

# **Aquila**

## **Sustainability report**

**January 1<sup>st</sup>, 2021 - December 31<sup>st</sup>, 2021**



# Word from the CEO

*Dear shareholders,  
customers, partners  
and members of the  
Aquila team*

From the very beginning, we wanted to be the first choice of our partners and we have gained this position in time, consolidating it daily through professionalism, expertise in the market, and by proving that we are worthy of the trust of our partners and the communities we operate in.

2021 was a year of change, bringing both challenges and new opportunities. We consolidated our activity as a result of the merger by absorption with Agrirom, we acquired Trigor AVD and we were listed on the Bucharest Stock Exchange, following the largest IPO of a Romanian entrepreneurial company on the capital market.

As a market leader, we have a responsibility to be a model of good practice – for ourselves, for everyone around us and for the industry, and we aim to do this with transparency.

A first step was preparing our Sustainability Strategy and undertaking credible objectives, which we integrated into the company's strategic directions, in order to build a sustainable business, while keeping in mind the importance of environmental conservation, so that future generations have the opportunity to develop.

Thus, we integrate the principles of sustainability, of innovative products and technologies directly into the value chain of Aquila's business and channel our energy towards carrying out activities that support environmental, social and organizational sustainability.



Another important step was calculating our carbon footprint, and we are currently running a complex project involving scenarios to reduce it, in order to achieve our goal of reducing the GHG level by 10% until 2026.

In the following pages you will discover our first Sustainability Report, the result of sustained team work and the foundation of our future actions.

Together we can contribute to the development of a sustainable business, working together to build a better future.

*Cătălin Vasile*

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## About the report

In 2022, we launched the company's Sustainability Strategy and aligned our Developmental Direction with the Sustainable Development Goals (SDGs) of the United Nations.

Being an important player in the industry and because we are aware that the sector in which we operate has a significant impact on the environment, we want to focus our actions on the growth of a sustainable business, mindful of the environment and people.

This is the company's first sustainability report. So far, we have submitted annually the non-financial report, prepared according to the Order of the Minister of Public Finance 3456/2018 ("OMFP 3456"). National legislation transposes the requirements of the European Union (EU) Directive on Non-Financial Reporting (2014/95/EU) ('the Directive'). When presenting non-financial information, we observe the "Guide on the reporting of non-financial information (methodology for reporting non-financial information)" (2017/C 215/01) issued by the European Commission (the "EC Guide").

The report includes non-financial information from January 1<sup>st</sup> 2021 to December 31<sup>st</sup>, 2021, as well as information subsequent to the reporting period, on actions carried out until the date of publication. The sustainability report will be prepared annually and published during the first half of the year.

The report includes a range of qualitative and quantitative indicators that provide a clear perspective on the company's impact on the economy, environment and society, including information on the environment and climate change, emissions reduction, human capital and the communities in which we operate, ethics and corporate governance.

The data refer to the companies of the Aquila group listed on the Bucharest Stock Exchange: Aquila Part Prod Com SA, Printex SA, Trigor AVD.

Because we want to be transparent and an example in the industry in terms of sustainability, starting with 2023, with reference to 2022, we aim to report in accordance with the International GRI Standards and show Aquila's contribution to meeting the SDGs.

For further questions or information related to the report, we invite you to write to us at [esg@aquila.ro](mailto:esg@aquila.ro).

## 2021 in figures

RON 1,929  
billion net  
turnover

RON 70,8 million  
net profit

+ 27 years  
expertise on  
the market

+ 1600  
vehicles in the  
fleet

+ 67000 POS  
visited

+ 10000  
products  
distributed

19741,42 eqt  
CO2 Scope 1

2279.11 eqt CO2  
Scope 2-  
location based

2390.28 eqt CO2  
Scope 2 – market  
based

21.687,3778 MWh  
electricity  
consumed

70%  
of the car fleet  
has Euro 6 norm

561,4  
tons of waste  
sent for recovery

2909  
actual number  
of employees

- 43%  
work  
accidents

+600  
employees  
participating in  
trainings

38,02% female  
employees

65  
employees involved  
in the succession  
program

+15 mil RON  
CASS  
contribution

# The business model

## History

### Mission

To be the first choice of consumers, offering the best integrated distribution and logistics services through the sale of complementary products and services

### Vision

To be present in every home in Romania with at least one product distributed by us

### Values



Expertise



Trust



Professionalism

Aquila offers integrated distribution and logistics solutions by selling complementary products and services.

27 years ago, we set out to transport goods and products to people, thus connecting companies and communities. Over time, we have grown, expanded our scope of activity, while constantly improving the operational model and the efficiency of our internal processes and systems.

We have valued people, forming a strong and competent team, capable of outstanding performance and results. Thus, we have become an important and recognized player in the integrated services market, with a turnover of over EUR 390 million.



### 1994

Establishment of Aquila Part Prod Com SRL

### 1999

Acquisition of Printex

### 2001

Establishment of Trigor AVD in the Republic of Moldova

### 2019

Acquisition of Agrirom

### 2020

Fusion by absorption Seca Distribution

### 2021

Fusion by absorption Agrirom  
Acquisition of Trigor AVD

### 2021

The company became a JSC

### 2021

The company was listed on BVB

## Integrated sale and execution services

### Brand management

Every company faces the challenges of developing its brand in a highly dynamic market. For that reason, we put our entire expertise at the service of our customers, capitalizing our brands across all the channels we operate in.

### Sales (pre & van sales)

Thanks to our Pre & Van sales teams we have the best coverage and very short response times through the SFA. We cover thousands points of sale, from the biggest players in the market, to proximity stores, but also HoReCa.

### Merchandising

We have a large and competent team that handles the timely delivery of products, the storage and inventory thereof, as well as stock recovery. Our team of merchandisers is responsible for arranging products in stores, implementing product activation through placement, shelf operations and promotions on packaging.

### Supply chain

Through optimized management, efficient planning and qualified staff, we have increased our productivity and operational efficiency, reducing costs and gaining the trust of our partners.

### Procurement

We have a unitary, well-organized and functional internal procurement model, based on partnerships with professional suppliers that offer quality products and services, doubled by a very efficient internal cost control system.

### Planning

Logistics planning serves to connect and synchronize the overall supply chain as a continuous process and is essential for efficient connectivity. It also creates value by synchronizing and positioning inventory, representing the combination between order management, inventory, transport, storage, material handling and packaging, all integrated into a network.



## Distribution

### Aquila offers food and non-food distribution services.

We cover 90% of the retail market, with over 67.000 points of sale (POS) visited periodically, in locations with areas between 10 and 10.000 sqm. The distribution process spans over all market channels – organized retail, traditional retail, HoReCa and Vending, both directly and indirectly, through subcontractors.

The Group's sales and distribution model is a constantly developing process that requires expertise in organizational optimization, in operational diagnosis, in identifying and quantifying growth and streamlining opportunities.

#### Organized retail

Aquila has concluded partnerships with all local and international hypermarkets and supermarkets, as well as with discount and cash&carry units and gas stations, accessing over 4.500 locations, of which over 1.400 are gas stations.

#### Traditional retail

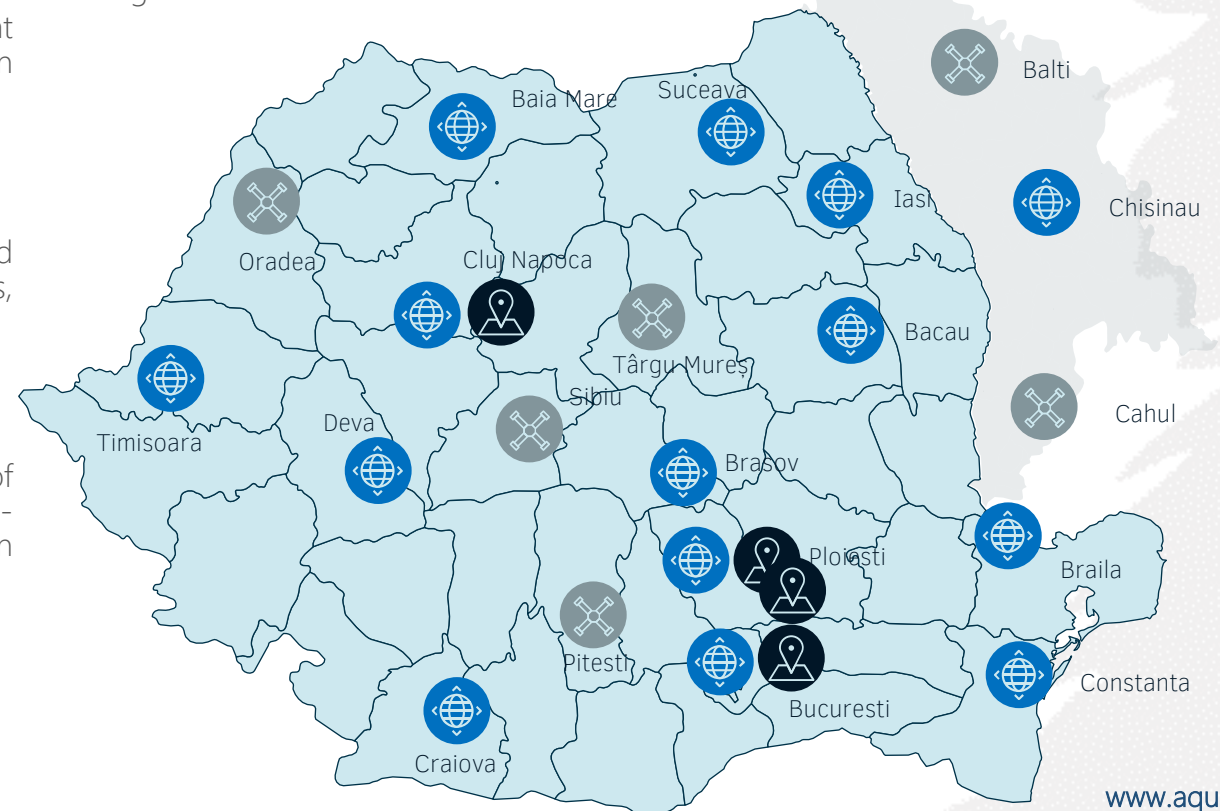
Aquila covers all types of stores in the traditional retail channel and has a portfolio of 58.000 customers. The distribution system for this channel is dual, both in the van-sell system, oriented toward the numerical distribution of impulse products, and in the pre-sell system, for the other product categories

The main focus is the retention and growth of current customers, by ensuring

a high degree of satisfaction in the medium and long term, anticipating needs and customizing offers.

#### HoReCa

Aquila accesses over 5.000 HoReCa locations. Offering personalized services, which is one of Aquila's strong points, means individualizing the offer according to the type of location, the particularities of the region it is located in, the category of consumers targeted.





## Storage

It includes both standard and complementary services.

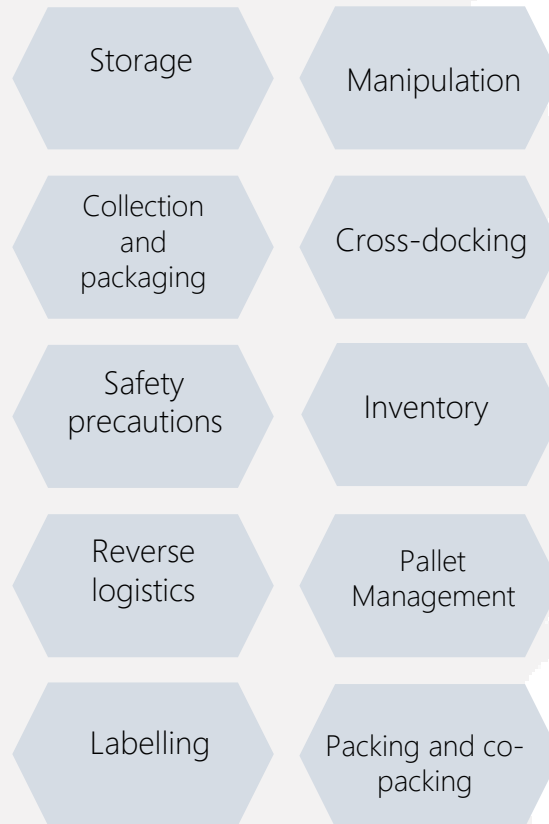
The group has regional and national coverage through 14 distribution centres (of which

one is located in the Republic of Moldova), 4 logistics centres (one of which is located in the Republic of Moldova) and 6 cross-docking points (of which two are located in the Republic of Moldova), through which it ensures a capacity of over 130.000 pallets:

- ✓ 110.000 in ambient conditions
- ✓ 7.000 in a refrigerated environment
- ✓ 17.000 in a frozen environment

Our warehouses are ISO 9001/2008 certified and equipped with gas and smoke detectors, as well as permanent CCTV surveillance systems, benefiting of a dedicated rapid intervention team.

In addition to optimized standard services, we offer a number of additional value-added services:



## Transport

We have one of the largest fleets in Romania and a team of experts ready to face the challenges. We offer transport services in 15 countries in Europe.

We operate with 1.648 vehicles ready to transport goods under different temperatures.



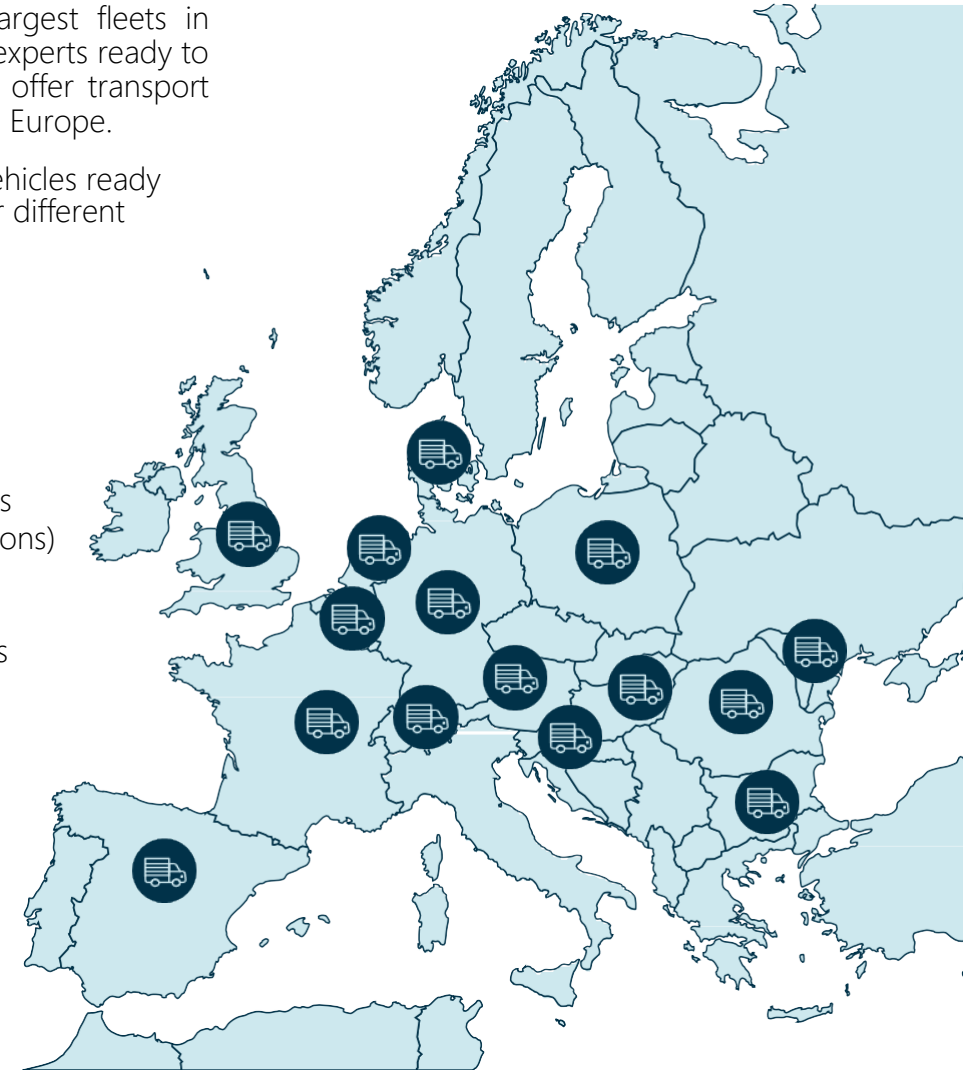
796 cars for the sales force



625 distribution vehicles (vehicles lighter than 40 tons)



227 heavy trucks



## Structure of the group

Founded in 1994 by Alin-Adrian Dociu and Constantin-Cătălin Vasile, Aquila Part Prod Com has evolved, in its over 27 years of experience, into a group of companies that is powerful and capable of high performance in the integrated services market.

