON)
Resources allocated to training programs (Opex) (ALRO)	626,610	717,750
Resources allocated to training programs (Opex) (EV)	176,320	175,000

S12 (+) Employment of persons with disabilities promotes inclusion

In support of the positive impact S12 (+) "Employment of people with disabilities promotes inclusion," The Group is constantly committed to the principles of inclusion and the elimination of all forms of discrimination, as set out in the Collective Labor Agrement, the *Human Rights Policy* and the *Code of Ethics and Conduct*. Within the Group, we have implemented adaptations to the physical environment to ensure the health and safety of workers, customers and other visitors with disabilities, including the allocation of special parking spaces for people with locomotor disabilities. In 2024, we continued to provide appropriate working conditions for special groups of employees, such as people with disabilities, young employees or pregnant women, by assigning them to positions that allow them to perform their work safely without additional risks.

These measures are implemented across the Group's operations, covering employees in all our business units and mainly targeting vulnerable people (people with disabilities, pregnant women and young employees).

Measures to improve the accessibility and protection of vulnerable groups are continuous actions, integrated into our human resources strategy and adjusted annually according to identified needs.

In previous years, we have initiated measures to integrate people with disabilities and adapt workplaces, and in 2024 we have continued this work by optimizing existing conditions and implementing additional solutions for their safety and comfort.

The implementation of these measures has not involved significant financial resources and the costs have not been separately highlighted in the financial reporting. We will assess the appropriateness of reporting in detail on these investments in the future to ensure transparency of the efforts made to support inclusion.

These measures reflect our commitment to creating an inclusive and safe working environment for all employees.

We identify actual or potential negative impacts on our own workforce through a structured process that involves continuous monitoring of working conditions, conducting risk analyses and regular consultation with employee representatives, including through internal surveys, regular meetings or organized following hearing requests. This process utilizes the employee engagement channels as well as the grievance procedure. Corrective actions are established in accordance with applicable legislation, the provisions of the *Collective Labor Agreement*, international standards such as the *Human Rights Policy*, and internal occupational health and safety procedures aimed at preventing and reducing risks. The implementation of these actions is constantly monitored and their effectiveness is assessed through satisfaction surveys and consultation with employee representatives, ensuring that their interests and views are expressed.

With regard to the significant risks and opportunities identified, our priority focus is on identifying and implementing solutions to minimize the financial impacts on the Group, while ensuring that we capitalize on and promote the opportunities identified.

RO13_A Group-wide job reduction

The measures implemented to mitigate the risk **RO13_A Job reduction at Group level** are mainly those applied to manage the impact **S2 (-) Job reduction affects employees**, with the objective of maintaining organizational stability and reducing negative effects on the workforce.

Our Group has implemented measures such as redeployment of staff, compensation payments and social benefits, active social dialogue with trade union representatives and transparent communication, all with the aim of reducing negative effects on employees and maintaining organizational stability.

We monitor the effectiveness of these measures through regular evaluations, including satisfaction surveys, consultations with employee representatives and analysis of legal and reputational risks, thereby strengthening the Group's ability to respond effectively to the challenges of a changing workforce.

In order to avoid double reporting, we specify that the measures implemented to manage impacts **S7 (-) Own activities may cause occupational diseases** and **S8 (-) Potential health and safety incidents in own activities** (upgrading technologies, improving working conditions, updating health and safety instructions, conducting risk assessments and implementing financial support mechanisms for affected employees) also aim at mitigating risks **RO17_A Risks associated with occupational diseases** and **RO18_A Risks related to health and safety at work**.

The effectiveness of measures is monitored through regular audits, consultation with trade union organizations and analysis of health and safety indicators. Through these actions, we ensure that the financial and reputational risks associated with health and safety at work are mitigated.

The measures implemented to manage the impact **S13 (-) Protection of employees' and customers' personal data** also mitigate the risk **RO19_A Risks associated with cyber-attacks**, by updating security procedures, strengthening data protection, training employees and enforcing strict information security policies, thereby reducing vulnerabilities and associated risk.

RO16_A Opportunity: **Increasing the stability and productivity of the workforce through attractiveness as a responsible employer**

The measures implemented to capitalize on opportunity **RO16_A-Increasing workforce stability and productivity through attractiveness as a responsible employer aimed at strengthening** ALRO Group's status as an employer of choice, attracting and retaining a skilled workforce and motivating employees. In 2024, the Group continued to enhance professional development programs, expand employee benefits and promote an inclusive work environment.

These initiatives cover all operational activities within the Group and target both existing and potential employees through recruitment and retention strategies. The measures impact the entire value chain, with effects on operational efficiency, the company's reputation and relations with social partners.

The actions are part of a continuous process with annual implementation. Professional development programs, including the ALRO Skills Academy, are updated and expanded according to organizational needs. Diversity, equity and inclusion initiatives and employee benefits are constantly monitored and improved.

The Group has also stepped up its initiatives to promote diversity and inclusion by applying the principles of equal opportunities and the elimination of discrimination, as reflected in its *Code of Ethics and Conduct* and *Human Rights Policy*.

At the same time, it is important to maintain employee benefits, including competitive salary packages, health insurance, meal vouchers and other incentives designed to improve work-life balance. These measures are complemented by initiatives that promote a positive work environment, such as mentoring programs and recognition of individual and team performance.

To track the effectiveness of these measures, we conduct regular employee satisfaction surveys, assess retention rates and monitor organizational performance indicators.

The ALRO Group implements rigorous measures to ensure that its practices do not generate or contribute to significant negative impacts on its own workforce, taking into account key issues such as purchasing, sales and data use.

The Group is guided by its *Human Rights Policy*, *Collective Labor Agreements (CLAs)* and *Code of Ethics and Code of Conduct*, fundamental documents that set out clear principles for the protection of employee rights, equal opportunities and the prevention of any form of discrimination or abuse. These policies are integrated and communicated to all of our suppliers, ensuring that the supply chain follows the same ethical and social standards.

In terms of employee protection, we encourage the use of the whistleblowing system, which provides a secure and confidential mechanism for reporting any irregularities, misconduct or violations of ethical principles. In addition, all new hires are trained on anti-corruption and anti-fraud policies, and risks and opportunities are constantly monitored and controlled to ensure a safe, fair and compliant working environment.

Through these integrated measures, we ensure that our operational and business practices are aligned with the highest standards of sustainability and social responsibility, protecting the rights and welfare of our employees.

III.1.3 Indicators and targets

III.1.3.1 [S1-5] Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

At ALRO Group level, we have defined a series of strategic objectives aimed at contributing to the improvement of working conditions and the consolidation of a favorable organizational climate. Our HR team's priorities include attracting and retaining a skilled workforce, continuous professional development and reinforcing our status as a top employer, all of which are essential to ensure the Group's long-term sustainability and competitiveness. These initiatives are carefully managed and integrated into our operational strategy to respond to dynamic labor market and industry requirements.

However, the targets set so far are of a general nature and are not specific to the sustainability issues identified as significant in the Double Materiality process. They also do not meet the requirements set out in MDR-T, paragraph 80, in terms of defining measurable, result-oriented and time-bound objectives that are necessary for a rigorous assessment of progress. For this reason, the Group chooses not to present them in the current reporting.

However, we recognize the importance of setting specific, measurable and ESRS-aligned targets to monitor sustainability performance. In the coming period, we are committed to developing a structured framework for setting targets so that they are relevant, measurable and integrated into our reporting and performance management processes. This will ensure greater transparency and make it easier to assess the actual impact of the measures implemented on the Group's workforce and sustainability.

III.1.3.2 [S1-6] Characteristics of enterprise employees

At ALRO the activities and services related to human resources management are carried out within the Human Resources & General Services Directorate.

In 2024 the activities in this area were strongly influenced by the operational needs of our companies, which were faced with various challenges specific to the industry and economy of which we are part.

At ALRO Group level, the total workforce is 2,821 employees, of which 2,110 are men and 711 are women, reflecting a lower presence of women in the industry. The underrepresentation of women is visible in all Group entities, in particular at ALRO, where only 468 of the 2,269 employees are women, and at ALUM, where out of a total of 103 employees, only 27 are women, confirming the challenges related to diversity in the industrial field.

Number of employees by gender (number of persons) (2024)

2024	Group	ALRO	ALUM	VE	VT	CONEF
Male	2,110	1,801	76	201	32	-
Female	711	468	27	185	30	1
	2,821	**2,269**	**103**	**386**	**62**	**1**

Number of employees by gender (number of people) (2023)

2023	Group	ALRO	ALUM	VE	VT	CONEF
Male	2,068	1,683	154	200	31	–
Female	659	378	36	218	26	1
	2,727	**2,061**	**190**	**418**	**57**	**1**

Number of employees by contract type and by gender (number of persons) (2024)

2024	Group	ALRO	ALUM	VE	VT	CONEF
Number of permanent employees	**2,642**	**2,095**	**99**	**386**	**61**	**1**
Female	673	436	26	185	30	1
Male	1,958	1,659	73	201	31	
Number of temporary employees	**179**	**174**	**4**	**0**	**1**	**0**
Female	33	32	1	0	0	0
Male	146	142	3	0	1	0
Number of full-time employees	**2,805**	**2,264**	**100**	**384**	**57**	**0**
Female	704	467	26	184	27	
Male	2,101	1,797	74	200	30	
Number of part-time employees	**16**	**5**	**3**	**2**	**5**	**1**
Female	7	1	1	1	3	1
Male	9	4	2	1	2	0
Total number of employees	**2,821**	**2,269**	**103**	**386**	**62**	**1**

Number of employees by type of contract, by gender (number of persons) (2023)

2023	Group	ALRO	ALUM	VE	VT	CONEF
Number of permanent employees	**2,635**	**1980**	**188**	**410**	**56**	**1**
Female	634	360	36	211	26	1
Male	2,001	1620	152	199	30	0
Number of temporary employees	**114**	**81**	**2**	**8**	**1**	**0**
Female	25	18	0	7	0	0
Male	66	63	2	1	1	0
Number of full-time employees	**2,705**	**2053**	**184**	**416**	**52**	**0**
Female	649	374	35	217	23	
Male	2,056	1679	149	199	29	
Number of part-time employees	**21**	**8**	**6**	**2**	**5**	**1**
Female	10	4	1	1	3	1
Male	12	4	5	1	2	0
Total number of employees	**2,727**	**2,061**	**190**	**418**	**57**	**1**

Within the ALRO Group, the workforce structure reflects our commitment to stable and sustainable employment, with 94% of employees having permanent contracts, which contributes to talent retention and operational continuity. The majority of employees (99%) work full-time, demonstrating a balanced employment model focused on stability and productivity. At the same time, we observe a lower representation of women among the workforce, which underlines the need for further initiatives to promote diversity and inclusion, which are key to increasing competitiveness and attracting talent in the long term.

The total number of employees who left the ALRO Group during the reporting period and the employee turnover rate during the reporting period are presented in the table below:

Total number of employees who left ALRO Group in the reporting period and employee turnover rate in the reporting period (2024)

2024	Group	ALRO	ALUM	VE	VT	CONEF
Total number of employees who left the company during the period	412	208	90	108	6	–
Employee turnover rate during the reporting period (staff turnover)	13.73%	8.51%	87.38%	27.62%	9.68%	–

Total number of employees who left ALRO Group in the reporting period and employee turnover rate in the reporting period (2023)

2023	Group	ALRO	ALUM	VE	VT	CONEF
Total number of employees who left the company during the period	360	207	79	72	2	–
Employee turnover rate during the reporting period (staff turnover)	13.2%	6.8%	24.35%	0.6%	4.13%	–

During the reporting period, a total of 412 employees left the ALRO Group, of which 208 at ALRO and 108 at VE, mainly as a result of the re-technologization processes, and 90 at ALUM, in the context of temporary production shutdowns. The employee turnover rate varied significantly between companies, reaching 87.38% at ALUM, 27.62% at VE and 8.51% at ALRO, thus reflecting the impact of operational restructuring on the workforce.

Calculation methodology

For the calculation of the total number of staff for the year 2024, the number of employees expressed as the number of persons existing at the end of the reporting period was used.

This methodology was also applied to represent the distribution of employees by gender and type of contract (permanent/temporary, full-time/part-time).

The FTE (Full-Time Equivalent) method was used to calculate the total staff number of for the year 2023.

The change in reporting method was appropriate to align the labor force data with current reporting practices and to facilitate benchmarking with other industry entities.

Total employees leaving the company includes both voluntary and involuntary departures. The percentage of employees leaving the company during 2024 is calculated by dividing the number of voluntary and involuntary departures by the total number of employees in existence at the end of the reporting period.

The reporting indicators are not certified by an independent external body, but the Group companies use software solutions for financial processes and human resources management. In terms of ERP systems, ALRO, ALUM and VT use SAP ERP, a reference platform for the integrated management of financial and logistics operations, while VE uses Priority ERP, a system tailored to its specific needs.

For human resources management, each company uses dedicated software solutions, optimized for the specific operational specificities of each entity. ALRO implements Colorful/Nexus, ALUM uses PIT Software Socrate, VE operates with Charisma HCM, and VT uses Nexus.

III.1.3.3 [S1-8] Coverage of collective negotiations and social dialog

Within the ALRO Group, the working conditions and terms of employment of employees are regulated and directly influenced by Collective Labor Contracts (CCM), which cover 100% of the workforce. The CCMs are negotiated annually at the level of each Group company, and they set out the rights and obligations of employees, including issues such as pay, social benefits and working conditions.

At the same time, the Group promotes an active social dialog, with employees having the right to register in one of the 9 existing trade unions and to participate in the relevant decision-making processes through their representatives.

- Free Trade Union ALUM;
- ALRO Free Trade Union;
- Aluministul Free Trade Union;
- Solidarity trade union;
- Aluminium Processing Union;
- ALROPRODUCT trade union;
- U.P.S. Union (Professional Union "Science");
- ALRO Labor Union;
- Independent Trade Union ALRO EXTRUSION.

The degree of unionization at the level of each company is presented in the following table:

Degree of unionization in each company

2024	Group	ALRO	ALUM	VE	VT	CONEF
Percentage of employees covered by employee representatives	68%	72%	79%	50%	11%	0%
Number of employees covered by employee representatives (Union)	2053	1768	81	197	7	0

72% of all ALRO employees are union members.

79% of all ALUM employees are members of the Trade UnionALUM Free.

50% of the total number of VE employees are members of the ALRO EXTRUSION Independent Trade Union.

VT employees are members of ALRO trade unions and enjoy the same rights as ALRO employees.

Calculation methodology

The overall percentage of employees covered by employee representatives is based on the ratio of the total number of employees who are members of one of the nine trade unions active in the Group to the total number of employees reported at the end of the reporting period. This percentage reflects the degree of union representation and employee involvement in social dialog processes.

III.1.3.4 [S1-9] Diversity indicators

Diversity of employees

2024	Group	ALRO	ALUM	VE	VT	CONEF
Total number of employees of which:	**2,821**	**2,269**	**103**	**386**	**62**	**1**
< 30 years	209	175	–	32	2	–
%	7%	8%	0%	8%	3%	0%
30-50 years	1,455	1,101	42	268	43	1
%	52%	49%	41%	69%	69%	100%
> 50 years	1,157	993	61	86	17	–
%	41%	44%	59%	22%	27%	0%

The ALRO Group maintains a predominantly experienced workforce, with 52% of employees aged 50, between 30 and which ensures a balance between expertise and adaptability. At the same time, 41% of employees are over 50, reflecting a high level of specialization but also the need for succession strategies.

In ALRO and ALUM, the share of employees over 50 years of age is significant (44% and 59%), emphasizing the importance of knowledge retention and transfer. In contrast, VE has a younger workforce, with 69% of employees aged between 30 and 50.

Below is gender diversity at senior management level:

Gender diversity in senior management

	Group	ALRO	ALUM	VE	VT	CONEF
Total senior management	**34**	**11**	**11**	**7**	**3**	**2**
Senior management level 1	8	2	1	1	1	2
Male	6	2	2	1	1	2
% from Total senior management	18%	9%	9%	14%	33%	100%
Female	2	1	1	0	0	0
% from Total senior management	6%	9%	9%	0%	0%	0%
Senior management level 2	26	9	9	6	2	0
Male	18	7	7	3	1	0
% from Total senior management	53%	64%	64%	43%	33%	0%
Female	8	2	2	3	1	0
% from Total senior management	24%	18%	18%	43%	33%	0%

The ALRO Group continues to strengthen its leadership teams through a combination of expertise and diversity, offering balanced representation in certain segments of the organization. At the level of senior management (level 2), 24% of positions are held by women, reflecting an openness to diversified leadership.

ithin the ALUM and VE companies, 18% and 43%, respectively, of level 2 leadership roles are held by women, indicating a significant presence of female talent in decision-making structures. At the same time, the high percentage of male-held positions is influenced by the nature of the industrial sector, where the workforce has historically been dominated by men.

ALRO is constantly working to increase the representation of women in leadership positions and to strengthen an inclusive environment that provides equal opportunities for professional development.

Calculation methodology

The age distribution is calculated by determining the number of employees in each age group and expressing it as a proportion of the total number of employees. All values are reported on the basis of the total headcount at the end of the year.

Senior management level 1 includes: the first level of management below the Board of Directors, and gender balance is reported as the share of underrepresented gender in the total.

Upper management level 2 includes: the second level of management below the Board of Directors, and gender balance is reported as the share of underrepresented gender in the total.

III.1.3.5 [S1-10] Adequate salaries

Salaries

	Grup	ALRO	ALUM	VE	VT	CONEF
Number of employees paid less than the adequate wage	204	0	0	204	0	0
Percentage of employees paid less than the adequate wage	7%	0%	0%	52%	0%	0%

The analysis of remuneration shows that only 7% of the Group's employees are remunerated below the threshold considered adequate salary, this situation being present exclusively within Vimetco Extrusion (VE), where 52% of the employees fall into this category. By contrast, in the other Group entities – ALRO, ALUM, CONEF and VT – all employees are remunerated at or above the adequate salary level.

The methodologies used:

The following methodology and assumptions were used to determine the indicator on the number and percentage of employees paid less than the appropriate wage:

- **Total number of employees** is the number of persons employed at the end of the reporting period.
- **The percentage of employees** paid below the appropriate salary level has been calculated as the ratio between the number of employees paid below this threshold and the total number of employees in each Group entity.
- **Definition of appropriate wage:** In accordance with ESRS S1-10 AR 73. (a) in the EEA: the minimum wage set in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council(103) on appropriate minimum wages in the European Union. In the period until the entry into force of Directive (EU) 2022/2041, if there is no applicable minimum wage established by legislation or collective Labor in an EEA country, the enterprise uses an appropriate wage benchmark level that is either no lower than the minimum wage in a neighboring country with a similar socioeconomic status or no lower than a common international benchmark standard, such as 60% of the country median wage and 50% of the country gross average wage, we have taken as the benchmark level 50% of the country gross average earnings for the year 2024.
- **Salary elements included:** In calculating the appropriate salary, we have taken into account the basic salary, as well as any additional fixed payments guaranteed to all employees
- The data do not include employees in internship or apprenticeship programs, given the temporary nature and specificity of these categories of contracts.

Limitations of the methodology:

- The reference level used for the adequate salary is based on a percentage of the average gross earnings per country, which does not reflect regional variations or industry specificities.
- The analysis does not include all variable compensation components, which may influence total employee income.
- The indicator is determined at the end of the reporting period, without capturing individual income fluctuations during the year.

III.1.3.6 [S1-14] Health and safety indicators

Health and safety at work

	Group	ALRO	ALUM	VE	VT	CONEF
Percentage of persons in own workforce covered by the company's health and safety management system based on legal requirements and/or recognized standards or guidelines	100%	100%	100%	100%	100%	100%
Percentage of non-salaried workers in own workforce covered by the health and safety management system	100%	100%	100%	100%	100%	100%

ALRO Group maintains a strong commitment to occupational health and safety, ensuring that 100% of its own workforce benefits from a health and safety management system that complies with legal requirements and the highest industry standards. Non-salaried workers working within the Group are also included in this system, thus reinforcing an organizational culture based on prevention, responsibility and operational safety.

Calculation methodologies

In the calculation of this indicator, all ALRO, Group employees were included regardless of the type of contract (permanent or temporary) and working hours (full-time or part-time).

The percentage of employees covered has been determined by the total number of employees covered by the health and safety management system in relation to the total number of employees of the Group at the end of the reporting period.

For non-salaried employees, the percentage has been calculated by dividing the number of persons covered by the scheme by the total number of non-salaried employees working in the Group.

In 2024, there were no deaths as a result of work-related injuries or occupational diseases in the Group.

During the reporting period, a total of 14 work-related in juries were recorded (of which 6 accidents at ALRO and 8 work-related in juries at VE, respectively). The rate of work-related in juries calculated for the reporting period at ALRO Group level was 3.45.

For the calculation of the rate of work-related in juries, actual calculation per 1,000,000 hours worked, the ratio between the number of work-related in juries recorded in the reporting period and the total number of hours worked by own employees in the reporting period was used.

There were no work-related in juries among self-employed workers.

In 2024, 20 cases of work-related diseases were recorded in ALRO. The other Group companies did not record any work-related diseases. Also in ALRO a total of 564 days lost as a result of work-related injuries and work-related fatalities, work-related illnesses and work-related deaths due to work-related accidents, work-related diseases and work-related deaths due to diseases were recorded.

III.1.3.7 [S1-17] Incidents, complaints and serious human rights issues and incidents

During 2024, no incidents of discrimination, harassment or other violations of employees' fundamental rights, including those associated with forced labor, human trafficking or child labor, were recorded within the ALRO Group. There were also no complaints filed through internal reporting mechanisms and no fines, penalties or compensation related to such situations.

This reflects the effectiveness of our proactive measures to prevent and manage human rights risks and our ongoing commitment to maintaining a safe, fair and inclusive work environment.

III.2 ESRS S2 Workers in the value chain

III.2.1 Strategy

In this section, information on material sub-topics such as Working Conditions, and Equal Treatment is presented, as well as the related impacts, risks and opportunities regarding the Workers in the Value Chain topic, including information on how they are managed.

Material Impacts, Risks and Opportunities (IRO) – Workers in the value chain

ESRS Standard	Sub-topic / Sub-sub.topic	IRO Designation / IRO Categories	Localizing IROs in the value chain* ↑	↔	↓	Time horizon in which IRO occurs** ST	MT	LT
ESRS S2 Value Chain Workers	Working conditions: *Secure Workplaces*	**S14 (+) New and decent jobs for upstream and downstream workers.** *Positive current impact*	●		●			
	Working conditions: *Adequate salaries*	**S15 (-) Wage practices at the level of the minimum wage in upstream and downstream activities.** *Current negative impact*	●		●			
	Working conditions: *Health & Safety*	**S16 (-) Potential health and safety incidents in upstream and downstream activities.** *Current positive impact*	●		●	●		
		RO21_A (-) Occupational health and safety risks in the value chain. *Risk*	●	ALRO ALUM VE	●			
	Equal treatment and opportunities for all: *Equal treatment and opportunities for all*	**S17 (-) Labour practices that may generate social inequities in upstream and downstream activities** *Current positive impact*	●		●	●		
	Equal treatment and opportunities for all: *Diversity*	**S18 (-) Labour practices that may lead to gender inequalities in upstream and downstream activities.** *Negative potential impact*	●		●	●		

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: ST – short-terms, MT – medium-terms, LT – long-terms

III.2.1.1 [ESRS 2 SBM-2] Stakeholders' interests and views

This information is reported under SBM-2 section of the ESRS 2 standard.

III.2.1.2 [ESRS 2 SBM-3] Significant impacts, risks and opportunities and their interaction with the business model and strategy

When identifying and assessing impacts, risks and opportunities according to the requirements of this topical standard, ALRO Group has considered material information regarding the value chain, related to both direct and indirect business relationships. To the same extent, the assessment focused on business relationships that can be associated with material IROs, as follows:

- The participants in the value chain that can generate, with a certain probability, actual or potential impacts on the environment and/or on people, thus being sources of risks and opportunities.
- The participants in the value chain to whom the Group's business model has a certain dependence in terms of the products and services offered, thus generating risks and opportunities.

As part of its sustainability strategy, the Group has set itself the objective of improving the supply chain by establishing specific assessment and selection criteria for suppliers.

The Group mapped its upstream and downstream value chain and identified the type of workers in the value chain that may be significantly affected by the activities undertaken by Group companies. In the identification process, internal data was used, as well as public information on the value chain contractors, such as those located in areas or countries where forced labor or child labor are not covered by regulations, as well as details about the type of product or service provided.

By mapping the activities in the value chain, the Group aimed to identify relevant, material matters that may generate a negative impact on the environment and on people, as well as on affected stakeholders. The Group has mainly analysed the respective value chain segments where its own actions are relevant, both from a business perspective and from the perspective of other stakeholders with whom the Group undertakes business relationships. The main activities in the value chain are presented in ESRS 2 SBM-1 Section, page 30 of this report.

Consequently, the Group set out the following categories of value chain workers in respect of whom impacts, risks and opportunities have been identified and assessed:

A. Workers who work at the Group's premises but are not part of its own workforce:

In ALRO, workers who are not Group employees, as well as contractors, are involved in the following activities: execution and assembly work of metal outputs, demolition of pots, alumina recovery, accidental revisions / repairs of freight wagons.

In ALUM, workers who are not employees of the Group, as well as contractors, are involved in activities such as greening fuel oil storage tanks, scrap metal cutting and purchase works, transport of fuel oil waste, etc.

At the level of above-mentioned workers, a negative impact from the compensation of inadequate wages may occur:

B. Workers employed by companies within the Group's upstream value chain:

Such workers are involved in the purchase and supply activities, namely in the:

- Procurement and sourcing activities that include the production of raw materials and materials, its supply and transportation to locations where they are processed into finished or semi-finished products. For workers in this value chain area, a negative impact materialises in terms of paying a minimum wage that is insufficient to cover living expenses and ensure a decent living.
- Supply of utilities needed in the production process, such as energy supply, gas, fuels, water treatment and recycling systems, logistics and transport of raw materials, maintenance and support services. In this case, no negative impacts on workforce have been identified, given that such companies have already integrated sustainability matters in their own business activities.
- Access to efficient and sustainable electricity and heat sources by means of the development, design, construction, connection, ownership, operation, operation and maintenance of an 850 MW natural gas combined cycle power plant (CCGT) in Ișalnița. The following project activities were carried out in 2024: analysis/verification of submitted bids; the procurement and selection process of the contractor, contract signing with the winning bidder; preparation of technical documentation. For these suppliers, no negative impacts affecting their work capacity have been identified, given that such companies have already integrated sustainability matters into their own business activities.

C. Workers employed by companies in the Group's downstream value chain:

Workers who support downstream value chain activities are responsible for the collection, transportaton, treatment and storage of waste, delivery of finished aluminium products (primary, processed, extruded), aluminium hydrate and the use of aluminium products, as follows:

- Waste collection, transport, treatment and storage are the providers of cleaning services. These suppliers' employees ensure compliance with environmental regulations and contribute to the circular economy through recycling and reuse of resources. For employees carrying out such activities, an impact may occur from accident occurrence that can negatively affect their health and safety, as well as a negative impact resulting from compensation of inadequate wages by cleaning companies.
- Distribution, logistics and marketing: waste collection and recycling, maximizing sales by implementating commercial strategies, transport, distribution and marketing of alumina and aluminium products.

The distribution areas for finished products are mainly located in Eastern Europe, Romania and Western Europe, and the impact from the Group's activities may result from compensation of inadequate wages by raw materials transportation and distribution suppliers. Given the waste collection, transport, treatment and storage activities, the Group may trigger an impact on the health and safety of the suppliers' employees, by occurrence of work accidents.

