

Iskraemeco d.d. Sustainability Policy

1. Purpose and scope

The purpose of this Sustainability Policy (the "Policy") is to establish a framework of principles and practices that ensure Iskraemeco d.d. and all its employees, directors, agents, contractors, and third-party representatives (collectively, "Personnel") operate in a manner that promotes environmental and climate responsibility, social equity, and economic viability. This Policy outlines Iskraemeco d.d.'s commitment to integrating sustainability into all aspects of its business operations, reducing its environmental and climate footprint, fostering social responsibility, and complying with all relevant sustainability-related regulations. It also defines the measures, goals, and procedures to be adopted to ensure continuous improvement in sustainability performance across all jurisdictions in which the company operates.

2. Alignment with global sustainability principles

At Iskraemeco d.d., sustainable development is a fundamental principle ingrained and realized in every aspect of our business and culture. The current global environmental challenges and escalating climate risks demonstrate that decisive action is no longer optional – it's crucial.

As a proud member of the United Nations Global Compact (UNGC), Iskraemeco, d.d. aligns with the Sustainable Development Goals (SDGs), particularly:

- SDG 5: Gender Equality
- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation, and Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action
- SDG 17: Partnerships for the goals

As part of our parent company Elsewedy Electric, Iskraemeco is committed to the Science Based Targets initiative (SBTi) and the Carbon Disclosure Project (CDP).

Through our operational activities, supply chain, and partnerships, we take responsibility and move towards a sustainable society. Consequently, all employees within their responsibilities and working positions strive to preserve the environment and the climate and provide favourable living conditions for future generations. Sustainable development holds strategic importance, as evidenced by its prominent role within the company's strategy department.

3. Strategic approach to sustainability

Iskraemeco d.d. sustainability strategy is built on six pillars:

- Climate conscious products and solutions
- Reduced and renewable energy consumption
- Incorporating circular economy principles
- Responsible and transparent supply chain
- Fair and inclusive social conduct
- Long-term reliable partnerships

Through a double materiality assessment, conducted in alignment with EU guidelines and in close collaboration with our stakeholders, Iskraemeco, d.d. has identified the following Environment, Social and Governance (ESG) areas as material to our operations: Energy and Water, Positive Environmental and Climate Product Impact, Supplier Relationships, Employee Welfare, Climate Change Mitigation, Sustainable Material Consumption, Waste Management, Corporate Culture and Ethical Compliance, Responsible Labor Practices across the Value Chain, Equal Treatment, Customer Assurance, and Pollution Control.

We act in ways to create a more sustainable and brighter future. To create a difference in people's lives, communities and our planet by making responsible, future-proof business decisions. Our aim is to satisfy the growing demand for our products by optimizing our contribution to sustainable development, in order to meet current needs without compromising the needs of future generations. Our business practices are designed to create value in both the short and long term, maximizing positive impacts and minimizing eventual negative impacts on society and the environment throughout all our value chain through ethical and transparent conduct.

Our mission: We support our customers in mastering their digital transformation journey toward a more sustainable and efficient future.

Our vision: To be one of the most innovative digital platform companies in solving energy, water and cities challenges while advancing sustainable living.

4. ESG Commitments

- **Our commitment: Facilitating energy management optimization through our products and solutions – we continue to provide answers to energy transition challenges!**

Iskraemeco, d.d. offers quality products, solutions, and services that enable efficient use of energy and water worldwide. By enabling more efficient energy management, our products help end-users reduce their environmental and climate impact throughout their life-cycle, directly contributing to the reduction of CO2 emissions.

Digitized solutions based on IoT, digital networks, smart cities, utilities, infrastructure, and communities provide the data needed to manage energy and water consumption, forecast demand, and optimize costs. The solutions enable more sustainable operation of users. In this way, we use our solutions to help change the world for a better & safer future. For us and our children.

- **Our commitment: Tackling climate change through decarbonization activities**

We are committed to protecting the environment by preventing or mitigating adverse environmental and climate impacts, and to improving energy performance to create added value for us, our customers, and other stakeholders.

Our goal is to achieve carbon neutrality (scope 1 and 2) by 2030.

- **Our commitment: Responsible and ethical practices towards people and the environment throughout our value chain**

At Iskraemeco, d.d., we deeply respect our employees and highly value each individual's contribution. While we adhere to strict employment and labor regulations, we have established even higher standards through company policies.

Sustainable procurement is a key priority for Iskraemeco, d.d., and we manage supplier data on various ESG topics through our dedicated supplier portal. We require our suppliers to comply with REACH regulations, adhere to labor and human rights standards, and provide information on their environmental impact, all of which are outlined in our Supplier Code of Conduct, which serves as a guiding framework for responsible business practices.

5. Training and raising awareness

Iskraemeco, d.d. is continuously promoting health, safety and business code of conduct among employees and company stakeholders. Research, development and innovation are paramount to our business - they are the key elements for achieving sustainable economic success. All employees receive annual training on key Environmental, Social, and Governance (ESG) topics, aimed at raising awareness, enhancing skills, and ensuring alignment with Iskraemeco d.d.'s sustainability objectives. This training program is designed to equip employees with the knowledge and tools necessary to contribute to the company's sustainability goals and to uphold the highest standards of corporate responsibility.

6. Reporting

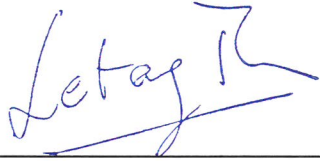
We uphold the highest level of transparency by publishing annual sustainability reports in accordance with UNGC and CDP (as a part of Elsewedy Electric), with our carbon emissions verified by a third party, as evident from CDP reports. Additionally, we release yearly Health and Safety reports, along with comprehensive Environmental and Energy report, all of which are available on our webpage for public access.

7. Policy review

This Policy will be reviewed yearly to ensure it remains relevant and aligned with evolving sustainability standards, regulations, and business practices. The review process involves collaboration across departments and includes input from all levels of the organization, including top management. The aim is to ensure a holistic approach to sustainability, incorporating diverse perspectives and expertise from various functions within the company.

In Kranj, on 17. 09. 2024

Iskraemeco Holding Switzerland AG,
Thomas Petuaud-Letang, BOD member



Iskraemeco Holding Switzerland AG,
Bahaaeldin Abdallah, BOD member