Prior to its listing on the Bucharest Stock Exchange in November 2021, the Group consolidated its activity as a result of the merger by absorption with Seca Distribution, starting with January 1, 2020. Seca Distribution was founded in 1994 by Alin Dociu and Cătălin Vasile and was specialized in the distribution of chocolate and sugary products.

Starting with January 1, 2021, Aquila Part Prod Com merged by absorption with Agrirom, a company acquired in February 2019. Established in 1997, Agrirom operated in the import and distribution of ambient and frozen food products. Furthermore, their own brands, Gradena, LaMasa and Yachtis, from the categories frozen vegetables, frozen convenience foods and frozen fish respectively, entered the portfolio of Aquila Part Prod Com.

In 1999, Aquila Part Prod Com acquired a 78,83% stake in Printex SA, which it subsequently consolidated to 95,75%. In May 2021, Aquila Part Prod Com purchased (100%) Trigor AVD SRL.

On December 31, 2021, Aquila Part Prod Com and its subsidiaries: Printex and Trigor AVD form the "Group" (or "Aquila" or "the Company").

Aquila Part Prod Com SA	Printex SA	Trigor AVD SRL
Str. Malu Roșu nr. 105A, Ploiești, Prahova	Str. Poligonului nr. 5, Ploiești, Prahova	Str. Otovasca nr. 17, Chișinău, Republic of Moldova
Wholesale of consumer goods, Provision of logistics services, Internal and external transport of goods	Leasing and sub-leasing own or leased real estate properties	Wholesale of consumer goods

### Shareholders and issued capital

The share capital of Aquila Part Prod Com on December 31, 2021 was RON 30.000.060, divided into 200.000.400 ordinary shares with a nominal value of RON 0,15 per share.

Ownership structure as of December 31, 2021:

Shareholder	Shares	Percentage
Alin-Adrian Dociu	66,666,800	33.3333%
Constantin-Cătălin Vasile	66,666,800	33.3333%
Legal entities	59,867,175	29.9335%
Natural entities	6,799,625	3.3998%
<b>Total</b>	<b>200,000,400</b>	<b>100%</b>

Subsequent events. On February 23, 2022 during the EGMS (Extraordinary General Meeting of Shareholders), the shareholders of Aquila approved the increase of the share capital by the amount of RON 150.000.300 (representing issuance premiums), from RON 30.000.060 to RON 180.000.360, by issuing a total of 1.000.002.000 new shares with a nominal value of RON 0,15 per share, which were allocated free of charge to the shareholders of the company registered in the shareholders register held by Depozitarul Central - S.A. on the registration date (each shareholder received free of charge 5 newly issued shares for each share held on the registration date, March 11, 2022). As a result of the increase in the share capital, on March 11, 2022, the share capital of Aquila Part Prod Com increased to RON 180.000.360, divided into 1.200.002.400 ordinary shares with a nominal value of RON 0,15 per share.

## Management structure

Aquila is managed in an one-tier system by a Board of Directors, which has delegated the management of the company's ordinary activity to the General Manager.

Structure of the Management Board as of 31 December 2021:

Name	Date of appointment	Function	Role
Alin-Adrian Dociu	April 07, 2021	President	Non-executive member
Constantin-Cătălin Vasile	April 07, 2021	Vice-President	Executive Member
Ion-Lucian Mihalache	April 07, 2021	Member	Independent Member

**Subsequent events.** On February 23, 2022, Aquila's shareholders approved the amendment of the Company's Articles of Incorporation and the extension of the Board of Directors to 5 members appointed by the OGMS (Ordinary General Meeting of Shareholders) for a maximum term of 4 years, with the possibility of re-election for subsequent 4-year mandates, except for the first members of the Board of Directors, whose mandates have a duration of 2 years. On February 23, 2022, the shareholders of Aquila approved the appointment of two new members of the Board of Directors, whose mandate has a duration of 2 years from the adoption of the decision:

- Daniela Mândru Petrovici – independent non-executive administrator
- Vlad Alexandru Deliu – independent non-executive administrator

Currently, the Board of Directors consists of 5 members, of which 3 are independent, non-executive (60%).

**Subsequent events.** On March 23, 2022, the Board of Directors approved the establishment of the Audit Committee and the establishment of the Nomination and Remuneration Committee.

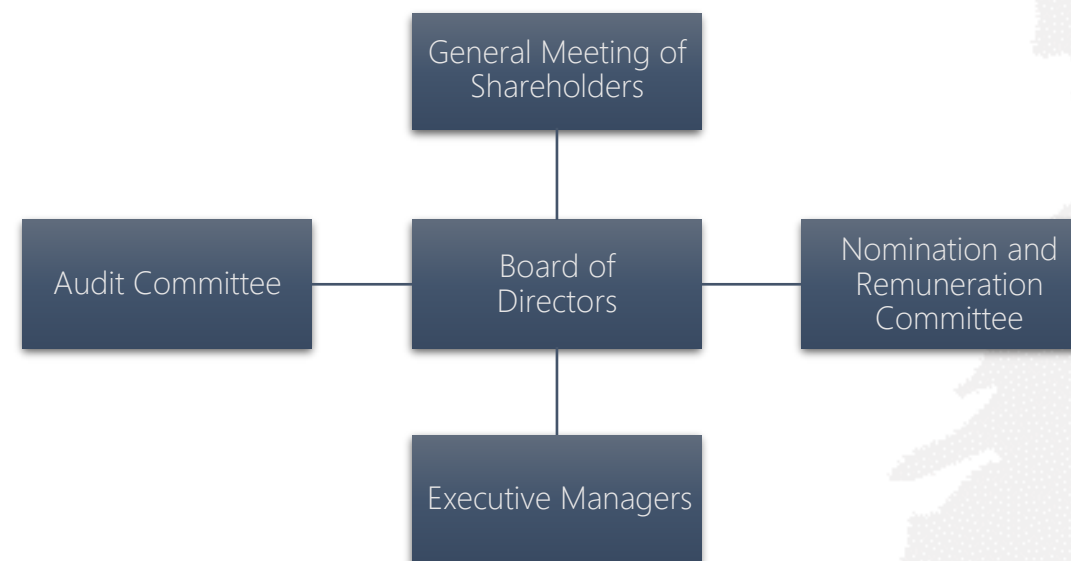
The Nomination and Remuneration Committee:

- Daniela Mândru Petrovici – President
- Vlad Alexandru Deliu – member

Audit Committee:

- Vlad Alexandru Deliu – President
- Daniela Mândru Petrovici – member

At the time of this report, Mr. Constantin-Cătălin Vasile is General Manager and Mr. Alin-Adrian Dociu is Deputy General Manager, being appointed by the Board of Directors on the basis of a mandate contract.



## Economic performance

### Net turnover



 1.929.713.824 RON

Aquila's net turnover increased to 1.929.713.842 RON (i.e. a 13% increase in 2021 compared to 2020), as distribution sales increased by 14% a/a to 1.792.709.206 RON, helped by the lifting of restrictions and resumption of the economic activity, especially in sectors severely affected by the pandemic, such as foodservice services (HoReCa) and proximity stores. In 2021, the company's distribution sales through its foodservice channels and proximity stores increased by 7% a/a and 24% a/a. The consolidation of Trigor AVD in May 2021 contributed with 77.755.089 RON to the "advance of distribution sales".

Last year, revenue from logistics services fell by 6% a/a to 73.900.083 RON, due to volume decrease, the number of incoming/outgoing pallets decreasing by 7% a/a, as the clients' food storing behaviour faded due to pandemic restrictions being lifted. In 2021, revenues from international transport fell by 1% a/a, as the number of heavy trucks decreased from 128 in 2020 to 113 and the distances travelled were reduced by 809.000 km.

### Net profit



 70.765.754 RON

In 2021, net profit reached RON 70.765.754, 30% higher than in 2020, and with a net profit margin improved by 50 bps, from 3,2% in 2020 to 3,7% in 2021, mainly due to the reduction in financial expenses and the increase in sales by 14% compared to the previous year.

### EBITDA



 134.173.597 RON

EBITDA (EBITDA adjusted with depreciation (loss/gain on commercial claims and other claims and provisions) increased by 4%, reaching RON 134.173.597 in 2021, as the net turnover advance of 13% compared to the previous year was partially offset by the OPX growth. Thus, the adjusted EBITDA decreased by 62bps (basis points) from 7,6% in 2020 to 7,0% in 2021. However, the net profit attributable to the company's shareholders reached RON 70.765.754 (+30% compared to 2020), with that margin adding 48bps (basis points), from 3,2% in 2020 to 3,7% in 2021, as the net financial result decreased by 57% versus 2020, due to debt and leasing debt reduction and other financial losses.

### EU taxonomy

The EU Regulation 2020/852 on EU taxonomy, transposed into Romanian legislation by the Order of the Ministry of Finance no. 1239/October 2021, establishes a general framework for the classification of sustainable economic activities. It aims to provide greater transparency in sustainability efforts and to prevent "greenwashing" practices by defining classification criteria under which a product or industrial activity can be described as "environmentally sustainable". In line with the current regulatory framework, for 2021, taxonomy-eligible economic activities are determined by reference to EU climate change mitigation and adaptation objectives.

In this respect, we have made an analysis of our activities since 2021 and concluded that we cannot define any proportion of CAPEX, OPEX and turnover as falling within the EU taxonomy.

\* a/a refers to the comparison of the reference year 2021 to the previous year, 2020

## Awards



PROGRESIV / AWARDS

- ❖ Most modern distribution and logistics services Award, won in 2021, 2020, 2019 and 2018
- ❖ Best provider in retail award, won in 2017



- ❖ Best Supply Chain Award, won in 2021
- ❖ Best distribution company Award, won in 2018



**tranzit**

- ❖ Most efficient Romanian distributor Award, won in 2021
- ❖ Most efficient logistics service provider Award, won in 2020

## Affiliations

- ❖ National Union of Transporters from Romania
- ❖ ARILOG - professional association founded in 2002 that constantly promotes education in logistics and supply chain management



# Sustainability strategy

As a leader in the field in which we operate, we have the mission to offer the best integrated distribution and logistics services, by selling complementary products and services, so that we are present in every house in Romania with at least one product distributed by us.

We aim to do this with professionalism, based on a strong team and with the desire to constantly reinvent ourselves to ensure that our business model meets the expectations, needs and demands of our customers.

As such, we have a responsibility to use our position and resources to set an example in terms of social and environmental responsibility. We believe in the sustainable development of our business, implementing sustainable systems in our operations, organizational culture and strategy. Along with our

partners, customers and suppliers, we create and ensure fair jobs for our employees and fight to make a difference in our communities.

At the end of 2021, Aquila started working with KPMG Advisory SRL to develop the Sustainability Strategy for the period 2022-2026, with a reference year 2021. The document is public and can be consulted at:

<https://www.aquila.ro/sustenabilitate>

The Sustainable Development Goals to which Aquila aims to contribute:



## Aquila's Strategic Sustainability Directions for the period 2022 – 2026

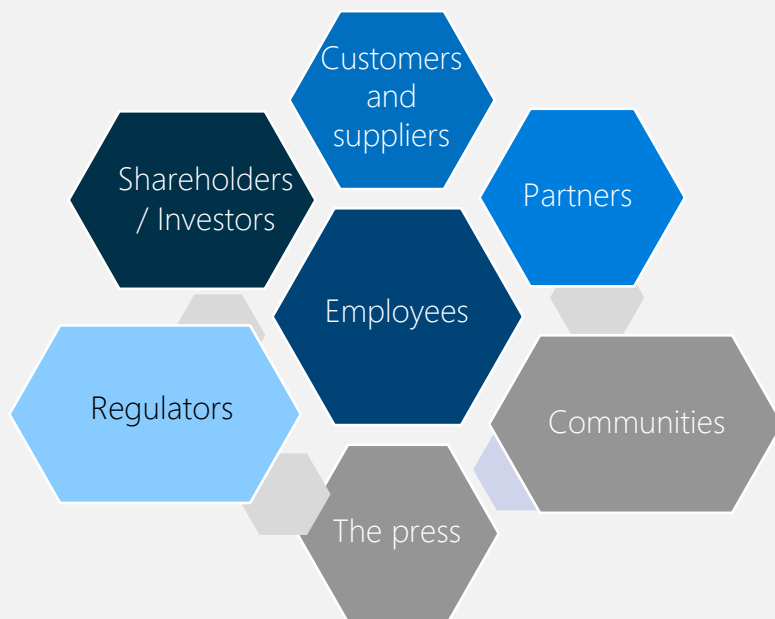
- ❖ Environment and climate change
- ❖ Human capital and communities
- ❖ Corporate ethics and governance

## Materiality Analysis

Materiality is the principle that determines which areas are important enough for the company and its stakeholders that it is essential to report on them. Interested parties are groups of people (or individuals) that may be affected by the company's activity or may influence the company's ability to meet its goals, strategy, or may affect the company's values.

The groups/organizations/individuals who interact with Aquila, are influenced by the company's activities and/or have the authority over the company were taken into account, in order to identify the stakeholders.

The main groups of stakeholders are:



In order to elaborate the sustainability strategy, Aquila conducted a first internal materiality analysis on the impact areas from the sustainability perspective, built on several factors:

- Identification of industry trends – analysis of public sustainability data of the most important players on the Romanian and European markets
- Evaluating the regulatory framework for sustainability with impact for the Aquila business
- Identifying the requirements of the ESG financiers and rating agencies with which Aquila cooperates
- Considering the international sustainability reporting standards that Aquila wants to adhere to
- Consulting the members of the Management Board and correlating/integrating sustainability priorities with business priorities.