D. Workers working in joint ventures:

In the upstream value chain, there is a supplier that will provide services for the development, design, construction, connection, ownership, operation, operation and maintenance of a natural gas combined cycle power plant (CCGT). This supplier activity is not carried out yet as the plant is to be built, still considering the specifics of these activities, its employees may be exposed to health and safety risks at work, especially in the context of non-compliance with legal health and safety work related provisions.

In addition to the above, for each worker category in the value chain, the Group has identified and assessed an impact that may be generated provided work practices are not in line with the principles of diversity, equal treatment and opportunities for all employees.

E. workers who are particularly vulnerable to negative impacts (within the categories outlined above), either because of their inherent characteristics or because of a specific context:

The Group has identified value chain workers who are vulnerable to negative impacts related to the Group's own operations and its value chain, and who carry out upstream and downstream activities, as described above, as follows: persons employed by raw material producers, or by transportation and waste handling companies who are paid the minimum wage. This category also includes young workers who do not have relevant training or experience, as well as women that may be exposed to inappropriate practices in terms of equal treatment and opportunities.

In terms of geographical location, the Group has not identified in its value chain any geographical area, at country or other level, or any product/service, for which there is a significant risk of child labour, forced or compulsory labour among workers in the Group's value chain. With regard to child labour, the potential impact was not considered relevant, given that following the consultation process with internal and external suppliers, no such practices were reported, in particular the majority of respondents stating that at the level of their company policies against child labour are in place. Similarly, with regard to forced labor, the potential negative impact on people generated by the Group's business relationships with external suppliers of calcined alumina was considered not relevant for ALRO, given that the consultation of internal and external suppliers did not reveal such practices, in particular most of the respondents confirming that they have in place policies against forced labor.

The Group assessed the impacts, risks and opportunities related to workers in the value chain, by focusing on employees of direct suppliers, but also considering matters related to the workforce in the remaining value chain areas based on the information available at industry level, as well as information collected internally following participation in different organizations and associations.

S14 (+) New and decent jobs for upstream and downstream workers.

In the consultation process with suppliers, some of the respondents stated that they had registered a job increase following contractual relations with ALRO Group.

The impact resulting from secure jobs in the upstream value chain is material due to the effects it can have on the quality of life of workers in the value chain, as well as on the stability and efficiency of the entire supply chain. Due to its large scale, the impact of increasing the number of secure jobs can affect a wide range of employees. Therefore, this impact is considered material because it influences the well-being of workers and, indirectly, the business relations of the ALRO Group. This positive impact is not linked to specific groups of workers in the value chain.

S15 (-) Wage practices at the level of the minimum wage in upstream and downstream activities.

Following the consultation process with suppliers, several respondents confirmed that some of their employees are paid the minimum wage. Consequently, the impact was assessed material, given that the minimum wage cannot adequately ensure a decent standard of living for the value chain workers, as it does not consider the average cost of living or the inflationary developments.

Following the double materiality analysis, it was concluded that this impact occurs at the level of several categories of suppliers in the value chain, namely:

- in the upstream value chain: production of raw materials, supply of goods (e.g. scrap) and services, transportation of raw materials and materials, provision of utilities needed in the production process;
- in the downstream value chain: delivery of finished aluminium products (primary, processed, extruded), aluminium hydrate.

S16 (-) Potential health and safety incidents in upstream and downstream activities.

Following the consultation process with suppliers, as well as taking into account the particularities of their activities in the supply chain – from the production of raw materials, supply of goods and services, transportation of raw materials and materials, to the supply of utilities needed in the production process – and in the distribution chain, which includes the wate transportation and the delivery of finished products, their workforce may be exposed to health and safety risks.

Given that this impact may affect all types of suppliers, it was considered to be a widespread impact, hence its management is very important for the Group, given that practices to support suppliers in preventing work accidents contribute to keeping the value chain safe and ethical. This commitment strengthens the trust in the Group and supports its objective of promoting adequate working conditions throughout the supply chain.

RO21_A (-) Occupational health and safety risks in the value chain.

Given the possibility of health and safety incidents that may occur in its upstream and downstream activities (S16), a financial impact may occur at Group level.

Workers in the value chain may be exposed to substances of concern, thus increasing the risk of occupational incidents. Such events may generate disruptions in the supply of raw materials needed in the production processes, causing financial effects on the Group, potentially affecting revenues in the event of a long-term business disruption.

S17 (-) Labour practices that may generate social inequities in upstream and downstream activities

This impact was assessed as material, given that in the consultation process with suppliers, some of the respondents stated that they do not have a policy on diversity and inclusion in the workplace.

The lack of a diversity and inclusion policy among suppliers in the Group's value chain may generate a material impact among its workers, by generating inequities, potential violations of gender equality and equal pay for work of equal value, and by affecting the social balance and quality of life for workers in the value chain. This impact can occur across all types of providers, and it is widespread, highlighting the need to address gender inequities and equal pay for work of equal value across the value chain.

S18 (-) Labour practices that may lead to gender inequalities in upstream and downstream activities.

The impact is considered material because the lack of diversity and inclusion policies from suppliers in the value chain can negatively affect equal treatment and opportunities available for employees, creating an unfair working environment. Consultation with suppliers has shown that some of them do not have dedicated policies, which can maintain barriers to access to fair opportunities.

Provided a misalignment with international human rights standards is identified, the materiality of this impact lies in the risk of amplifying value chain inequalities, which negatively affects the economic and social well-being of the communities where workers in the value chain belong. Also, in the absence of anti-corruption policies and controls in the value chain, gender inequities as well as other forms of discrimination may influence good corporate governance practices at industry level.

The negative impacts on the workforce in the value chain, which have been assessed by the Group as material, are most often systemic given the characteristics of the aluminium industry, as well as the lack of labour skills in sectors such as transportation and goods handling.

III.2.2 Management of impacts, risks and opportunities

III.2.2.1 [S2-1] Policies on workers in the value chain

ALRO Group is committed to aligning its practices as well as internal policies to international principles and standards, covering both its own workforce and workers in the value chain, and integrating these principles into the business and sustainability strategy. The principles embedded in the Group's policies are set out in the table below.

Principles integrated into the Group's policies

Workforce Principles	Applicability	Details
Supplier Code of Ethics and Conduct	Suppliers with an impact on the workforce in the value chain	Prevention of child and young worker labour
		Health and safety
		Human and anti-harassment treatment
		Anti-discrimination
		Voluntary employment – prohibition of forced labour
		Working hours, salaries and benefits
		Freedom of association and collective Labor
Human Rights Policy	Business partners (including suppliers)	Health, safety and security
		Forced labour, human traffick and working time
		Equal opportunities
		Remuneration
		Equal pay for work of equal value
		Freedom of association and collective Labor
Social Responsibility Policy	Workers in the value chain	Adequate wages
		Health and safety of workers in the value chain
		Gender equality, diversity and equal pay for work of equal value for workers in the value chain
		Human rights

At the level of the workforce in the value chain, this commitment can be demonstrated through (i) the use of the ASI questionnaire which integrates matters related to employee rights, human rights, health and safety in the value chain, as part of the supplier assessment process, (ii) the implementation of the Supplier *Code of Ethics and Conduct* in Group companies, starting from the assumption that suppliers commit (by signing the declaration of responsibility) to ensure compliance with human rights standards and adequate health and safety conditions in the value chain. Following the IRO assessment, the Group identified material impacts deriving from the following ESRS topics: (i) working conditions, adequate wages, health and safety sub-topics, (ii) equal treatment and equal opportunities, including diversity, whilst sub-topics related to forced labour and child labour were assessed not material and irrelevant to the Group.
ALRO Group has implemented several policies aiming at mitigating impacts, risks and opportunities assessed as material which are applicable to workers in the value chain, as follows:

Group-wide policies

		Material topics				
Policy name	Applicability	Working conditions S14 (+)	Adequate salaries S15 (-)	Health and safety S16 (-)	Gender equality and equal pay for work of equal value S17 (-)	Diversity S18 (-)
Supplier Code of Ethics and Conduct	ALRO, ALUM, VE, VT	●	●		●	
Human Rights Policy	ALRO, ALUM, VE	●	●	●	●	
Corporate Social Responsibility Policy	ALRO, ALUM	●	●	●	●	●
Supplier Evaluation Procedure (including the ASI Form)	ALRO, ALUM, VE	●		●		

In addition to ensuring the required quality standards with respect to the supply of raw materials and services, value chain partners must commit to best practices reflecting compliance with human rights, including working conditions, occupational health and safety, environmental responsibility and privacy. These principles are also an integral part of the Group's sustainability strategy which promotes responsible and sustainable business relationships, in pursuit of the goal to improve the value chain. At operational level, by implementing the Supplier Assessment Procedure, ALRO Group ensures that its procurement processes (including suppliers' assessment and classification) are based on criteria that promote sustainable development, as well as business integrity, matters that are acknowledged by suppliers when signing the declaration of responsibility upon acceptance as agreed business partners. This commitment of suppliers aims to respect the rights of their employees, to prevent child and young worker labour, to encourage human and anti-harassment treatment, anti-discrimination, voluntary employment, adequate working conditions, freedom of association and collective Labor, occupational health and safety.

The Group is therefore actively committed to promoting alignment with human rights, both in the communities in which it operates and throughout its value chain by implementing policies that mitigate potential and current social impacts and risks on certain categories of workers in the value chain.

Human Rights Policy

ALRO, ALUM, VE

This policy manages several impacts related to workers in the value chain that have been assessed as material, at Group level, as follows: **S15 (-) Working conditions**, **S16 (-) Health and safety** (including R021 risk arising from this impact), **S17 (-) Gender equality and equal pay for work of equal value**, **S14 (+) Working conditions**.

To this end, the Group has published on the ALRO website the *Human Rights Policy* through which it undertakes to comply with the national and international legal principles and requirements of human rights, as provided in the Labor Law, the European Convention on Human Rights, the Universal Declaration of Human Rights, the Declaration of the International Labor Organization, on fundamental principles and rights at work, The United Nations Global Compact and the UN Guiding Principles on Business and Human Rights.

This policy applies to employees and management of Group companies, as well as to business partners (customers, suppliers). According to this policy, the Group expresses its expectation that accepted suppliers will implement this standard in its supply chain to ensure responsible sourcing. In this context, the Group recognizes the significant negative effects that can be associated with the extraction, marketing, handling and export of minerals, as well as its own responsibility to protect human rights through supply chain due diligence.

The principles that are assumed by the Group through the *Human Rights Policy* are presented in the table Principles related to the workforce, on page 16 of this chapter.

The highest authorized organizational level within ALRO and ALUM responsible for the implementation of the *Human Rights Policy* is the General Director.

Details of the *Human Rights Policy* are set out in the Business Conduct section of this Sustainability report.

Corporate Social Responsibility Policy

ALRO, ALUM

This policy outlines measures to manage the impacts on workers in the value chain related to working conditions and equal treatment and opportunities for all, health and safety in the value chain, gender equality and equal pay for work of equal value for workers in the value chain, and diversity. Thus, the policy addresses the following impacts related to workers in the value chain that have been assessed as material, at Group level, as follows: **S15 (-) Working conditions**, **S16 (-) Health and safety** (including the **RO21 risk deriving from this impact**), **S17 (-) Gender equality and equal pay for work of equal value**, **S18 (-) Diversity**, **S14 (+) Working conditions**.

ALRO's commitments to ensure alignment with human rights of workers in the value chain, as described in the *CSR Policy*, include the following:

- Compliance with fundamental rights, including prevention of human trafficking, forced labour, forced labour and child labour;
- Monitoring compliance of suppliers and partners with international standards through clear assessment processes and mechanisms; active involvement of workers in the value chain, by facilitating access to communication channels and reporting any deviations or human rights issues;
- Ensuring remedial measures to manage human rights impacts in the value chain.

Details regarding the *Corporate Social Responsibility Policy* are presented in the *Business Conduct* section of this Sustainability Report. The policy is published on the ALRO website, in the Policies, Reports and Certifications section.

Procedure PO-010 on Supplier assessment and monitoring

ALRO, ALUM, VE

This policy/procedure manages several impacts related to workers in the value chain that have been assessed as material, at Group level, as follows: **S15 (-) Working conditions**, **S16 (-) Health and safety** (including **RO21 risk arising from this impact**), **S17 (-) Gender equality and equal pay for work of equal value**, **S14 (+) Working conditions**.

In accordance with Procedure PO-010 Supplier Evaluation and Monitoring in ALRO, *Procedure PO-134-07 – Supplier Evaluation and Monitorin*g in ALUM and Procedure VEPu-PI-013-00 in VE, the Group has implemented a supplier assessment and acceptance process that takes place every 2 years focusing on the quality of the materials and services offered by suppliers, including on sustainability-related matters, as per the Aluminium Stewardship Initiative (ASI). This is a performance standard that defines environmental, social and governance principles and criteria with the aim at addressing sustainability matters that may arise in the value chain, within the aluminium industry. According to the procedure, an audit is carried out either at the premises of the supplier or online, to assess its ability to meet contractual requirements.

The supplier assessment and monitoring procedures implemented by ALRO Group have the main objective to ensure a sustainable value chain, by means of the selection and collaboration with suppliers that comply with sustainability standards, including adherence to workers' human rights. This includes an assessment of risks related to working conditions, social impact and compliance with labour law. The monitoring process aims to reduce the risks of labour exploitation, promote a fair working environment and capitalise on collaboration opportunities with responsible suppliers.

This procedure applies to all ALRO suppliers, covering its upstream and downstream value chain. To this purpose, raw material supply, production and distribution activities are included, with a focus on the geographical areas from where the main resources originate. The policy does not make exclusions and is applicable to all suppliers who wish to collaborate with ALRO.

The implementation and supervision of the policy are under the responsibility of the Internal Audit Office, which monitors compliance with sustainability requirements and conducts regular supplier audits. The quality manager approves the assessment and monitoring procedures.

The procedure aligns with international standards, including ISO 9001 and ASI (Aluminium Stewardship Initiative) requirements. Suppliers are also encouraged to adopt good sustainability practices and comply with the *Supplier Code of Conduct*.

The procedure is accessible to suppliers through ALRO's official documentation and is communicated to relevant stakeholders. Suppliers must align to it in order to start/continue the collaboration with ALRO.

Supplier Code of Conduct

ALRO, ALUM, VE, VT

The supplier's *Code of Conduct* implemented at the level of Group companies sets out minimum standards of business conduct that must be complied with by the accepted suppliers as a result of the assessment process.

Consequently, the Code applies to all suppliers and business partners, who are expected to cascade these standards, in their own supply chain.

Sustainability and compliance with the *Supplier Code of Conduct* is one of the criteria used by Group companies during the supplier's selection process, and this Code is applicable to all accepted suppliers and their affiliates. Suppliers must promptly provide official answers, documents, sustainability related certificates as soon as they are requested by Group companies, on a case-by-case basis.

The *Supplier Code of Conduct* is an instrument for ALRO Group companies to align their practices with the United Nations Sustainable Development Goals (SDGs).

The *Supplier Code of Conduct* includes a Statement of Responsibility in which suppliers commit to aligning their workforce practices with the above-mentioned international principles and standards. This commitment is formalized by signing the declaration included in the Code of Conduct at the time the business relationship with the respective supplier or collaborator is initiated.

The highest authorised organisational level within Group companies responsible for implementing the *Supplier Code of Conduct* is the General Director.

The supplier's *Code of Conduct* aligns with international standards, including applicable local applicable laws and regulations, and international standards, including the Romanian Labor Code and other regulations specific to Romanian Labor Law, the European Convention on Human Rights, the United Nations Universal Declaration of Human Rights, the International Labor Organization Declaration and Fundamental Conventions, the Global Compact of the Organization United Nations, the UN Guiding Principles on Business and Human Rights, but also regulations or principles applicable in countries where the Group's business partners operate.

The principles committed by the Group through the Supplier's Code of Conduct are presented in the table Principles related to the workforce, on page 16 of this chapter.

In the reporting period, no incidents were reported in its upstream and downstream value chain related to non-compliance with the UN Guiding *Principles on Business and Human Rights*, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises Involving Workers in the Value Chain.

Throughout its business relationships, the Group works with its suppliers to increase their transparency and accountability regarding workforce practices in the value chain. To this end, the reporting channels for violations of international human rights principles allow for the reporting of such situations which are further investigated by designated persons within the Group on the basis of consultation with stakeholders. In the event of a breach of this *Code of Conduct*, the Group shall take corrective measures, which may also lead to the termination of the respective business relationship.

The Group runs an annual update of existing policies on sustainability matters, including issues related to value chain workers.

III.2.2.2 [S2-2] Processes for engaging with value chain workers about impacts

For the purpose of the *Double Materiality assessment*, the Group annually conducts a consultation process with the main suppliers in order to obtain a clear and detailed picture of the current and potential impacts generated by its own activities or its value chain on upstream workers, but also to validate and add to the list of identified impacts, according to ESRS standards. Thus, following the consultation process, suppliers stated having registered 302 minor work incidents. Even though respondents stating the occurrence of work incidents represent only 13% of the total suppliers, Group experts involved in the assessment process considered that this potential impact may be greater. By implementing the supplier assessment procedure which integrates environmental and social criteria and acknowledgement of the *Supplier Code of Conduct*, the Group also strives to reduce the impact on workers in the value chain, including in terms of compliance with human rights, employee rights, occupational health and safety principles. Thus, during the supplier assessment process, the ASI questionnaire comprising questions on sustainability criteria (social and environmental) is filled in, and so far, cases of non-compliance with sustainability related principles were not identified.

The active involvement of suppliers, customers, employees and NGOs has ensured an effective identification and assessment of sustainability impacts, facilitating the understanding of potential impacts. Also, the consultation with upstream value chain partners forms a solid basis for the preparation of the sustainability report, but also for updating the Group's strategic sustainability related objectives.

The consultation process included several stakeholders, including suppliers contracted by Group companies, which were selected according to the level of dependency for each company in the Group, both nationally and internationally, but also to cover all levels in the value chain – production/supply of raw materials, supply of goods and services, transportation, utilities, collection, transportation, treatment and storage of waste, transportation of finished products. Following the assessment process of the social impacts in the value chain of which results are validated through direct engagement with suppliers, ALRO Group commits to implement monitoring and assessment processes and procedures at the level of its activities and to collaborate with its suppliers to prevent and mitigate any negative impact on the environment and on people, being aware that these may cause sanctions, financial losses and affect the company's competitiveness on the market.

At Group level, the Procurement-Logistics Director, together with the Quality Director, have the operational responsibility to ensure that collaboration with suppliers takes place and that its results underpin the process of identifying and assessing impacts, risks and opportunities, as well as the Group's strategic objectives in terms of sustainability.

In the reporting period, the Group did not initiate direct dialogue with representatives of workers in the value chain and did not adopt specific measures to understand the perspectives of specific employees in the value chain who may be particularly vulnerable, such as women, immigrants or persons with disabilities. However, the Group is committed to integrating the highest standards of transparency and collaboration into the supplier evaluation process, including emerging due diligence requirements.

III.2.2.3 [S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns

According to the *Corporate Social Responsibility (CSR) Policy*, ALRO and ALUM make available several communication channels, through which all its stakeholders, including workers in the value chain, can submit complaints, with the commitment to ensure prompt and confidential handling.

Thus, for ALRO anyone can use one of the following options:

- By mail: ALRO, 116 Pitesti Street, 230048 Slatina, Romania.
- By submitting a letter: in the special boxes located at the access gates of the companies.
- Electronically: by e-mail to sesizari@alro.ro.
- Online: through the petition form available on www.alro.ro.
- By phone: at +40349.880.551.

For ALUM, anyone can use one of the following options:

- By mail: ALUM SA, 82 Isaccei Street, 820228 Tulcea, Tulcea County.
- By submitting a letter: in the special boxes located at the access gates of the companies
- Electronically: by e-mail to alum@alum.ro.
- Online: through the petition form available www.alum.ro.
- By phone: at +40240 535 022.

In 2024, ALRO and ALUM did not register any notifications or complaints from workers in the value chain regarding working conditions or compliance with human rights. This reflects the effectiveness of the compliance and transparency mechanisms implemented by the company, as well as its commitment to a safe, fair working environment in accordance with sustainability and professional ethical standards.

Also, the Policy on the resolution of whistleblower requests, notifications and complaints provides an integrated and detailed framework for the management of incident reporting. Through its protection and transparency measures, it effectively responds to both the internal needs of the organization and the interests of external parties.

The availability of the policy and the accessibility of reporting channels contribute to building trust between Group companies and its stakeholders. The Policy also presents a model form on how to collect, investigate and respond to petitions, which also comprises information on communication channels and the process of complaints resolution. The model form is available to workers in the value chain by accessing the ALRO website, namely the Corporate Governance section.

The implementation of this policy reflects the alignment of the practices related to the collection and resolution of petitions, complaints and notifications, received by Group companies, to legal requirements, but also to international corporate governance standards.

Despite the implementation of the *Human Rights Policy*, the CSR Policy and the Complaints Resolution Policy, ALRO Group may generate or contribute to a negative impact on human rights, in the value chain, that could not be foreseen or prevented. Thus, if the

Group identifies such cases, its commitment to align with human rights requires the adoption of mitigation actions, either on its own behalf or in collaboration with other stakeholders. At operational level, the process of resolving complaints or petitions initiated by value chain workers can be an effective means of identifying negative impacts on human rights, as well as preventing or mitigating potential impacts, thus preventing the amplification of potential prejudices and the escalation of complaints.

In the next period, the Group also intends to amend specific policies with a description of how it assesses the effectiveness of its grievance mechanisms, including the criteria underlying such assessments, as set out in the UN Guiding Principles on Business and Human Rights.

During the reporting period, the Group initiated a consultation process with suppliers which focused on various environmental, social and governance matters, but it did not aim at assessing the effectiveness of the communication channels available to workers in the value chain.

Details on the protection measures available to whistleblowers, including those amongst workers in the value chain, are set out in the *Business Conduct chapter* of this Sustainability report.

III.2.2.4 [S2-4] The adoption of measures regarding the material impacts on workers in the value chain and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, as well as the effectiveness of these actions and approaches

In the reporting period, the Group took several measures related to the identified material negative and positive impacts that are specific to workers in the value chain, as follows:

1. **Positive impact** **S14 (+) Working conditions: New and decent jobs for upstream and downstream workers.**

   The Group aims to contribute in a positive way to the well-being of the community by ensuring fair labour practices, ethical sourcing and promoting diversity among workers in the value chain.

2. **Negative impact** **S15 (-) Working conditions: Wage practices at the level of the minimum wage in upstream and downstream activities.**

   The impact refers to the management of indirect negative impact generated by suppliers of raw materials, transportation services, waste collection and energy production, on their workers as a result of inadequate wages.

   The EU Directive 2022/2041, on adequate minimum wages in the European Union, aims to ensure a decent living for all workers in the EU and reduce pay inequalities. Thus, countries, which already have an established minimum wage, commit to change its current level according to a formula that ensures a decent living, considering inflation rate and being able to cover the minimum shopping basket for several goods and services (not limited to the list of essentials, but to be able to additionally cover certain expenses dedicated to well-being and other recreational, cultural, educational or social activities). In order to calculate this income correctly, Member States can consider several ways: to take as a starting point the value of the consumption basket (as provided for in national statistical reports), or to set this income at 60% of the median salary or 50% of the average gross salary in the economy.

   According to the information published by UNEP FI impact Radar, a large part of the sectors included in the Group's value chain may generate such an impact, in particular suppliers operating in the bauxite mining sector, in countries where there are unethical practices in terms of human resources, as well as in transportation sector, waste collection and energy production, both at EU and outside EU level. The Group recognises the importance of ensuring adequate wages in its value chain, as an integral part of its commitment to aligning with workers' economic and social rights. The Group is committed to promoting and supporting compliance with the principles set out in Directive (EU) 2022/2041 on adequate minimum wages, with the objective of reducing inequalities and ensuring a decent living for all workers, including those employed by its suppliers. ALRO Group aims to manage the indirect impact generated by suppliers in the value chain, especially in high-risk sectors such as bauxite extraction and in regions where human resources may be vulnerable to inappropriate labour practices.

The Group also believes that compliance with appropriate wage standards contributes not only to improving the quality of the employees' life, but also to maintaining social stability, increasing productivity and strengthening business relationships based on sustainability and mutual respect.

As part of the current collaboration mechanisms, the Group intends to raise awareness among suppliers about the benefits of practicing fair wages and decent working conditions throughout its value chain. The Group is also considering the implementation of similar informative actions in the 2025 reporting period. Adequate wages play a key role not only in ensuring a decent living for workers, but also in maintaining long-term operational stability.

3. **Negative impact S16 (-) Health & Safety: Potential health and safety incidents in upstream and downstream activities.**

Risk arising from the adverse impact RO21_A (-) Health and safety risks in the value chain work place.

Managing the indirect impact generated by suppliers on their workers as a result of accidents that can negatively affect their health and safety.

In the value chain, especially in the production of upstream raw materials, but also in the management of hazardous waste, road accidents or other unforeseen events can occur that can lead to accidents, loss of life and material damage. According to information published by UNEP FI impact Radar, some of the sectors that are part of the value chain may generate such an impact.

The Group reconfirms its commitment to promote the health and safety standards for workers in its value chain, by recognising the importance of managing indirect impacts associated with suppliers' activities. The company pays special attention to high-risk sectors, such as the extraction of raw materials and the management of hazardous waste, where road accidents or other unforeseen events can occur, which can have serious consequences on the health, safety and life of workers.

The Group believes that protecting health and safety in the value chain is essential to ensure a responsible and sustainable working environment. Also, work accidents at supplier level may lead to interruptions in the supply of raw materials which is essential for ALRO's production processes, affecting the business continuity.

The Group is committed to continuously collaborating with its suppliers so that they adopt strict measures for the prevention and management of occupational accidents, promoting compliance with international standards and the implementation of best practices in the field, according to the ASI form which considers several social aspects into the supplier assessment process. The Group works with its partners to continuously monitor and improve safety conditions, thereby reducing the risk of accidents and protecting the well-being of workers in its value chain. In the reporting period, no incidents were registered in the Group premises where collaborators or other workers in the value chain are activating.

4. **Negative impacts S17 (-) Gender equality and equal pay for work of equal value and Diversity: Labour practices that can generate social inequities in upstream and downstream activities; S18 (-) Diversity: Labour practices that may lead to gender inequalities in upstream and downstream activities.**

This refers to the management of indirect impact generated by suppliers as deriving from social inequities among their workers.

According to information published by UNEP FI Impact Radar, most sectors that are part of the value chain may generate this impact. The Group companies may indirectly contribute to the generation of social inequity related to gender equality and equal pay for work of equal value, among workers in its value chain, especially those working in the bauxite mining sector, in countries where unethical human resources practices occur.

The Group is committed to ensuring gender equality and equal pay for work of equal value, not only within its own operations, but also throughout its entire value chain. In particular, in several value chain sectors, such as extraction of bauxite, social inequities related to gender discrimination and pay gaps for work of equal value may arise.

The Group is aware of the indirect impact it can have on these inequities, especially in regions where suppliers activating in the mining sector do not comply with ethical standards of pay and equal treatment for all workers. The Group is therefore committed to working with its suppliers to promote fair treatment of all employees, regardless of gender, and to encourage equal pay for work of equal value. It also continues to monitor and support the implementation of fair human resources policies and to promote transparency and alignment equality principles in the value chain.

By filling in the ASI form, as part of the supplier assessment process, social criteria are evaluated, including compliance with employees' rights, the risks deriving from discriminatory practices against specific employee categories, as well as confirmation of the availability of reporting channels used to report potential inadequate practices, which are not aligned with international human rights principles.

In the reporting period, the Group undertook the following actions on the impacts outlined above:

A1.S4. A stakeholder survey was conducted in 2024 and the answers and conclusions obtained were used to determine the Group's future directions in terms of sustainable development.

A2. S4. Establishing sustainability criteria for the selection of suppliers.

