



SUSTAINABILITY POLICY & ESG GOVERNANCE

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SIMTEL TEAM S.A.

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ESG Sustainability and Governance Policy

**Approval
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1. Purpose

The ESG Sustainability & Governance Policy aims to integrate environmental and social aspects into strategy, governance, risk management and remuneration. Simtel establishes an ESG governance framework in order to meet the legal obligations regarding sustainability reporting, sustainability risk

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management and the exercise of supervisory responsibilities of the Board of Directors, in accordance with the applicable European and national legislation.

2. Determining the governance framework

In the ESG Sustainability & Governance Policy, the terms used are given the meaning defined below, in accordance with the applicable legal framework:

ESG factors mean environmental (Environmental), social (Social) and governance (Governance) aspects that can influence, positively or negatively, the financial performance, financial position, development prospects, reputation and continuity of the Company's activity. ESG factors reflect the current or potential impact of Simtel's activities on the environment, society and governance framework, in line with the principle of double materiality.

ESG risks means risks that may have a material negative impact on Simtel's financial performance, cash flows, financial position or reputation, and that result from:

- a. Simtel's exposure to environmental, social or governance factors; and/or
- b. the impact of Simtel's activities on the environment and society.

ESG risks can be physical, transitional, operational, legal, reputational or compliance in nature.

Environmental factors are related to the quality and functioning of the environment and natural systems and can influence Simtel's activity, performance and operational continuity.

The main mechanisms for transmitting the impact of environmental factors are:

- a. physical risks, including extreme weather events and the progressive effects of climate change;
- b. transition risks, including legislative and regulatory changes, the introduction of taxes or carbon pricing mechanisms, technological developments and changes in customer and market behaviour.



The impact of environmental factors is assessed from the perspective of dual materiality:

- on the one hand, environmental factors can affect Simtel's financial performance (e.g. increased costs as a result of environmental regulations);
- on the other hand, Simtel's activities may have an impact on the environment (e.g. greenhouse gas emissions, resource consumption, waste generation), with potential financial and reputational consequences.

Environmental risks are risks associated with Simtel's exposure to the adverse effects of environmental factors, including risks arising from: climate change; pollution; depletion of natural resources, including water resources; soil contamination; loss of biodiversity and degradation of ecosystems.

Transmission mechanisms of environmental risks

Environmental risks can materialise through three main transmission mechanisms, which can affect Simtel's business, financial performance, financial position and business continuity:

The physical channel refers to the risks posed by the physical effects of climate change and other environmental factors on Simtel's business. These risks can result from:

- a. acute, short-term events, such as storms, floods, fires, heat waves or extreme weather events;
- b. chronic, long-term effects, such as rising average temperatures, drought or progressive environmental degradation.

Physical risks can lead, among other things, to damage to infrastructure, assets or operational capacities, business interruptions, increased operational and insurance costs, delays in the delivery of projects or the provision of services.



The transition channel refers to the risks associated with the transition process towards a sustainable, low-carbon and low-impact economy. These risks can derive from:

- a. changes to the legislative and regulatory framework (e.g. stricter requirements on emissions or energy efficiency);
- b. technological developments and the emergence of disruptive solutions;
- c. changes in the behavior and expectations of customers, partners and investors;
- d. market pressures related to sustainability and ESG performance.

Transition risks can have the effect of increasing compliance costs, the need for additional investments, loss of competitiveness for certain activities or technologies, impact on revenues and margins.

The liability transmission channel refers to the risks associated with Simtel being held liable for the negative impact of its activities on the environment or society. These risks can occur as a result of:

- a. claims for compensation from affected individuals or communities;
- b. litigation or legal action;
- c. administrative sanctions or other forms of legal liability.

Liability risks can generate direct financial costs (compensation, fines, legal costs), reputational losses, negative impact on relationships with customers, partners and investors.

Social factors are related to the rights, well-being, health, safety and interests of employees, customers, business partners and the communities in which the Company operates. These include, but are not limited to:

- a. respect for human rights;
- b. working conditions and employee safety;
- c. equal opportunities, diversity and inclusion;
- d. relations with local communities;
- e. protection of customers and end-users.



Failure to comply with appropriate social standards can lead to increased compliance costs, sanctions and litigation, compensation to affected parties, reputational damage and loss of trust, with a negative impact on financial and operational performance.

Interdependence of environmental and social factors

Environmental and social factors are closely interconnected. Environmental degradation can amplify social risks, especially in already vulnerable areas or communities. For example, climate change and the depletion of water resources can affect living conditions and access to resources, these effects can generate migration, social tensions or instability, such developments can have indirect consequences on economic activity and supply chains.

Social risks are risks that may adversely affect Simtel's business, financial performance or reputation, and that result from exposure to social factors, including the impact of Simtel's activities on employees, customers and communities.