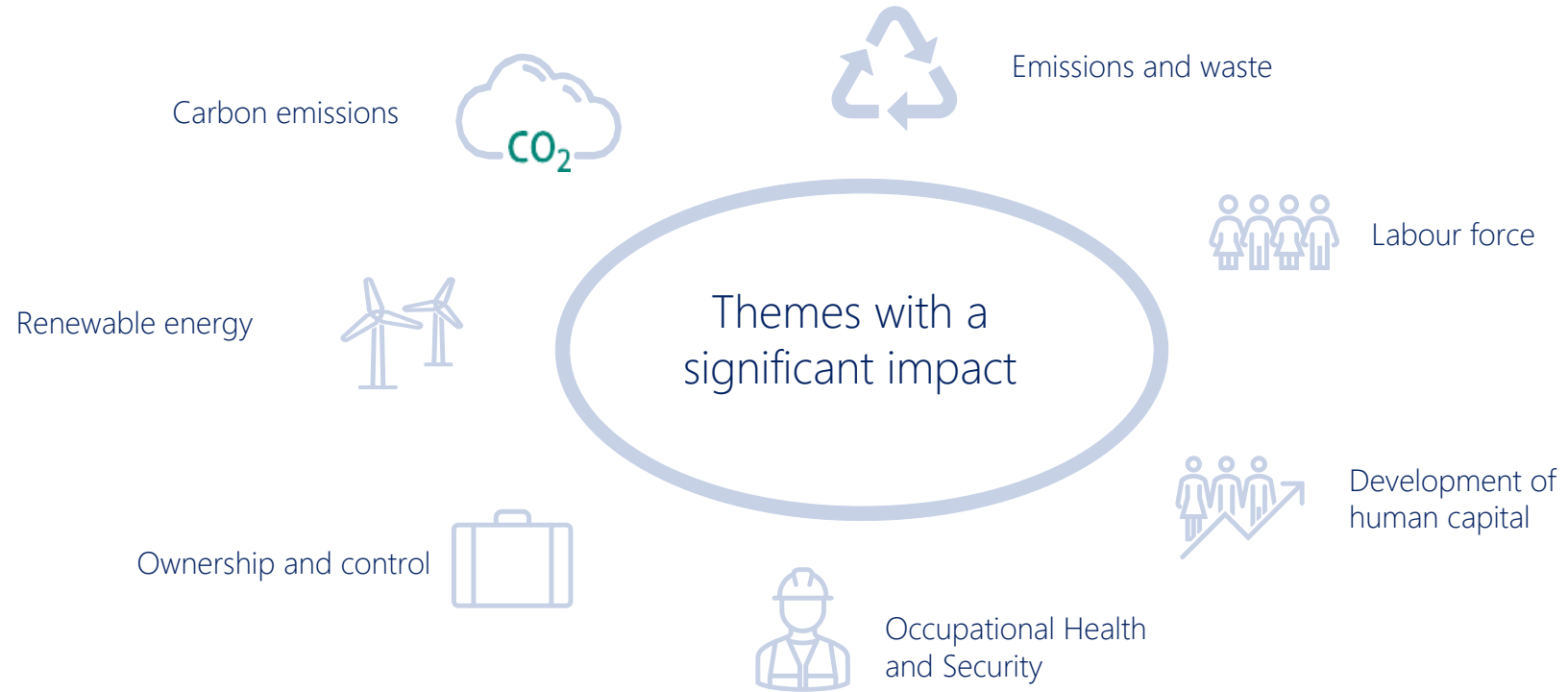
The internal analysis was carried out in consultation with the Company's middle and top management. The process defined what materiality means for the company and identified a number of topics of interest.

Material subjects were classified according to their strategic importance to the company and their economic, social and environmental impact.

Thus, 20 topics of interest have been identified. They were divided into 3 categories:

- Those with a significant impact (7) and which are addressed as a priority in this report
- Moderate impact (10)
- Minor impact (3)

# Materiality Analysis



The extended materiality analysis, which will involve all stakeholders, internal and external alike, will be carried out in the course of 2022, and we aim to run it every three years or whenever significant changes occur in the business or market environment.

For the second stage of the analysis, we will develop mechanisms for involving stakeholders, carrying out questionnaires and interviews. After analysing and evaluating the feedback, we will draw up the materiality matrix.



## Environment and climate change

### The European Framework

The EU has some of the highest environmental standards in the world – environmental quality is a fundamental factor for the health, economy and well-being of Europeans. EU environmental policies and legislation aim to protect natural habitats, keep air and water clean, ensure proper waste disposal and management of hazardous substances, and help companies make the transition to a sustainable economy. With regard to climate change, the EU aims to ensure that climate concerns are taken into account in other policy areas (e.g. transport and energy) and promotes low-carbon technologies and adaptation measures.

With the logistics sector having a major contribution to global greenhouse gas emissions, companies need to look for more sustainable ways to transport goods.

Through its actions, Aquila aims to contribute to more sustainable transport and logistical operations.

Contribution to the UN Development Goals 6, 7, 11, 12, 13,



In line with the sustainable development targets, Aquila undertakes to carry out its activities in the most nature-friendly way, with the direct objective of reducing greenhouse gas emissions by reducing its carbon footprint.

**Our main target is to reduce greenhouse gas emissions by 10% over the next 5 years, with reference to 2021.**

For the next strategic period, Aquila will channel its efforts on the following actions:

- Building support systems for measuring the current carbon footprint and calculating/tracking it on a regular basis
- Assessment of emission reduction programs already implemented to determine their efficiency and possible replication on a larger scale
- Reporting the carbon footprint to employees, investors and credit rating agencies
- Modeling future business scenarios while taking into account the data arising from
- carbon footprint real-time monitoring
- Building and implementing a carbon reduction strategy built upon a scientific basis

Following the calculation of the carbon footprint, Aquila will also consider setting science-based emission reduction objectives approved by the Science Based Targets Initiative (SBTi) (<https://sciencebasedtargets.org>).

## Calculation of Greenhouse Gas (GHG) emissions

The Aquila Group aims to internalize the EU's sustainability ambitions. A first step in this approach is to calculate the carbon footprint and then design and implement a strategy to reduce emissions based on science.

That is why the Aquila Group has chosen 2021 as the reference year for calculating the carbon footprint, and in 2022 we will also finalize a decarbonization plan that we will communicate to all stakeholders.

For the inventory of greenhouse gas emissions (goal 1 and 2) for 2021, we used the greenhouse gas emission inventory and reporting standard "GHG Protocol Corporate Accounting and Reporting Standard".

The reporting period is January 1 – December 31, 2021 and covers all 3 entities of the Aquila Group (Aquila Part Prod Com SA and Printex SA from Romania) and ICS Trigor avd SRL (Republic of Moldova).

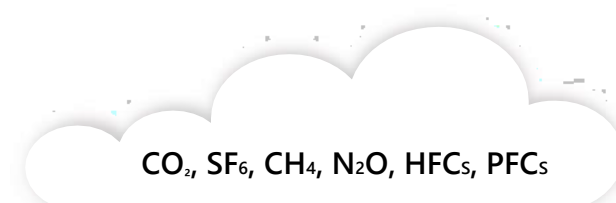
Note:

\*For Trigor, the emission factor of the service provider was not available therefore the national emission factor was used for the "market based" calculation.

\*To estimate freon losses from office installations and freight vehicles, in the absence of the qualitative data required by the Protocol, we used the loss rates for coolants provided in the DEFRA Guidelines for greenhouse gas emissions reporting

<https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>.

During 2022, we will run an internal project to improve data collection so that in the next reporting exercise we can include the actual amounts of coolant released into the atmosphere.

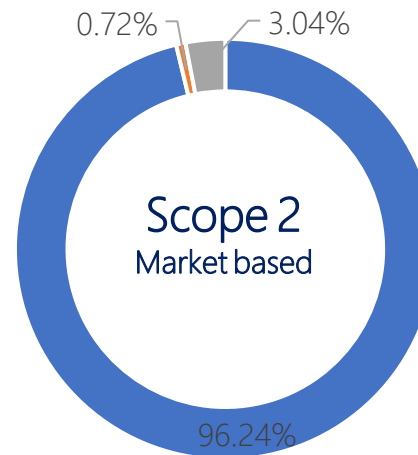
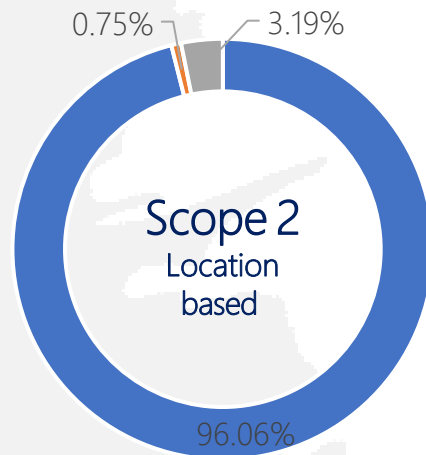
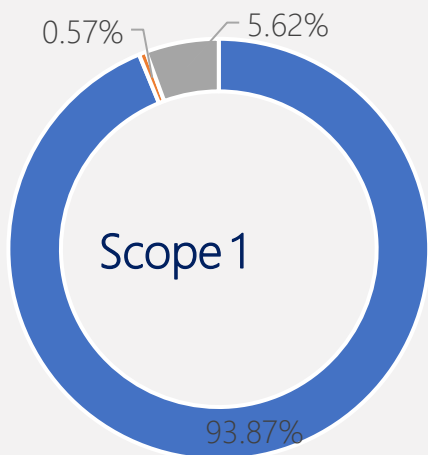


2021	Scope 1 eqt CO2	Scope 2 eqt CO2	
		Location based	Market based
Aquila	18277.49	2189.32	2300.44
Printex	99.92	17.19	17.24
Trigor	1094.01	72.59	*72.59
Group total	19471.42	2279.11	2390.28

Scope 1 includes emissions from combustion of fuels in own equipment: petrol, diesel, LPG for transport and natural gas for combustion in thermal power plants.

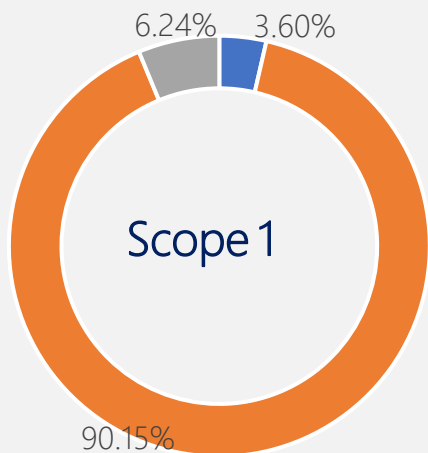
Scope 2 includes greenhouse gas emissions from electricity purchased from suppliers.

## Emissions



Aquila Part Prod Com generates over 90% of GHG at group level.

■ Aquila Part Prod Com ■ Printex ■ Trigor    ■ Aquila Part Prod Com ■ Printex ■ Trigor    ■ Aquila Part Prod Com ■ Printex ■ Trigor



In line with the specific activities of the Aquila Group, most of the greenhouse gas emissions are due to the transport fleet. As such, we are constantly investing in projects aimed at fleet renewal.



### Electricity consumption 2021

Electricity consumption	21.687,3778 MWh
-------------------------	-----------------

■ Stationary combustion ■ Mobile combustion ■ Refrigerants

## Measures implemented in the transport activity

Aquila's transport activity includes domestic transport and international transport. Aquila uses the ORTEC system to optimize transport and streamline logistics operations. The ORTEC solution plans delivery routes and ensures the best use of fleet and personnel. At the same time, the solution also provides an interface to the customer, in order to track the status of deliveries and download the documents related to the respective trip (proof of delivery = POD). Another strength of this system is the loading and unloading slots management portal for each warehouse, which ensures that the warehouse activity can be carried out in an optimal regime.

### National transportation

Aquila offers transport services and operates a fleet of vehicles capable of transporting goods in different temperature conditions.

Heavy duty trucks are equipped with state-of-the-art telemetry systems that allow constant monitoring of equipment both on and off the road. Aquila provides transportation of consumer goods that require controlled temperature.

The transport activity is organized through a TMS (Transport Management System) system, and the team is qualified to use both its own TMS systems and the partners' digital platforms. The vehicles benefit from customized online tracking and operation, GPS tracking systems, and for high-risk transport projects, Aquila has installed monitoring and security systems, including a panic button, on its semi-trailers.

### International transport

The international transport division covers 15 countries in Europe, with a fleet of 113 heavy duty trucks with ambient or controlled temperature.

In recent years, Aquila has focused in international transport on the security transport area, investing in complex assemblies and systems for monitoring the road trains, according to the requirements of important customers in this field, being authorized according to the TAPA TSR (TAPA – Transport Security Requirements) standard, including the V1 Security Standard, a standard developed to ensure the protection of transported products, as well as to enhance the safety of drivers and vehicles.

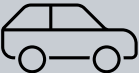



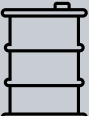

### What we've accomplished

The planning and routing work is also coordinated by using a TMS transport coordination system, and the monitoring activity is ensured by a telemetry system, complying to the highest communication and reporting standard. The optimization of routes, the organization of the drivers' activity, as well as the record of driving times are ensured by the dispatcher team and the coordinators, through the communication platforms of the telemetry system, the company being always up to date with the status of trucks.

Fuel consumption monitoring is provided by a dedicated department, which, through modern means (telemetry systems, on-board computer, planning platforms, fuel supplier platforms) has clear objectives of optimizing consumption and routes traveled by each vehicle.

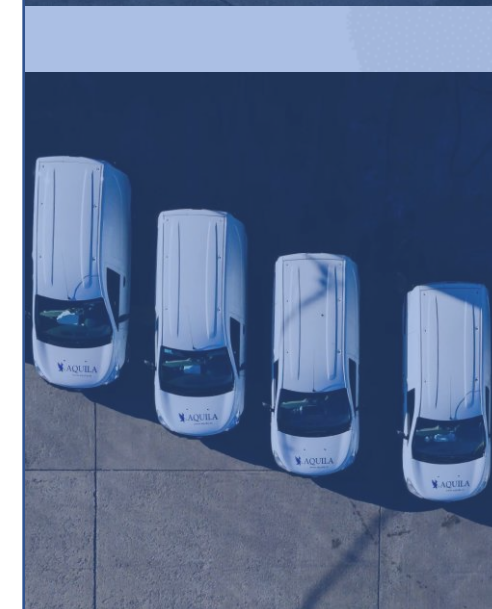
An important aspect related to the maintenance activity is covered by contracts with external and internal partners, as well as through a service authorized by the Romanian Auto Register, for performing this kind of services.

## Transport

2021	
	70% of the fleet has Euro 6 standard
	80% of the fleet of light vans has Euro 6 standard
	50% of the heavy trucks have Euro 6 standard
	-10% Reduction of km traveled per year (1.500.000 km or 210.000 litres of fuel) due to the implementation of TMS at the level of the distribution fleet
	+14 New LPG vehicles
	-70500 l of fuel saved per year due to the replacement of old cars with new ones

## Our plans for 2022

2022	
<b>We will replace</b>	<ul style="list-style-type: none"> <li>83 used vehicles with new ones with Euro 6 standard</li> <li>5 tractor heads</li> <li>6 trucks with a capacity of 14 tons 2</li> <li>6 used light vans with new ones with Euro 6 standard</li> </ul>
<b>We will replace</b>	<ul style="list-style-type: none"> <li>44 cars with LPG</li> <li>7 hybrid cars</li> </ul>
<b>We will improve:</b>	<ul style="list-style-type: none"> <li>TMS for continuous reduction of emissions</li> <li>Drivers, by offering defensive and eco-driving courses</li> </ul>



# Measures for reducing the environmental impact in 2021



## Li-Ion batteries

We continued replacing conventional lighting systems with LED lighting. We completed the replacement in DC1, where we saw a level of saving of 4000 kWh/month. We started the gradual replacement with LED in 2 other central warehouses as well. We are running a pilot project with motion sensor lighting.