A3. S4. Assessing the sustainability performance of key suppliers.

A4. S4. Communicating our Code of Conduct to all suppliers in order to achieve the goal that all new suppliers adhere to our Code of Conduct.

More details on the above positive impact can be found in Chapter II.2.1.2 [ESRS 2 SBM-3] Significant impacts, risks and opportunities and their interaction with the strategy and business model in this section of the Sustainability Report.

In the reporting period, no human rights incidents were reported in relation to its upstream and downstream value chain.

With regard to the implementation of specific internal policies and the monitoring process of mitigating significant impacts, risks and opportunities related to value chain workers, as identified and assessed within the double materiality process, the Group has allocated the following roles and responsibilities:

- Sustainability Department – for all sustainability topics;
- Human Resources & General Services Directorate – for human resources related topics;
- Health, Safety, Environment Department – for health, safety and environmental topics.

III.2.3 Indicators and targets

III.2.3.1 [S2-5] Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

OBIECTIV: Improving the supply chain

Permanent strategic targets

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

S14 (+) Working conditions: New and decent jobs for upstream and downstream workers.

The Group has set the following short-term targets to manage this impact, which are applicable across all companies. For 2024, no stakeholders were involved in setting these targets.

Short-term targets 2025-2026:

- Increasing the number of suppliers that will be assessed on specific sustainability criteria, so that we reach a minimum level of 100 new suppliers assessed.
- Organising on-site visits and audits of suppliers' facilities to check the information provided in questionnaires and to directly observe sustainability practices.
- Including information regarding the available reporting channels for complaints/notifications/petitions in the declaration of responsibility signed by the supplier (annex to the *Supplier Code of Conduct*) in order to increase the accountability of suppliers regarding compliance with human rights for workers in the value chain.
- Actions to inform and empower suppliers regarding situations that may endanger the lives of their workers such as fire, earthquakes, other natural disasters, or disappearance of people.
- The Group intends to raise awareness among suppliers about the advantages of compensating fair wages and decent working conditions throughout its value chain (distribution of information by email or at the companies' headquarters).

ALRO Group recognizes the importance of defining measurable, results-oriented targets to ensure its sustainable development. Currently, ALRO Group has not set specific, quantifiable targets for all significant sustainability aspects. However, we are analyzing the possibility of defining such objectives, within the 2025-2026 reporting period.

III.3 ESRS S3 Affected Communities

III.3.1 Strategy

In this section, information on the material sub-topic *Communities' economic, social and cultural rights is presented, as well as related material impacts, risks and opportunities* identified by ALRO Group on Affected Communities, including information on how they are managed.

Material impacts, risks and opportunities (IRO) – Affected Communities

ESRS Standard	Sub-topic	IRO Designation	Localizing IROs in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	IRO Categories	↑	↔	↓	ST	MT	LT
ESRS S3 Affected Communities	Economic, social and cultural rights of communities	**S21 (-) Raw material extraction and waste management affect upstream and downstream communities.**	●		●	●		
	Water and Sanitation	*Current negative impact*						
	Economic, social and cultural rights of communities	**S25 (+) Contribution to economic growth and improvement of the population's standard of living.**		ALRO ALUM VE VT CONEF				
		Positive current impact						
	Economic value generated and distributed (Group-specific topic)	**RO24_A (+) Strengthening the position of strategic partner in the economic and social development of local communities.**		ALRO VE				
		Opportunity						

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: TS – short term, MT – medium term, LT – long term

III.3.1.1 [SBM-2] Stakeholders' interests and views

This information is reported under section SBM-2, ESRS 2 Standard.

III.3.1.2 [SBM-3] Significant impacts, risks and opportunities and their interaction with the business model and strategy

The active involvement from representatives of affected communities, including NGOs, has facilitated the effective identification and assessment of sustainability impacts, which will form the basis for the update of the Group's strategic sustainability objectives. Establishing and maintaining stable, long-term relationships with communities affected by its own activities or in its value chain contributes to the identification of development opportunities in areas close to the locations where the Group companies operate or in its value chain, as well as to avoiding obstacles in the implementation of the sustainability strategy that may rise from the transition to a sustainable economy.

The communities subject to a material impact of ALRO Group's activities include both communities in the proximity of the Group's operating sites, where people live or work, and more remote communities indirectly affected by activities at those sites.

ALRO Group's strategy and business model can generate material impacts on affected communities, both positive and negative. Prior to the initiation of major projects, the Group systematically identifies key stakeholders, including relevant civil society organisations, in order to debate potential critical project issues, thus avoiding any operational bottlenecks or the inadequate management of negative impacts on affected communities, deriving from its own activities. The dialogue with community representatives contributes to an understanding of their expectations and needs and it is a necessary tool in the assessment process of potential or current impacts. In addition, an ongoing communication is ensured as part of the annual consultation process with local communities, and the feedback received also helps identify, where appropriate, vulnerable communities, which may be physically or economically isolated, with limited access to social services.

In the reporting period, the Group did not identify through the above-mentioned communication channels, any community exposed to a high risk of harm due to non-compliance with human rights, nor situations of land-use in regions in which ownership is often contested or is not clearly defined, potentially affecting local populations. Also, as part of the strategy, the Group has not taken the decision to expand its operations into high-risk areas where communities may resist its presence, leading to operational losses, difficulties in obtaining permits or even the loss of land concessions.

Following the double materiality assessment process, the Group assessed the water consumption used in the operational processes as having a material impact, however, the environmental impact was considered minor as water resources are managed and monitored, affecting the quality of life of the affected communities to a low extent.

Communities in the Group's supply chain may be affected by waste collection, transportation, treatment and storage activities that take place in the downstream. In the upstream, communities may be affected by the following activities: procurement and supply of raw materials, utilities supply in the production process, the electricity and heat production through the use of a combined cycle of natural gas and steam (CCGT – Combined Cycle Gas Turbine).

Romania does not have an indigenous population, consequently this type of population is not affected by Group's own activities or by activities in its value chain.

In order to identify impacts, risks and opportunities related to affected communities, both the company's own economic activities and those in its value chain were assessed in accordance with the ESRS standards, and a consultation process was initiated with representatives of the local communities, in order to validate the identified impacts. Following the process of double materiality, ALRO Group has identified two material impacts, as well as an opportunity **RO24_A (+) Strengthening the position of strategic partner in the economic and social development of local communities**, deriving from the positive impact **S25 (+) Contributing to the economic growth and improving the living standards of the population**. The above table presents two impacts and one opportunity that have been assessed as material by the Group in relation to the Affected Communities material topic as follows:

(-) Generating a negative impact on communities within the Group's value chain, as a result of raw material extraction, as well as waste transportation and handling activities.

In the upstream value chain, the bauxite extraction and the processing activities may lead to water contamination, affecting communities' access to drinking water and sanitation infrastructure. It may also have serious consequences on the health of the local population and on the quality of life, generating social tensions and affecting the sustainable development of the respective communities. This negative impact on affected communities within the value chain is generated by potential incidents, such as accidental spills that can reduce access to drinking water and sanitation infrastructure, affecting the health and quality of life for the local population and generating social tensions. Also, communities located around waste collection areas or recycling points may be exposed to additional risks due to accidental spills or inadequate waste management. In the reporting period, no incidents generating negative impacts on communities in the value chain were reported.

In the event of incidents as a result of raw material extraction activities, as well as waste transportation and handling, specific groups of affected communities located in the proximity of the bauxite extraction and processing points or communities around landfills may be affected.

In order to ensure a fair assessment of the impact on economic, social and cultural rights, the Group has improved its reporting mechanisms through an annual consultation process with participation from affected communities. Consequently, following the analysis of the consultation process of internal and external suppliers within the communities, it was found that only less than 1% of respondents reported that their own activities have an impact on these rights, including access to water and sanitation. In 2024, following the strategic decision to suspend alumina production, ALRO Group stopped the purchase of bauxite, a critical raw material in the production process of alumina. As an alternative, the Group chose to directly purchase alumina from external suppliers in order to support its own operations and ensure production continuity. The temporary adaptation was needed to respond to economic and operational challenges, cost optimization and efficiency of the supply chain. Alumina is now purchased from EU companies.

(+) Contributing to economic growth and improving the living standards for the entire population through economic value generated and distributed, including at the local level, by carrying out its own operations and through actions for the community.

Strengthening the positive contribution to the local economy and the quality of life of the communities in the proximity of its premises, as well as strengthening ALRO's position as a strategic partner to the economic and social development of local communities are all part of ALRO Group's business strategy. By means of its significant fiscal contributions, including taxes and duties, the Group supports the local and national budgets, thus facilitating the financing of public infrastructure as well as essential services such as education, public transport and health.

At the same time, by supporting local suppliers, job creation and social initiatives, the Group generates a relationship of trust with the community, minimizing social risks and strengthening the social operating position.

ALRO Group plays a significant role in economic growth and improving the living standards of the population through its industrial activities, directly contributing to the economic and industrial development of the communities in which it operates, supporting various industries such as the automotive, aeronautics, construction and others.

ALRO Group has a complex value chain that includes several suppliers categories, both at local and international level. The matter is considered material, as all the suppliers that participated in the survey stated that they registered an increase in turnover due to the collaboration with ALRO Group, some of them in percentages higher than 5%, and others were able to increase their jobs number. Consequently, the Group plays an important role to the local economic growth through the economic value it generates and distributes.

By means of its activities, ALRO Group contributes to the economic development of the communities that live or work around the Group premises or along its value chain, such as those located in Slatina and Tulcea.

(+) Strengthening the position of strategic partner in the economic and social development of local communities.

The opportunity was identified at the level of local communities, given the strategic contribution of ALRO Group to the local economy, as well as the global sustainability and social responsibility trends to which the Group adheres through the execution of the business strategy. The strengthening of the position of strategic partner in the economic and social development of local communities is especially applicable to groups of affected communities that directly benefit from the Group's investments and social programs, such as communities located in the proximity of production sites, but also those located along its value chain. In particular, local communities that benefit from the economic and social development programs initiated by the Group may become its strategic partners, strengthening long-term relationships and reducing the risks of social tensions.

This approach can attract investors interested in ESG criteria, increase customer and employee loyalty, and ensure a stable position in markets where responsible companies are valued, thus generating long-term financial and reputational benefits.

The financial impact is moderate given that improved market access and strengthened reputation may generate new business opportunities and increase the confidence of local communities. This is particularly relevant for affected communities that rely on the infrastructure and economic opportunities created by the Group, as well as those that actively participate in social responsibility and sustainable development programs.

This opportunity derives from the positive impact described above, namely **S25 (+) Contribution to economic growth and to the improvement of the living standards of the population** as a whole through the economic value generated and distributed, including at local level, through the execution of its operations and through community initiatives.

III.3.2 Impact, risks and opportunity management

III.3.2.1 [S3-1] Policies related to affected communities

The Group has implemented a number of policies with the aim at managing its impacts, risks and opportunities assessed as material which relate to affected communities, as follows:

Policies related to affected communities

		Material IRO's		
Politicy name	Applicability	Raw material extraction and waste management affect upstream and downstream communities S21 (-)	Contribution to economic growth and improvement of the population's standard of living S25 (+)	Strengthening the position of strategic partner to the economic and social development of local communities RO24 (+)
Supplier Code of Ethics and Conduct	ALRO, ALUM, VE, VT	●	●	●
Human Rights Policy	ALRO, ALUM, VT		●	●
Corporate Social Responsibility Policy	ALRO, ALUM	●	●	●
Resolution of requests, notifications and whistleblowing (Whistleblower)	ALRO, VE	●	●	●

ALRO Group does not operate in territories owned or leased to indigenous peoples, consequently, it has not prepared a policy to prevent and address impacts on indigenous population.

The corporate image, identity and culture are of fundamental importance for the entire Group, emphasizing its responsibility to manage the impacts on the economic, social and cultural rights of communities, resulting from both its own operations, but also from its value chain, as well as risks and opportunities generated at the level of its companies, derived from this sustainability topic. Thus,

the Group has developed and implemented the *Corporate Social Responsibility Policy* which is meant to manage the impacts and opportunities associated with the following sustainability topic: Affected communities – Managing the economic, social and cultural rights of communities.

ALRO Group is actively committed to promoting compliance with human rights, both in the communities in which it operates and within its value chain communities.

Through the *Corporate Social Responsibility Policy*, but also through the *Human Rights Policy*, the Group commits to comply with the national and international legal principles and human rights requirements, as provided in the European Convention on Human Rights, the Universal Declaration of Human Rights, the United Nations Global Compact and the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises, which mention, inter alia, that the consultation process with stakeholders, including representatives of affected communities, is particularly important in the decision-making process or at the planning stage of various projects or operational activities, such as water consumption potentially affecting local communities.

The CSR policy is designed around the Affected Communities topic and promotes ethical and responsible organizational behavior, including the safety, health and well-being of community partners.

The policy sets out remediation measures for the impacts and risks identified following the annual assessment process, by taking into account the Group's binding requirements to protect the rights of all affected communities, thus addressing the following:

1. **negative impact** **S21 (-) Raw material extraction and waste management affect upstream and downstream communities**, managing the indirect impact generated by raw material suppliers, whose specific waste extraction and handling activities may cause negative effects on the communities located in the proximity of their premises;

2. **positive impact** **S 25 (+) Contribution to economic growth and improvement of the population's standard of living** of the entire population through the economic value generated and distributed, including at local level, by carrying out its own operations and through community initiatives, by strengthening the positive contribution to the local economy and the quality of life for the communities located in the proximity of their premises.

Both the *Corporate Social Responsibility Policy* and the *Human Rights Policy* are approved by the General Manager who is responsible for their implementation at the level of each company, thus reflecting the Group's commitment at its highest organizational level. At the same time, the Human Resources Directorate is involved in the implementation of such principles, namely in the monitoring of requests and notifications initiated through the publicly available reporting channels provided in these policies. The allocation of teams responsible for implementing the social matters discussed by the CSR Policy are as follows: (i) the Sustainability Department – for all sustainability-related topics, (ii) the Human Resources & General Services Directorate – for human resources topics, (iii) the Health, Safety, Environment Department – for health, safety and environment related topics.

Although the representatives of the affected communities are not directly involved in the development of internal policies, the responses to the stakeholder's questionnaires are analyzed within the double materiality assessment process, thus contributing to the validation of impacts, risks and opportunities, which are subsequently managed through remediation measures and further integrated within the internal framework of Group companies.

Both the *Corporate Social Responsibility Policy* and the *Human Rights Policy* are published on ALRO's website, in the Policies, Reports and Certifications section, and may be consulted by representatives of the communities located in the proximity of Group's locations, as well as by representatives of the communities in its value chain. Details on the *Human Rights Policy* as well as the *Corporate Social Responsibility Policy* can be found in the Business Conduct Section (ESRS G1), page 274 of this Sustainability Report.

ALRO's commitments related to affected commitments include:

- Provide access to drinking water and sanitation infrastructure for communities;
- Strengthen the positive contribution to the local economy and the quality of life of the communities located in the proximity of Group's locations;
- Support local suppliers, creating jobs and social initiatives.

ALRO Group offers several communication channels through which affected communities may submit complaints about human rights violations, ensuring prompt and confidential processing. Details on the reporting channels available to communities to register complaints, petitions can be found in subchapter III.3.2.3 [S3-3] Processes for redressing negative impacts and channels through which affected communities can express their concerns, in this section of the Sustainability Report.

The *Human Rights Policy* represents the Group's commitment to the compliance and protection of human rights. In order to ensure effective implementation of this core value, the Group has extended the policy scope to its own employees and external partners by publishing it on the ALRO website. Moreover, the principle of compliance with human rights principles has been included in the Sustainability Strategy and the *Code of Ethics and Conduct*, ensuring a broader framework of accountability and compliance, thus minimizing the negative impact on affected communities. By extending the applicability of social standards to employees and business partners, ALRO contributes to improved working conditions and promotion of sustainable practices, potentially generating positive effects on the well-being of local communities.

ALRO Group acknowledges its responsibility to comply with human rights as a core principle in relation to the communities in which it operates. The Group is also committed to ensure that its employees, customers, suppliers, contractors and communities are treated with dignity and respect.

The scope of the *Human Rights Policy* covers all stakeholders, including affected communities, ALRO Group being aware of the important role it has in the community, so it acts responsibly to positively influence the community in which it operates, playing an important role for the economic, social, cultural and sports life of the nearby communities. Moreover, due to its economic and financial potential, but also due to the fact that it is the only producer of aluminium and aluminium alloys in Romania, ALRO is a representative company not only for the communities in which it operates, by creating jobs, but for the entire Romanian industry, through its GDP contribution.

Regarding the possibility to communicate their concerns and needs, community representatives may report and express their concerns about the Group's activities at www.alro.ro or at the ALRO premises, the communication channels being available on the ALRO website.

The *Human Rights Policy* addresses the positive impact **S25 (+) Contribution to economic growth and to the improvement of the standard of living of the entire population through the economic value generated and distributed**, including at the local level, through the development of its own operations and through actions for the community, in the sense that compliance with policy provisions, as well as with the relevant international standards, plays a key role for the social life of the communities in which the Group's companies operate.

In 2024, non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises Involving Affected Communities was not reported either in its operations or its upstream and downstream value chain. All these principles are integrated into the sustainability strategy, one of the strategic sustenability related pillars being the identification of all stakeholders' needs and implementing projects for the well-being of the community.

III.3.2.2 [S3-2] Processes for engaging with affected communities about impacts

The Group maintains an ongoing dialogue with community representatives and other relevant stakeholders consisting of customers, suppliers and investors, as well as academic and industry representatives. The Group is responsive to stakeholders' questions and concerns, initiates social or expert dialogues and participates in consultations with affected or interested parties whenever a new project is initiated. Such dialogues provide the Group with an insight into the communities' expectations regarding the impact on them from its own operations and/or its value chain and facilitate the identification of the necessary measures to build and maintain the trust of the affected communities, in order to establish strong partnerships and to promote the sustainability of the business strategy. On an annual basis, both the Action Plan on Corporate Social Responsibility for the following year and the Annual Report on Corporate Social Activity for the reporting year are published on ALRO website, including documents that include the collaboration with the affected communities on impacts, risks and opportunities related to affected communities.

The Group collaborates with members of the affected communities throughout the annual consultation process addressing the Group's from on its own activities, on affected communities. Also, access to public communication channels through which community members may express their concerns, needs are a tool for integrating their points of view and contribute to the Group's clear commitments regarding the impact on the environment and/or people. Also, the assigned functions constantly monitor situations that may generate an impact on the affected communities, as well as the resolution of the reported complaints, which contributes to obtaining their continuous feedback.

In order to ensure that the perspectives of affected communities are considered in the decision-making processes, the Group initiates a continuous dialogue with their representatives such as local NGOs, this being a proposed objective at the level of all business lines and significant projects initiated/ongoing. Communication within projects takes place at different intervals and at different project phases.

In the case of significant projects requiring public debate, the Group identifies key stakeholders to gain an understanding of the local context and to address critical issues relating to potential negative impacts, thus preventing potential conflicts of interest. Also, as part of the annual double materiality assessment process, the Group initiated a consultation process with stakeholders, including community representatives, with the aim of identifying and validating current and potential impacts in the areas of interest, in line with the ESRS non-financial reporting standards.

At Group level, the feedback and concerns of local communities regarding the activities carried out by Group companies are managed transparently and responsibly, through internal and external communication channels, as well as through the publication on the ALRO website of the Annual Report on the CSR activity. In addition, a reporting process and dedicated reporting channels have been established for the submission of complaints and notifications by any interested person, as per the Policy on the resolution of whistleblower requests, notifications and complaints provisions. More details about the person designated with the registration, investigation, resolution and response to complaints reported by stakeholders are presented in the Business Conduct section of the Sustainability Report.

At Group level, an alternative means of communication was implemented by organizing hearings and meetings with the management of companies, that are available to interested parties in order to signal and resolve complaints, notifications and specific proposals. So far, the dialogue with the local community has taken place:

- when required by law – the investment projects promoted by ALRO were submitted to public debate;
- when requested by the community, related to interests, problems and needs expressed and requested by the community, through written requests or audiences;
- within the Social Dialogue Commission within Olt Prefecture – an ALRO representative participates in the Commission meetings;
- within a series of decision-making or consultative bodies at local or county level, which include ALRO representatives (County Council, Local Council, County School Inspectorate, Commission for the authorization of vocational training providers, Tripartite Consultative Council attached to I.T.M Olt, etc.);
- within partnerships with several associations and foundations, or decentralized public institutions that set up actions for public interest such as the Environment Day, National Environmental Guard Day, City Days, etc.

Through the local media, important events taking place within Group companies are popularized within the local community.

To the same extent, the interaction with the community is also ensured by responding to requests submitted by community members in terms of:

- providing sponsorships and financial support, for example health treatments, supporting sports competitions and cultural activities, granting scholarships (these requests come both from the community members and from non-profit associations, foundations, religious establishments, educational institutions, cultural and health organizations, and local authorities);
- requesting certain documents from former employees;
- applications for employment or re-employment in ALRO;
- community initiatives and partnerships;
- correlation of the workforce with the market requirements in the South-West and North-West Regions, in order to support unemployment and job seekers for occupational integration;
- programmes to improve health in the community (e.g. ambulance services);
- facilitating volunteering and internship activities within ALRO (carrying out specialized internships, editing works, in order to prepare potential ALRO employees in advance).

So far, there have been no complaints, complaints or notifications from the community, either from individuals or groups, associations, foundations or authorities, related to ALRO's activities and their impact on the local community and the urban area.

Also, within each Group company, a person was responsible for receiving, registering and sending sponsorship requests to the Sponsorship Commission members in the form of a Board decision for analysis and approval/rejection. The approved requests are sent to the Financial Directorate for drafting, signing and payment of approved amounts. On an annual basis, the Sponsorship Commission secretary submits a report on sponsorships and social financial supports granted in the previous year, as compared to the approved budget for such expense items. The monitoring of sponsorships is carried out by checking specific contractual clauses as well as by the obligation of beneficiaries to provide detailed implementation reports and to allow on-site visits.

The highest authorized organizational level of the company responsible for the policy is the policy implementation is the General Director, who has the operational accountability to ensure that engagement with the affected communities about impacts takes place and that its results are included in the company's future actions.

At the same time, the Sponsorship Commission secretary is involved in monitoring and solving sponsorship requests.

In 2024, the Group took a number of actions in terms of responsible communication with the community, as follows:

ALRO

For ALRO, citizens can submit requests, complaints, notifications and proposals to the management during hearings that take place once a month. The hearings are conducted by the General Director and, in his absence, by his Deputy. Depending on the reported issues, measures are taken, and remediation deadlines are established. The final resolution is communicated in writing, by e-mail, fax or telephone, by the secretary, within a maximum of 3 days from the final resolution of the problem as discussed during the hearing. The maximum deadline for resolving the requests, complaints, notifications and proposals communicated during the hearings is 30 days from the date of the first hearing.

ALUM

ALUM has drafted procedures for relations with the media, as well as for developing settlement complaints mechanisms (the petitions procedure) and the organisation of hearings. Through these initiatives, the company expresses its availability to listen and solve community issues (employees, citizens, local authorities, business partners, etc.) and to get involved in educational activities and other social initiatives. Also, surveys were developed and distributed to assess the Company's perception in various community organizations with which it collaborates (public administration, financial and banking institutions, cultural and sports organizations, religious, educational, environmental protection, etc.). The feedback received from these cooperating organizations has shown that ALUM is actively involved in the life of the local community, on which it exercises a significant positive influence.

At operational level, the responsibility for ensuring effective collaboration with affected communities is assigned to project managers who consider the views and interests of affected communities in project decisions. In the reporting period, the Group did not carry out an analysis on the effectiveness of the communication and collaboration processes with affected communities. However, the Group obtains continuous feedback on specific interests and requests during the meetings with community representatives. For the 2025-2026 reporting period, the Group aims to designate an oversight and monitoring role in terms of the consultation process with stakeholders, including affected communities, in order to ensure proper consideration of their interests into the business and sustainability strategies.

III.3.2.3 [S3-3] Processes to remediate negative impacts and channels for affected communities to raise concerns

S21 (-) Raw material extraction and waste management affect upstream and downstream communities.

Within the upstream value chain, bauxite extraction and related processing activities can lead to water contamination, affecting communities' access to drinking water and sanitation infrastructure. During the reporting period, given the suspension of the alumina production activity, no quantities of industrial waste were generated within ALUM.

By efficiently managing and reducing the amounts of waste generated, as well as by reducing the public health risks associated with incorrect waste disposal and environmental pollution, the Group contributes to reducing the negative impact on the quality of life in the communities where it operates. At the same time, efficient waste management supports environmental protection by reducing pollution and the consumption of natural resources, measures contributing to the reduction of the potential negative impacts on local communities. The entire waste management infrastructure complies with the criteria imposed by the binding obligations in force, including the provisions of environmental permits.

Also, in order to avoid any potential negative impact that could result from the management of water resources on any of the Group's sites, strict procedures and measures have been implemented to maintain the integrity of the water household, as well as an update and adequate implementation of the Accidental Pollution Prevention and Combating Plan, monitored through staff training involved in the prevention of accidental pollution. The implementation of all these measures significantly reduces the likelihood of land and groundwater contamination in affected communities.

At the same time, by implementing the supplier assessment procedure according to environmental criteria and acknowledgement of the *Supplier Code of Conduct*, the Group aims to reduce the environmental impact in its supply chain and implicitly on affected communities, including in terms of waste management.

Reporting concerns by members of affected communities

The Group has implemented a mechanism for internal and external communication of the policies adopted, which are essential to facilitate the communication of affected communities' concerns and needs. Such communication channels facilitate the reporting of complaints, notifications made by employees, customers, suppliers, as well as by members of affected communities. Thus, the Group has established several ways of addressing notifications, complaints, or proposals, as follows:

- by filling in the contact form on the website: https://www.alro.ro/petitii;
- by e-mail to: sesizari@alro.ro;
- in writing, by mail, to the address of ALRO Company, 116 Pitesti Street, postal code 230048, Slatina locality, Olt county;
- in writing, by being deposited in one of the petition boxes, specially arranged and placed at the access gates of the company or to the sectors of activity;
- by leaving a message at the phone number: 0349.880.551

During the reporting period, requests were registered from members of the affected communities that were solved by granting sponsorships for various social initiatives, as well as by solving various requests from former employees regarding the update of documents in the retirement files. Also, there were no complaints from members of the affected communities, regarding the grievances/ complaints of communities related with company's activities. In addition, an alternative communication channel was developed by organizing audiences and meetings with the management of companies, available to both employees and other citizens, in order to address specific requests, complaints, notifications and proposals. To this purpose, the Group has developed dedicated procedures for each Group company.

Also, the reporting channels for complaints/petitions are also provided in the *Supplier Code of Conduct*, which are acknowledged by suppliers as part of due diligence.

ALRO Group considers that it is highly important to create an environment in which all stakeholders feel encouraged and protected to report any concerns and non-conformities within the organization. The Group is committed to ensuring transparency and accountability by developing and implementing clear policies for whistleblower protection, guaranteeing whistleblowers' confidentiality and protection against any retaliation. This approach reflects the company's ethical values and contributes to strengthening a corporate culture based on integrity and mutual respect.

In accordance with the information presented on the company's website regarding the submission of petitions, as well as the Procedure **PO-426 Resolution of requests, notifications and complaints of whistleblowers**, following the submission petition (which can take the form of a notification, a complaint, a proposal or a request for a hearing) through one of the above mentioned reporting channels, the settlement process is initiated, which includes the following steps:

- The petition is directed to the person in charge with the petition resolution, who will also communicate its response. The ALRO Data Protection Officer actively contributes to the investigation of reports, provides resolutions and monitors the implementation of remeditation measures, as well as responses to the designated person;
- A registration petition number is allocated;
- Investigations are carried out and the petition is addressed in line with the confidentiality principles;
- Additional information is requested if needed during the investigation;
- Personal data are treated confidentially and are used exclusively for the response communication comprising investigation results, the details being known only by the designated person;
- The Group responds to petitions as soon as possible, but no later than 30 days from the date of registration. If the petition is complex, the deadline for analysis may be extended, but not more than 90 days, in which case an information will be sent;
- The response will be clear and concise and will be sent through the same channels as the initial notification (by e-mail or by letter);
- The status of the petition is monitored by the designated persons within Group companies.