Governance plays a fundamental role in integrating environmental and social considerations into Simtel's work. The recognition and management of climate and environmental risks, physical, transition and liability risks, social and reputational risks, is an essential element of Simtel's governance.

Simtel understands that an organizational culture that promotes respect for employee rights, equality and inclusion, ethical behavior, responsibility towards the community contributes to reducing governance risks and creating sustainable value.

Governance risks are risks that can have a negative impact on the performance, reputation or continuity of Simtel's business and that result from deficiencies in governance practices, internal control framework or organizational culture.

The legal framework is mainly determined by Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (Taxonomy Regulation).



3. Governance

The Board has ultimate responsibility for Simtel's ESG governance as follows:

- a. approves Simtel's ESG strategy and related objectives;
- b. oversees the integration of ESG risks and opportunities into the business strategy and overall risk management framework;
- c. approve the relevant ESG policies (including environmental, social, ethical and compliance policies);
- d. monitors ESG performance and progress against the set targets;
- e. ensures the adequate allocation of the necessary resources for the implementation of the ESG strategy;
- f. assesses the impact of ESG risks on financial performance and business continuity;
- g. takes responsibility for the sustainability information reported, in line with CSR and ESRS requirements.

The Board is regularly informed about significant ESG issues and may request additional analysis or reports whenever it deems necessary.

AC&R exercises a specialized supervisory role in the field of ESG, within the limits of its mandate, as follows:

- a. supervises the process of preparing sustainability reports;
- b. monitors the compliance of ESG reporting with applicable legal requirements and standards (CSR, ESRS);
- c. assesses the robustness of the processes, internal controls and systems used to collect and report ESG data;
- d. analyse the main ESG risks identified and how to manage them;
- e. monitors the results of the dual materiality assessment;
- f. makes recommendations to the Board on sustainability reporting and relevant ESG issues;
- g. cooperate with the financial auditor or insurance providers in relation to the verification of ESG information.

AC&R reports to the Board on its ESG activities, including any identified deficiencies and related recommendations.

The ESG Coordinator has an executive role, responsible for managing the implementation of the ESG strategy and the sustainability reporting process.



ESG Coordinator:

- a. coordinates the implementation of ESG policies and objectives approved by the Board of Directors;
- b. collects and consolidates relevant ESG information within the organization;
- c. ensures the consistency and quality of ESG data used in reporting;
- d. coordinates the process of assessing double materiality;
- e. prepares sustainability reports in accordance with the applicable requirements;
- f. collaborates with the relevant internal structures (financial, legal, operational, HR, HSE);
- g. ensures the operational link with AC&R and CA in the field of ESG;
- h. monitors ESG-relevant legislative and regulatory developments;
- i. supports the integration of ESG considerations into the Company's operational processes.

The ESG Coordinator reports regularly to AC&R and, where appropriate, to the Board of Directors.

4. ESG objectives

Through the mechanisms established within this Policy, Simtel aims to achieve the following objectives:

4.1. Environmental objectives

4.1.1. Emissions intensity in projects

Reducing the intensity of greenhouse gas emissions associated with Simtel's projects and activities by optimizing processes and adopting energy-efficient technological solutions. To achieve this goal, Simtel aims to:

- a) regular monitoring and reporting of greenhouse gas emission intensity reported to relevant units of activity (e.g. per project, per unit of installed capacity or per revenue);
- b) integrating energy efficiency and emission reduction criteria into the project design and execution process;



- c) increasing the share of projects using technologies with low environmental impact;
- d) progressive reduction of emission intensity, based on internally established trajectories.

4.1.2. Energy efficiency

Improving the energy efficiency of Simtel's operations and reducing energy consumption in relation to the volume of activity, through actions such as:

- a) monitoring energy consumption at operational and administrative level;
- b) implementing measures to optimize energy consumption (e.g. equipment upgrade, process digitalization, energy management solutions);
- c) increasing the use of energy sources with low environmental impact, where feasible;
- d) promoting good practices on responsible energy use among employees.

4.2. Social objectives

4.2.1. Occupational safety and health

Ensuring a safe and healthy working environment for all Simtel employees and collaborators, in order to prevent work accidents and occupational diseases, through measures such as:

- a) implementing and maintaining an effective occupational health and safety management system;
- b) reducing the number of accidents at work and incidents;
- c) conducting regular OSH trainings and awareness campaigns;
- d) monitoring and reporting of relevant health and safety indicators.

4.2.2. Diversity, equality and inclusion

Promoting a work environment based on equal opportunities, diversity and inclusion, which supports the performance, innovation and well-being of employees, through measures such as:

- a) ensuring equal treatment in recruitment, promotion and remuneration processes;
- b) monitoring diversity in the workforce and management structures;
- c) preventing any form of discrimination or harassment;



- d) promoting an inclusive and respectful organizational culture.