## LED lighting

We continued replacing conventional lighting systems with LED lighting. We completed the replacement in DC1, where we saw a level of saving of 4000 kWh/month. We started the gradual replacement with LED in 2 other central warehouses as well. We are running a pilot project with motion sensor lighting.



## Recycled paper

We purchased 66,5 tons of cardboard packaging manufactured with recycled paper (89%) and only 11% virgin material. We ran a pilot project to replace classic paper with sugar cane paper. In December 2021, 43% of the paper used was from sugar cane. Due to the lack of sugar cane paper on the market, in 2022 we will focus on recycled paper.



## Software and automation systems

Warehouse Management Software: WMS. This software manages the warehouse activity through Radio frequency terminals and provides full traceability (from the partners' factory to the end customer).

Mobile shelving systems to optimize storage capacity in the frozen products warehouse. Storage capacity per square meter increased by up to 80%.

Optimizing storage spaces by using very narrow aisle systems (VNA), which increases storage capacity per square meter.

We are in the process of implementing a system that allows the combination of multiple orders (multi order picker) by a single operator, plus the replacement of the conventional picking system (preparing goods) through the RF (radio frequency) terminal with the voice and vision picking terminal.



## Streamlining

We have implemented 5500 roll containers for deliveries to one of our partners in fuel stations. This reduced the delivery by 95% on the pallet.

We have started a pilot project to replace cardboard boxes used in deliveries from fuel stations with plastic boxes, which are returned on the next delivery and reused.

The WMS system offers complete traceability. This eliminates the use of cardboard boxes and the losses caused by damage to the goods.

## Measures to reduce environmental impact and projects for the future

In 2021, we continued our collaboration with CHEP to reuse pallets by renting, promoting a sustainable logistics model. Thus:



We saved 117 m<sup>3</sup> of wood, saving 110.000 trees from being cut



We have reduced CO<sub>2</sub> emissions by 136.458 kg



We have reduced the waste generated by 10.968 kg

In 2020, together with CHEP:



We saved 133 m<sup>3</sup> of wood in this way, saving 120.000 trees from being cut



We have reduced CO<sub>2</sub> emissions by 153.703 kg



We have reduced the waste generated by 12.564 kg

For the next strategic period, we aim to:



We continue investing in:

- o The multi order picking system
- o Roll containers > Add 2500 in 2022
- o Extend Pick by light automation and deploy Pick by Voice
- o Mobile shelves in frozen goods warehouses
- o ERP, TMS systems



We purchase new equipment with Li-ion batteries, for cold stores inclusively, in order to reduce consumption, charging times and toxic vapour emissions.



We continue replacing old lighting with LED lighting. We are continuing the pilot project with movement sensors lighting and expanding implementation.



We limit printing on paper and use recycled paper. In the next two years, we aim at involving the people responsible for procurement processes in green procurement training courses, in order to gain the knowledge needed to develop an internal procurement plan that takes into account environmental considerations. As such, during the first strategic cycle our goal is to focus on developing internal skills and then on developing a medium/long-term procurement plan that is developed in accordance with sustainability principles.

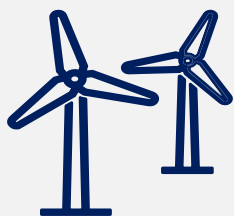
We promote digital solutions for document retention and management, both internally and externally.



We continue to purchase semi-automatic foil-wrappers to reduce foil consumption. Following their implementation, a 10% reduction in the amount of foil used on the pallet was observed.



Green energy supply to logistics spaces and offices where it is feasible.



In the period immediately following the reporting period, namely in 2022, we signed the contract for the first photovoltaic plant in the company:

- Capacity 0,1 MW
- 222 photovoltaic panels, on an area of 720 sqm
- At the time the report is published, the plant is in operation
- The energy produced will be used in the company, and the additional quantities will be sold in the system, gaining the status of prosumer

In the first 2 and a half months of operation, the DC1 photovoltaic plant produced 34.4 % of the energy consumption, i.e. 28.93 MWh of a total 84.24 MWh consumed.

The environmental benefits\* were:

- 11.61 tons of coal that no longer had to be extracted
- Reducing CO2 consumption by 13.78 tons
- The equivalent of 19 trees planted

\* data is provided by the application that monitors the production of the installation and issues reports



## Waste management

### Waste recording

Aquila belongs to the categories of economic operators who are responsible for taking over and capitalizing on various categories of waste, such as packaging, electrical and electronic equipment, including IT&C and home appliances ("EEE"), used oils, ferrous and non-ferrous metals, batteries and others.

We are aware that our activity generates waste that affects the environment and thus we make permanent efforts to manage this waste correctly, through collection, recovery and recycling actions, in compliance with all legal norms in force.

We have contractually transferred the responsibilities related to the extended producer responsibility to third-party economic operators, authorized by types of waste, such as packaging waste under Law 249/2015 regarding the management of packaging and EEE waste, according to Emergency Ordinance 5/2015 on EEE waste, animal and non-animal waste. According to the provisions of GEO 92/2021 regarding the waste regime, they are tracked and centralized at company level with the annual transmission of waste records to the Environmental Protection Agency.

We have developed the Program for the prevention and reduction of the amount of waste generated in accordance with the requirements of GEO 92/2021 on the waste regime, as amended and supplemented, based on the audit of the waste generated at the organization's working sites.

In the period immediately following the reporting period, namely in 2022, we implemented in the Ploiesti offices the selective waste collection system. Separate containers, by types of waste, were installed and the common trash cans were discarded.

We intend to also extend this project to the storage facilities.

Specific measures on the prevention and/or reduction of waste shall focus on:

- Efficient paper/cardboard management
- Efficient management of plastic/ paper/ cardboard/metal/wood packaging
- Reducing the amount of contaminated packaging
  
- Improving inventory control
- Efficient waste management of electrical and electronic equipment, fluorescent tubes, batteries/accumulators
- Training employees on the importance of waste prevention and the obligation to reuse products and carry out selective waste collection

**594,2**  
tons of waste  
generated

**561,4**  
tons of waste  
delivered for  
recovery



**1540** mc  
domestic waste  
delivered for  
disposal

## HUMAN CAPITAL AND COMMUNITIES

With approximately 3.000 employees, we are the largest player in our sector of activity in Romania. In order to maintain our position in the market, we take steps to provide a safe, inclusive and engaging work environment for all our employees.

We are committed to building a system where everyone feels valued and safe at work. We work continuously to provide tools, training and a safe working environment to motivate our employees.



Occupational Safety and Health



Training and development



Succession plans and business resilience



Communities



Contribution to UN Development Goals 2, 3, 4, 5, 8, 10





## Operational Health and Safety

Our employees are a strategic priority, and their operational health and safety are key elements to our success.

To support the company in providing the best working conditions, each of us has a responsibility to protect ourselves, our colleagues and third parties working in our locations from any potential health hazards.

Aquila maintains and promotes the health, performance and professional satisfaction of employees through continuous improvement of the working environment and through a range of measures to prevent, promote and ensure the health and well-being of employees.

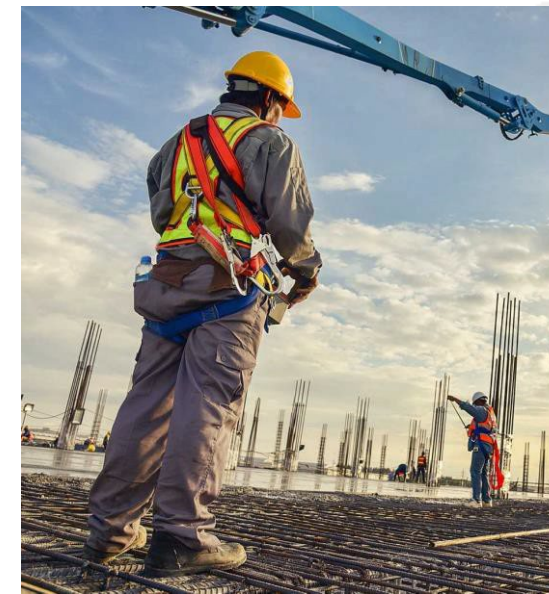
We strive hard and intend to become a true model in ensuring operational health and safety, therefore all our operations are subject to current laws and regulations, as well as our own regulations.

Compliance with occupational health and safety standards and providing employee training at work is essential.

We are committed to providing a safe and healthy workplace for all employees and subcontractors operating on our logistics platforms and in our offices.

By establishing and implementing health and safety measures, our employees and subcontractors are constantly directed to avoid the specific hazards of the establishment.

We offer specific OSH training, the personal protective equipment (PPE) required and medical supervision through occupational medicine services.



**Actions undertaken for the next 5 years**



Over the next 5 years, we will focus our efforts on developing and implementing an integrated Health, Safety and Social Environment Management System (HS-ESMS) covering all the Group's sites and partly-owned locations, based on internationally recognized management systems such as ISO standards.

## Safety of employees and subcontractors

According to the company's OSH policies, through the company's internal regulations, as well as according to the job description, all employees have the obligation and responsibility to comply with the rules in the field of occupational safety and health and emergency situations and to contribute to the prevention and elimination of any situations that could endanger the life, bodily integrity or health of employees or any material property.

Within Aquila, an Occupational Safety and Health Committee was established, comprising a representative of the employer, representatives of the employer with OSH responsibilities, representatives of workers with specific responsibilities in the field of operational safety and health, as well as the occupational medicine doctor.

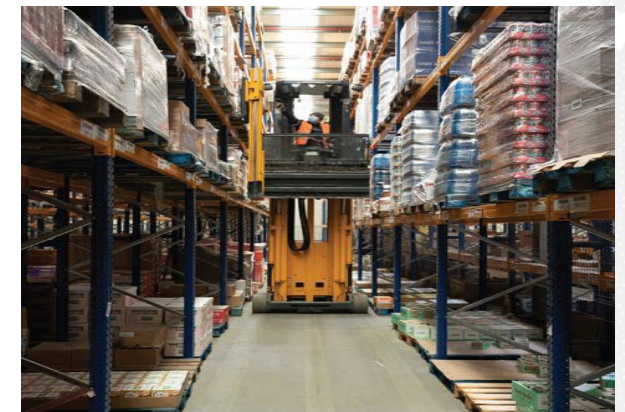
Duties of the Occupational Safety and Health Committee:

- it analyses and makes proposals on the occupational safety and health policy the prevention and protection plan, in accordance with the Internal Regulation;
- monitors the implementation of the prevention and protection plan, including the allocation of the necessary means to implement its provisions and their efficiency in terms of improving working conditions;
- analyses the deployment of new technologies, the choice of equipment, taking into account the occupational safety and health consequences and makes proposals in case of deficiencies;
- analyses the choice, purchase, maintenance and use of work equipment, as well as collective and individual protection equipment;
- analyses the manner in which the external preventive and protection service is carried out, as well as its maintenance or, if necessary, its replacement;
- proposes work place design measures, taking into account the presence of

- groups sensitive to specific risks;
- analyses the demands issued by workers with regard to working conditions and the manner in which the designated persons and/or the external service carries out their duties;
- tracks how the OSH legal regulations, as well as the measures ordered by the labour inspector and health inspectors are applied and complied with;
- analyses workers' proposals on preventing occupational accidents and diseases, and on improving working conditions, and proposes their inclusion in the prevention and protection plan;
- analyses the causes of occupational accidents and diseases and events and proposes technical measures to complement the measures ordered as per the research;
- carries out its own checks on the application of its own instructions and working instructions and issues a written report on the findings;
- debates the written report submitted by the head of the occupational safety and health committee at least once a year, in relation to the occupational safety and health situation, the actions taken and their effectiveness in the previous year, as well as the proposals for the prevention and protection plan that will be implemented in the coming year.

The Operational Safety and Health Committee usually meets once a quarter or whenever necessary, and the members of the Committee are convened at least 5 days before the date of the meeting, indicating the agenda, place, date and time.

**Representatives of the Internal Prevention and Protection Service shall also be invited to attend meetings of the Occupational Safety and Health Committee.**



## In 2021, the following actions were taken along the OSH line

- Drafting, completion, amendment of the works carried out for the assessment of the risks of injury and/or occupational disease and of the prevention and protection plans and their elaboration in relation to the Dragomirești-Vale site
- Certain own OSH instructions have been analysed, drafted, completed, amended and, where appropriate, edited

- Workplaces requiring additional medical examinations and those requiring skill testing or psychological examinations have been identified
- Meetings of the Operational Safety and Health Committee were held quarterly
- The maintenance / zoning and technical verification plan of the equipment was developed

- Event-researching actions have been carried out where appropriate
- There have always been collaborative actions with the designated OSH workers, external services, and occupational medicine doctor in order to coordinate prevention and protection measures
- The list of trades and professions provided for by the specific legislation for which authorization of their exercise is required has been revised

- Whenever necessary, proposals for OSH clauses were made when concluding contracts with third parties/OSH conventions
- The OSH cabinet was equipped with material means for normal operation
- The health of workers has been continuously monitored

- The annexes to the job descriptions for job managers with OSH responsibilities have been verified and, when necessary, drawn up
- The necessary OSH technical information and training documentation has been prepared
- Workers in the field of OSH were informed and trained and the extent to which the information was understood was checked
- A testing and training program was developed

- Some of the prevention and protection plans have been updated
- An action plan has been drawn up in case of serious and imminent danger of injury for our locations in Ploiesti, Aricești-Rahtivani, Cluj, Dragomirești-Vale
- High and specific risk areas have been inventoried/updated
- The areas that require work-related safety signals have been established

Training topics in the field of occupational safety and health, as well as the Training-testing Program carried out within the company are prepared annually by the Internal Prevention and Protection Service and are subject to the approval of the unit's management.