The reporting channels and the resolution process of submitted petitions are published on ALRO website, in the Corporate Governance section. Given that, in the reporting period, members of the affected communities did not submit complaints regarding the resolution of requests and complaints initiated through the available reporting channels, the Group considers that community members are aware of and trust its current processes, as a way of expressing their concerns or needs and fair resolution.

In the next reporting period, the Group will include in the consultation process, questions on the extent to which reporting channels are accessible, transparent and effective in addressing the issues raised by members of affected communities.

The Group has established the Whistleblower Protection Policy which provides, among others, protection against retaliation. Details on this policy can be found in the ESRS G1-1 Business Conduct section, in this Sustainability Report, including protection measures against retaliation.

III.3.2.4 [S3-4] Acting on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

S21 (-) Raw material extraction and waste management affect upstream and downstream communities.

The Group may have a negative impact on affected communities given that the current measures may not completely eliminate the risk of accidental pollution caused by raw material extraction and waste transport/handling activities, which may cause health problems and/or affect access to primary resources (water, soil).

In the reporting period, the Group did not allocate financial resources to manage this impact. With regard to internal departments involved in managing the impact of accidental pollution on communities, the Group assigns the following responsibilities in accordance with the *Corporate Social Responsibility Policy:*

- Sustainability Department;
- Production Department Al. Mayor – for topics in the field of production Al. Mayor;
- Processed Al. Production Department – for topics in the field of Processed Al. production;
- Health, Safety, Environment Department – for health, safety and environmental issues.

With regard to the measures taken to mitigate the effects of the negative impact on communities, as identified in the double materiality process, the Group continued in 2024 to implement measures to maintain the integrity and safety of the waste deposit in order to avoid accidents that may have an impact on the environment and on proximity communities.

Emergencies are circumstances that can arise in our operations, including in Group companies, ALRO, ALUM, VE and VT, potentially generating various risk events including with regards to the affected communities.

ALRO

For ALRO, the prevention and management of emergency situations caused by accidental pollution is achieved by implementing the Plan for preventing and combating accidental pollution of the water source and the Business Continuity Plan, which sets out prevention measures and management of events that could lead to the pollution of water sources, following consultation with stakeholders (neighbours, contractors). The last consultation took place in the period between January 2023 and February 2024.

To this end, a communication was made to the public with the following information (posted on the official website – www.alro.ro), in accordance with the Law 2016/59 provisions, which transpose the Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012 regarding the dangers of major accidents involving substances of concern:

- confirmation that ALRO is a higher level site;
- the description of the activities carried out on the site;
- the name of the substances of concerned used/stored on the site;

- the types of major accidents that may occur in ALRO premises and its consequences, as well as the safety measures implemented to prevent major accidents;
- ways to warn the public in the event of a major accident;
- indications on appropriate conduct and necessary actions in the event of a major accident;
- details on sources from which more relevant information can be obtained.

Emergency response procedures caused by accidental pollution are tested during exercises and simulations carried out in the production premises, and provided bottlenecks occur in communication, organisation or management of emergency response actions, relevant updates and improvements are conducted. Following the occurrence of an emergency situation or of any incident close to damage, an investigation is carried out to establish the circumstances and causes that led to the respective incident, as well as to propose technical and organizational remediation measures to avoid any similar future incident.

In terms of the waste management infrastructure set out at the level of ALRO, it is composed of the following main elements:

- two ecological permanent storage dumps for industrial waste, serving the main site;
- the secondary site (built according to the legislative provisions, being waterproofed and having a water collection and drainage system);
- selective waste collection systems (bins, containers, fenced areas), temporary waste storage areas (for waste handed over to authorized economic operators). The entire waste management infrastructure complies with the applicable binding obligations, including provisions on environmental permits.

ALUM

At ALUM, a material impact from a potential emergency event could occur at the tailings dam, at the river berth for loading alumina onto ships for transport, on-site in the management of substances of concern and discharged wastewater.

VE

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.

As for the material impact resulting from waste generation and management, it is managed through specific internal measures, procedures and processes by each Group company.

VE keeps its own waste management records, according to in force legal provisions, being also certified for the waste management system according to the ISO 14001 standard.

The main waste sources (including those resulting from the inputs of raw materials that may become hazardous waste) are generated by ALRO production Divisions and business sectors. These are clearly identified in the IPPC Permit for Social ALRO and the Environmental Permit for ALRO Secondary. The Goup has in place a Waste Prevention and Reduction Plan which is posted on the ALRO website, thus employees are involved through regular training on waste reduction and responsible waste management, while business partners are involved through the establishment of the “deposit system” trade guarantee for packaging.

In order to ensure the correct management of waste in its value chain, the Group closely follows the traceability to the final destination and requests evidence for the waste recovery or disposal quantities that are handed over to authorized economic operators, regardless of whether they are collectors or traders. Thus, in 2024 the Group reached a 100% traceability for waste recovered by third parties, 100% for non-hazardous waste disposed of by third parties and 100% for hazardous waste disposed of by third parties.

S25 (+) Contribution to economic growth and to the improvement of the population's livind standards.

With regards to the contribution to economic growth and to the improvement of the population's livind standards, the following actions were continued by the Group in the reporting period:

- Involvement in the local community is achieved through several methods, namely: charitable contributions, donations, funds allocated for the needs of the local community (social, medical, educational, sports). Thus, ALRO provided material support for the development of the "Disaster Prevention Days" project, carried out in collaboration with the Department for Emergency Situations.
- The management of each Group company ensures compliance with local, national and international laws that protect the rights of local communities, by means of stakeholders' engagement, by organizing and inviting them to participate in public meetings at the launch of various investment projects that may have an impact on the environment and indirectly on local communities. In this regard, investments in local communities are analyzed and approved by the commissions nominated at company level, according to internal procedures.
- Partnerships are agreed with various educational institutions, such as the Technical Metallurgical College in Slatina, the National University of Science and Technology POLITEHNICA Bucharest, the University of Craiova, the University of Pitesti and the Transylvania University of Brașov, to facilitate and document visits of students involved in bachelor, master, doctoral studies or various other research levels.

ALRO

In addition, ALRO, in partnership with the Slatina Metallurgical Technological High School, also facilitated the performance of the productive internships of the students enrolled in the vocational school, including the classes for machinery mechanics and low voltage electrician. Also, part of the company's employees is encouraged to attend high school or post-secondary courses. ALRO, during the internships, provides work equipment and hot meals to students. Depending on the needs, ALRO offers the possibility of employing students after graduating the qualification exam held at the end of the school period.

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 ALRO representatives (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.

ALUM

For ALUM, the Group analyzes the sector particularities and the geographical areas in which value chain partners operate, including the company's power to influence business relationships, as part of the risks and opportunities management process associated with the rights and interests of the community.

Recently, a pressure or trend from the local community has been observed regarding the expansion of residential areas in the proximity of industrial areas, which triggered sustained efforts from the company to prevent the potential negative effects.

With regards to the social matters, due to the suspension of the calcined alumina production, the community was affected by ALUM staff downsizing program, including the disposal of colaborators' staff, as well as staff disposal at the level of local administration.

In terms of remediation measures of the negative impacts that may occur at the level of local communities, the Group takes appropriate actions aimed at consolidating both the sustainability of its activities and strengthening its business relations, according to regulations issued by the European Commission, but also considering the complexity of its own value chain.

At ALUM, in order to maintain a close and continuous relationship with the local affected community, several internal procedures have been developed to design the petition resolution mechanisms, setting up hearings, as well as the procedure on media relations. In this way, the stakeholders experience the company's availability to listen and solve the community and/or other stakeholders' problems. In addition, the company is involved in the education (technical and vocational) and other social activities.

VE

To the same extent, the management of Vimetco Extrusion undertakes continuous efforts to solve the social problems of the communities in which it operates and is actively involved in the life of the community by participating in corporate social responsibility programs, programs supporting the use of solar energy and health programs.

In terms of the positive impact and the opportunity deriving from this impact, as identified and assessed in the double materiality process, the Group's commitment to the community is an integral part of its corporate values and sustainability strategy. Thus, the Group is actively involved in the communities in which it operates, being a reliable partner by supporting local projects and initiatives, providing jobs and promoting the social and economic development of the affected communities. The Group also contributes to its economic growth and acts to generate a positive impact on increasing the quality of life within the belonging communities.

At the level of each region where the Group operates, a continuous dialogue is maintained with the local community, the representatives/ employees being actively involved as members of various organizations (Local Committee for the Development of Social Partnership – CLDPS, Local Committee for Emergency Situations of Slatina Municipality, Social Dialogue Commission of the Olt Prefecture, Romanian Red Cross – Tulcea branch, County Commission for Equal Opportunities between Women and Men, The Local Committee for the Development of the Social Partnership of Tulcea, the Tripartite Advisory Council constituted at the level of the Territorial Labor Inspectorate of Tulcea and Slatina, etc.), as well as part of volunteer activities (charitable actions, blood donations, etc.).

In particular, the Group grants sponsorships and material financial support to disadvantaged social categories used for the purchase of medical treatments, support for sport competitions and cultural activities, granting of scholarships. The requests came from community members, as well as from non-profit associations, foundations, religious establishments, educational institutions, cultural and health organizations, as well as from local authorities. The support of the Intelligent Energy Association aimed to financially support the "Energy for Life" campaign, a campaign in which photovoltaic systems consisting of photovoltaic panels, supports, batteries, bulbs, etc., were installed in isolated households.

Total amount of contributions

In 2024, ALRO Group stands out through its contributions to various community programs, namely initiatives on education, health, community well-being and youth development, as well as environmental related programs, or initiatives supporting educational programs, health and safety.

In addition, ALRO Group is present in the communities' lives to which it belongs, through various activities, initiatives and projects, as follows:

1. Smart Energy Association for carrying out the project "Disaster Prevention Days" carried out in collaboration with the Department for Emergency Situations.

2. The MAGNA LAUDE REUT Foundation aims to support the event – "The Independence Day of the State of Israel".

3. The Romania Israel Chamber of Commerce and Industry Association for supporting the activity carried out by the Association and for supporting the networking event organized by the Romania Israel Chamber of Commerce and Industry.

4. The Association of the House of the Doctor and Pharmacist in Oltenia, is accountable for the achievement of the socio-cultural objective and appropriate endowment for a good development of the activity, book creation and editing, periodical publications, leaflets, posters, brochures, guides, web pages, photo albums, computer programs and other informative and promotional materials, organization of medical, entrepreneurial and cultural events: symposiums, colloquia, conferences, national and international seminars.

5. Geido Sports Club Association for participation in official national and international competitions, national and international technical internships, providing material and financial support for the Club's sports activity.

6. Embassy of Romania in Italy for the public diplomacy events organized by the Beneficiary on the anniversary of Romania's national day.

7. Ministry of Foreign Affairs Consulate General of Romania in Bologna for supporting the specific activities of public diplomacy and representation, organized by the beneficiary – the celebration of the National Day of Romania in Bologna.

Also, in 2024, the Group also supported other associations in order to organize various competitions and purchase medical equipment, such as the Pro Voluntari Association, the Slatina Motorcyclists' Family Association, the Slatina County Hospital, the Students' Parents Association, the Engineerds Robotics Association, the ALRO Extrusion Independent Union, the General Directorate of Social Assistance and Child Protection Olt.

The ALRO Group initiates an annual consultation process with the representatives of the affected communities in order to identify impacts, risks and potential opportunities arising from its own activities or from its value chain and to integrate the interests and needs of affected communities into the business and sustainability strategies. The Group also takes measures to monitor potential situations that may generate reputational risks in the context of potential human rights violations or incidents with a negative impact on the environment and on affected communities. This ongoing monitoring process is carried out at supplier contract level, or at the level of strategic projects initiated by the Group, through the contribution of the procurement, legal, technical functions and sustainability departments that submit the IRO action plan to the Risk and Sustainability Committee, and further to the Board of Directors as part of the decision-making process.

RO24_A (+) Strengthening the position of strategic partner in the economic and social development of local communities.

In 2024, Group companies have carried out the following actions meant to strengthen its position as a strategic partner for local communities:

A1. S3 Actions have been carried out to inform and empower local communities regarding various situations that can endanger human lives such as fires, natural disasters, earthquakes or people disappearances;

A2. S3 A stakeholder survey has been carried out and results are taken into account in the update of the 2025 sustainability strategy;

A3. S3 The group has been involved in CSR (continuous action) activities;

A4. S3 Matters regarding the impact of its own activities on affected communities have been included in the Group's Sustainability Strategy. The process of updating the strategy is conducted on an annual basis.

III.3.3 Indicators and targets

III.3.3.1 [S3-5] Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

The Group has set specific targets for monitoring impacts, risks and opportunities specific to the Affected Communities, ESRS topic, which are monitored as part of the annual assessment process. In setting the specific targets used to monitor the impact remediation measures **S25 (+) Contribution to economic growth and to the improvement of the population's living standards**, the Group considered the following strategic objective: To continuously improve the relationships we have created with the communities with which we interact.

OBIECTIVE: The continuous development of the communities in which the Group operates.

Impact/Opportunity

S25 (+) Contribution to economic growth and improvement of the population's standard of living.

RO24_A (+) Strengthening the position of strategic partner in the economic and social development of local communities.

Short-term targets (2025-2026):

- Continuing informing actions and empowering local communities;
- Supporting health programs, environmental protection and youth development and well-being programs;
- Continuous involvement in CSR activities;
- The Group will engage as part of the consultation process with members of the affected communities, by addressing questions on the extent to which the reporting channels provided by the company are accessible, transparent and effective in addressing the issues raised;
- For the 2025-2026 reporting period, the Group aims to designate a supervisory and monitoring role on the stakeholder engagement process at Group level to ensure the integration of their interests into the business and sustainability strategies.

With regard to the negative impact **(-) Generating a negative impact on communities within the Group's value chain, as a result of raw material extraction activities, as well as waste transportation and handling**, the Group did not establish specific metrics during the reporting period to help monitor the remediation measures. However, the matters deriving from this impact are constantly monitored as part of the sustainability strategy subject to an annual reassessment process.

The Group also did not establish quantitative indicators for monitoring the objectives established following the *Double Materiality assessment*, with regard to aspects related to affected communities.

III.4 ESRS S4 Consumers and End-users

III.4.1 Strategy

In this section, information is presented on the significant sub-topics *Information Impacts for Consumers and/or End-Users*, *Personal Safety of Consumers and/or End-Users and Social Inclusion of Consumers and/or End-Users* related to the topic of Consumers and End-users, including information on how they are managed.

Significant impacts, risks and opportunities (IRO) – related to Consumers and End-users

ESRS Standard	Sub-topic	IRO designation	Location of IRO in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topic	IRO categories	↑	↔	↓	ST	MT	LT
ESRS S4 Consumers and End-users	Impacts related to information for consumers and/or end-users: *Access to (quality) information*	**S28 (+) Access to quality information about the Group's products.** *Current positive impact*		ALUM VE VT				
		RO26_A (+) Increasing transparency to build customer trust and expand the market. *Opportunity*		ALRO VE VT		●		
	Personal safety of consumers and/or end-users: *Health and safety*	**S29 (+) Compliance with quality standards for customer safety.** *Current positive impact*		ALRO VE VT				
	Social inclusion of consumers and/or end-users *Responsible Marketing Practices*	**S30 (+) Promoting a sustainable business model and effective customer relationship management.** *Current positive impact*		ALRO VE VT				
		RO27_A (+) Positioning ALRO products as a solution for safety and sustainability in certain industries. *Opportunity*		ALRO VE VT		●		

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: TS – short term, MT – medium term, LT – long term

III.4.1.1 [SBM-2] Interests and views of stakeholders

This information is reported under section SBM-2 of the ESRS 2 standard.

III.4.1.2 [SBM-3] Significant impacts, risks and opportunities and their interaction with the strategy and business model

The actual and potential impacts on consumers and/or end users are closely linked to the specifics of the industry in which ALRO Group operates and to the various refurbishment initiatives underway, with effects in key sectors of the economy, such as the automotive, construction and aeronautical industries. Equally, quality standards, innovation and continuous improvement are the Group's priorities in terms of products supplied to consumers and/or end users: (i) ALRO – primary and processed aluminium, (ii) ALUM – calcinated alumina, (iii) Vimetco Extrusion (VE) – extruded products.

As consumers and/or end users need accessible and adequate information about the positive and/or negative impact of ALRO Group products on the environment and people, at the level of ALRO, ALUM and VE, the products are accompanied by quality certificates and labels. The quality certificate contains information about the chemical composition and mechanical properties of the products, as well as the standards under which they were manufactured. This information ensures the traceability of the products and supports the customer to make purchases in accordance with their own production processes (**S28 (+) Access to quality information about the Group's products**).

One of the Group's objectives is to maintain customer satisfaction. Thus, continuous work is being done to improve the Quality Management System. From the raw material phase to the completion of products in the factory, the Quality Department supervises each stage, to ensure that all customer requirements and quality standards are met. To ensure that all products supplied meet the relevant requirements, norms, standards, specifications and sales contracts, the Group's responsibilities and methods are defined in the procedures included in the customer management system. Directorates coordinators carry out annually, and whenever they deem necessary, evaluations of the management system within the units they lead. The analyses carried out by this level of management must include, among other things, information regarding: (i) the extent to which the environmental quality policy, objectives and targets have been met, (ii) customer satisfaction and feedback from relevant stakeholders, including complaints. The Group provides sufficient and competent personnel, in terms of studies, training, skills and experience, to carry out activities that influence the quality of products/processes, in the conditions of ensuring environmental performance, energy performance and occupational health and safety (**S29(+) Compliance with quality standards for the safety of customers**).

Finally, the Group generates a positive impact on consumers and/or end users by developing a solid management system, which includes special techniques for identifying customer expectations related to a product, evaluating delivery performance and measuring customer satisfaction (**S30 (+) Promoting a sustainable business model and effective customer relationship management**).

Regarding the impact of the products offered by the companies in the Group on consumers and/or end users, we mention that no specific products from the ALRO Group's activity that could be harmful to the health of consumers and/or end users have been identified. However, processed aluminium is used in various industrial sectors, which implies the need for careful monitoring of products and the implementation of strict standards on the health and safety of users.

Also, no impact on consumers and/or end-users that could result from non-compliance with personal data protection rights, or lack of information on potential harmful aspects of the products offered to customers, was assessed. Given that the Group works more than 45% with industrial and commercial consumers and/or end-users, no negative impacts have been identified targeting vulnerable categories (e.g. children, women) who would be more likely to suffer impacts on their physical and mental development or who lack financial knowledge and may be more prone to abusive sales or marketing practices. Details are presented in the table below:

Types of consumers	ALRO	ALUM	VE
Consumers and/or end-users of products that are inherently harmful to humans and/or that increase the risks of chronic diseases	• Aluminium products intended exclusively for industrial and commercial customers. • No significant health and safety impacts that would result from the use of ALRO products have been identified. • Aluminium is not an inherently harmful product for humans and does not contribute to increasing the risks of chronic diseases.	• No significant health and safety impacts that would result from the use of ALUM products have been identified. • Calcinated alumina requires the implementation of strict health and safety standards.	• No significant health and safety impacts that would result from the use of VE products have been identified. • Extruded products require compliance with strict health and safety standards.
Consumers and/or end-users of services that may adversely affect their rights to privacy, protection of their personal data, freedom of expression and non-discrimination	No negative impacts or significant risks have been identified that may adversely affect the rights of consumers and/or end-users to privacy and protection of their personal data, freedom of expression and non-discrimination practices.		
Consumers and/or end-users who depend on accurate and accessible information relating to products or services, such as manuals and product labels, to avoid potentially harmful use of a product or service	• ALRO products are accompanied by quality certificates and labels that include information such as chemical composition and mechanical properties.	• ALUM offers quality certificates, labels and safety data sheets, which include clear information about the contents, disposal methods and social and environmental impact of the products.	• VE products are accompanied by quality labels and certificates that include information on chemical composition, mechanical properties and manufacturing standards.
Consumers and/or end-users vulnerable to health or privacy impacts or the impact of marketing and sales strategies	ALRO sells aluminium products on a large scale, exclusively to industrial and commercial customers, thus avoiding the impact on particularly vulnerable consumers and/or end-users, such as children or people in situations of financial vulnerability, and ensuring compliance with ethical standards and international human rights principles.		

Consumers and/or end-users who depend on accurate and accessible information regarding products or services, such as manuals and product labels, are industrial manufacturers, processing service centers, distributors, who need high-performance materials to achieve desired results such as: increased operational efficiency, optimization of production processes.

As a result of the double materiality assessment process, a series of impacts, risks, and opportunities related to consumers and end users have been identified, as follows:

S28 (+) Access to quality information about the Group's products.

In relation to consumers, the Group shall act in accordance with fair commercial and marketing practices and shall take all reasonable steps to provide accurate, verifiable and clear information enabling consumers to make informed decisions, including information on prices and, where applicable, content, safe use, technical specifications, environmental attributes and disposal methods. The information is presented in an understandable and accessible way, using simple language that is accessible to consumers with disabilities at the same time.

VT is responsible for maintaining the relationship with the customer, including negotiating technical characteristics, product delivery times starting from the standard product list. If the customer requests other products, technical characteristics, type of packaging, and/or delivery times, the VT Marketing Director continues the negotiations according to the written specifications from the Operational Department.

The policies that the Group has implemented regarding the relationship with consumers and end users, as well as the policies on product quality assurance, aim to facilitate access to quality information, as well as to reduce complaints and misuse. Through this internal framework, the Group fulfils a major customer need, confirmed through consultations with them as part of the IRO's annual assessment process. They believe that access to accurate information is essential for choosing ALRO products. Thus, through these practices, ALRO Group has a material impact, as it supports the safety and satisfaction of customers, contributing to a sustainable business model and to the loyalty of long-term business relationships.

S29 (+) Compliance with quality standards for the safety of customers.

In its relation to consumers, the Group acts in accordance with fair commercial and marketing practices and takes all reasonable measures to ensure the quality and reliability of the products it supplies. In particular, it shall ensure that the goods and services it provides comply with all agreed or legally required standards for consumer health and safety, including those relating to health warnings and safety information, and that they do not pose an unreasonable risk to the health or safety of consumers, in the event of foreseeable use or misuse.

The impact is significant considering that the ALRO Group prioritizes product quality, ensured by compliance with international standards (ISO 9001 and ISO 14001) and commitment to the health and safety of consumers and/or end users. Aluminium products do not contain hazardous substances, thus contributing to the protection of the environment and human health.

Within the double materiality analysis, following consultations with customers in Romania as well as with customers abroad, almost 100% of respondents believe that ALRO products comply with the quality and resistance standards required by the regulations in force and contribute to the safety of customers and end users, which generates a positive impact on consumers and/or end users.

S30 (+) Promoting a sustainable business model and effective customer relationship management.

The Group identified and assessed as significant the positive impact generated by promoting a sustainable business model through the implementation of responsible marketing practices. By implementing an effective Customer Relationship Management (CRM) system, ALRO Group promotes a sustainable business model, based on transparency, responsibility and high-quality products, contributing to increasing the satisfaction and trust of consumers and/or end users. In the double materiality analysis, following customer consultation, approximately 90% of respondents believe that ALRO Group uses responsible marketing practices in its business model.

Equally, the Group ensures the protection of consumer privacy by ensuring that its practices regarding the collection and use of consumer data are lawful, transparent and fair, allow for consumer consent and take all reasonable steps to ensure the security of the personal data it collects, stores, processes or disseminates, in accordance with the Personal Data Processing Policy published on ALRO's website, in the GDPR section.

Also, following the double materiality analysis, the extensive impact at the level of production, sales and customer support activities, reflected by the high score of the scope, demonstrates the direct and positive influence of this business model on customers.

The double materiality assessment process resulted in two significant opportunities.

RO26_A (+) Increasing transparency to build customer trust and expand the market

This opportunity derives from the positive impact of **S28 (+) Access to quality information about the Group's products** and translates into the Group's commitment not to make statements or omit information that encourages misleading, fraudulent and unfair commercial practices or that undermine the rights and interests of consumers and/or end users, with negative effects including among competitors. The objective of this commitment is to improve the ability of consumers and/or end-users to make informed decisions about the products they purchase, to better understand the economic, environmental and social impact of their decisions, and to support sustainable consumption.

ALRO has defined and implemented an Integrated Management System (IMS) that includes a series of standards related to 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.

Through these certifications, ALRO Group provides customers with transparent and detailed information about their products, such as data sheets and quality certificates. This practice reduces complaints, improves customer experience, and increases trust in ALRO products, attracting new customers in critical industries such as automotive, construction, aerospace, and energy. Increased transparency regarding the quality standards applied contributes to increasing the loyalty and satisfaction of consumers and/or end users and opens opportunities for new commercial contracts while improving the Group's reputation at national and sector level.

RO27_A (+) Social inclusion of consumers and/or end-users

By investing in innovative technologies, the Group strengthens its position in the market and attracts new business opportunities. The Group also promotes access to advanced and innovative technologies by consumers and/or end-users, supporting social progress and improving quality of life through the adoption of non-discrimination practices. Through authentic and direct communication, the Group strives to address the needs and concerns of consumers and/or end-users, strengthening their trust and support for ALRO Group. At the same time, the Group aims to promote the social cohesion of consumers and/or end users, contributing to building solid and sustainable business relationships.

Aluminium is recognized for its properties (strength, light weight, corrosion resistance), making it ideal in safety-critical applications such as vehicles, aircraft, and structures. This strategic positioning can allow the Group to attract more customers who prioritize safety and compliance with applicable regulations.

During the reporting period, the Group did not identify significant opportunities deriving from consumer and/or end-user impacts that relate to specific groups of consumers and/or end-users, other than customers and/or industrial end-users who routinely purchase the primary and processed aluminium products, calcinated alumina or extruded products marketed by the Group companies.

III.4.2 Management of impacts, risks and opportunities

III.4.2.1 [S4-1] Consumer and end-user policies

The Group has implemented several policies with the aim of managing its significant impacts and opportunities related to consumers and/or end-users, as follows:

Consumer and end-user policies

		Material topics				
Policy name	Applicability	Access to (quality) information S28 (+)	Health and safety S29 (+)	Responsible Marketing Practices S30 (+)	*Opportunity:* Increasing transparency to build customer trust and expand the market RO26_A	*Opportunity:* Positioning ALRO products as a solution for safety and sustainability in certain industries RO27_A
Code of Ethics and Conduct	ALRO, ALUM, VE, VT			●	●	●
Personal data processing policy	ALRO, ALUM			●		
Whistleblower Requests, Complaints and Complaints Policy Resolution of petitions	ALRO, ALUM, VE	●		●	●	
Management Systems Manual	ALRO	●	●	●	●	●
Statement by the Director General	ALRO, ALUM			●	●	●
Bidding procedure	VT	●		●	●	
(PO-008) Measuring Customer Satisfaction – ALRO (PO-134-04) Customer and other stakeholder satisfaction assessment – ALUM Customer satisfaction (VE) procedure	ALRO, ALUM, VE	●		●	●	●
Handling customer complaints	ALRO	●		●	●	●

Code of Ethics and Conduct

ALRO, ALUM, VT

The purpose of the *Code of Ethics and Conduct* is to ensure the creation and development of a culture of social responsibility, which contributes to the sustainable and strategic development of the Group companies, by knowing and complying with the legal requirements for maintaining and increasing customer confidence in the products offered. Also, by implementing the Code of Ethics, the companies in the Group ensure compliance with applicable laws, internal regulations and commit to complying with national and international legal principles and requirements, including the *OECD Guidelines for Multinational Enterprises* and the *Social Standards of the International Labour Organization (ILO)*.