4.2.3. Professional development and training

Developing employees' professional skills and supporting their long-term development through measures such as:

- a) ensuring access to training and professional development programmes;
- b) adapting employees' skills to technological developments and market requirements;
- c) encouraging lifelong learning and knowledge transfer;
- d) monitoring participation in training programmes and their results.

4.3. Governance objectives

4.3.1. Business Ethics and Integrity

Promoting ethical and responsible behavior in all Simtel activities through measures such as:

- a) implementing and enforcing a Code of Conduct and Ethics;
- b) preventing and combating corruption and conflicts of interest;
- c) ensuring whistleblowing mechanisms;
- d) regular training of employees on ethical standards.

4.3.2. Compliance and compliance

Ensuring compliance with applicable legislation and regulatory requirements relevant to Simtel's business through measures such as:

- a) permanent monitoring of relevant legislative changes;
- b) implementing internal compliance procedures;
- c) reducing the risk of sanctions, litigation or non-compliance;
- d) involvement of management structures in compliance oversight.

5. ESG processes

Simtel has established ESG processes aimed at ensuring the identification, assessment, management and reporting of significant ESG risks and impacts, as well as the integration of sustainability considerations into the current activity and decision-making process.

5.1. ESG Supply Chain Due Diligence



Simtel implements an ESG due diligence process in the supply chain, with the aim of identifying and managing ESG risks and impacts associated with suppliers and business partners. The due-diligence process includes, but is not limited to:

- a) identifying critical suppliers from an ESG perspective;
- b) assessment of environmental, social and governance risks associated with suppliers;
- c) the inclusion of relevant ESG requirements in selection and contracting processes;
- d) calling for minimum standards on ethics, human rights, health and safety at work and environmental protection;
- e) regular monitoring of suppliers' compliance with established ESG requirements;
- f) managing situations of non-compliance, including through corrective measures or, where appropriate, termination of contractual relationships.

The ESG due diligence process is tailored to the nature of the activities, the degree of risk and the potential impact of suppliers on the Company.

5.2. Integrating ESG into the risk management framework (ERM)

Simtel integrates relevant ESG risks into ERM, ensuring a coherent and systematic approach to them. ESG risks built into ERM include, but are not limited to:

- a) climate risks, including physical and transition risks;
- b) cybersecurity risks, including data protection and resilience of IT systems;
- c) risks associated with the use of artificial intelligence, including ethical, compliance and security risks;
- d) social and reputational risks;
- e) governance and compliance risks.

ESG integration into ERM involves identifying and assessing ESG risks based on probability and impact, including ESG risks in Simtel's risk registers, defining and implementing mitigation and control measures, regularly monitoring ESG



risks and the effectiveness of the measures adopted, reporting significant ESG risks to management and the Board of Directors.

5.3. ESG reporting according to applicable standards

The Company shall ensure ESG reporting in accordance with applicable legal standards and requirements, depending on its reporting status and obligations, as applicable, in accordance with: ESRS, under CSR and GRI, where relevant or used in conjunction with other applicable reporting requirements, including those imposed by authorities or the capital market.

The reporting process includes the collection and validation of relevant ESG data, ensuring the consistency and comparability of the reported information, the involvement of relevant internal structures in the reporting process, the review and oversight of sustainability reporting by CA&R, the approval of ESG reporting by the CA, and the publication of ESG information in a transparent and accessible manner.

Simtel aims to continuously improve the quality and accuracy of ESG reporting and is preparing for independent assurance of sustainability information in accordance with applicable legal requirements

6. Integration of objectives

Simtel integrates ESG considerations into the executive management remuneration system, with the aim of aligning the interests of management with the objectives of sustainability, long-term strategy and sustainable value creation. ESG key performance indicators (ESG KPIs) are included, where appropriate, in the set of objectives used to assess executive management performance. The selection of ESG KPIs is made so that they are relevant to the Company's activity, measurable and verifiable, aligned with significant ESG risks and opportunities and correlated with the medium and long term business strategy.

The exact structure and weight of the ESG KPI are established within the remuneration policy approved by the competent bodies. Simtel ensures transparency on how ESG KPIs are integrated into the remuneration system, by:



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- a) the inclusion of relevant information in the remuneration report;
- b) presenting the link between ESG performance and executive management remuneration;
- c) reporting, where appropriate, on the extent to which ESG objectives have been achieved.

Reporting is carried out in accordance with applicable legal requirements and standards, including ESRS and corporate governance rules.

7. Review

The ESG Sustainability and Governance Policy will be updated or revised in accordance with the developments of the ESG strategy, changes in the legislative and reporting framework, the results of the double materiality assessment and good governance practices.