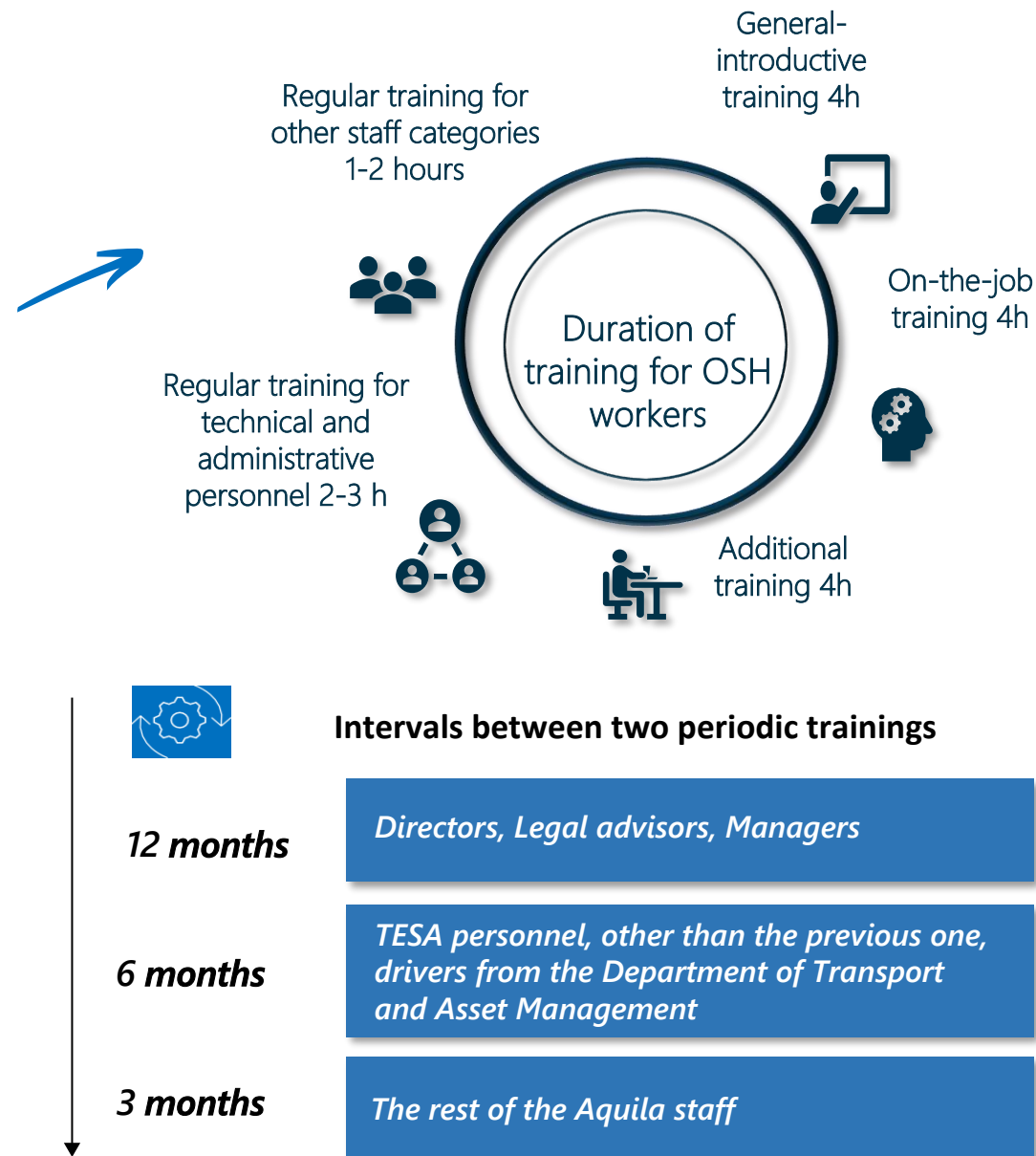
For the general introductory training, the deployment plan, the themes and the necessary materials have been drawn up as well, together with the model for completing the individual OSH Training Sheet (FISSM). S.I.P.P. workers can attend the training, test their level and record the test result (qualification) in the FISSM. Signing in FISSM is mandatory and is done immediately after the completion of the training.

For training carried out in the workplace, the development plan, the theme and the necessary materials are provided. Practical demonstrations are mandatory, and the leader of the workplace chooses from his own OSH instructions,

depending on the job function, job position, the instructions that the trainee requires. This training it is carried out by the direct superior of the trainee and is checked by the direct superior of the trainer. Signing in FISSM is mandatory and is done immediately after the completion of the training.

Regular training is carried out in compliance with the approved topic and mandatory practical demonstrations. Signing in FISSM is mandatory and is performed immediately after the completion of the training.

The additional training is carried out and recorded upon the fulfilment of application conditions, and it focuses on presenting specific risks, its own OSH instructions and practical demonstrations.



## Safe workplace

The Internal Prevention and Protection Service (S.I.P.P.) is organized at the company level.

This service is composed of an OSH Manager and designated OSH workers, usually at the level of each workplace. The OSH Manager will have a Higher Education Degree in a technical field, a Master's Degree in OSH and a postgraduate course as risk assessor in the OSH field.

Prevention and protection activities carried out by this service, among others:

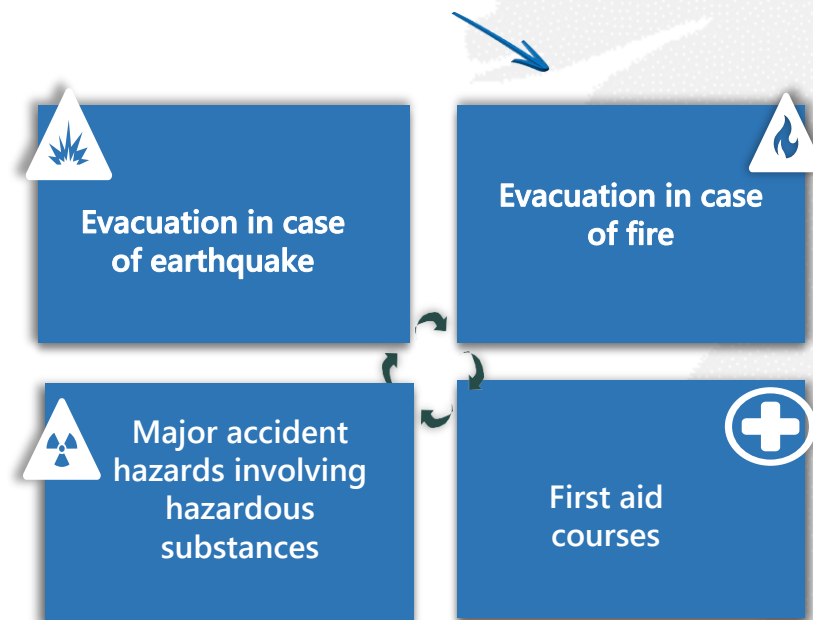
- Identifying hazards and assessing risks for each component of the work system;
- Developing, monitoring and updating the Prevention and Protection Plan;
- Elaborating the theme for all phases of training, establishing periodicity, providing information to OSH workers and verifying the information received;
- Elaborating the training program;
- Ensuring that the action plan is drawn up in the event of serious and imminent danger;
- Keeping records of high and specific risk areas, establishing the areas that require signaling security and the type of signaling required;
- Checking the operating conditions of the alarm, warning, emergency signaling and safety systems;

periodical checks

- Identifying the necessary personal protective equipment, monitoring its maintenance, adequate storage and replacement within the set deadlines;
- Taking part in the research of events, in the elaboration of reports on accidents at work, in the follow-up of the measures ordered;
- Collaborating with workers, the external prevention and protection service and the occupational medicine doctor in order to coordinate prevention and protection measures.

The focus is on the chemical warehouse, classified as a lower-level SEVESO site, according to the provisions of Law no. 59/2016. All technical and organizational measures are taken within the site, both through the safe operation of the installations and by using international norms and standards, regular auditing, theoretical and practical training together with the authorities with major accident response tasks. For this purpose, the internal emergency plan is designed to establish concrete measures that are taken in all accident situations identified by the systematic risk analysis in the Security Report. In addition, protocols and procedures are established to alert all intervention forces inside and outside the site.

In the coming period, we will make sustained efforts to prepare for emergency situations for all categories of workers in the following situations:



Furthermore, we will focus our efforts on taking measures for the safe storage and handling of hazardous substances.

In order to monitor the health of its employees, Aquila has concluded a contract with an external occupational medicine service, through which we aim to:

- Provide all the medical services necessary for the prevention, detection, treatment of occupational diseases and diseases related to the profession, as well as to maintain the health and work capacity of our employees, carrying out medical examinations and, where appropriate, psychological tests;
- Record areas of high-risk, and implement, where appropriate, protective nutrition, establish categories of hygienic and sanitary materials and the workplaces where they are provided;
- Carry out specific control of workplaces and report any potential occupational diseases;
- Adapt the work and work environment to the psycho-physiological characteristics of workers;
- Consolidate the Operational Safety and Health Strategy;
- Carry out the activity of rehabilitation, reconversion and professional reorientation in case of work accident, occupational diseases;

At the same time, we ensure that every new employee undertakes the medical examinations specific to the risk factors of the workplace; we ensure that all employees are notified of the deadline for their periodic medical examinations; we follow the recommendations mentioned by the physician in the skills sheet.

It is mandatory that Aquila employees undertake the medical examinations provided by the occupational health service. The worker will not be received at work without a fitness assessment report stating "apt" or "conditional fit". The fitness assessment report shall comply with the model provided by the national legislation and shall include the date of the next medical examination. Whenever a fitness assessment report deems an employee "conditional fit", a copy shall also be sent to S.I.P.P.

We ensure the safekeeping and confidentiality of documents related to occupational medicine or the assessment of the work capacity of all our employees through restricted access to this information. The occupational medicine doctor, the OSH designated workers and those in the Human Resources Department are the only people who have access to this information.

The occupational medical services provided to all employees are:



- Medical examination for employment and issuance of the Fitness assessment report for the profession or position of employment;
- Periodic medical examination;
- The medical examination upon resumption of the activity is performed after an interruption of activity of at least 90 days, for medical reasons, or of 6 months, within 7 days from the resumption of the activity for any other reasons;
- Issuance of maternity leave certificates.

Each candidate will visit the physician's practice with their Identity Card, Application Form, Occupational Risk Factors Identification Form, correctly and completely filled-in, signed and stamped by the company.

**Starting with 2022, Aquila offers all its employees a private health and occupational medicine subscription**



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## First Aid Class

Aquila values the life of any person and takes into consideration any action in order to protect it of fundamental importance and priority. Acquiring the practical and theoretical first aid skills needed in most possible situations can often make the difference between life and death, both in the work environment and in the personal life of each of us.

Prior to the outbreak of the pandemic, Aquila organized a basic first aid course for some of the Manager level and Executive level employees. The courses were taught by certified staff as trainers with experience in pre-hospital and hospital care and manuals and other specific teaching materials were made available.

During these courses, theoretical notions were presented, vital in providing first aid, as well as practical applications of first aid intervention (safety position, chest compression, CPR, etc.), practicing first aid procedures with the mannequin and colleagues.



In this context, for the next period, we want to continue the action started before the outbreak of the COVID-19 pandemic, to organize first aid courses for employees. We aim at providing employees with access to an online platform for reading and mastering the Basic Life Support Guides developed by the European Resuscitation Council. We also intend to collaborate with the National Red Cross Society-Prahova Branch for the organization of practical first aid courses for Aquila employees.

2021

## Exercises and Simulations of Emergency Situations

In 2021, a number of 6 action exercises were planned and carried out in case of serious and imminent danger of injury in the Aquila warehouses in Ploiești, Ariceștii-Rahtivani and Dragomirești.



### Training exercise for intervention crews at the Aquila Warehouse in the Ploiești West Park Industrial Park

On November 25, 2021, the Inspectorate for Emergency Situations Prahova organized at the Aquila warehouse in Ariceștii-Rahtivani (located in the Ploiești West Park Industrial Park) a training exercise for emergency situations.

The intervention crews of ISU PH and SPSU Parc Alinso aimed at training employees in preventing and increasing the level of fire safety and limiting the negative effects of disasters that can occur at work.

No irregularities were found in the final assessment and the Aquila team received the rating "Very Good".



>80%

Increasing number of practical applications  
scheduled to be achieved  
in 2022 compared to 2021

### For the next period:

For the year 2022, a number of 11 practical applications for alarm, intervention and evacuation are planned, as well as exercises on serious and imminent danger situations organized by the OSH/ES departments.

These applications target various Aquila warehouses that provide nationwide coverage. Important warehouses are targeted, both in terms of area and number of employees working in these warehouses, but the nature of the activities and / or the nature of the products stored have also been taken into account.

Thus, at the Aquila warehouses in Ploiești are scheduled 3 ES (Emergency situation) applications, at the warehouses in Ariceștii-Rahtivani - 2, at the warehouses in Dragomirești - 3, at the warehouse in Cluj - 1, at the warehouse in Constanța - 1, at the warehouse in Timișoara - 1.

In the period following the reporting period, respectively on April 12, 2022, the first alarm / evacuation and intervention exercise took place in case of ESs scheduled for 2022 within the DC1 Ploiești warehouse, located at 3-5 Poligonului Street. All AQUILA employees working at DC1 participated in this exercise

(shift 1), suppliers and visitors. The coordinators of the exercise instructed the staff on the obligations they have, the proper functioning of the alarm system was monitored, the areas of the workplace considered to be at high and specific risk of injury were brought to the knowledge of the workers.



[More about the ISU training exercise carried out at the Aquila warehouse](#)

Indicators- Aquila	Year 2021	Year 2020
Work-Related Injuries, of which:	3	7 +1 accident outside work
No. of traffic / route accidents, of which:	3	2
Guilt of AQUILA workers	1	1
Rate of accidents at work:	0,59*	3,71*
No. of TLI days due to accidents	36	947
No. of incidents, of which :	19	15
Traffic/route	16	14
No. of inspections performed / No. of inspections proposed	42/35	22/22
No. of measures taken / No. of due measures	229/230	157/158
Number of hours worked	5.014.700	4.572.193
No. of OSH-ES practical applications achieved/No. of planned OSH-ES practical applications	7/6	1/1

In 2021, the number of accidents at work decreased by 42.86% compared to the number of accidents at work in 2020, given the increase in the number of employees by 6.20% in 2021 compared to 2020.

Of the 3 work accidents registered in 2021, 2 are traffic accidents and of these only 1 is the fault of Aquila employees. The third accident was a verbal altercation in traffic, followed by physical assault. In the 3 events resulting in temporary incapacity for work, 2 drivers and a computer operator were involved.

Non-compliant work equipment without technical verification or with an expired operating permit has not been involved in the events described above. There were no events due to lack or non-use of personal protective equipment.

In 2021, the rate of registered work accidents was 0.59, decreasing compared to 2020, when it was 1.93. No cases of accidents at work with serious consequences or deaths were recorded. This decrease was due to the reduction in the number of work accidents at the same time as the increase in the number of hours worked at the level of the entire unit.

The total number of days of incapacity for work in 2021 at the level of the company registered a significant decrease, respectively 26.30 times compared to 2020, when one case of incapacity for work became death and another case became disability.

Due to the company's constant concern to identify and prevent any deficiencies that may occur at work and to prevent risks, in 2021 a number of 35 internal inspections were planned and in addition to those proposed, another 7 internal inspections were achieved, in total 42 actions.

Following the internal inspections, a number of 229 measures were ordered to remedy the non-conformities, establishing at the same time the responsible persons and the deadlines. 99.57% of the ordered measures were carried out within the stipulated term.

## Communication of OSH Events

At company level, the Instruction on how to communicate events (accidents) that occurred on the territory of the premises (with workers of the unit or other employers) and / or of those in which the workers of the unit are involved (outside their own premises) applies. The instruction includes the process and the persons responsible for the communication of OSH events, but also the forms used, aspects related to their preparation, approval and communication.

The purpose of this procedure is to describe the work required for all occupational safety and health events to be reported and investigated at the appropriate level. This document contains the steps to be followed to determine whether an event has taken place, within the meaning of the legislation, the method of communication, the research, the method of reporting, the forms used.

OSH events are reported and investigated within the company in order to prevent and avoid any accident, death or occupational disease, in order to take all remedial and protective measures to avoid the recurrence of similar events, establishing the imposition of the event communication to the T.L.I (Territorial Labor Inspectorate), prosecutor's office, police R.S.T.V.I., D.S.P. etc..