Although the provisions of the Code of Conduct are applicable to the Group's employees, the standards of business conduct imposed contribute significantly to generating the positive impact of **S30 (+) Promotion of a sustainable business model and efficient customer relationship management**, which is manifested at the level of consumers and/or end users.

Details regarding the *Code of Ethics and Conduct* can be found in section G1 Business Conduct of this Sustainability Report.

The document is available for consultation on the ALRO website, in the Policies, Reports and Certifications section.

VE

Similarly, the *Code of Ethics and Conduct* applicable to VE employees contributes to generating the positive impact of **S30 (+) Promoting a sustainable business model and efficient customer relationship management**, as well as the two opportunities identified according to the table above, through provisions relating to customer relations, namely: (i) the confidentiality of customer information and personal data (ii) the commitment to provide products according to the relevant standards and in accordance with the interests of consumers and/or end users, (iii) integrity in business relationships, (iv) the prevention and avoidance of conflicts of interest.

The document is available for consultation at VE's registered office and on intranet, the internal platform for employees and is updated annually.

The highest authorized organizational level responsible for the implementation of the *Code of Ethics and Conduct* at the level of the companies in the Group is the Board of Directors.

More details regarding the provisions of the *Code of Ethics and Conduct* can be found in the G1 Business Conduct section of this Sustainability Report.

Personal data processing policy

The policy covers the ESRS sub-sub-topic Responsible Marketing Practices and in particular the significant positive impacts and opportunities associated with them: **S30 (+) Promoting a sustainable business model and effective customer relationship management**.

ALRO, ALUM

ALRO's Personal Data Processing Policy (GDPR) describes the way in which ALRO and ALUM collect and process personal data including those of customers, business partners, potential customers, and applies to all personal data collected on the website www.alro.ro, as well as any personal data that is collected via email, website or any other means of communication through which such data will be processed. For the exercise of the rights of the data subjects of the GDPR policy, the following communication channels are available: e-mail: [dpo@alro.ro] or by mail to ALRO's headquarters. Users also have the right to lodge a complaint with the Romanian National Data Protection Supervisory Authority, if they consider that the processing of their personal data violates the applicable laws.

The policy is aligned with the provisions on the security of personal data processing indicated in Regulation no. 679/2016 on the protection of natural persons regarding the processing of personal data and on the free movement of such data (hereinafter referred to as "GDPR").

The establishment of the policy results from a legal requirement, consequently it did not involve consultation with stakeholders,

The highest authorised organisational level within the Group companies responsible for implementing the *GDPR Policy* is the Executive Director.

This policy is published on the ALRO website, under the GDPR section.

The highest authorized organizational level responsible for implementing the *Personal Data Processing Policy* at the level of the Group companies is the Executive Director.

(PO-426) Whistleblower Requests, Notifications and Complaints Policy – ALRO

(PO-4-04) Petition Resolution Policy – ALUM

These policies cover the sub-topics Social inclusion of consumers and/or end-users and Access to information, in particular the significant positive impact and opportunity associated with it: **S30 (+) Promotion of a sustainable business model and effective customer relationship management** and **S28 (+) Access to quality information about the Group's products**, including **RO26 (+) Opportunity: Increasing transparency to build customer trust and expand the market**.

ALRO, ALUM

Both policies govern the management of reports of possible violations of the law or irregularities in the context of ALRO's activities, addressing a wide spectrum of stakeholders, including employees, collaborators, shareholders and persons involved in contractual relations with ALRO.

Through the available communication channels, clients can inform the management of companies about certain situations, which may have a negative impact on the smooth running of the activity, the health and safety of employees and citizens, the local community, the environment, compliance with applicable legislative requirements and/or standards, which contributes to the promotion of sustainable and responsible business practices.

One of the principles governing the protection of reports of violations of the law is the principle of legality, according to which ALRO has the obligation to respect the fundamental rights and freedoms of the interested parties, by ensuring full respect, among others, of the full freedom of expression and information, the right to the protection of personal data, the right to a high level of consumer protection, the right to a high level of protection of human health, the right to an effective remedy and the right to defence. Reporting violations of applicable legislation and standards, including by employees, collaborators and consumers and/or end users, contributes to the implementation of responsible business practices that do not undermine the rights and interests of consumers and/or end users.

The highest authorized organizational level within ALRO and ALUM responsible for the implementation of Procedure PO-426 on the Resolution of Whistleblower Requests, Notifications and Complaints is the Executive Director.

More details regarding the Policy on the Resolution of Whistleblower Requests, Notifications and Complaints can be found in the Business Conduct section of this Sustainability Report.

Details on the communication channels available for petitions are available on ALRO's website, in the Corporate Governance section.

Management Systems Manual

ALRO

This policy manages aspects that integrate impacts related to consumers and/or end users that have been assessed as significant at Group level, namely **S28 (+) Access to quality information about the Group's products**, **S29 (+) Compliance with the quality and resistance standards required by industry regulations for the Group's products can directly contribute to the safety of customers and end users**, **S30 (+) Promote a sustainable business model and effective customer relationship management**, including **RO26_A and RO27_A opportunities**, as per Table from page 252.

The management system, designed, implemented and maintained by ALRO ensures and demonstrates the company's ability to produce products that comply with both the requirements and expectations of consumers and/or end users, as well as the requirements of applicable regulations and quality standards, keeping under control the significant environmental impacts, as well as risks related to safety and health resulting from the production and use of marketed products. ALRO's management system is based on international quality standards ISO 9001, ISO 14001, ISO 45001, ISO 50001, ASI Performance Standard – Aluminium Stewardship Initiative (ASI).

One of ALRO's strategic objectives is customer orientation, satisfying their requirements being achievable through a series of actions, such as: coherent communication with the customer, evaluation of the level of customer satisfaction, establishing the attributes of the products that contributed to the achievement of customer satisfaction, determining the quantitative contribution of each attribute, establishing a partnership with the main customers to define the products.

Regarding the quality of the products, the control of ALRO's quality management system is carried out through an internal control system that includes internal audit, control of products that do not comply with quality standards and corrective actions regulated by documents issued by the Quality Assurance Office.

Annually, through the Management System Program, measurable quality objectives are established in accordance with the policy in the field of quality, environment, energy, information security, social responsibilities and occupational safety. The Management System program is developed at the end of each year, for the following year, by the BAQ team, being endorsed by the Quality-Technical-Investment Director, by the Quality Manager and approved by the Executive Director.

The responsibilities, competencies and authority of each department are established through the Organizational and Functioning Regulation (ROF), and the competencies and responsibilities of each position are defined and communicated through the job description. In addition, the Executive Director formulates the policy and strategy around the management system and sets specific general objectives, including the allocation of roles and responsibilities at operational level. At the operational level, the coordinators of directorates carry out annually, and whenever they deem necessary, evaluations of the management system within the departments they lead.

ALRO's policy in the fields of quality, environment, energy, information security, social responsibility and occupational safety is formulated in the Declaration of the Director General of ALRO on the Policy in the fields of quality, environment, energy, information security, social responsibility and occupational safety and aims to achieve business performance through sustainable development. This policy is periodically reviewed for adequacy and is communicated within the company through the dissemination of the Executive Director's statement and through training and awareness activities for staff.

The quality, environmental, energy, asset, information security, occupational health and safety, social responsibility management system complies with EN ISO 9001, IATF 16949, ISO 14001, EN ISO 50001, ISO/IEC 27001, SA 8000, ISO 17025, ISO 45001, Aluminium Stewardship Initiative Version 3 May 2022 (ASI) standards. The policy is available for consultation at ALRO's registered office and on the intranet, the internal platform for employees.

ALUM

ALUM's policy in the fields of quality, environment, energy, information security, social responsibility and occupational health and safety is formulated in the Declaration of the Director General of ALUM on the Policy in the fields of quality, environment, energy, information security, social responsibility and occupational health and safety and aims, at systematically satisfying customer requirements and expectations regarding the products, services and areas of interest offered by ALUM.

Similarly to ALRO, with this statement, the Executive Director confirms the alignment of ALUM's practices with the above-mentioned quality standards.

This policy is periodically reviewed for adequacy and is communicated within the company through the dissemination of the statement of the Executive Director.

VT

The Management System Manual has not been implemented at VT level, given the customer relationship management activity it carries out, as it is not involved in production activities. Details regarding the sales function provided by VT at Group level can be found in the Code of Conduct.

The sales function ensures communication with customers, so that ALRO can effectively manage the sales process and implicitly the relationship with consumers and/or end users.

VT's Code of Conduct defines the principles underlying VT's activities and mentions that, in its relationship with customers, the company uses confidential information and personal data that it discloses only in the situations mentioned by applicable laws and/or regulations.

The Code of Conduct also refers to quality standards of products and their provision in accordance with the interests of consumers and/or end users.

Although the Code of Conduct applies to all VT employees, the implementation of these principles has a significant impact on the satisfaction of consumers and/or end users.

VT has also drawn up the Bidding **Procedure – PC 019, which defines the responsibilities and activities specific to the process of bidding and contracting products for sale**. By applying this procedure, the company ensures that:

- All relevant product requirements are identified;
- The documents corresponding to the conditions of the request are clearly defined;
- The differences between the conditions of the request for tender, contract or order and the conditions of the offer are resolved;
- The technical, managerial and financial capability required to fulfil the contractual conditions is verified;
- Reviews of the initial analysis are carried out for any changes to the initially approved requirements, and the information is communicated to the departments involved.

The procedure has as reference standards EN ISO 9000, ISO 14001, ISO 45001, IATF 16949.

As regards the perspective of consumers and/or end-users, this is not explicitly considered as the procedure defines the internal responsibilities and activities related to the offering and contracting of products.

This policy manages aspects that integrate impacts and opportunity related to consumers and/or end users that have been assessed as significant at Group level, namely **S28 (+) Access to quality information about the Group's products**, **S30 (+) Promotion of a sustainable business model and effective customer relationship management** and **RO26 (+) Increased transparency to strengthen customer confidence and market expansion**.

This policy is periodically reviewed for adequacy and is communicated within the company through staff training and awareness activities. The highest authorized organizational level within the VT responsible for the implementation of the Tender Procedure – PC 019 is the Director General of the VT.

The policy is available for consultation at VT's registered office and on INTRANET, the internal platform for employees.

(PO-008) Customer Satisfaction Measurement – ALRO

(PO-134-04) Customer and other stakeholder satisfaction assessment – ALUM

These policies manage issues that integrate impacts related to consumers and/or end users that have been assessed as significant at Group level, namely **S28 (+) Access to quality information about the Group's products**, **S30 (+) Promotion of a sustainable business model and effective customer relationship management**, as well as opportunities **RO26_A (+) Increasing transparency to strengthen customer trust and expand the market**, **RO27_A (+) Positioning ALRO products as a solution for safety and sustainability in certain industries**.

ALRO, ALUM

The objective of these policies is to monitor the customer's perception and expectations regarding: (i) the satisfaction of their requirements, (ii) the perception of the companies initiating the evaluation process, (iii) the expectations of the customer and/or other stakeholders, (iv) the perception of the system that manages the relationship between the company and the consumer and/or end user.

The highest organizational level responsible for implementing the Customer Satisfaction Assessment Policies is the Executive Director, who also approves the Customer Satisfaction Measurement Plan and the Customer Satisfaction Survey Report. The customer satisfaction measurement work is coordinated by the AQ Office. The reference documents for PO-008 are ISO 9000, 9001, ISO 14001, ISO 45001, IATF 16949, ISO 50001 Quality Standards.

The reference documents for PO-134-04 are ISO 9000, 9001, ISO 14001, ISO 45001, ISO 50001, IMS Manual.

After the questionnaires are received, the results obtained are analyzed and compared with the objectives of the current year, which can lead to product improvement programs, the establishment of a new strategy and/or new commercial objectives. Through this process, the perspective of consumers and/or end users is integrated into the internal processes of the companies in the Group, which may also determine, if necessary, the updating of policies on measuring customer satisfaction.

The policy clarifies the customer satisfaction evaluation process carried out by the current measurement of customer satisfaction through the use of questionnaires and/or satisfaction surveys.

ALUM

According to the procedure **PO-134-04 – Evaluation of the satisfaction of customers and other stakeholders**, annually, ALUM sends a satisfaction evaluation questionnaire to customers.

ALUM establishes with customers a way of communication accessible to both parties, organizes meetings with customers to improve the supplier-customer relationship, carefully analyzes all customer requirements in order to identify their perception and expectations and analyzes the degree of customer satisfaction in analysis sessions and draws up a plan to improve/increase the degree of satisfaction.

VE

The objective of the Customer Satisfaction Procedure is to determine the degree of adequacy and efficiency of the internal quality management system by using tools to assess the customers' perception of the company's performance: questionnaires, informal meetings, performance rating that integrates customer feedback.

The applicable standards are ISO 9001, ISO 15088, VEQa-PS-012 quality standards.

For the year 2024, the interests of consumers and/or end-users have not been incorporated in the update of this procedure.

The implementation of the policy is the responsibility of the Marketing Director and the Quality Assurance Representative.

The policies are available for consultation at the registered office of ALRO and ALUM, and on the intranet, the internal platform for employees.

Handling customer complaints

This policy manages the following impacts related to consumers and/or end users that have been assessed as significant at Group level: **S28 (+) Access to quality information about the Group's products, S30 (+) Promotion of a sustainable business model and effective customer relationship management**, by providing communication channels to report consumer and/or end-user concerns. The policy addresses aspects that result in material opportunities **RO26_A and RO27_A,** as per Table from page 252.

More details on this policy are presented in chapter **S4-3 Processes for redressing negative impacts and channels through which consumers and end-users can express concerns in the respective** section of the Sustainability Report.

During the reporting period, following the annual assessment process of impacts, risks and opportunities, as well as following the analysis of notifications/ complaints received from consumers and/or end-users through the communication channels made available to all stakeholders, the Group did not identify in its upstream and downstream value chain cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises Involving Consumers and/or End-Users.

III.4.2.2 [S4-2] Processes for engaging with consumers and end-users on impacts

The Group's medium- and long-term business strategy integrates sustainability aspects, including collaboration with consumers and/or end-users, who respect and implement the same principles and values regarding a viable and sustainable business environment. The path of the Group companies in terms of sustainability is guided by transparency, responsibility and continuous improvement of products through the adoption of technological solutions, feedback and open communication with consumers and/or end users influence the decision-making process and generate product optimizations.

Customer satisfaction and strong business relationships are very important for the Group's financial performance and sustainability journey. To this end, Policies on the evaluation of customer satisfaction have been implemented at the level of the companies in the Group, which regulate the processes of evaluating the satisfaction of consumers and/or end users, as well as the possibility of initiating programs to improve products and services, starting from the opportunities for improvement identified through customer satisfaction questionnaires and surveys.

Customer satisfaction is measured by:

- periodic 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 an in-depth understanding of their experiences);
- analyzing customer behaviour to understand how they interact with our products;
- measuring after-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 solving problems reported by customers and constantly improving processes based on the feedback received;
- open communication with customers to build trust and ensure that their feedback is considered;
- ongoing customer support to keep them informed.

In the evaluation process, the following relevant attributes of the products are considered: (i) product execution, (ii) quality inspection, (iii) marketing actions, (iv) product sales. Following the identified improvement opportunities, product optimization programs are initiated. The implementation of optimization programs and the capitalization of improvement opportunities is verified through internal audits on product quality.

Where satisfaction surveys are conducted, the results of the survey are documented in a report that is approved by the Executive Director.

The information thus obtained is used in the process of optimizing the products. These activities are carried out by:

- For ALRO: by VT staff, staff from the QA Office, specialists from technical departments, other categories of personnel. Customer satisfaction surveys are initiated by the Executive Director or the AQ Manager. Customers are prioritized according to sales volumes.
- For ALUM: by staff from the Commercial Office Department, QA Service, specialists from technical departments, other categories of personnel.

The information obtained from the feedback is distributed within the companies to the relevant departments, as it is important for all organizational levels to be aware of the customer experience and the potential problems reported. 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). Companies continue to monitor feedback and assess the impact of the changes implemented, as it is important to ensure that the improvements made are effective and that the customer experience continues to improve.

During the reporting period, at the level of ALRO, 124 complaints received from customers were registered regarding product quality aspects, of which 14 have as status: in the process of being finalized.

Equally, VT initiates customer satisfaction assessment activities (e.g. through questionnaires and/or surveys) to ensure the necessary feedback on the extent to which the requirements and expectations of consumers and/or end-users have been met.

Within VE, for the year 2024, the evaluation of customer satisfaction with the company's products and services was carried out through the most recent study from January 2025, which reflected a score of 4.4 out of 5, equivalent to a customer satisfaction rate of 88%. At VE level, a number of 231 complaints received from customers were registered regarding product quality aspects, of which 21 have as status: in the ***process of being finalized***.

The activity of the companies in the Group focuses on the needs of customers through the commitment to provide products of the highest quality, this being another dimension of collaboration with consumers and/or end users. Thus, to ensure a high level of customer satisfaction and a higher quality of the products/services sold, the Management Systems Manual was implemented, which presents the processes that underpin the management system regarding the efficient quality control of processes, from the purchase of raw materials to the delivery of finished products to customers. Already in the design phase of the products, the customer's requirements and the applicable legal provisions or regulations are considered as design inputs, and at the end the resulting documents are checked again with the customer's requirements. Moreover, at all stages of production, ALRO, through Vimetco Trading, communicates with the customer to solve existing or potential problems related to the requested product/service.

For 2024, as part of the double materiality assessment process, the Group's customers were selected for consultation based on the degree of dependency for each company in the Group, the value of the contract, the type of products and the geographical areas, thus 290 questionnaires were sent, and 94 responses were received from internal and external customers. The consultation process had the following objectives: (i) to identify the current and potential impacts of its activities on them; (ii) assessing stakeholders' perceptions of the magnitude of these impacts; (iii) the collection of information on other impacts that were not initially identified as described in the Double Materiality Assessment Methodology shall be carried out annually and shall consist of a series of steps, including stakeholder consultation. Thus, the impacts are validated annually with representatives of the affected stakeholders by applying personalized online questionnaires for each category.

During the reporting period, the Group did not identify consumers and/or end-users who are particularly vulnerable to negative impacts or marginalised (e.g. persons with disabilities, children, women), consequently no specific management measures were required.

III.4.2.3 [S4-3] Processes to address negative impacts and channels through which consumers and end-users can express their concerns

During the reporting period, the Group did not identify any material negative impacts on consumers and/or end-users. However, at the level of the Group companies, a series of channels have been made available to customers through which they can express their concerns on an ongoing basis, in relation to the products and/or services offered or certain inappropriate practices of the Group companies.

The Customer Complaint Handling Policy sets out the process for handling ALRO customer complaints. Thus, for each complaint received, a file is set up that is kept at the Quality Inspection Service. The complaint files are presented by the heads of the section where the goods subject to the complaint were produced during management meetings. Subsequently, the head of the section sends by email to the members of the complaints analysis commission the customer response proposal. The final agreed answer is sent by the Quality Inspection Manager to Vimetco Trading, who sends it to the client as soon as possible. The Operational Directorate and the Quality, Technical, Investment Directorate lead the activities of analyzing customer complaints and initiate problem solving and corrective actions to prevent their recurrence. In specific cases, the opinion of the Legal Department is requested. The Complaints Decision Commission (CDC) is composed of the following members: General Manager, Processed Aluminium Operational Director, Primary Aluminium Operational Director, Investment Technical Quality Director, Vimetco Trading representative.

The policies regarding the resolution of requests, notifications and whistleblower complaints implemented at the level of ALRO aims to establish standards in terms of the legal way of legally solving customer requests, notifications and complaints. For the purpose of implementing the policy, a person is appointed by the Director-General to carry out certain specific activities: receiving, registering, examining and taking action to resolve the petition. The designated person also communicates the response to the petition. The communication channels for petitions and notifications are made public on the ALRO website in the Corporate Governance section.

In order to protect consumers and/or end-users against retaliation, the existing policies at the level of the companies in the Group define the rights and obligations of whistleblowers, including the prohibition of any form of retaliation against those who use the dedicated reporting channels. At the same time, the Group ensures the protection of the identity of whistleblowers and respect for confidentiality,

preventing any repression or sanctioning actions. These measures are essential for creating responsible business practices where consumers and/or end-users can express themselves freely and communicate their concerns, needs and/or interests.

The Group constantly follows and monitors the effectiveness of the channels for submitting complaints and notifications by analyzing the reported issues, following how they are resolved, as well as by identifying opportunities to improve products/services. In this regard, the monitoring of consumer and/or end-user satisfaction carried out through periodic questionnaires allows the identification of potential product quality problems and the application of remedial/optimization measures. Also, the involvement of consumers and/or end-users in the design and production process stages is a central element in ensuring the efficiency of these mechanisms.

The Group also makes constant efforts to maintain a high level of transparency and trust among consumers and/or end-users by ensuring active and accessible communication with them. This communication is based on the provision of dedicated reporting channels, as well as on the involvement of customers in the product design and development processes.

III.4.2.4. [S4-4] Acting on significant impacts on consumers and end-users and approaches for managing significant risks and pursuing significant opportunities related to consumers and end-users, as well as the effectiveness of such measures

To manage significant issues related to consumers and/or end users, the Group has set clear targets, aligned with its strategic objectives, aimed at improving the quality of the products offered, increasing customer satisfaction and promoting sustainable technologies.

During the reporting period, the Group took several measures in relation to the identified significant positive impacts that are specific to consumers and/or end-users, as follows:

1. **Positive impact** **S28 (+) Access to quality information about the Group's products**, from which the opportunity derives **RO26_A (+) Increased transparency to strengthen customer confidence and market expansion**

Facilitating access to quality, relevant and accurate information is an essential aspect in marketing and sales strategies, influencing the relationship with customers and their satisfaction, which generates a positive impact on consumers and/or end users. Following the consultation process, internal and external customers assessed this impact as significant.

At ALRO level, the company is committed to ensuring full and transparent access to relevant information about its products, with the aim of building customer trust and supporting the expansion of the aluminium products market. The company believes that transparency is a fundamental principle of the relationship with consumers and/or end users and providing clear and accurate information about the products offered is essential for building a long-term relationship of trust. Thus, ALRO undertakes to make available to consumers and/or end users detailed technical data sheets of its products, which include information on their composition, specifications and how to use them. By providing this information, ALRO contributes to reducing the risks of incorrect use of products, thus minimizing the complaint rate and improving the experience of consumers and/or end users. The company lever ages the international certifications ISO 9001, ISO 14001 and the REACH declaration to guarantee transparency regarding the quality and safety of its products. These certifications, together with the technical data sheets and quality certificates, demonstrate ALRO's commitment to aligning with international quality standards. Through this approach, ALRO responds to the requirements of regulated markets and industry and strengthens the trust of existing customers, attracting new partnerships in critical sectors. Increased transparency improves customer loyalty and creates significant opportunities for growth and diversification of the aluminium products market.

At ALUM level, for calcinated alumina and aluminium hydroxide, information on content, disposal methods and social or environmental impact is clearly stated in quality certificates, labels and safety data sheets.

During the reporting period, the Group took the following actions related to the positive impact of **S28**, as follows:

A1.S4. Strengthening the relationship with the community, including our customers

- In 2024, ALRO initiated and successfully completed the rebranding, a strategic process that goes beyond the simple change of visual identity. It reflects ALRO's transformation over the past 20 years and adaptation to the current context, underlining its commitment to innovation and sustainability. The rebranding is a statement of the investments we made even before they became a common practice in the industry, and at the same time, it represents an active response to market challenges, emphasizing the essential role of aluminium in a greener and more energy-efficient world. It is also a commitment to the future, to strengthen the company's position in international markets with extremely demanding customers from sophisticated industries. This action was completed in 2024.
- In 2024, a stakeholder survey was conducted, and the responses to this survey and the conclusions obtained were used to determine the future directions of our Group, in terms of developing as sustainable as possible. This action will be carried out annually within the double materiality assessment process.
- In 2024, the CSR Policy of the ALRO Group was revised to incorporate the current legislative requirements. This action was completed in 2024.

2. **Positive impact S29 (+) Compliance with quality standards for customer safety**, from which derives **Opportunity RO27_A (+) Positioning ALRO products as a solution for safety and sustainability in certain industries**

Compliance with the quality and resistance standards, required by industry regulations for ALRO products, can directly contribute to the safety of customers and end users. Positioning ALRO products as a solution for safety and sustainability in certain industries contributes to differentiating ALRO products in the market and to a greater degree of customer attraction by offering safe products or privacy-respecting services.

This impact is manifested by promoting a sustainable business model, implementing responsible marketing practices and using effective Customer Relationship Management. ALRO products are used in multiple industries, such as automotive, construction, aerospace, and energy, among others. Features such as strength, light weight and the ability to resist corrosion make aluminium a preferred material in applications requiring increased safety (e.g. in vehicle or aircraft structures). ALRO is committed to contributing directly to the safety of customers and end users through its products, by complying with the quality and resistance standards required by industry regulations (BAT) in the production processes. One of ALRO's constant objectives is to maintain the satisfaction of customers in terms of the quality of the products supplied. Thus, ALRO is committed to continuously improving the Quality Management System, from the raw material phase to obtaining the final product, to meet customer requirements. ALRO products are accompanied by quality certificates, which contain essential information about them. Aluminium products delivered by ALRO do not contain or release hazardous substances during their use or processing.

During the reporting period, the Group undertook the following actions related to the positive impact of **S29 (+)** which relate to strategic pillars such as product quality and continuous development, as well as innovative products and technologies:

A2.S4 Focus on end customers, especially those involved in green technologies, as follows:

- In 2024, ALRO developed the product portfolio by manufacturing products as close as possible to the dimensional requirements of end users, by launching the CutSmart Systems Department. Within this department, the cutting equipment of the project "Improving the efficiency of ALRO products by purchasing an aluminium plate processing plant capable of processing ALRO products as close as possible to the dimensional requirements of the customers" (Cut-To-Size) was put into operation. This action was completed in 2024. In 2024, VT has increased its portfolio of customers whose production processes and end products have a lower carbon footprint (automotive and aeronautical industries).
- In 2024, ALRO continued its strategy of diversifying the product range and increasing the added value of its products by starting a new project, namely "Development of ALRO's product portfolio through the acquisition of processing equipment for longitudinal cutting and milling of plates" comprising a longitudinal plate cutting equipment and a plate cutter, which will be served by its own system intake and briquetting, in order to recover the metal and comply with environmental regulations. In this regard, in 2024 the contracts for the main equipment within the project have already

been signed, which will be completed in 2026 (Cast Plates and Precision Plates). This action is monitored and reported annually as part of the ALRO business strategy review process.

- In 2024, the two investment projects started in 2023 were continued, involving the installation of state-of-the-art equipment for verifying the quality of the plates, namely "Conductivity scanner on both sides of aluminium plates" and "Ultrasonic immersion control system" aimed at improving the quality of the production processes of aluminium alloy plates mainly intended for aero production. This action is monitored and reported annually as part of the ALRO business strategy review process.

A3.S4 Improvement of technologies and/or products

- In 2024, new flat products with high and very high added value products were introduced to ALRO's product portfolio.
- In 2024, the following brands for low-carbon aluminium products were registered with OSIM:

1. ALRO Essentials in the class of goods/services: "Aluminium and its alloys, in particular products in the form of billets, rods, 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, rods, plates and strips, incorporating at least 50% recycled aluminium scrap"

3. ALRO VitAL Max for the products: "Aluminium and its alloys, in particular products in the form of wire, billets and rods, which incorporate at least 70% aluminium scrap and in the production of which the CO_2 emission intensity is less than 4 tonnes CO_2/tonne of product (cradle to gate)".

- In 2024, ALRO Primary Aluminium Division started a project to increase the slabs manufacturing capacity by "Modifying the bar casting machine to be able to cast both bars and slabs", and "Purchasing a band saw for cutting aluminium alloy slabs" which has as its main objective to provide the necessary slabs to increase the amount of high and very high value-added products in the production mix, which also include Cut-to-Size Plates and Precision Plates.
- In 2024, a total of 37 electrolysis tanks were put into operation after being refurbished based on AP12LE technology, in close connection with the repair and production programs, which were adapted to correspond to the Company's business model.
- In 2024, ALRO Group has committed to continue the energy efficiency program, part of a safe, responsible and profitable activity, one of the Group's major projects being the continuation of the implementation of AP12LE technology, until all electrolysis tanks are converted to this advanced, low-energy technology, which is 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.
- ALRO will also increase energy efficiency by implementing the project "Improving the energy efficiency of the Repair and Spare Parts Section (RSPS) by modernizing the induction furnace and installing a water cooling/recirculation system", which aims to modernize the furnace with energy-efficient equipment in order to reduce the energy and industrial water consumption related to the equipment in the RSPS workshop, compliance with the recommendations of the Energy Audit.
- To improve the energy performance related to the technological process of plate aging, to increase the share of heat-treated plates, ALRO continued in 2024 the implementation of the project involving the installation of a new plate aging furnace in its Processed Aluminium Division. The project "Increasing the efficiency of aging operations by replacing CO_1, CO_2 and Iprolam furnaces with a new aging furnace", a project that will ensure the aging capacity in accordance with the planned production mix as well as improving the energy performance related to the technological process by decommissioning the CO_1, CO_2 and Iprolam aging furnaces powered by gas and the installation of an electric aging furnace, which will also lead to a reduction in CO_2 emissions into the atmosphere.
- Also, through the implementation of the "Plate saw" project, a new plate saw was put into operation in December 2024, which aims to ensure the cutting capacity in accordance with the production mix, as well as energy efficiency by reducing energy consumption and reducing the amount of chip resulting from cutting, compared to the existing old sawmill.

The repair program of the furnaces in the Casthouse Section was continued to increase the energy efficiency of the existing equipment and to ensure their reliability, within the Maintenance projects.

A4.S4 Continue the implementation of projects using advanced technology.

- In 2024, ALUM's research and development (R&D) activity has been improved by focusing all efforts on the possibility of obtaining new products with high and very high added value, adapted to the requirements of the applications that end customers will use, as well as by implementing/validating new specific analysis methods.
- ALRO used consulting services to establish new manufacturing technologies and introduce new products into the portfolio.
- 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.
- In 2024, the digitalization of the product quality verification system was implemented, so ALRO automatically transfers quality certificates to customers for its products.

3. **Positive impact S30 (+) Promoting a sustainable business model and effective customer relationship management.**

A5.S4 Continue the implementation of projects using advanced technology.

The Group continuously undertakes **actions** to promote transparency, product quality and customer responsibility. Implementing responsible marketing practices and an effective Customer Relationship Management (CRM) system has a major positive effect on customer satisfaction and trust.

Also, in 2024, the implementation of the Sales Force system was completed to optimally manage requests for quotations and orders received from customers.

For all the actions carried out above, the Group presents resources in relation to consumer and end-user policies:

Disclosure of resources in relation to consumer and end-user policies (in thousands of RON)

	Total	Curernt (2024)	Short term <1 year	Medium term 1-5 years	Long term >5 years
Financial resources allocated to the action plan (CapEx) – Action A2_S4	54,770	16,877	23,579	14,314	0
Financial resources allocated to the action plan (CapEx) – Action A3_S4	129,145	56,281	72,864	–	–

The financial resources allocated to action A3 also include the financial resources allocated to actions A1, A4 and A5 within Section ESRS E1, being joint investment projects.

III.4.3 Indicators and targets

III.4.3.1 [S4-5] Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

1. Product Quality and Continuous Development

OBJECTIVE 1: Focus on end customers, particularly those involved in green technologies

S29 (+) Compliance with quality standards for customer safety, from which derives **Opportunity RO27_A (+) Positioning ALRO products as a solution for safety and sustainability in certain industries.**

Strategic targets, in the medium term, are monitored and reported as part of the process of establishing/revising the business strategy.

The short-term targets are regularly monitored and reported by the executive management.

Short-term targets (2025-2026):

- 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 the conclusion of new partnerships regarding the sale of aluminium products with a low carbon footprint. (VT)
- Developing ALRO Group's market share in industrial sectors focused on the increased use of aluminium products with a low carbon footprint, through marketing actions aimed at identifying specific demands in the profile industries, the main potential business partners and promoting our products. (VT)
- Improving efficiency in the relationship with suppliers, customers, employees and communities.
- Completion of the engineering documentation and manufacturing of the equipment related to the project "Development of the ALRO product portfolio through the purchase of processing equipment for longitudinal cutting and milling of plates".
- Commissioning of the equipment "Conductivity Scanner on Both Sides of Aluminium Plates" and "Ultrasonic Immersion Control System" in the first half of 2025.

Medium-term strategic targets (1-5 years):

- Diversification of the range of aluminium and aluminium alloy products to end consumers, active in high-tech industrial sectors.
- Development of new product ranges (cast plates and precision plates) by implementing a new processing line by longitudinal cutting and milling of aluminium plates.
- Improving the quality of production processes.
- Gradual increase in sales of aluminium and aluminium alloy products for end consumers active in high-tech industrial sectors.

2. Innovative products and technologies

OBJECTIVE 2: Improvement of technologies and/or products

Short-term targets (2025-2026):

- In 2024, ALRO filed an application for the patent entitled "Process for obtaining anodisable aluminium alloy plates with a monochromatic surface", and obtaining this patent is estimated for 2025.
- New products with high and very high added value will continue to be introduced into ALRO's portfolio to diversify the production mix and offer the widest possible spectrum of products to ALRO customers.

- Finalization of the engineering documentation within the projects "Modification of the bar casting machine to be able to cast both bars and slurries", and "Purchase of a band saw for cutting aluminium alloy slurs" and start the installation and commissioning activities of the equipment by the end of 2025.
- In the two electrolysis halls in operation, ALRO refurbished 155 electrolysis tanks using the new low-energy technology, implemented within the RioTinto AP project launched in 2018. The company will continue to invest in its energy efficiency programs, planning to refurbish an additional 50 tanks in 2025.
- The commissioning of the induction furnace and the water cooling/recirculation system in the Repair and Spare Parts Section is estimated in the first quarter of 2025.
- Completion of the tests at the aging furnace so that it can be put into production in the first semester of 2025.

Medium-term strategic targets (1-5 years):

- Increasing the percentage of products with high and very high added value in the production mix, especially those that we can sell to end customers with a very high degree of technicality.
- The continuous progress of projects based on state-of-the-art technologies.
- Continue the implementation of energy efficiency programs throughout the technological process (AP12LE (LE – Low Energy) program with Rio Tinto Aluminium Pechiney to reduce energy consumption in the electrolysis section, increase the water recirculation rate, gradually replace the electric motors operating ALRO equipment with energy-efficient electric motors and frequency converters, etc.).
- Increasing energy efficiency and increasing the degree of recirculation of water used for industrial purposes.

OBJECTIVE 3: Continue the implementation of projects using advanced technology.

Short-term targets (2025-2026):

- The use of consulting services will continue to increase operational efficiency, establish new manufacturing technologies and improve existing ones, as well as to diversify ALRO's portfolio with new products.
- Completion of new product qualification started in 2023.
- Eliminating problems that arise on the manufacturing flow by improving technologies using applied research.
- Continuing to collaborate with prestigious universities and institutes in Europe and Romania.
- Update the production dashboard report
- Record of quality complaints received from customers. Implementing digitalization in HR systems.
- Implementation of the HPO Schelling information system for managing and selecting compatible plates from stock for cut to size orders.
- Updating Quintiq systems for production as well as waste requirement planning.

OBJECTIVE 4: Strengthen the relationship with the community, including our customers

Medium-term strategic targets (1-5 years):

- Maintaining a meaningful role in community development.
- Strengthening customer relationships.
- Developing partnerships with numerous associations, foundations and public institutions to organize actions of public interest.

During the reporting period, for the impacts of **S28 (+) Access to quality information about the Group's products** and **S30 (+) Promotion of a sustainable business model and effective customer relationship management**, the Group did not set specific targets for consumers and/or end users. The Group also did not set quantitative indicators for monitoring the objectives set following the Double Materiality assessment, in terms of consumer and/or end-user issues.

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IV.1 ESRS G1 Business Conduct

IV.1.1 Governance

IV.1.1.1 [GOV-1] Role of administrative, management and supervisory bodies in terms of business conduct

This information is reported under section GOV-1 of the ESRS 2 standard.

IV.1.1.2 [GOV-1] Expertise of the members of management bodies in matters related to business conduct

This information is reported under section GOV-1 of the ESRS 2 standard.

IV.1.2 Management of impacts, risks and opportunities

IV.1.2.1 [IRO-1] Description of processes for identifying and assessing significant business conduct impacts, risks and opportunities

This information is reported under section IRO-1 of the ESRS 2 standard.

IV.1.2.2 [G1-1] Corporate culture and policies related to business conduct and corporate culture

The list of material impacts related to business conduct resulting from the double materiality assessment process carried out in 2024 is presented below:

Significant Impacts, Risks and Opportunities (IRO) – Business Conduct

ESRS Standard	Sub-topics	IRO Designation	Location of IRO in the value chain*			Time horizon in which IRO occurs**		
	Sub-sub-topics	**IRO Categories**	↑	↔	↓	ST	MT	LT
ESRS G1 Business Conduct	Corporate culture: *Business ethics and transparency (specific to the Group)*	**G1 (+) Promoting business ethics and transparency.** *Current positive impact*	●	ALRO ALUM VE VT	●			
		G2 (+) Promotion of competitive practices. *Current positive impact*	●	ALRO ALUM VE VT	●			
		G3 (+) Risk management. *Current positive impact*	●	ALRO ALUM VE VT	●			
	Whistleblower protection:	**G4 (+) Protecting the rights of whistleblowers.** *Current positive impact*	●	ALRO ALUM VE VT CONEF	●			
	Political commitment and lobbying:	**G5 (+) Promoting an advantageous legislative framework.** *Current positive impact*	●	ALRO ALUM VE VT CONEF				
	Managing supplier relationships, including payment practices:	**G6 (+) Sustainability criteria included in the assessment process of suppliers.** *Current positive impact*		ALRO ALUM VE VT CONEF				
		RO29_A Managing supplier relationships, including payment practices. *Opportunity*		ALRO ALUM VE VT CONEF		●		
	Corruption and bribery (incidents):	**G7 (+) Measures to prevent and detect corruption and bribery.** *Current positive impact*	●	ALRO ALUM VE VT CONEF				
		G9 (+) The absence of corruption cases increases the trust of the Group's partners and customers. *Current positive impact*	●	ALRO ALUM VE VT				
	Management Riskuri:	**RO12_B Transition risk – increased non-financial reporting obligations.** *Risk*		ALRO ALUM VE VT			●	

* Location of IRO in the value chain: Upstream ↑ Own operations ↔ Downstream ↓
** Time horizon in which IRO occurs: ST – short-terms, MT – medium-terms, LT – long-terms

G1 (+) Promoting business ethics and transparency.

By creating a positive and attractive work environment, regulated by fair and transparent policies and procedures, ALRO Group ensures the promotion of business ethics, a fact confirmed by the customer and employee consultation process.

The positive impact is manifested at the level of the entire Group. These ethical and transparent practices have a favorable impact on the Group's reputation in the eyes of customers, suppliers and the community, promoting an organizational culture based on trust and mutual respect.

ALRO Group carries out its activities in compliance with all the acts and regulations in force, pursuing a business conduct as responsible as possible, which prevents any violation of human rights. To ensure the implementation of this commitment, several policies on Business Conduct have been developed, including the *Code of Ethics and Conduct* published on the website, which provides guidance and useful information to employees on how to identify and resolve ethical issues, as well as mechanisms for reporting unethical conduct. The *Code of Ethics and Business Conduct* is mandatory for all employees of the Group, as well as for the members of the Board of Directors. All employees are obliged to comply with the rules set out in this Code and are obliged to familiarize themselves with the content of the Code, all internal guidelines and policies and to participate in the related training sessions. Therefore, directors/managers/heads of departments have a responsibility to ensure that employees under their supervision and direction comply with the rules of the Code.

The H*uman Rights Policy* also contributes to the creation of ethical and transparent business practices by respecting the rights of employees, management, business partners (customers, suppliers), as well as other stakeholders, a fundamental principle for the sustainability of the companies in the Group and the affected communities. By aligning the policy with international principles and standards, the Group is committed to ensuring that all stakeholders are treated with dignity and respect.

G2 (+) Promotion of competitive practices

Anti-competitive behaviour may adversely affect the market and competition, which is confirmed by the customer consultation process, which considers that the absence of cases of anti-competitive behaviour has contributed significantly to the selection of ALRO Group as a business partner.

The Code of Ethics internally regulates the fact that the Group complies with the principles of free and fair competition. Any violation of the legislation in force by the members of the management or its employees is prohibited. All employees are obliged to strictly comply with the laws in force, which state that anti-competitive agreements with competitors are prohibited, regardless of the market position of those involved. Therefore, all employees must avoid critical situations under the laws and prevent any illegal anti-competitive agreements. ALRO avoids patterns of conduct coordinated with other companies, which aim to unlawfully restrict competition or result in harm to third parties.

G3 (+) Risk management.

By implementing risk management measures, the Group ensures an adequate level of internal controls within all activities in order to mitigate any operational errors/losses, with effects on financial performance and the fulfillment of the business strategy and sustainability strategy.

The risk management system consists of a series of policies, methodologies and organizational structures designed to ensure the identification, assessment, mitigation and monitoring of risks, including significant IROs, in order to ensure the optimal performance of the Group's activities and compliance with legal requirements and specific environmental, social and governance standards.

G4 (+) Protecting the rights of whistleblowers

By developing a specific whistleblower protection procedure, which regulates the registration, investigation, resolution and communication of the response to complaints/notifications, ALRO Group demonstrates its commitment to promoting a working environment in which employees are encouraged and protected to report violations of the law, the *Code of Conduct*, internal policies, the Internal Regulations or the ALRO *Collective Labor Agreement*. The procedure applies both to employees, shareholders and members of management bodies, as well as to subcontractors or suppliers, i.e. to persons who make reports, including anonymous ones, through the internal and external communication channels made available by the Group.

G5 (+) Promoting an advantageous legislative framework

In 2024, ALRO Group did not make political donations and did not undertake any lobbying action. At the same time, ALRO actively participates in industry associations and organizations, representing the interests of the aluminium industry at European and global level. The list of these associations can be found in Section IV.1.2.2 [G1-1] Corporate Culture and Policies related to Business Conduct and Corporate Culture.

G6 (+) Sustainability criteria in the supplier accreditation process

The accreditation process includes a rigorous assessment of sustainability criteria. This integration of sustainability criteria plays a key role in determining decisions to establish business relationships with those suppliers. The Group implements clear procurement procedures and rigorous evaluations, thus ensuring that the selected suppliers contribute to the achievement of environmental and social objectives, strengthening the Group's reputation and organizational responsibility.

The *Supplier Code of Conduct*, together with *Procedure PO-010 Assessment and Monitoring of Suppliers* play a key role in ensuring responsible and sustainable business relationships. These instruments set out the ethical and professional standards that suppliers must meet, including aspects such as respect for human rights, environmental protection, legal compliance and business integrity. Implementing a clear code of conduct and effective supplier assessment and monitoring procedures allows companies to identify supply chain risks and ensure transparency in procurement processes. In addition, they contribute to strengthening the Group's reputation, minimizing the negative impact on the community and building partnerships based on trust and responsibility. These measures not only support the strategic objectives of the Group companies, but also reflect the commitment to good practices and long-term sustainable development.

Also, the ASI supplier evaluation form integrates several social factors, such as human rights, including compliance with specific international standards and principles, employee rights, occupational health and safety. Further details on the human rights principles adopted by the Group companies are set out in the *Human Rights Policy.*

G7 (+) Measures to prevent and detect corruption and bribery

ALRO Group has developed and implemented an Anti-Bribery and Anti-Corruption Policy at the level of each company, which, together with specific provisions of the Code of Ethics, regulates zero tolerance regarding corruption aspects, both at the level of employees and at the level of partners and suppliers. The Group regularly organizes awareness sessions on the importance of complying with internal policies and regulations on the management of issues aimed at preventing and detecting corruption and bribery.

G9 (+) The absence of corruption cases increases the trust of the Group's partners and customers

During the year 2024, there were no confirmed cases of corruption and bribery within ALRO Group, which contributes to increasing the trust and satisfaction of employees, partners and customers. To prevent potential cases of corruption, the Group implements specific procedures for the management of payments, the purchase of goods, the sale of products, the provision of services and other collaborations with third parties.

RO29_A Opportunity: Increasing sustainability and security in the supply chain

By integrating sustainability criteria into the supplier accreditation process, the Group can support environmentally friendly and responsible practices in the sector. It offers the possibility to develop an integrated and traceable supply chain, thus guaranteeing material security and encouraging the use of recycled aluminium. In addition, implementing these practices can strengthen the company's image as a leader in sustainability, attracting customers and partners who prioritize products with a low carbon footprint and providing expanded access to sustainability-oriented markets.

RO12_B Transition risk – increased non-financial reporting obligations

The Due Diligence Directive will require companies to adopt measures to identify, prevent, reduce and report environmental impacts and human rights violations throughout the supply chain. For ALRO Group, this directive will impose costs for adapting processes and monitoring the supply chain, including investments in audit infrastructure and resources for compliance management, with the group risking exposure to sanctions and financial losses if the requirements of the directive are not complied with. These costs will increase operating expenses and could reduce profit margins, affecting competitiveness in the market.

Currently, ALRO Group implements several policies and actions for the management of sustainability issues, including through the Group's Sustainability Strategy 2021-2025, which covers most of the material ESRS topics identified through the double materiality process. The results obtained are periodically communicated to the Risk and Sustainability Committee and published annually in the Group's Sustainability Reports. In the coming period, internal monitoring policies and procedures will be updated, which will include specific measures to monitor and manage significant impacts, in line with CSRD reporting standards.

The executive management ensures that clear and documented policies are in place at the level of the Group companies on how to meet the standards regarding business conduct and corporate culture, and the Board of Directors, including through its consultative committees, supervises the implementation of these policies. These policies are adapted and implemented according to the specifics of the activities carried out by the companies in the Group and have the following objectives:

1. reminding employees that all activities of Group companies must be carried out in accordance with applicable legislation and their corporate values;
2. promoting awareness of the impacts, risks and opportunities resulting from its own activities and the value chain, reflecting the expectation that the activities will not exceed the risk limits set by the Board of Directors, nor the responsibilities assigned to employees;
3. setting out principles and providing examples of acceptable and unacceptable behaviour related, in particular, to financial misreporting and misconduct, economic and financial crimes, including but not limited to fraud, money laundering and terrorist financing, antitrust practices, bribery and corruption, market manipulation, improper selling and other breaches of consumer law;
4. clarifying that, in addition to complying with legal and regulatory requirements and internal policies, employees are expected to behave honestly and with integrity and perform their duties competently, carefully and with due diligence;
5. ensuring that all employees are aware of the disciplinary actions, legal actions and possible internally and externally sanctions that can be triggered due to inappropriate conduct and unacceptable behavior.

ALRO adheres to responsible business practices through internal policies, which include, among others, the promotion of principles of business conduct, such as promoting integrity and ethical behavior, guaranteeing the transparency and correctness of the information presented, protecting the dignity and rights of employees, ensuring equal opportunities for all employees. ALRO has published on its website the following policies on business conduct:

- Code of Ethics and Conduct;
- Anti-bribery and anti-corruption policy;
- Human rights policy;
- Corporate social responsibility policy;
- Declaration on combating modern slavery.

The Group has implemented several policies to manage its significant impacts, risks and opportunities related to Business Conduct and corporate culture, as follows:

Policies related to Business Conduct

Name of policy	Applicability	Promoting business ethics and transparency G1 (+)	Promotion of competitive practices G2 (+)	Risk management G3 (+)	Protecting the rights of whistleblowers G4 (+)	Promoting an advantageous legislative framework G5 (+)	Sustainability criteria included in the assessment process of suppliers G6 (+)	Measures to prevent and detect corruption and bribery G7 (+)	The absence of corruption cases increases the trust of the Group's partners and customers G9 (+)	Managing supplier relationships, including payment practices RO29_A	Transition risk – increased non-financial reporting obligations RO12_B
Code of Ethics and Conduct	ALRO, ALUM, VE, VT	●	●	●				●	●		
Supplier Code of Ethics and Conduct	ALRO, ALUM, VE, VT	●	●	●			●	●	●		
Human rights policy	ALRO, ALUM, VT	●	●		●		●	●	●		
CSR Policy	ALRO, ALUM	●		●	●	●	●				●
Anti-bribery and anti-corruption policy	ALRO, ALUM, VT	●						●	●		
Code of Conduct (bribery and anti-corruption, human rights)	VE	●					●	●	●		
Supplier Evaluation Procedure (including the ASI Form)	ALRO, ALUM, VE	●		●			●				
Resolution of requests, notifications and complaints of whistleblowers (Whistleblower)	ALRO, VE	●		●	●						
Corporate Social Responsibility Policy (whistleblower protection)	ALRO	●		●							
Vocational training in ALRO	ALRO, ALUM, VT	●		●	●						
Declaration on Combating Modern Slavery	ALRO, VE, VT						●			●	

Given the requirement for annual assessment of impacts, risks and opportunities according to ESRS reporting standards, the Group makes all the effort to review and update internal policies and procedures on an annual basis or when the regulatory or legislative framework undergoes changes that have an impact on the performance of the activities of the companies in the Group.

ALRO Group is committed to aligning its practices as well as internal policies with international principles and standards on Business Conduct, both in terms of its own employees and suppliers and business partners. The principles presented in the policies implemented at the level of the Group companies are presented in the table below:

Scope of Business Conduct Policies

Name of policy	Scope	Principles related to Business Conduct:
Code of Ethics and Conduct	Employees	• Compliance with the law; • Anti-corruption and anti-bribery; • Political activity; • Fair competition; • Prevention of money laundering; • Compliance with trade embargoes; • Integrity in reporting and insider trading; • Conflicts of interest; • Use and protection of assets and resources; • Confidential information; • Processing of personal data.
Supplier Code of Ethics and Conduct	Suppliers and business partners Supplier Evaluation Procedure (including the ASI Form)	• Governance and ethics (compliance, transparent management system, anti-corruption, anti-bribery, conflicts of interest, fair business and competition, confidential information, data protection, responsible sourcing • Labor and human rights.
Anti-bribery and anti-corruption policy	Employees, intermediaries, business partners	• zero tolerance for bribery and corruption; • complying with international laws and regulations; • protecting the company's reputation and maintaining the trust of stakeholders.
Code of Conduct (bribery and anti-corruption, human rights)	Employees, customers, suppliers and other business partners	• Combating financial crime – bribery and corruption; • The right to equal opportunities; • Elimination of all forms of discrimination; • Avoiding child labor and forced labor; • Compliance with anti-slavery laws • Freedom of association.
Human rights policy	Employees, customers, suppliers, contractors	• Health, safety and security; • Prohibition of forced labor and human trafficking; • Equal opportunities; • Training; • Fair pay; • Freedom of association; • Responsible sourcing.
CSR Policy	To all stakeholders	• Affected communities; • Workers in the value chain; • Customers, Consumers and End Users; • Business Conduct; • Reporting issues, whistleblowers' privacy, and protecting them from retaliation.
Resolution of requests, notifications and complaints of whistleblowers (Whistleblower)	Employees, shareholders, contractors	• he principle of legality; • the principle of responsibility, impartiality, good administration, the principle of balance, the principle of good faith.
Vocational training in ALRO	Employees	Topics related to Business Conduct that are covered by internal courses: • Code of Ethics and Conduct; • Human Rights Policy; • Corporate Social Responsibility Policy; • Anti-corruption and Anti-bribery Policy; • Procedure for solving requests, notifications and complaints.
Declaration on Combating Modern Slavery	To all stakeholders	• respect for human rights; • effective policies and procedures; • training and awareness; • reporting channels; • collaboration with stakeholders; • Supply chain: risk assessment and supplier selection.

Code of Ethics and Conduct

ALRO, ALUM, VE, VT

The policy helps manage positive impacts that have been assessed as significant in the 2024 reporting period, as follows: (i) Corporate Culture, G1 (Business Ethics), G2 (Competitive Practices), G3 (Risk Management), (ii) G7 and G9 Corruption and Bribery.

In order to make the objectives of the Board of Directors clear and operational, ALRO Group has developed and published at the level of each company the *Code of Ethics and Conduct*, which provides guidance and useful information to employees on how to solve ethical issues.

The Code of Ethics and Conduct aims to create and develop a culture of social responsibility, which contributes to sustainable development and to the fulfilment of strategic objectives by: establishing moral and professional rules and principles, maintaining an ethical and professional climate, knowing and complying with legal requirements in order to maintain and increase the trust of customers and other categories of stakeholders.

The Code of Ethics is mandatory for all employees of the Group, as well as for members of the Board of Directors and executive management.

ALRO Group adheres to standards such as the OECD Guidelines for Multinational Enterprises, the Standards of Responsible Business Conduct and the associated Standards of Care, the ILO Conventions, the EU Directives and the UN Principles on Business and Human Rights, which reflect the Group's commitment to conduct its business at the highest levels of responsibility and professional ethics.

Therefore, the *Code of Ethics and Conduct* sets out the compliance obligations that the Group applies as well as the international principles to which it adheres in terms of Business Conduct. This fact generates a series of impacts that have been assessed as significant following the double materiality process and that manifest themselves on employees, partners, customers, suppliers and communities in the proximity of the Group's locations, as presented in sub-chapter IV.1.2.1. [IRO-1] Description of the processes for identifying and assessing significant impacts, risks and opportunities related to Business Conduct in this Sustainability Report.

The supervision of the implementation of the *Code of Ethics* at Group level is the responsibility of the Board of Directors. As a special role model of Business Conduct, executive management has a responsibility to ensure that their actions comply with this Code. Directors are the first point of contact for asking questions regarding understanding the rules and must ensure that all employees know and understand this Code. As part of their leadership duties, they must prevent unacceptable behavior and take appropriate measures to avoid violating the rules in their area of responsibility. Strong and trusting relationships between employees and managers are reflected in honest and open communication and mutual support.

The principles defined in the *Code of Conduct* are also based on the views of stakeholders expressed in the consultation phase of the annual assessment of specific impacts, risks and opportunities.

The *Code of Conduct* is available on ALRO's website, in the Policies, Reports and Certifications section.

Currently, the *Code of Ethics and Conduct* has been implemented at the level of all companies in the Group.

Supplier Code of Ethics and Conduct

ALRO, ALUM, VE, VT

The policy helps manage positive impacts that have been assessed as significant during the 2024 reporting period, as follows: (i) Corporate Culture, G1 (Business Ethics), G2 (Competitive Practices), G3 (Risk Management), (ii) Supplier Relationship Management, (iii) G7 and G9 Corruption and Bribery.

The *Supplier Code of Ethics and Conduct i*s an instrument through which the Group aligns its supplier assessment and selection practices with the United Nations Sustainable Development Goals (SDGs).

The Code applies to all suppliers and business partners, who are expected to comply with these standards and principles in their own supply chain. Adherence to and signing this *Code of Conduct* is therefore a requirement to conclude and conduct business relations with the companies in the Group.