The internal communication of the event is the responsibility of any employee who has been involved or has knowledge of its occurrence

and then, hierarchically, to its superiors, up to the level of the workplace manager. At the level of each Aquila location the responsibility of communicating to the S.I.P.P. of the events and the provision of the necessary documents for the research is the responsibility of the workplace manager. Communicating events to the T.L.I. is performed by members of the S.I.P.P. after informing the General Manager by filling in the "Communication Form"

Any event that results in the injury of one or more persons (employees, contractors, visitors, etc.), is immediately reported to the S.I.P.P., by phone and then by email. The contact details for each Aquila location are contained in the document "Communication of Events", a document displayed at the lucrative facilities in visible places. For minor incidents, contact the S.I.P.P. on the day of their occurrence and the "Incident Analysis Form" is filled in, which is accompanied by the worker's statement.

At the level of Trigor and Printex companies, no work accidents were registered in 2021 and 2020.

**In the next period we will structure our efforts as follows:**





## Training and Development

---

We strive to show high performance in all the operations we carry out.

Aquila supports and promotes honest work, with integrity, respect and tolerance for others, both in our relationships with colleagues, in transactions with suppliers, customers, consumers, associations and other third parties, and in the use of Aquila resources.

We pay attention to the conduct of our employees, so that it is appropriate, to respect the honor, reputation and dignity of colleagues in the company, as well as the people with whom they come into contact in the exercise of their duties.

We respect the freedom of opinion of all employees and promote a conciliatory attitude, mediation and avoidance of conflicts due to the exchange of opinions.

Our desire is for all staff to develop and prosper and, by working together, to achieve outstanding performance.

The Aquila employee development program is aligned with the business strategy and customer focus, growth and operational excellence.

These programs are designed to equip employees with those skills necessary for personal improvement and company performance, but which also have an impact outside the organization, on partners, the local community and civil society by increasing the level of training of the workforce.

The roles within the Aquila Company are as diverse as the people who fulfill them. We offer a lot of career development opportunities and we make sure that we reward work competitively.

We respect, protect and promote all regulations in force for the protection of human rights and the rights of the child.



Universal  
Declaration of  
Human Rights



[\*The full text of the Universal Declaration of Human Rights\*](#)

## Aquila Employees

Aquila is committed to attracting, training and maintaining a diverse workforce that reflects the values of our communities, being a comprehensive, positive and performance-oriented organizational culture, actively based on diversity and inclusion.

We permanently ensure a climate of collaboration between Aquila employees to increase their well-being, motivation and job satisfaction, to improve the quality of life and mental and physical condition of employees.

Aquila does not discriminate in any way against any current or potential employee on the grounds of race, skin color, religion, nationality, ethnicity or nationality, sex, sexual orientation, age, disability or any other protected personal characteristics, veteran status or any other type of protected status.

Aquila does not tolerate, does not use and prohibits any kind of child labor that does not comply with national or international laws.

Employment and / or promotion in employment is based on the skills and qualifications of each person, excluding any form of favoritism or discrimination, in compliance with applicable labor law.

All Aquila employees have the opportunity to report any form of breach of the rules of conduct in the field of labor relations or which may, in any way, create a danger, as well as any form of discrimination or harassment at work by contacting the manager directly, the authorized representative of the human resources department or another person in management.

We pay attention if our employees may feel uncomfortable talking to a manager and so, we have created an e-mail address dedicated to this action, an address where notifications can be sent in conditions of maximum confidentiality.

In order to encourage an open environment, based on honesty, we encourage any employee to openly and securely make any complaint, under the conditions described in the company's Code of Ethics and Conduct.

In 2021, there were no company-level incidents of breaches of the rules of conduct in the field of employment, discrimination or harassment or sanctions imposed on employees as a result of violations of policies on inclusion and equal opportunities.



Any notification can be sent to the address

[conduita@aquila.ro](mailto:conduita@aquila.ro)



[Additional information on the Code of Ethics and Conduct](#)

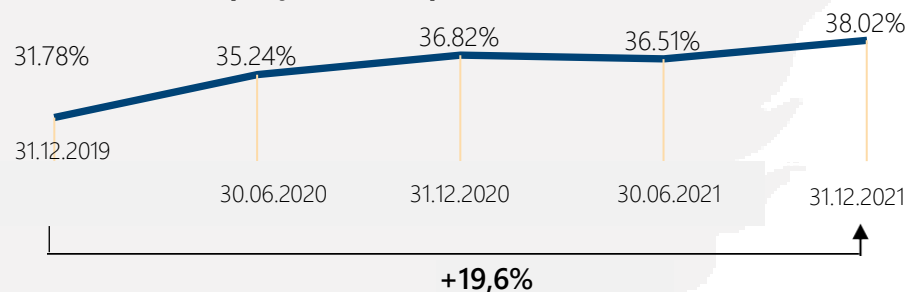
## 2019-2021 Evolution of the Aquila staff structure according to gender

Gender	31.12.2019	30.06.2020	31.12.2020	30.06.2021	31.12.2021
Women	658	897	932	1015	1022
<b>Percentage of women</b>	<b>31,78%</b>	<b>35,24%</b>	<b>36,82%</b>	<b>36,51%</b>	<b>38,02%</b>
Men	1412	1648	1598	1766	1665
Percentage of men	68,22%	64,76%	63,18%	63,49%	61,98%
<b>Total employees</b>	<b>2070</b>	<b>2545</b>	<b>2530</b>	<b>2781</b>	<b>2687</b>

At the level of the Printex company, both on 31.12.2021 and on 31.12.2019 the total number of employees was 5, of which 3 men (representing 60%) and 2 women (40%). On 31.12.2020 the number of employees was 4, of which 3 men (representing 75%) and 1 woman (respectively 25%).

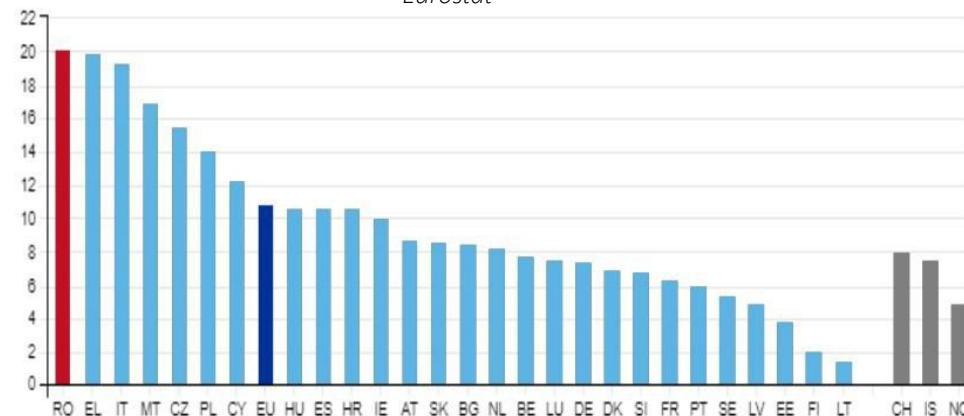
At the level of Trigor, the total number of employees on 31.12.2019 was 264 people, of which 182 men (representing 68.94%) and 82 women (representing 31.06%). On 31.12.2020 the total number of employees was 214 people, of which 149 men (69.63%) and 65 women (30.37%), and on 31.12.2021 the total number of employees was 217 people, from of which 148 men (68.20%) and 69 women (31.80%).

### Evolution of the percentage of female employees in Aquila

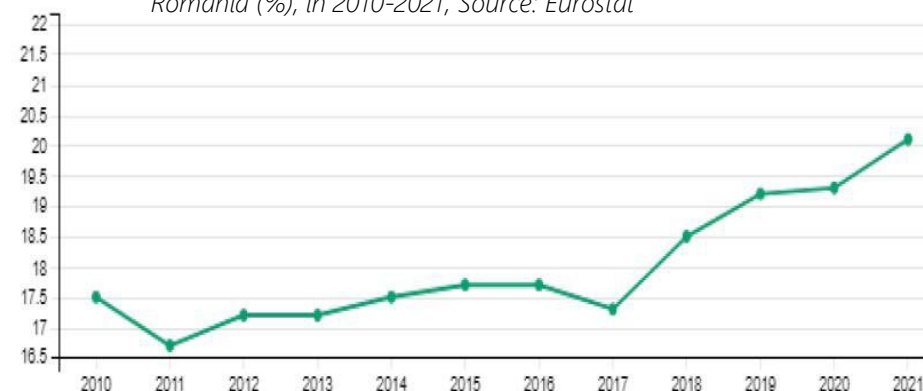


%

Human capital and communities  
Gender gap in the employment rate for the EU age group 20-64 (%) in 2021, Source: Eurostat

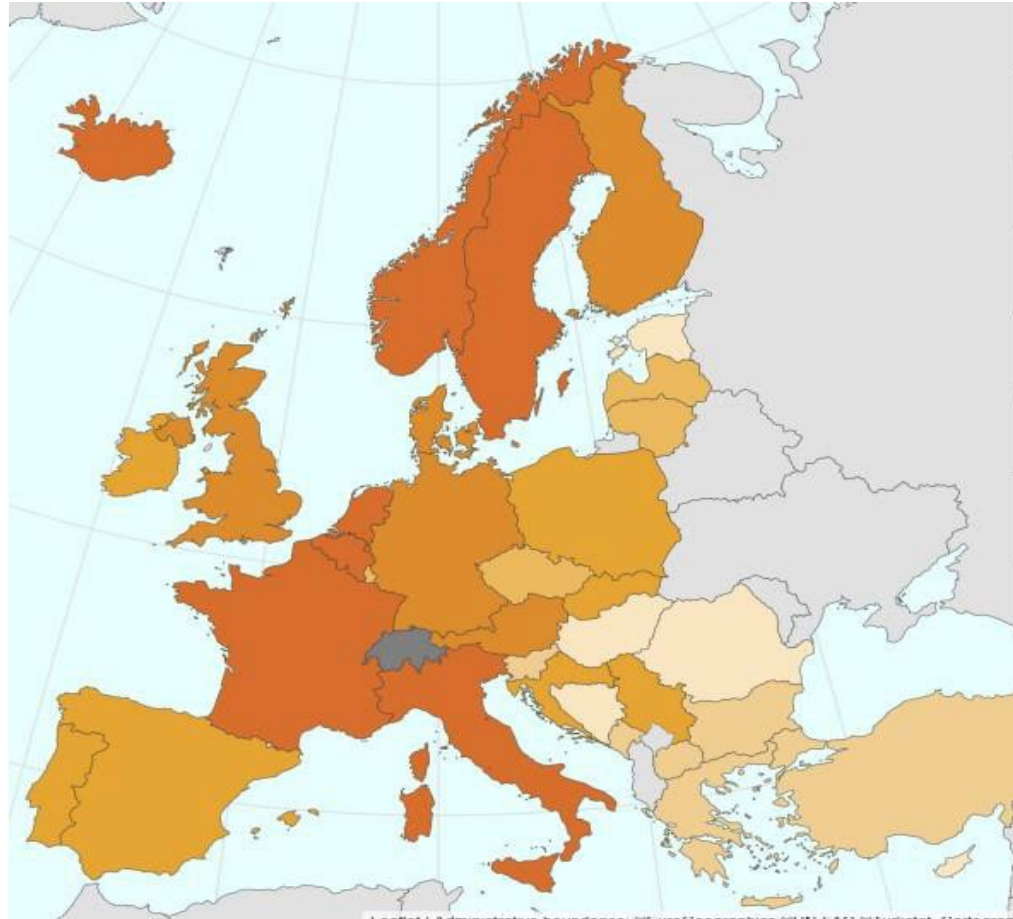


Evolution of the gender gap regarding the employment rate for the 20-64 age groups in Romania (%), in 2010-2021, Source: Eurostat



The gap between the employment rate of men and women, for the age group 20-64 years, registers in Romania the highest value (20.1 percentage points) compared to other EU countries, but also compared to the European average.

At the same time, taking into account the growing evolution of this gap registered in recent years in Romania, it becomes even more important Aquila's concern to create equal employment opportunities for both women and men.



We must keep in mind that the main activities in the Aquila business (logistics, transport and warehousing activity) involve sustained physical work that allows access to women in limited numbers.

In these conditions, Aquila has made constant efforts in order to improve the number of employed women, efforts materialized in increasing by almost 20% the percentage of women in 2021 compared to 2019.

At national level, the percentage of women in management positions was 17.5% in 2021, below the European average of 30.6% and less than half of the percentage recorded in France or Norway, over 41%.

In this context, we will focus our efforts on providing equal opportunities for all hierarchical levels, and for the next strategic period we aim to increase the number of women in leadership positions.



*Management positions held by women in the European Union in 2021 (%); Source: Eurostat*



## Development and Performance

We are constantly concerned with the process of integrating, improving and increasing the efficiency of our employees.

Thus, we carefully assess the need for employee training and implement measures to support their professional and personal development in order to increase productivity, job satisfaction or career development.

Out of concern for our people, we set out to create resilient professional development systems in the context of the COVID-19 pandemic. Thus, in 2021, Aquila initiated and carried out training / specialization programs in an exclusively online system, in which a number of 583 employees within the company participated.

The training programs offer modern and interactive learning tools, team and individual workshops, personal counseling sessions and constructive and effective feedback tools for appreciating and improving the quality of the programs

The opinion of each trainee is important to us and we want to know more about the impact and usefulness of the programs. Therefore, we follow carefully and centralize the feedback forms received after the completion of each course.

The analysis of the answers allows us to identify the level of utility of each course and to improve their quality in the future.

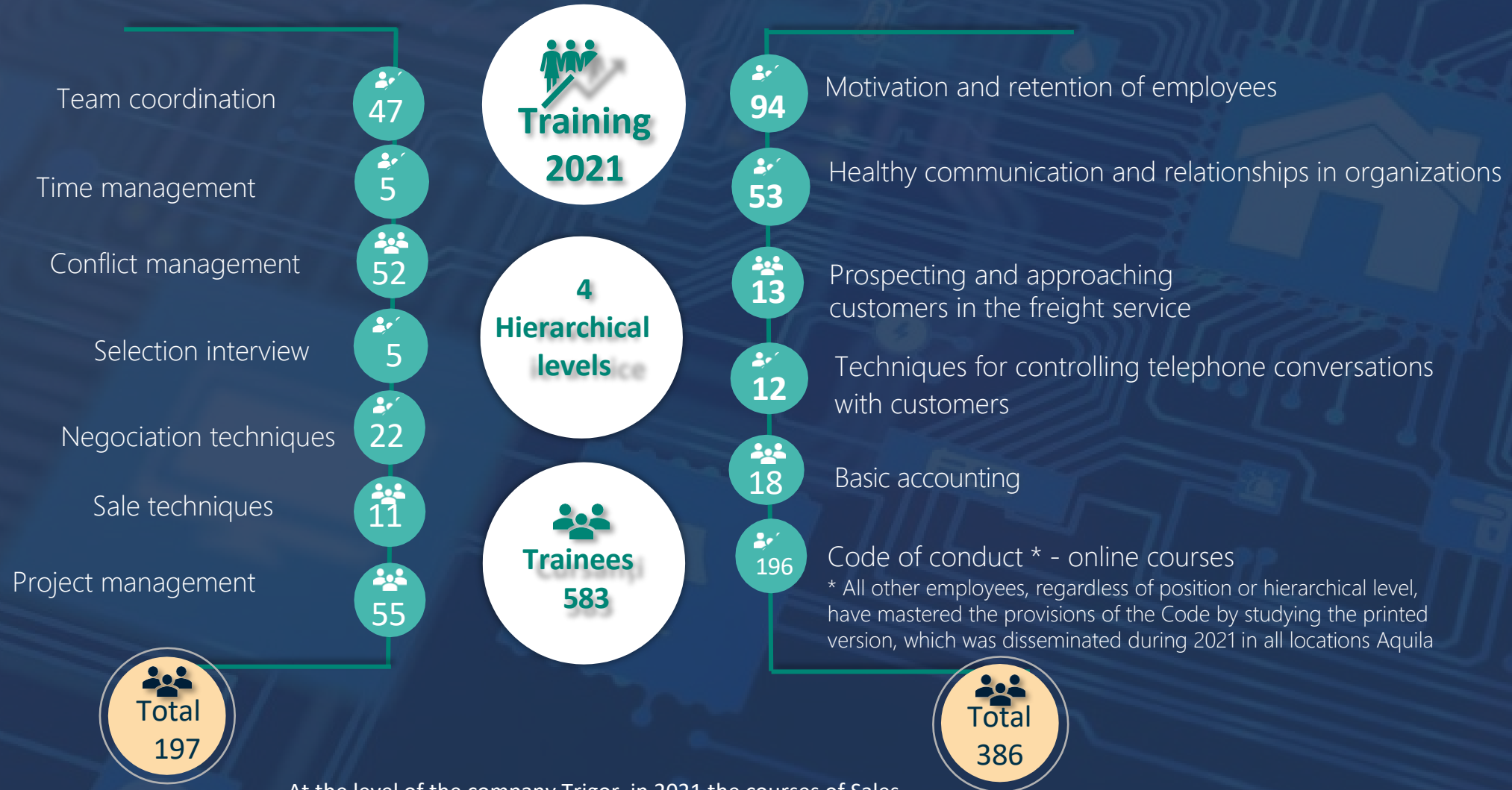
For the next period, we aim to increase the number of participants in internal training courses, diversify the training offer, learning methods, and ensure access to training for all interested employees.