Suppliers must comply with all applicable local and international laws and regulations such as: the Romanian Labour Code, the European Convention on Human Rights, the United Nations Universal Declaration of Human Rights, the International Labour Organization's Fundamental Declaration and Conventions on Fundamental Principles and Rights at Work, the United Nations Global Compact and the UN Guiding Principles, on Business and Human Rights, but also those of all the countries in which it operates.

The highest authorised organisational level within the Group companies responsible for implementing the *Supplier Code of Conduct* is the Chief Executive Officer. Suppliers have access to the *Code of Conduct* at the time of entering a relationship with any of the companies in the Group or at the time of revaluation.

Details on the supplier's *Code of Ethics and Conduct* are presented in the Workers in the Value Chain section of this Sustainability Report.

The Supplier's *Code of Ethics and Conduct* has been implemented at the level of all companies in the Group.

Anti-bribery and Anti-corruption Policy

The policy helps manage positive impacts that have been assessed as significant in the 2024 reporting period, as follows: (i) Corporate Culture, G1 (Business Ethics), (ii) G7 and G9 Corruption and Bribery.

ALRO, ALUM, VT

The Anti-Bribery and Anti-Corruption Policies implemented at the level of the companies within ALRO Group define the ethical and regulatory framework for preventing and combating bribery and corruption within the activities of the companies within the Group. These policies provide the framework for the necessary actions to avoid bribery and corruption and conflicts of interest in the relationship with customers and business partners. The purpose of the policies is to ensure compliance with anti-bribery and anti-corruption legislation.

The implementation of the policy falls under the responsibility of the executive management at the level of each company within ALRO Group, reflecting the commitment at the highest organizational level. At the same time, the Legal Department is involved in monitoring and resolving requests and complaints. The rules set out in this policy are meant to protect the companies of the Group and their employees from the legal risks that may arise in the event of deviations from the provisions of the applicable law.

The policy is published on ALRO's website, in the Policies, Reports and Certifications section.

More details related to the Anti-Bribery and Anti-Corruption Policy are presented in the sub-chapter "**G1-3 Prevention and detection of corruption and bribery**".

VE

At the level of VE, the *Code of Conduct* contains provisions regarding the obligation of employees to comply with the applicable laws and regulations in order to combat acts of corruption and bribery that are not acceptable to employees, customers, suppliers or other business partners.

Human Rights Policy

ALRO, ALUM, VT

The policy contributes to the management of positive impacts that have been assessed as significant in the 2024 reporting period, as follows: Corporate Culture, G1 (Business Ethics), G6 Supplier Relationship Management.

At the level of the companies in the Group, Human Rights Policies have been drawn up, which represent our commitment to respect and protect human rights. To ensure the effective implementation of this essential value, ALRO Group has extended the applicability of this policy to all employees as well as to all external partners. At the same time, to considerably increase awareness of this essential value, references to the principle of respect for human rights have been included in all *Collective Labor Agreements*, in the sustainability strategy and in the content of the *Code of Ethics and Conduct*.

The group strongly condemns any form of forced labour, defined as any type of work or service imposed on a person under threat or without their explicit consent.

The principles of respect for fundamental human rights are also found in the recruitment, hiring and promotion processes within the Group and are rigorously based on the criteria of competence and performance of each employee. This approach is one of the positive initiatives aimed at supporting the respect of fundamental human rights in the activities carried out by the companies within ALRO Group.

According to internal policies and procedures, all candidates participating in recruitment, selection and employment are treated non-discriminatory and given equal opportunities.

According to national legislation, ALRO Group undertakes to inform all employees about major changes that may occur in the Group's operations and that could have an impact on their jobs. In this regard, in the event of the application of restructuring programs, an appropriate notice period is granted, as stipulated in the *Collective Labor Agreements* of each company within the Group.

The policy applies to directors, managers, employees and business partners (customers, suppliers). It covers all activities carried out by ALRO Group, including supply chain processes. Exclusions from the provisions of the policy are not explicitly mentioned, but the policy implies joint responsibility with suppliers, who are obliged to comply with ALRO's requirements for responsible sourcing.

The implementation of the policy falls under the responsibility of the executive management at the level of each company within ALRO Group, reflecting the commitment at the highest organizational level. At the same time, the Human Resources Directorate is involved in monitoring and solving requests and complaints.

By implementing the human rights policy, ALRO Group is committed to complying with an extensive set of international standards, including: the Universal Declaration of Human Rights; European Convention on Human Rights; Declaration of the International Labour Organization (ILO); UN Guiding Principles on Business and Human Rights; UN Global Compact.

These standards provide the regulatory framework for the implementation and compliance of the policy.

In terms of how stakeholders' interests were considered in setting the policy, the following aspects were integrated::

- Employees are consulted through representative trade union organizations, especially regarding professional training and payroll
- Local communities are supported through economic, social and cultural initiatives
- Suppliers are monitored to comply with ethical and sustainability standards.

The policy is accessible to both employees and the general public, by publishing it on ALRO's website and on the intranet. Employees are informed and trained about their rights and responsibilities, and communities can access information through the official ALRO website or by submitting applications to the company's registry office.

In 2024, there were no incidents of discrimination or non-respect for human rights at the level of our Group.

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

VE

The Code of Ethics provides for the need for compliance with international human rights principles by employees, customers, suppliers, principles that are presented in the table Scope of Policies on Business Conduct.

Corporate Social Responsibility (CSR) Policy

ALRO, ALUM

The policy is a complex document, aligned with the CSRD requirements, which contributes to the management of all positive impacts that have been assessed as significant in the 2024 reporting period, namely G1, G2, G3, G4, G5, G6, G7, G9. The scope of the policy covers the geographical areas in which ALRO and ALUM operate, and their suppliers. Also, in terms of stakeholders, the policy addresses stakeholders such as: local communities, workers in the value chain, suppliers, employees, customers, public authorities and relevant NGOs.

The *Corporate Social Responsibility Policy* and the Human Rights Policy are approved by the Chief Executive Officer who is responsible for its implementation at the level of each company within the Group, reflecting the commitment at the highest organizational level. At the same time, the Human Resources Directorate is involved in the implementation of these principles, respectively in the monitoring of requests and notifications initiated through the public channels mentioned in these policies. The teams responsible for the implementation of the social aspects managed by the CSR Policy are: (i) the Sustainability Department – for all sustainability topics, (ii) the Human Resources & General Services Directorate – for human resources topics, (iii) the Health, Safety, Environment Department – for health, safety and environmental issues.

This policy is developed in accordance with the Group's Sustainability Strategy, addressing these topics and sub-topics identified through a double materiality analysis carried out in accordance with the requirements of CSRD. The double materiality facilitated the understanding of the impact of ALRO Group companies on the environment and on society, the effects of sustainability on the company's financial performance based on a consultation process with stakeholders: suppliers, customers, community.

Although stakeholders (employees, shareholders, community, suppliers, customers, workers in the value chain) are not directly involved in internal policy-making, the results of the consultation process are analysed as part of the double materiality assessment process, contributing to the validation of significant impacts, risks and opportunities, which are then managed through remedial measures integrated into internal policies and monitored by setting specific targets.

Promoting business ethics, transparency and competitive behavior, by creating a positive and attractive work environment regulated by fair policies and procedures, blends harmoniously with the implementation of risk management measures, including those related to supply chain due diligence, greenwashing and legal compliance, thus contributing to strengthening the company's position and performance.

ALRO believes that a solid corporate culture is essential to ensure the long-term success of the company and to fulfill responsibilities towards stakeholders. In this regard, the company promotes the values of business ethics, transparency and fair competitive behavior, supporting a positive and attractive work environment that reflects the highest standards of integrity. These principles are supported by the CSR Policy, but also by the other policies and procedures at the company level, which ensure compliance with applicable legislation and sustainability commitments, such as: Anti-bribery and anti-corruption policy, *Code of Ethics and Conduct*, Human Rights Policy, Declaration on Combating Modern Slavery.

This policy reflects the commitment of ALRO Group to build a responsible and high-performance organization, capable of responding to the complex challenges of the economic and regulatory environment. ALRO is committed to communicating its sustainability performance in an authentic and transparent manner, ensuring that the information submitted to stakeholders is accurate, verifiable and compliant with international standards and the requirements of CSRD. The Company aims to prevent the risk of greenwashing by applying rigorous data verification processes, training staff involved in communication and reporting and carefully reviewing all published materials.

Through these measures, ALRO Group protects its reputation, strengthening the trust of its stakeholders and respecting its commitments to sustainability. ALRO's CSR policy promotes transparency and integrity, contributing to a corporate culture based on ethics, responsibility and legal compliance. ALRO Group recognises the importance of identifying, preventing and reducing environmental impacts and human rights violations, both in its own activities and throughout its supply chain. Thus, ALRO Group undertakes to implement monitoring and evaluation processes and procedures at the level of its activities and to collaborate with its suppliers to prevent and remedy any negative impact on the environment and people, being aware that they could attract sanctions, financial losses and affect the company's competitiveness.

The progress of the implementation of the CSR Policy is reported annually by the Human Resources Department, both in the CSR Activity Report and in the Sustainability Report, and the policy is communicated to all stakeholders on the company's website.

VE

The *Code of Conduct* states that the VE upholds national and international human rights principles and legal requirements. The Company will not enter business relationships with partners, including customers and suppliers, who do not comply with these standards.

Policy on "Resolution of whistleblower requests, notifications and complaints"

ALRO, VE

The policy contributes to the management of positive impacts that have been assessed as significant in the 2024 reporting period, namely G1, G2, G3, G4, G5, G6, G7, G9.

ALRO has defined and implemented this procedure that regulates the management of reports on possible violations of the law or irregularities in the context of ALRO's activities, addressing a wide spectrum of parties involved:

- Permanent or temporary employees and collaborators
- Shareholders, members of management and supervisory bodies
- Subcontractors, volunteers, trainees (paid or unpaid), other persons involved in contractual relations with ALRO and other interested persons.

Procedure PO-426/Rev.3/29.02.2024 applies in cases of violations of legislation, internal codes of conduct, ALRO procedures, Internal Regulations or *Collective Labor Agreement*. This broad approach shows the alignment of the policy with legal requirements, but also with international corporate governance standards.

Reports are received through one of the channels provided by ALRO, there are two ways of reporting:

(a) internal reporting (b) external reporting.

For internal reporting, ALRO provides the following reporting channels to interested persons:

- in writing, by mail to the addressee: ALRO, 116 Pitesti Street, 230048 Slatina, Olt;
- in writing, with submission to ALRO's registry office or in one of the petition boxes, specially arranged and placed at the access gates to the company or in the sectors of activity;
- by e-mail to the e-mail address: sesizari@alro.ro;
- by filling in 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 of the person reporting with the person designated by the company's management or with ALRO's General Director;
- by phone or through a voicemail system, with the consent of the person making the report.

External reporting can be made to public authorities and institutions that, according to special legal provisions, receive and resolve reports regarding violations of the law, in their field of competence.

The internal reports are presented to the General Director of ALRO, who has the following responsibilities:

- the appointment of the person designated to manage the reports;
- analyzing the reports received and designating the resolution teams;
- signing and approving the answers given to the petitioners.

Regarding the implementation of the Policy on Whistleblower Requests, Notifications and Complaints, at the level of ALRO, the person designated with responsibilities in terms of receiving, registering, examining, carrying out follow-up actions and solving reports, within the meaning of Article 3, Chapter 3 of Law no. 361/2022, is the officer responsible for data protection.

He is appointed by the General Director and benefits from training for the resolution of reports according to the applicable legal provisions regarding the protection of whistleblowers against any form of retaliation, as well as the processing of personal data. As for the training of the staff on the mechanisms for reporting and protecting whistleblowers, but especially the training of the staff who receive the reports, this is carried out annually, and the record of the reports is kept in the Register of Notifications/Complaints / Proposals.

Also, the person designated for the management of complaints, notifications, etc. must diligently carry out the subsequent actions to solve the report and, where appropriate, to remedy the reported violation. To comply with the principles of transparency, impartiality and independence, the person designated for the purposes of the above policy is directly subordinate to the Executive Director. Thus, the designated person has clear attributions to manage reports as follows:

- their registration and review
- communicating with whistleblowers and ensuring confidentiality
- collaboration with specialized departments for the efficient resolution of cases.

Depending on the disposition of the General Director, to achieve resolution as per the law, the requests/complaints/petitions/ notifications are assigned to the specialized departments, with the disposition to analyze and investigate all the aspects that are the subject of the request or complaint, specifying the deadline for resolution.

After completing the analysis and the investigation, the department or the designated employees will present the drafted response to the General Director, which, after signing, will be sent to the whistleblower. The response is sent to the whistleblower as he wishes, in writing or by e-mail.

By implementing this policy, ALRO complies with national and European legislation, namely G.O. no. 27/2002 on the resolution of petitions, Law 190/2018 on the protection of personal data, EU Directive 2019/1937 on the protection of whistleblowers, Law 361/2022 on the protection of whistleblowers in the public interest, the GDPR Regulation (EU 679/2016) on the protection of personal data, as well as international initiatives and standards: Aluminium Stewardship Initiative (ASI): The set of standards for sustainability in the aluminium value chain; ISO 9001, 14001, 45001 and other standards for quality, environment, occupational health and safety, the Universal Declaration of Human Rights.

ALRO integrated stakeholder interests into the development of the policy by:

- Consultation and protection of whistleblowers: Confidentiality and anonymity are guaranteed, protecting whistleblowers from retaliation;
- Creation of multiple reporting channels;
- Direct reports by email, mail, phone, intranet portal or dedicated boxes;
- Equal treatment: All reports are processed without discrimination, according to the principles of impartiality and good faith;
- Prompt feedback: Transparent communication of progress and solutions to reporters within 30 days (or maximum 90 days for complex cases) is ensured.

A summary presentation of the communication channels with employees, customers, suppliers, members of the local community, as well as the process of resolving notifications, complaints or proposals are made public on the official website of ALRO (https://www.alro.ro/relatii-investitori/guvernanta-corporativa).

At the time of reporting, whistleblowers shall be informed of:

- Guaranteed rights and protections;
- How personal data will be handled;
- The steps of the investigation process and the duration of the response.

Affected stakeholders may request access to independent information and/or expertise or a facilitator or mediator to support the dialogue process for some requests/complaints/petitions/notifications.

Within the procedure no. PO-426, protective measures, support measures and remedial measures are provided, so that any form of retaliation against whistleblowers, threats of retaliation or attempts at retaliation is prohibited, according to Article 5.10. the "prohibition of retaliation" in the PO-426 procedure.

Confidentiality is also ensured regarding the identity of the data subject or third parties referred to in the report. The identity of the data subject shall be protected while the actions subsequent to the public reporting or disclosure are ongoing, unless it is found that the data subject is not guilty of the violations of the law that were the subject of the reporting or disclosure. Data subjects also have the right to defence, including the right to be heard and the right of access to their own file.

VE

At the level of VE, the Integrity Whistleblowing Policy and Procedure has been defined and implemented, which applies to both company employees and consultants, external persons in internship programs in the company, seconded persons in the company and agents acting on behalf of the company. *The Policy covers all whistleblowing of non-compliance or deviations from the law or the Company's internal regulations/procedures, internal rules of ethics and business conduct, including general, operational or financial conduct*.

In particular, the Whistleblowing Policy and Procedure applies to the following categories of persons:

- Employees;
- Independent contractors of the company, e.g. external collaborators on the basis of a collaboration contract;
- Subcontractors;
- Consultants;
- Suppliers;
- Customers;
- any third party that possesses evidence and/or information about irregularities/illegal acts that have been or may be committed regarding the company's activity.

Alerts can be sent online on the company's website at office@vimetcoextrusion.com, by filling in the dedicated form. Also, alerts can be sent by e-mail to office@goranlaw.ro address or to the company's headquarters.

The reports submitted are managed securely to protect the confidentiality of the identity of the whistleblower or any third party and to prevent unauthorized access by the Company's staff to the data and information subject to attention.

The receipt, registration, examination and resolution of reports are the responsibility of the person designated at the level of the company, who is a person with legal training and who carries out his activity impartially, transparently, independently of the company. The designated person will assess, as soon as possible, the reporting impartially, objectively and considering all the elements and circumstances to determine whether it contains sufficient evidence to support the information relating to those violations.

As regards to the measures to protect against retaliation, the policy sets them out as follows:

(i) protecting the identity of the whistleblower, if he or she is not anonymous, will be protected and confidentiality will be pursued;
(ii) The company ensures that the person reporting any violation is adequately protected against a possible negative impact, such as retaliation, discrimination or any form of unfair treatment. Furthermore, the company ensures that the persons to whom a warning has been made are protected against a possible negative impact, if the investigation does not prove any violation and no action is taken against them;
(iii) Even if the investigation leads to a proven violation and measures are taken against the persons against whom a complaint has been made, the protection of individuals is ensured against unintended negative effects that go beyond the measures that have been taken.

Currently, the Whistleblowing Policy has been implemented at the level of ALRO and Vimetco Extrusion. The policies are available to employees at ALRO and VE headquarters and on the internal portal (intranet), as well as through information displayed at the companies' headquarters.

For 2025, the Group aims to extend the applicability of the Whistleblowing Policy and Procedure to all companies within the Group.

ALUM

The CSR Policy mentions that ALRO Group, of which ALUM is a part, ensures accessible and secure channels for reporting complaints and implements measures to investigate and solve problems in a prompt and impartial manner.

Procedures for prompt, independent and objective investigation of incidents related to Business Conduct, including incidents of corruption and bribery.

The Group has policies and codes that regulate corruption issues, both at employee and supplier level.

ALRO

At ALRO level, if an employee identifies a suspicious, fraudulent or illegal event that could constitute a violation of ALRO's policies and could affect the company, he is obliged to immediately report it to the management, which will take all necessary measures to investigate the event in question. The Head of the Legal Unit is responsible for completing and managing the register of recording acts of corruption and bribery.

In addition, employees have the possibility to anonymously report any problem through the suggestion boxes available at the level of the companies within our Group. A specific procedure has been put in place to support the management of the whistleblowing system. This process will continue, by including the provisions of EU Directive 1937/2019.

In all Group companies, employees and community members can address requests, complaints, notifications and proposals through audiences. These hearings shall be conducted by the Executive Director or by his replacement in his absence. Depending on the

nature of the reported problems, measures are taken, and deadlines are set for their resolution. The final solution will be communicated in writing, by e-mail, fax or telephone by the secretary, within a maximum of 3 days from the final resolution of the issues raised during the hearing. The maximum term for solving the requests, complaints, notifications and proposals formulated in the hearings is 30 days from the date of the first hearing.

In 2024, there were no concerns or requests for advice regarding unethical or illegal conduct and organizational integrity in any of the Group's companies. There were no incidents of corruption, no employee was dismissed or sanctioned for acts of corruption, and there were no incidents of corruption that led to the termination or non-extension of contracts with business partners.

The company's training policy within the organisation on business conduct, including target audience, frequency and degree of coverage

ALRO

The policy contributes to the management of positive impacts that have been assessed as significant in the 2024 reporting period, respectively G1, G3.

The employees who participate in the professional training programs are selected based on the provisions of the procedure PO – 407 "Professional training in ALRO".

Within ALRO, clear policies and procedures have been implemented, which support the achievement of objectives in terms of human resources management. The company believes that only through a structured and well-developed approach, a high level of performance can be maintained.

At the level of all companies in the Group, training activities are carried out clearly following the model of a sustainable business, and in this regard, in 2024, courses were carried out covering the following policies and procedures on Business Conduct:

- Code of Ethics and Conduct – ALRO, ALUM, VE, VT;
- Human Rights Policy – ALRO, ALUM, VE, VT;
- Corporate Social Responsibility Policy – ALRO, ALUM;
- Anti-corruption and Anti-bribery Policy – ALRO, ALUM.

ALRO's training procedure aims to create a robust framework for the continuous development of employees' skills and applies to all staff within ALRO, without explicitly stated exclusions and covers all aspects of professional training, from induction and qualification to further training and retraining.

The annual training programme shall be drawn up in consultation with the trade unions and approved by the Executive Director and the Board of Directors.

The evaluation of the efficiency of the professional training programs is made by commissions made up of directors and representatives of the Professional Development department.

The responsibility for the implementation of the professional training procedure, as well as the annual professional training program, lies with the General Director of ALRO who:

- Approves the Annual Training Plan
- Approves the reports for the organization and conduct of qualification, requalification, improvement courses, job certifications, seminars, etc.
- Approves the reports for the organization and development of the productive practice by pupils and students.

Both the procedure and the training plan comply with national legislation, ensuring legality and fairness, international standards, providing compliance with global market requirements, as well as collective agreements, ensuring cooperation with trade unions.

The interests of key stakeholders, such as trade unions and employee representatives, are considered by:

- Consulting them in the process of drawing up the annual professional training program
- Integrating the individual needs of employees and trade union organizations into training planning
- Communication of training needs by executive directors and heads of departments.

The PO-407 procedure is made available to interested parties by including the annual training program as an annex to the company-wide *Collective Labor Agreement*, mandating the implementation of the program for all employees, and considering participation in training programs as a job assignment.

For 2025, the Group aims to integrate into the annual training plans of the Group companies' aspects related to training on combating corruption and bribery.

Declaration on Combating Modern Slavery

The policy contributes to the management of positive impacts that have been assessed as significant in the 2024 reporting period, namely G1, G3, G4.

The document is published on ALRO's and ALUM's website and expresses the commitment to comply with human rights laws and regulations, the implementation of policies to prevent and combat slavery and continuous training programs for employees on the identification and reporting of cases of modern slavery.

By implementing this policy, the companies comply with national and European legislation, namely the Universal Declaration of Human Rights, the European Convention on Human Rights, the Criminal Code (Law no. 289/2009), the Labor Code (Law no. 53/2003), the Romanian Constitution.

The document is published on ALRO's and ALUM's website and is addressed to all interested parties.

Evaluation and monitoring of suppliers

The procedure contributes to the management of positive impacts that have been assessed as significant in the 2024 reporting period, respectively G1, G3.

Details on this procedure can be found in the Workers in the Value Chain section of this Sustainability Report.

Functions within the Group that are most at risk in terms of corruption and bribery

As part of the annual risk assessment process, ALRO Group also identifies and assesses risks related to corruption and bribery. The results of these periodic assessments are recorded in the Risk Register and are monitored and reported internally on an ongoing basis. As part of the risk assessment for 2025, including the Double Materiality Assessment, the Group will consider carrying out the process at a more granular level to identify those functions that have high exposure to the risk of corruption incidents. In addition, to ensure the operation in optimal conditions of safety and control, the relevant personnel are trained annually in corporate governance procedures, a process coordinated by the Human Resources Department.

For 2024, the Group has not carried out an identification of the functions that are most exposed to the risks of corruption incidents and will carry out this analysis within a period of 1 year from the date of this Sustainability Report.

IV.1.2.3 [G1-2] Supplier relationship management

In terms of the value chain, most of the suppliers that are in commercial relations with the Group come from countries with a low risk of corruption. However, the Group has implemented over time a series of internal procedures and policies with the aim of preventing and detecting possible incidents of corruption at the level of suppliers, for example by adhering to the principles of the *Code of Conduct*. In addition, following the consultation process with stakeholders, most of the respondents, both internal and external, stated that at the level of the company they own, they have implemented policies dedicated to the management of conflicts of interest, fraud, bribery and the risk of corruption, as well as that in the contractual relations with ALRO Group, the lack of cases of corruption and bribery was a very important aspect.

The supplier accreditation process includes a rigorous assessment of sustainability criteria. This integration of sustainability criteria into the supplier evaluation process plays an essential role in determining decisions to establish commercial relationships with those suppliers. According to the procurement procedure, the selection of suppliers is made by implementing an internal policy that incorporates sustainability criteria.

Procedures to prevent late payments, in particular to SMEs

Within the Group, at the level of each company, there are operational procedures approved and implemented that contain details on making payments to suppliers, including SMEs. These procedures ensure the efficient management of financial relations between the companies within the Group and all its partners, including suppliers, customers and other collaborators. They set out the rules and procedures on payment terms, methods and conditions, contributing to clarity and transparency in financial transactions.

ALRO Group has not implemented policies to prevent delays in making payments, especially to SMEs, given that there have been no cases of delays in payment to suppliers, and, for the year 2024, no company within ALRO Group has registered any lost legal proceedings for delays in making payments.

The Group's approach to its relationships with suppliers, considering risks related to its supply chain and impacts on sustainability issues

Supplier Code of Conduct

ALRO

The supplier's code of conduct reproduces the model promoted by European Aluminium. This code touches on all aspects of business governance, environmental and social. The Office of Internal Audit and Supplier Evaluation, within the Quality Department, sends this code to each supplier during the initial evaluation and re-evaluation carried out every 2 years. It also answers vendors with any questions related to this code. Suppliers must accept this code and return it signed, electronically, to the Office of Internal Audit and Supplier Evaluation.

In addition, at the level of ALRO, a Human Rights Policy has been developed and published on our website, which applies to our directors, managers, employees and 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.

Supplier evaluation and monitoring

The policy contributes to the management of positive impacts that have been assessed as significant in the 2024 reporting period, respectively G1, G3.

ALRO

At ALRO level, the *Supplier Code of Conduct*, together with Procedure PO-010 Supplier Assessment and Monitoring and the ASI Supplier Assessment Form play a key role in ensuring responsible and sustainable business relationships. These tools set out the ethical and professional standards that suppliers must meet, including aspects such as respect for human rights, environmental protection, legal compliance and business integrity. Implementing a clear code of conduct and effective supplier assessment and monitoring procedures allows companies to identify supply chain risks and ensure transparency in procurement processes. In addition, they contribute to strengthening ALRO's reputation, minimizing the negative impact on the community and building partnerships based on trust and responsibility. These measures not only support the company's strategic objectives but also reflect the commitment to good practices and sustainable development.

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

Details on this procedure can be found in the III.2. ESRS S2 Workers in the Value Chain section of this Sustainability Report.

ALUM

According to the procedure ALUM PO-134-07 Supplier Evaluation and Monitoring, the supplier evaluation activity is initiated by a request in this regard, submitted to the QA Service, by the Logistics Procurement Department (LPD). Following the revision of the ALUM procedure, starting with 2024, new suppliers are also evaluated by completing the ASI self-assessment questionnaire (governance, environmental, social) and adhering to the Company's code of conduct.

The results of the self-assessment questionnaires completed by the new suppliers are centralized by the QA Service (within the Technical Investment Quality Department). These documents requested from suppliers do not constitute acceptance or rejection criteria in the qualification process of new suppliers in ALUM. The *Code of Conduct* includes: the commitment or procurement policy, the application and acceptance of the code, the approach to evaluating the supplier, the way of communicating and/or answering questions, governance and work ethics, human rights, health and safety as well as its acceptance by completing a Declaration of Responsibility.

VE

According to the supplier's *Code of Ethics and Conduct* implemented at VE level, suppliers adhere to the company's standards in terms of business conduct and internal governance. Also, by signing the Code of Ethics by suppliers, the expectation is created that they integrate into their own activity, the UN principles related to human rights, labor, environment, anti-corruption, as well as governance and ethics. The *Code of Conduct* applies to all VE providers, and they confirm their commitment to comply with the provisions of the Code and applicable international standards by signing the acknowledgment form. VE also ensures compliance with the provisions of this Code through its own evaluations (questionnaires), audits and inspections of suppliers. If a violation of these provisions is identified, and that the situation is not remedied within a period considered acceptable, VE reserves the right to terminate the respective business relationship.

An important advantage of the supply chain is the fact that ALUM and VE are part of a vertically integrated Group, and the main raw material within VE (aluminium bars) is supplied (over 90%) from within the Group. In terms of the origin of suppliers, the Group's supply chain is diversified, containing local suppliers from Romania and external suppliers from Europe, but also from countries outside the EU.