The professional development programs of the employees, in accordance with the Aquila business strategy, aimed in 2021 to improve the performances of the following hierarchical levels.



## Training programs carried out in 2021-Aquila



At the level of the company Trigor, in 2021 the courses of Sales and negotiation (24 people participated) and Security at work (3 people participated).

The "Employee Motivation and Retention" and "Selection Interview" programs aimed to acquire the skills to develop and apply profitable methods of motivating and rewarding employees, increasing productivity and career building, as well as learning the latest techniques for creating a work environment that awakens the desire for maximum employee involvement. Employees have also learned advanced tools and solutions to streamline their own recruitment processes, so that the company can attract the necessary talents in the activity.

The two programs developed in 2021, "Communication and healthy relationships in organizations" and "Techniques for controlling telephone conversations with customers", aimed to increase and develop the ability to communicate effectively, the targeted placement of the message in a competitive market of ideas, but also the establishment of efficient channels of bidirectional communication with the company's partners. The courses had a structured approach to the communication process, in order to create strong connections with partners, develop relationships with them and loyalty.

Specific to the activities carried out by Aquila, the course "Prospecting and approaching customers in the freight service" aimed at developing and substantiating the techniques of planning, prospecting and identification of freight customers, improving the key skills needed in this area to increase efficiency in the activity..

The competencies developed by Aquila employees who participated in the Team Coordination course are those related to increasing the skills of effective communication within the team, to delegate and monitor the evolution of the achievement of the proposed objectives, to provide performance feedback.

The "Conflict Management" program aims to develop skills and competencies that help to understand and overcome crises within the company, to develop communication skills useful in preventing, managing and mediating or negotiating conflicts.

Participants in the "Project Management" course developed analytical and decision-making skills and competencies in order to efficiently manage projects, improved their ways of working in a team.

Through the courses "Negotiation Techniques" and "Sales Techniques", skills have been developed in order to identify situations with potential negotiation, to prepare and conduct negotiations, to apply effective tactics and techniques in negotiation, but also to acquire modern sales methods, finding and maintaining a positive attitude.

The main competencies developed by the employees who participated in 2021 in the "Time Management" program were those related to the good management of their own activities, the planning of activities and the establishment of relevant objectives in order to improve professional performance.



In the next period, we will implement a digital solution that will allow us to

Identify the initial need for training courses following performance evaluations

Establish the actual calendar of approved and budgeted courses

Centralize professional training activities carried out at the company level

Highlight the number of hours of professional training by gender and hierarchical level

It is our desire that, through the training management program, to quantify the results, to monitor the evolution and to report according to the management needs.

each employee.

In 2021, we developed the "Code of Ethics and Conduct in Business" which includes the values of the organization and how to protect and develop them and establishes the principles applicable to maintaining a fair working environment, but also specific provisions regarding compliance with health and safety requirements. In work, environmental protection, confidentiality of personal data of employees, customers and suppliers use of company resources, intellectual property, and related to business integrity (for example: competition, conflict of interest, bribery and corruption).


It was communicated to all employees through a series of internal trainings. In order to implement and disseminate the provisions of the Code in the organization, online courses were organized during 2021 (attended by a number of 196 people) and printed copies of the Code, were sent to each Aquila location.

These printed copies were made available to employees and studied by them, so that the provisions of the "Code of Ethics and Business Conduct" were adopted by all employees. This action was recorded in the Minutes concluded at the level of each location / division and signed by

The dissemination of the code took place during the entire year 2021 and targeted all categories of functions, in order to acquire the values of the organization, create an equidistant working environment and ensure internal transparency.

The Code of Conduct is part of the induction process for new employees, and re-training is done at a maximum of 2 years for all employees.

Without exception, everyone at Aquila must comply with the Code of Conduct, just as they must comply with applicable national law and international regulations.

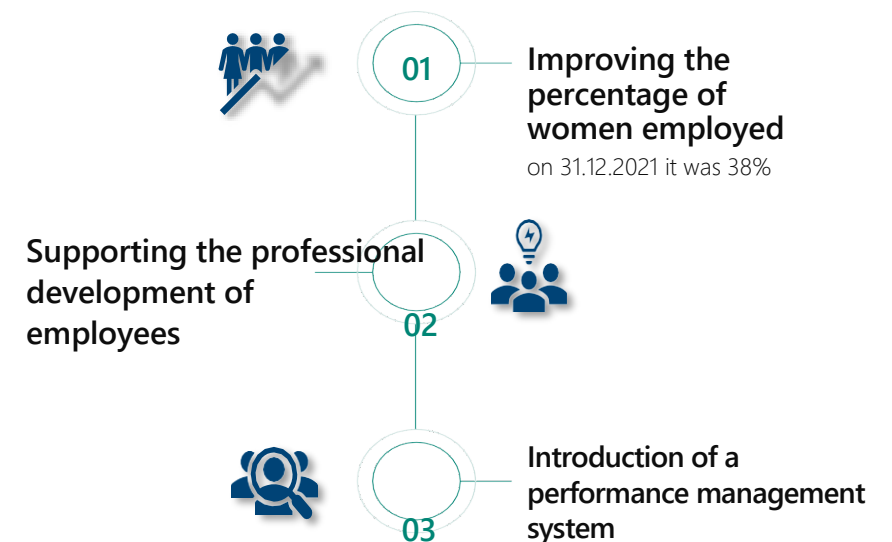


**In the next period, we will focus our efforts on:**

The standards of behavior that we have established require the conduct of the company's activities in an ethical, professional, equitable and with full integrity.



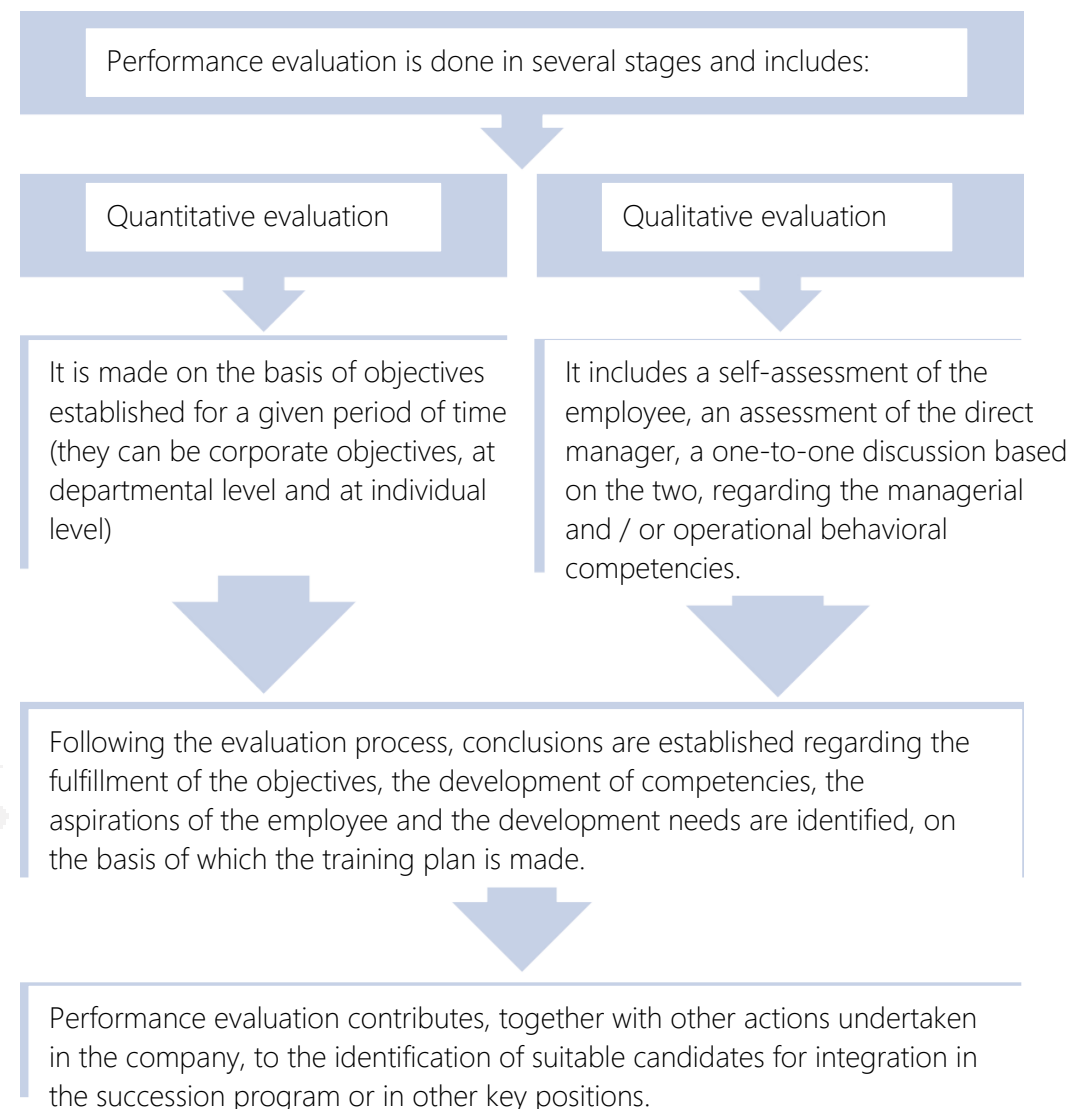
[The full version of the Aquila Code of Ethics and Conduct](#)



## Performance Management

During 2020, Aquila decided to implement a new performance management system, which applies to both senior management and employees.

For the transparency of the process, as well as for a good traceability, in the period immediately following the reporting period, a digital platform has been created that integrates this system, which will be operational starting with the end of 2022.



## Succession Plans and Business Resilience

### Leadership training - Aquila succession program

In line with changing conditions for our business, the key to Aquila's success is organizational resilience. In this regard, we strive to motivate our employees and develop their skills, implement people-centered processes and develop sound succession plans throughout the organization.

The company's organizational culture is supported by clear rules and standards, while promoting fast and agile decision-making. We trust our leaders that they can have this important responsibility and that they fulfill their promise of leadership.

The company's management strategy in terms of human capital focuses on the acquisition of the necessary skills by employees in key roles and on a strategic process for the development of employees with high potential.

Internal management programs prepare our leaders for the rapidly changing market, create a common leadership language, strengthen them and develop their leadership skills.

This strategy ensures continuity and consistency of actions in the company's business plan, through the availability of the necessary human capital, aligning the requirements with a continuous supply of talent.

Identifying and managing the key roles in the company allows us an efficient management of human capital risks, but also the existence of a motivated and loyal human capital to the organization, benefiting from individual career plans and professional development opportunities.

In this regard, in 2021 we have developed a process for identifying the key / critical positions for which Aquila wants to implement the Succession Plans.



During 2021, the key / critical positions for which Aquila wants to implement the succession plans were established: all positions at C-level; all positions at the Director level; managerial positions.

The management team proposed 65 employees as having the potential to enter the list of successors. All 65 employees were involved in the evaluation and development centers (using the Assessment & Development Center method certified by A&DC London); the team of observers was trained based on the methodology, in which case studies, interviews, managerial, decisional, situational tests and logical-mathematical tests were used.

The analysis of the candidates at the evaluation and development centers was performed using professional skills (based on the certification, they were extracted from the Luminger dictionary, owned by CCL = Center for Creative Leadership)

- Ability to determine the current situation
- Ability to determine direction
- Ability to develop teams
- Ability to lead people
- Ability to be customer oriented
- Ability to get results

4 criteria were used to determine the potential: energy, curiosity, collaboration and communication. In December 2021, the results of the Evaluation and Development Center were presented to the management team. Thus, the successors with potential to ensure the replacement of each director of the board of directors were identified: successors who are considered "High-Flyers", successors who are considered "High-Potential".

Each employee who participated in the evaluation centers has built an individual report that they received and discussed in the counseling sessions organized..

In the next period, based on the information in the report and after determining for which position the successors will be fixed, we will build the career plan that will include:

training, coaching, workplace rotation, intra- and inter-departmental projects, vertical and horizontal promotion, shadowing, etc.

We aim to identify and include other employees in the evaluation and development centers. We want this process to be resumed every 2 years, the implementation of career plans can take between 1-3 years, depending on how well prepared the employee is and the level of the position for which he is the successor.