Integration of social and environmental criteria in the selection process of suppliers, including the examination and evaluation of their social and environmental performance

ALRO

All new ALRO suppliers sign the *Supplier Code of Conduct*, which includes several criteria, including social and environmental criteria.

- Governance and ethics, including business integrity, *Anti-corruption and Anti-bribery Policy*, conflicts of interest, fair business and fair competition, intellectual property and confidential information, data protection, responsible sourcing

- Labour and human rights, health and safety, including prevention of child and young worker labour, humane treatment and anti-harassment, anti-discrimination, voluntary employment, working hours, wages and benefits, freedom of association and collective Labor, health and safety.

In the process of evaluating suppliers, a reputational risk assessment is also carried out, which consists of verifying information regarding possible legal problems or conflicts in which the evaluated supplier is involved.

If the supplier has a legal history of incidents and legal actions, including violations of environmental law, we consider these issues to be reputational risks.

ALUM

According to procedure PO-134-07 Evaluation and monitoring of suppliers, the evaluation of suppliers from the perspective of environmental criteria in 2024, was carried out through self-assessment and by applying for ISO 14001 certification and environmental authorization (where applicable). Following the revision of the evaluation and monitoring procedure, from 2024 onwards, the assessment of suppliers will also include the collection of information about their environmental practices, by submitting, completing and monitoring the responses to the ASI governance, environmental and social questionnaire. The results of the self-assessment questionnaires completed by the suppliers are centralized at the QA Service (within the Technical Investment Quality Department).

VE

As in the previous financial year, in 2024 all key suppliers were evaluated considering the commercial criteria according to the Supplier Evaluation Procedure. No sustainability performance criteria were assessed as VE was in the process of being accredited by ASI.

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

At the level of ALRO and VE, during the reporting period, the ASI evaluation form, together with the supplier's *Code of Ethics and Conduct*, was sent to 343 new suppliers, of which 225 suppliers responded by signing the declaration of acknowledgment of the commitment to align with the Group's standards on sustainability aspects, specifically to the principles related to Business Conduct.

In addition, suppliers are obliged to sign the '*Supplier Code of Conduct*' document, which implies their commitment to implement environmental criteria in their activities.

Percentage of New Suppliers Selected on Social Criteria

- To date, there have been no cases where a supplier has been rejected on social grounds
- The new supplier assessment process also includes a reputational risk assessment and requires suppliers to submit documents related to environmental and social compliance.

Number of Suppliers Evaluated in Relation to Social Impact

- All ALRO suppliers sign the '*Supplier Code of Conduct*', which includes social criteria;
- The assessment of suppliers in terms of social impact is included in the standard supplier assessment process
- During the reporting period, ALRO carried out evaluations of suppliers based on social criteria, resulting in the evaluation of 69% of the total number of suppliers evaluated by ALRO.

How the Group's practices, including activities to avoid or minimise the impact of disruptions to its supply chain, support its strategy and risk management

The procurement activity is focused on ensuring the raw materials and materials necessary for the safe operation of the production process, in the volume and structure that allow the achievement of the general objectives of the company. To this end, product balances for raw materials and auxiliary materials have been drawn up based on standardized consumption, so that graphic delivery quantities can be generated and established for a rhythmic supply. Also, safety stocks have been sized for the main raw and auxiliary materials, so that there is no risk of reducing or stopping production. The correlation of stocks with production needs, resulting from the organization of the supply chain and its management through the ERP system, is done in such a way that financial resources are not tied up in over-normative stocks and, at the same time, prevent stock depletion.

The organization of the supply chain and the contracting of raw materials and materials are made according to specific consumption, correlation with existing stocks and production needs. Their transport to ALRO is done either by the supplier (cost included, for example: DDP Slatina), or as a service contracted by ALRO (FCA). In order to reduce emissions, multimodal transport (road-rail-sea) is also analyzed and opted for. Inside the company there are warehouses specially designed for the storage of goods in appropriate conditions.

ALRO, based on the production mix, determines the monthly/annual quantities of packaging required. Given the diversity of the products sold, the packaging also has a diverse range: wooden packaging (pallets, lids), shrink wrap, cardboard and cardboard protections (corners), wrapping paper, protective film, PET tape, galvanized metal tape.

Training of the workforce involved in procurement and procurement activities on collaboration and dialogue with suppliers

According to the *Code of Ethics and Conduct*, the primary responsibility of ALRO employees is to use their best skills 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 comply with the laws and all regulations, rules and procedures that apply to us.

Specific criteria for the procurement activity: (i) optimization of inventory management, (ii) price negotiation, (iii) experience in logistics, (iv) attracting new suppliers, (v) knowledge of the English language. Personal evaluation criteria: responsibility, attitude towards work, initiative, problem solving.

Every year, a careful evaluation of the procurement team is carried out, focused on the results obtained in the previous period. This annual appraisal aims to assess staff performance based on well-defined criteria that reflect both professional skills and personal qualities.

ALRO Group has not defined an incentive system for employees in the purchasing department that considers factors of price, quality or sustainability criteria in the value chain.

Throughout 2024, procurement staff participated in training activities that covered the following policies:

- Code of Ethics and Conduct
- Human Rights Policy
- Corporate Social Responsibility Policy
- Anti-bribery and anti-corruption policy.

How the Group's practices treat vulnerable suppliers

In the periodic assessments of ALRO Group's suppliers, no companies were identified that would be considered vulnerable.

Other actions related to supplier relationship management (undertaken in 2024)

- About 58% of ALRO's evaluated suppliers have completed the sustainability performance assessment based on the ASI Performance Standard v3 questionnaire (113 suppliers out of a total of 194 evaluated suppliers);
- At ALRO level, the *Code of Ethics and Conduct* applied to all new suppliers
- VT has approved and submitted to its suppliers the *Supplier Code of Conduct* (11 out of 61 suppliers have already approved this document);
- VE a number of 71 suppliers received and signed the supplier's *Code of Ethics and Conduct* (out of 71 suppliers evaluated).

IV.1.2.4 [G1-3] Prevention and detection of corruption and bribery

ALRO, ALUM, VT

The policy contributes to the management of positive impacts that have been assessed as significant in the 2024 reporting period, respectively G1, G7, G9.

To prevent and detect corruption and bribery, the companies within ALRO Group have issued and implemented the *Anti-corruption and Anti-bribery Policy* at the individual level.

The objectives of this policy are: (i) zero tolerance for bribery and corruption, (ii) compliance with international laws and regulations, (iii) protecting the company's reputation and maintaining the trust of stakeholders.

Situations in which the personal interests and professional interests of the Group's employees intertwine and may conflict (conflict of interest), jeopardising the ability to achieve the common goal. As a result, the priority is to prevent conflicts of interest from occurring in all situations where they can be prevented. Thus, all employees of ALRO Group are required to separate their personal interests from the interests of the Company. However, if the occurrence of a conflict of interest cannot be avoided, the employee in his personal interest is obliged to act in accordance with the following three principles:

(i) To notify the hierarchical superior, as well as the Compliance Officer, of the occurrence of any conflict of interest and who will in turn inform the management at the highest level
(ii) Document in writing the existence of any conflict of interest
(iii) To act in accordance with legal regulations as well as Group Policies.

The management at the highest level will analyze and evaluate each case separately and will respond to the employee in writing, stating whether he is obliged to solve the situation that led to the occurrence of the conflict of interest or if he will have other obligations (for example: not to participate in any way in the financial transactions between the Company where the employee works and the Company where he has personal interests).

The policy applies to all employees of ALRO Group, including subcontractors, intermediaries and business partners, and regulates the activities carried out within the company and external interactions with suppliers, customers and public authorities. The policy does not explicitly cover all possible scenarios. In such cases, employees should consult with their superiors.

Regarding the level of management responsible for the implementation of the anti-bribery and anti-corruption policy at the level of the Group companies, the executive management ensures the implementation and monitoring of the policy and a transparent and ethical working environment, being obliged to comply with all valid legal regulations in force, as well as with the applicable internal policies. The relevant internal departments, e.g. the Legal Department, should be consulted in case of uncertainties and doubts about the applicability, validity and effectiveness of anti-corruption legal requirements. In the event of a conflict of interest, employees are obliged to notify the hierarchical superior. Hierarchical superiors analyze the reported cases and take appropriate measures to remedy the situations.

By implementing the Anti-Bribery and Anti-Corruption Policy, ALRO Group is committed to complying with the international reference standards in terms of preventing and combating corruption:

- the United Nations Convention against Corruption
- UN Guiding Principles on Business and Human Rights
- European directives on transparency and integrity in business.

By adopting this policy, ALRO Group considers the interests of key stakeholders, as follows:

(i) Employees' interests:

- Their protection through a working environment that discourages bribery and corruption
- Periodic training on identifying and reporting acts of corruption.

The policy is available to all employees, including members of management bodies, and is part of the mandatory training process. Employees can anonymously report suspicions of bribery and corruption through dedicated channels. ALRO Group organizes an annual training dedicated to the Anti-Bribery and Anti-Corruption Policy, emphasizing the commitment to zero tolerance for bribery and corruption, to protect companies, employees and partners from the associated risks and to strengthen an organizational culture based on integrity and transparency.

During the reporting period, the Group did not carry out professional training programs for the members of the administrative, management and supervisory bodies of the companies that are part of the Group, in terms of prevention and detection, investigation and response to accusations or incidents related to corruption and bribery or bribery.

In 2025, the Group plans to carry out professional training programs for members of the administrative, management and supervisory bodies of the companies that are part of the Group, in terms of prevention and detection, investigation and response to accusations or incidents related to corruption and/or bribery. During the reporting period, the percentage of employees at Group level covered by training programs in terms of prevention and detection and bribery is 94%. Details are presented in the table below:

Employees that have benefited from courses on Business Conduct

Total number of employees	Number of employees who completed the courses
2,821	1,519

Also, for 2024, no information is available on the training programs carried out at the level of the positions at risk, as no identification of such functions has been made within the Group.

(ii) Interests of business partners:

- Procurement policy and other internal procedures governing relations with business partners
- The policy requires collaboration only with entities that comply with ethical principles
- Termination of business relationships in case of non-compliance with the policy.

Provisions of the Anti-Bribery and Anti-Corruption Policy are integrated into contracts and collaboration agreements with business partners so that they are informed about the applicable compliance requirements.

(iii) Public authorities:

- Compliance with legal procedures in interactions with authorities to prevent corruption risks.

Through zero tolerance for bribery and corruption, ALRO Group's Anti-Bribery and Anti-Corruption Policy protects companies, employees and partners from the associated risks and contributes to building an organizational culture based on integrity and transparency.

Risk analysis

Compliance risks are identified by the designated person, with the support of various functions (e.g. procurement, human resources, accounting), who will carry out an annual compliance risk assessment (e.g. an investigation into the company's internal risks) and carry out controls for the detection and prevention of corruption and other conflicts of interest, proposing appropriate measures to reduce or eliminate the identified risks. Measures to avoid corruption and other conflicts of interest focus mainly on the responsible people within management.

As for the measures applied to employees, they must comply with and apply the legal norms and internal rules, in all the activities carried out.

Prevention

New employees, or employees changing jobs within ALRO, must be informed of the risks of corruption and other conflicts of interest, as defined in the Policy, and must be trained on the actions to be taken, in accordance with legal norms. Where organisational functions with a high risk of corruption and other conflicts of interest are involved, employees should be reminded of this and training specific to their work responsibilities should be provided at regular intervals. Internal functions, responsible for training and training, as well as staff development, will include the topic of 'risk management' in their programmes. As a first step, the need to train directors and staff in positions that pose a certain risk of corruption and other conflicts of interest, as resulting from the compliance risk assessment process, should be considered. Job placement processes should be designed to allow for a reliable assessment of skills and the suitability of the candidate's personal profile for the job. Increased accountability of management functions is required, in terms of human resources administration and control over the verification of succession and skills development, as well as the adequacy of the personal profile, which is assessed at regular intervals or when deemed necessary, depending on the specific case.

Control mechanism

Business decisions must be transparent at every stage, including the preparation phase in decision-making. Every legal transaction of negotiations and information must be carefully documented in writing. Operations must always be accompanied by documents, which are described in properly archived policies. During the planning of the relevant processes, appropriate measures for the control of the transaction must be incorporated. These measures must ensure the protection of employees and are implemented to avoid any violation of applicable law/procedures. In areas where there is an increased risk of corruption and other conflicts of interest, according to the results of the risk analysis, particularly stringent control measures are required. The implementation of control mechanisms must be documented in such a way that they can be verified.

In order to ensure compliance with relevant international standards, ALRO implements internal control mechanisms to monitor the way in which the procedures regarding the reporting and investigation of corruption incidents are implemented.

ALRO has published its *Anti-corruption and Anti-bribery Policy* as well as its code of ethics on the www.alro.ro portal, which ensures good communication, not only to its own employees, but also to stakeholders outside ALRO. Also, to raise awareness among its employees, ALRO organized training actions on its policies, with all staff. To report any problematic aspects, including those of corruption or unethical behavior, a whistleblowing system (telephone line and e-mail address) was created, the use of which was regulated by the operational procedure "Resolution of requests, notifications and complaints of whistleblowers", code PO-426.

VE

The *Code of Conduct* mentions that acts of bribery or corruption by employees, customers, suppliers or other business partners are not accepted.

The alert system regulated by **PO-426 supports the organization, so as to minimize the deviations that could occur in the workplace and effectively strengthens internal governance by assigning specific roles and responsibilities**. The occurrence of incidents such as bribery, corruption, fraud, harassment, unethical behaviour are risk factors that can manifest themselves at the level of any company in the Group, and can generate a significant reputational risk, as well as significant financial damage when they are not detected in time or are tolerated.

Other actions related to the prevention of corruption and the giving or taking of bribes were implemented at Group level in 2024, as follows:

- Governance policies have been issued and implemented; (ALUM, VT);
- Training programs on anti-corruption and business ethics issues were introduced in the annual trainings during 2024; (ALUM, VT);
- In 2024, training programs covering specific topics were maintained: business ethics, anti-corruption, human rights, including all applicable sustainability policies; (ALRO, ALUM, VE, VT);
- In 2024, the sustainability impacts and risks registers were reconsidered, which will be updated periodically;
- The Whistleblowing system has been revised, and the mode of operation has been regulated by a revised internal operational procedure in February 2024;
- In November 2024, the CSR Policy for ALRO and ALUM was revised.

IV.1.3 Indicators and targets

IV.1.3.1 [G1-4] Incidents of corruption or bribery

In 2024, there were no reported concerns or requests for advice regarding unethical or illegal behavior in any of our companies. There were no incidents of corruption at the Group level, no employee was dismissed or sanctioned for acts of corruption and there were no incidents of corruption that led to the termination or non-extension of contracts with business partners. Consequently, the Group did not set specific objectives and targets for this ESRS sub-topic.

IV.1.3.2 [G1-5] Exercise of political influence and lobbying activities

During 2024, the Group was involved in activities specific to the aluminium industry as a member of various associations and sectoral organisations, which represent the interests of all its members. The list of these associations can be found in the Appendices section of this Report. We mention that during the reporting period, a law on lobbying activities was not regulated in Romania, and the Group did not make political donations.

Any gift of money or equivalent (such as stock or products) to or from a competing company, to or from any person or company that is in a business relationship with us or who is seeking to establish a business relationship with us is strictly prohibited. In addition, our organization does not offer, directly or indirectly, any financial or in-kind contribution to any political party, regardless of the country in which it operates. This practice is in line with the *Code of Ethics and Conduct* implemented at the level of all companies in the Group.

The Group will continue to improve the way in which the principles of business ethics are applied by extending the applicability of the new *Code of Ethics and Conduct* to all companies within our Group.

Affiliations in industry associations:

1. REACH aluminium consortia
2. REACH Coal Pitch Consortium
3. Aluminium Management Initiative (ASI)
4. Association of Large Industrial Energy Consumers (ABIEC)
5. Association of Aeronautical Companies in Romania (OPIAR)
6. Association of Automobile Manufacturers (ACAROM)
7. French Chamber of Commerce, Industry and Agriculture in Romania (CCIFER)
8. European Aluminium Association (EEA) – details on the activities of the EEA Association can be found on the website https://european-aluminium.eu/.
9. European Association of Non-Ferrous Metals (EUROMETAUX)
10. Foreign Investors Council (FIC)
11. Romanian Association for the Promotion of Energy Efficiency (ARPEE)
12. Romanian Association for Investor Relations (ARIR)
13. Romanian Society for Quality Assurance (SRAC)
14. Romanian Standardization Association (ASRO)
15. Romanian Union of Steel Producers (UniRomSider)
16. Signatory of the Declaration of Agreement for Machinable Aluminium Alloys at the Aluminium Association, Washington DC.

The main activities undertaken by the Group within these associations:

(i) Organizing or participating in meetings, conferences and events
(ii) Active contributions or participation in public consultation processes, or similar initiatives
(iii) Organising communication campaigns, platforms, networks and initiatives
(iv) Preparation of official policies or positions, questionnaires or research activities.

The activity assimilated to lobbying services is carried out in the context of the Group's participation in the initiatives of the EEA Association.

The European Aluminium Association (EEA) founded in 1981 and headquartered in Brussels, is an industry association representing the interests of participants in the non-ferrous industry in Europe. The Association is the voice of the European aluminium industry in relation to all possible stakeholders. The more than 100 members include primary aluminium producers, downstream producers of extruded, rolled and cast aluminium; recycled aluminium producers and national aluminium associations, representing more than 600 factories in 30 European countries.

The association's work is managed by an international team of policy and technical experts. They actively engage with policymakers and the wider stakeholder community to promote aluminium's outstanding properties, ensure growth and optimise our metal's contribution to meeting the EU's sustainability and industrial leadership ambitions.

European Aluminium's mission is to create the conditions for the European aluminium industry to grow, evolve and help build a more sustainable world. Together with its members, policymakers and other stakeholders, European Aluminium wants to realise the vision of a competitive, decarbonised and circular European aluminium industry that serves a thriving European society.

In view of the above, the Group has not set specific objectives and targets for this ESRS sub-topic.

IV.1.3.3 [G1-6] Payment Practices

Procedure for making payments in RON and foreign currency

ALRO, ALUM, VE, VT

The policy helps to manage positive impacts that have been assessed as significant in the 2024 reporting period, respectively G6.

The objective of this procedure is to ensure the performance in optimal conditions and in full legality of the payment operations in which the company is involved. It sets out the rules and procedures on payment terms, methods and conditions, contributing to clarity and transparency in financial transactions.

The provisions of this procedure apply to all payment operations in RON and foreign currency carried out by ALRO with all its partners, including suppliers, customers and other collaborators.

These procedures include essential elements such as: authorized persons who can submit payment lists to management; payment terms, which in accordance with contracts concluded with suppliers or other collaborators are recorded in the ERP system; payment methods used by companies that detail the accepted methods, such as bank transfer, credit card, check or other digital financial instruments; approval and processing procedures by description of the flow for validating invoices, authorizing payments and transmitting them to the financial departments; special clauses and exceptions, where it can be specified how unforeseen situations are handled, such as financial difficulties of the supplier and/or customer, disputes related to invoices or force majeure events.

The implementation of these procedures and the use of financial management systems provide the companies within ALRO Group with an effective mechanism for preventing delays, achieving a correct management of payment operations. Thus, companies can achieve the following: improving cash flow by ensuring timely receipts, which contribute to maintaining a healthy cash flow; reducing the risk of non-payment, so that penalties and preventive measures discourage delays; strengthening trade relationships that promote trust and mutual respect between partners, as well as legal compliance by complying with legislation on payment terms.

By adopting such well-structured payment procedures, our Group can optimize financial relationships and reduce the negative impact of delays on daily operations.

The procedure is aligned with the following legislative framework: GD 685/1999, Accounting Law no. 82/1991, Order no. 3055/2009 on accounting regulations in accordance with European directives, Law no. 571/2003 on the Fiscal Code, GD no. 44/2004, Order no. 3512/2008, Law no. 31/1990 on commercial companies.

The implementation and supervision of the procedure are the responsibility of the Finance Department and the Accounting Department.

The procedure is accessible internally and is communicated via Intranet.

In 2024, no company within ALRO Group registered lost legal proceedings for late payments, so the Group has not set specific objectives and targets for this ESRS sub-topic for the reporting year..

Payment Practices

Indicators on payment practices	ESRS Requirement Response
The average time it takes for the company to pay an invoice from the date on which the contractual or legal payment term starts to be calculated, in terms of number of days.	Days payable outstanding/DPO: ALRO: 35.39 days ALUM: 62.27 days VE: 36.25 days VT: 7.57 days
A description of the company's standard payment terms, expressed in number of days, by main categories of **suppliers.**	Maximum standard payment term between 90-120 days.
The percentage of its payments that comply with these standard conditions.	100%
The number of pending court proceedings for late payments.	The Group has not been involved in legal proceedings for late payments.

With regard to the average time required to pay an invoice from the date on which the contractual or legal payment term begins to be calculated, as the number of days, the Group uses the following calculation method:

$$\text{Days payable outstanding/DPO} = \frac{\frac{\text{suppliers opening balance + suppliers closing balance}}{2}}{\text{cost of goods sold (COGS)}} \times 365$$

IV.1.3.4 Other targets

To manage significant aspects of Business Conduct, the Group has set clear targets, aligned with its strategic objectives, which aim to improve the supply chain, fight corruption and business ethics.

The Group's targets regarding Business Conduct are closely related to the objectives of the specific policies implemented at the level of the Group companies: *Code of Ethics and Conduct*, *Anti-Bribery and Anti-Corruption Policy*, *Human Rights Policy*, *Policy on Supplier Evaluation and Monitoring*. All these aspects are carefully monitored through the annual process of updating internal policies and the sustainability strategy, aiming to align with the medium and long-term strategic objectives of the entire ALRO Group. The targets described below have been established based on the Group's own activities, consequently no stakeholders have been involved in the process of establishing them.

To achieve these objectives, the Group pursues key aspects as follows:

OBJECTIVE 1: Communication and management of relationships with suppliers

Strategic targets 2025:

- Improving the supply chain by assessing the sustainability performance of at least two key suppliers per year
- Implementation of the *Code of Ethics and Conduct* at the level of all companies in the Group.

G6 (+) Sustainability criteria included in the assessment process of suppliers.

Short-term targets (2025-2026):

- Increasing the number of suppliers that will be evaluated on specific sustainability criteria, so that we reach a minimum level of 100 suppliers evaluated
- Organising on-site visits and audits of suppliers' facilities to verify the information provided in questionnaires and to directly observe sustainability practices.

These targets are correlated with the objectives of the *Supplier Code of Conduct Policy*, namely respect for human rights, employee rights, occupational health and safety principles.

OBJECTIVE 2: ANTI-CORRUPTION AND BUSINESS ETHICS

Strategic targets 2025:

- Combating corruption and business ethics by setting the target of zero incidents related to corruption and ethical aspects
- Integration into the annual training plans of the Group companies of aspects related to the fight against corruption and bribery
- Carrying out professional training programs for members of the administrative, management and supervisory bodies of the companies that are part of the Group, in terms of prevention and detection, investigation and response to accusations or incidents related to corruption and bribery
- Identification of functions at risk – anti-corruption/ anti-bribery
- Implementation of the policy Resolution of whistleblower requests, notifications and complaints at the level of all companies in the Group.

G1 (+) Promoting business ethics and transparency.

G7 (+) Measures to prevent and detect corruption and bribery.

G9 (+) The absence of corruption cases increases the trust of the Group's partners and customers

Short-term targets (2025-2026):

- Maintaining the ASI certifications obtained in 2023;
- Constantly reviewing and updating the *Code of Ethics and Conduct* to remain in compliance with local legislation as well as European legislation;
- Continuous monitoring and evaluation of the effectiveness of the measures taken against corruption and for the improvement of ethical aspects;
- Implementation of employee training programs on ethical standards and ways to prevent corruption. This includes training sessions, seminars, or online courses;
- Implementation of internal controls and periodic audits on anti-corruption and business ethics.

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

These targets are aligned with the objectives of the *Anti-corruption and Anti-bribery Policy*, namely compliance with all applicable laws and regulations, including anti-bribery and anti-corruption laws, as well as the highest professional, moral and ethical standards.

The Group is committed to acting in an ethical and efficient manner, in order to respond with integrity to the needs of shareholders, customers, employees and local communities. The 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 internal governance system.

ALRO Group recognizes the importance of defining measurable, results-oriented targets to ensure sustainable development. Currently, ALRO Group has not set specific, quantifiable targets for all significant sustainability aspects related to Business Conduct (G2, G3, G4, G5). However, we are analyzing the possibility of defining such objectives, with the 2025-2026 reporting period as a time horizon. Also, during the reporting period, the Group did not define specific targets or indicators related to the payment practices implemented at Group level.

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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2024

To the Shareholders of ALRO SA

Limited assurance conclusion

We have conducted a limited assurance engagement on the Sustainability Report included in Annex 1 of the Annual Report of the Entity as at 26 March 2025 and for the period from 01 January 2024 to 31 December 2024, prepared by ALRO SA ("the Entity"), with social premises registered in Romania, Address 116, Pitești Str., Slatina, Fiscal Identification Number RO1515374, Trade Register number J1991000008282.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of ALRO SA as at 26 March 2025 and for the period from 1 January 2024 to 31 December 2024 is not prepared, in all material respects, in accordance with the applicable statutory sustainability reporting framework foreseen in MF Order 2844/2016, Chapter 7^1, section $7^1.3$, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Report (the "Process") is in accordance with the description set out in chapter I.1 ESRS 2 General Disclosures, subsection ESRS 2 IRO-1; and
- compliance of the taxonomy disclosures detailed in the Environmental Section, chapter II.1 EU Taxonomy of the Sustainability Report with the applicable reporting requirements of Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulations").

Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are further described in the Practitioner's Responsibilities section of our report.

We are independent of the Company in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are relevant to our assurance engagement of the Sustainability Report in Romania, including Law 162/2017 with subsequent amendments ("The Law"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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Our firm also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters – comparative information

Our assurance engagement does not extend to information in respect of earlier periods.

Responsibilities for the sustainability report

Management of the Company is responsible for designing, implementing and maintaining a process to identify the information reported in the Sustainability Report in accordance with the ESRS and for disclosing this process in chapter I.1 ESRS 2 General Disclosures, subsection ESRS 2 IRO-1of the Sustainability Report.

This responsibility include:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Sustainability Report, in accordance with the the applicable statutory sustainability reporting framework foreseen in MF Order 2844/2016, Chapter 7^1, sections $7^1.3$, including:

- compliance with the European Standards for Reporting on Sustainability;
- preparing the taxonomy disclosures of the Sustainability Report, in the Environmental Section, chapter II.1 EU Taxonomy, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation"); and
- designing, implementing and maintaining such internal controls that are necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the ALRO SA sustainability reporting process.

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Inherent limitations in preparing the Sustainability Report

In reporting a forward-looking information in accordance with European Standards for Reporting on Sustainability, the management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Report, the management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Auditor's Responsibilities for the limited assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion.
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Report, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, chapter I.1 ESRS 2 General Disclosures, subsection ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Report include:

- Obtaining an understanding of the entity's control environment, processes, and information systems relevant to the preparation of the Sustainability Report but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Sustainability Report where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Report.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Report.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - Inspecting/Examining the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process of the Company was consistent with the description of the Process set out in chapter I.1 ESRS 2 General Disclosures, subsection ESRS 2 IRO-1.

In conducting our limited assurance engagement, with respect to the Sustainability Report, we have:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its Sustainability Report;
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Report is included in the Sustainability Report;
- Evaluated whether the structure and the presentation of the Sustainability Report is in accordance with the European Standards for Reporting on Sustainability;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the Sustainability Report;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Sustainability Report;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and evaluated the regulatory compliance with of Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulations") of the information provided in the Sustainability Report.

On behalf of,
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Name of the Auditor / Partner: Verona Cojocaru
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Bucharest, Romania
26 March 2025