Aquila has identified in 2021 the possible employees who can ensure the potential replacement of each manager of top management

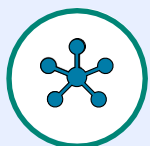


*Successors considered "High-Flyers"*

*Successors considered "High-Potential"*

## Aquila's Succession Program

### Criteria for analyzing the potential of each successor:



Energy



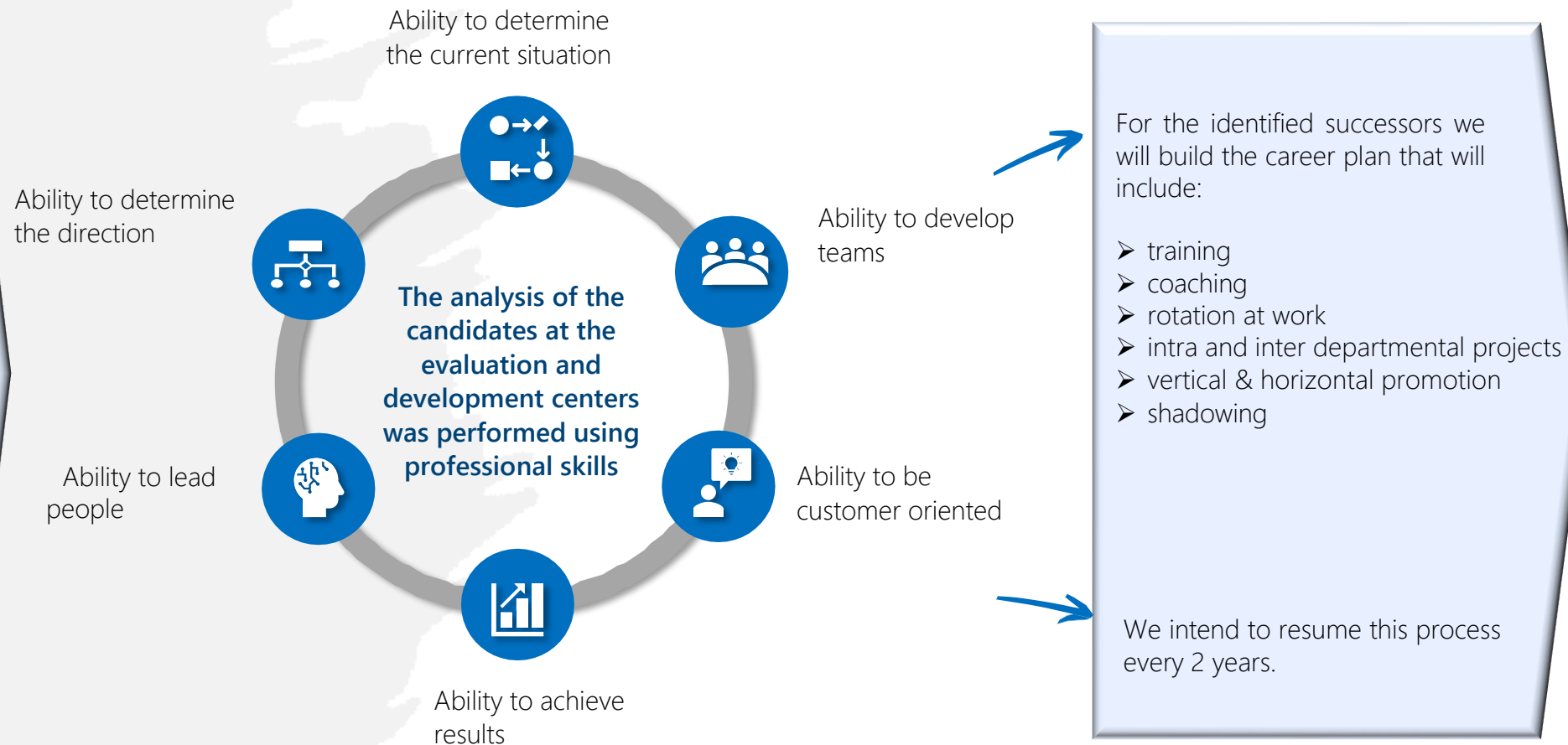
Curiosity



Collaboration



Communication





## Extra-Salary Benefits and Workforce Health

In the current pandemic context and in a labor market that is increasingly facing difficulties in recruiting and retaining staff, for a resilient business, a motivated, healthy, easily accessible workforce to prevention and treatment systems is needed.

The remuneration process within the company is fair and is based on the individual performance of each employee, excluding any form of favoritism or discrimination.

We are constantly concerned with the satisfaction at work of all employees, their motivation and loyalty. We consider that extra-salary benefits are important and we aim for them to respond to the personal needs of employees.




Therefore, in 2021, Aquila offered benefits in the form of meal vouchers, additional rest leave depending on seniority, additional days off and material aid for special family events (marriage, childbirth, death of members family, retirement).

Aquila, contributes with over RON 15 million per year to the national health insurance system for all its employees, which allows them free access to state clinics and hospitals in Romania.

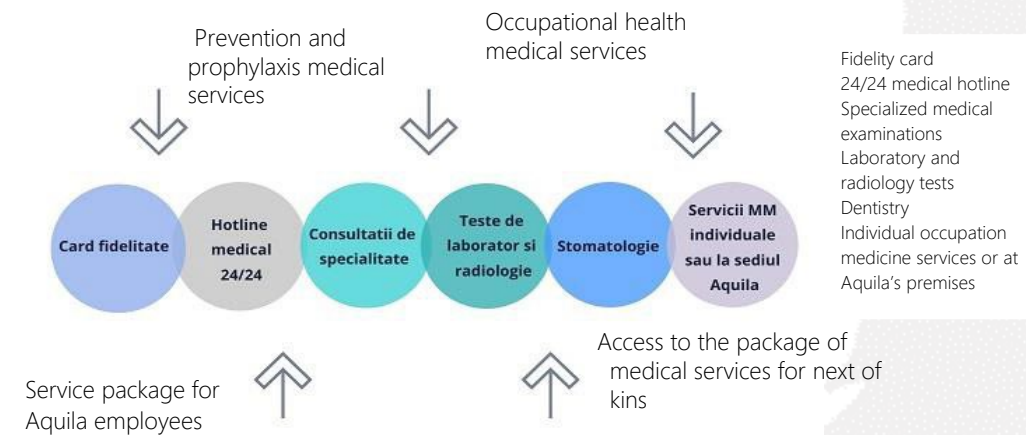
To complement the services in the state system and to ensure easy and faster access to specialized services, starting with 2022, Aquila offers all its employees a private health subscription.

In addition, the minor children of the employees benefit from free pediatric control, the employees also having the possibility to conclude individual agreements, in similar Aquila conditions, in order to ensure access to private medical services.

Through the concluded contract, the occupational medical services are provided to the employees as follows

-  Accessing occupational medicine services to employment, upon the expiration of the skills sheet, upon the resumption of the activity;
-  Preparation of Evaluation Reports on maternity protection at work;
-  Issuance of Maternity Risk Leave Certificates.

We will monitor the results of this initiative by monitoring the evolution in the number of days of sick leave and the employee retention rate.



**MEAL VOUCHERS**

**REST LEAVE**  
depending on work seniority

**DAYS OFF**  
for family events

**CHILD BIRTH ASSISTANCE**

**MARRIAGE ASSISTANCE**

**ASSISTANCE IN THE EVENT OF THE DEATH OF THE EMPLOYEE GRANTED TO THE FAMILY**

**ASSISTANCE IN THE EVENT OF THE DEATH OF THE HUSBAND, WIFE AND FIRST-DEGREE RELATIVES**

**RETIREMENT ALLOWANCE**



## Aquila Building Careers

The adoption of new technologies and automation, the free movement of labor in the EU, are some of the elements that a company must take into account when setting its future plans.

We are constantly developing programs that support the relationship between education and the business environment, which supports young people in order to prepare them for the labor market. From this perspective, we want to support the needs of the labor market in order to benefit from human resources trained in the spirit and organizational culture of the company.

Thus, during 2021 we concluded a solid and sustainable social partnership with the Petroleum-Gas University of Ploiesti for the development of internships within the company in the academic year 2021-2022.

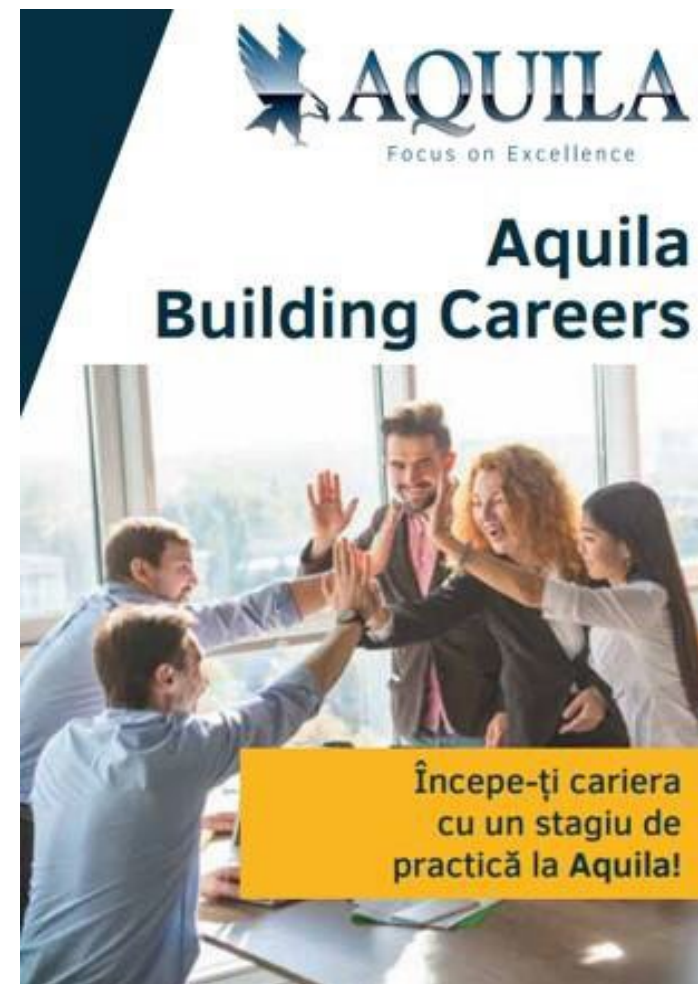
We are always looking for motivated and enthusiastic young people, who will come with a new perspective and who, together with our leaders, will develop within

the internship programs, becoming successful professionals.

For the academic year 2021-2022, we grant a number of 10 internships for UPG Ploiești students, of which, 3 scholarships during the internship for exceptional students.

We offer trainee management programs for graduates recruited to lay the foundations for a solid career and long-term professional development.

For the next period, Aquila aims to continue and develop internship programs and internships with university centers to attract young people.



**AQUILA**  
Focus on Excellence

## Aquila Building Careers

**Începe-ți cariera cu un stagiul de practică la Aquila!**



Faculty of Economic Sciences  
Petroleum-Gas University of  
Ploiesti



## Logistics-challenges in the context of COVID 19

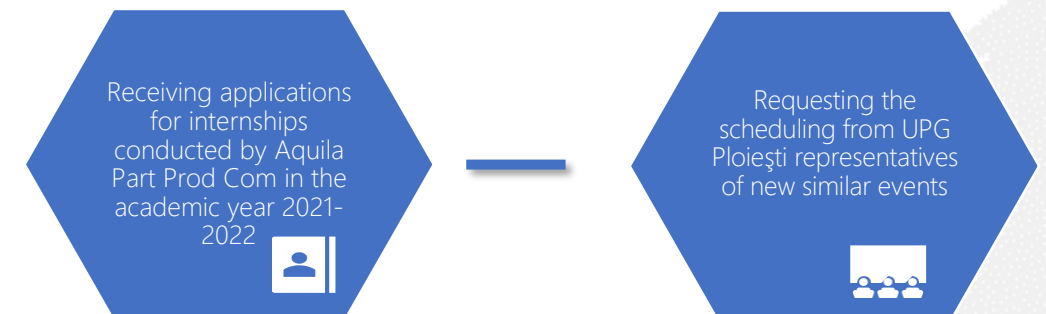


Online Workshop  
December 08, 2021, 10 A.M,

Out of the desire to share the Aquila entrepreneurial expertise, consolidated in over 27 years of activity, we organized, in December 2021, in partnership with UPG Ploiești, an online Workshop on “Logistics-challenges in the context of COVID 19”.

The event, attended by 2nd and 3rd year students from the Faculty of Economic Sciences -UPG Ploiești, specializations Accounting, Finance-Banking, Commodity studies, but also teachers within the faculty, enjoyed a real interest, the online presence being permanent, throughout the event, over 90% of the maximum number of seats allowed.

The success of the event materialized in:





## Communities

We are actively involved in supporting local communities, in a responsible and sustainable manner, with the aim of making significant changes and ensuring opportunities both internally, for the company and for the environment in which we operate.

Having a multilocal status, responsible involvement in addressing local social and environmental issues is one of the core values of the company and includes our dedication to the continued well-being of the communities in which we operate.

We are constantly attentive to the needs of local authorities and communities, being in touch with their representatives to solve the issues raised. All analyzes and discussions are meant to identify common priorities and materialize in beneficial solutions.

Aquila, through its policy and procedures for granting donations and sponsorships, covers areas such as science and research, education, charitable causes, patronage, sports, culture, making donations in cash or in kind to recognized non-profit organizations or organizations that are authorized by provisions special to accept donations.

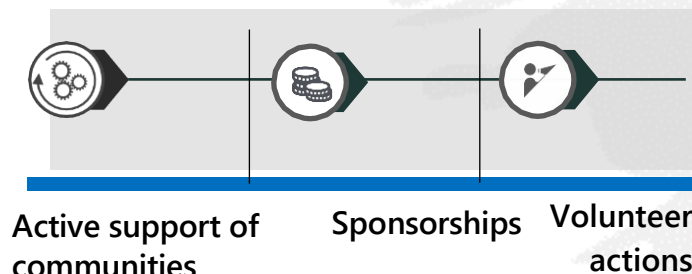
We attach special importance to education. We believe that education is not only an integral part of sustainable development, but also a key factor in promoting it, an essential strategy through which young people must become changing factors for sustainability.

To avoid conflicts of interest and to ensure a standard conduct within the company, donations and sponsorships are allowed only in the context of the respective legal framework and in accordance with a transparent internal approval process, in which the purpose and beneficiary of the donation, as well as the proof of receipt of the donation by the beneficiary must be documented and verifiable.

So far, Aquila has not developed a system for assessing the impact of actions in local communities, but we intend for the next period to identify an integrated solution to help us in this regard.

Communicating projects to the citizens of the communities in which we operate targeted the media, website ([www.aquila.ro](http://www.aquila.ro)), social media channels, and their employees are promptly and frequently informed about these actions through the Aquila intranet network and are encouraged to fulfill roles in society, to stay connected to real social issues.

Our strategy in supporting communities is closely linked to our business model, the values that characterize us and focus, with priority, on the following 3 major directions:



In 2021, we started projects with the following partners:



Ploiesti City Hall



Ploiesti City Hall

## Arrangement of the North Park playground in Ploiești

In 2021, due to the fact that one of the main concerns of the organization regarding social responsibility is health, in all its forms, physical, mental, emotional, we joined the initiative of Ploiesti City Hall to modernize the playgrounds in the city.

The first result of this collaboration is the arrangement of the playground in the North Park of Ploiesti, equipped with high quality equipment and accessories, intended for children aged 2-14 years. Swings, rocking chairs, chess tables and other educational games were installed, as well as a special anti-trauma rubber pavement, specific to modern playgrounds. Everything was done, in order to create the perfect environment for relaxing through movement for the small inhabitants of Ploiesti.

We consider physical activity, in the case of children through play and outdoor activities, as an essential part of a person's mental and emotional well-being. We look to the future, to children who grow up, needing the best conditions for personal development, their health being the most important, meaning that we have chosen to get involved in this project..<sup>54</sup>



[More about arranging the North Park playground in Ploiesti](#)

*Human capital and communities*



We support areas such as science, research and education

**In 2021, Aquila sponsored the "Științescu edition 03" Program, a project developed by the Prahova Community Foundation, a local organization that develops philanthropy, local initiative and community spirit, supporting local projects by providing funding.**

The total fund of the program is RON 100,000, of which 86% will be used in 2022 for the financial support of four educational HUBs and 14% for expenses regarding the implementation of the program (communication, travel, administrative expenses).

Activities within the Științescu Prahova Educational Program



**Providing support to dedicated teachers and students from disadvantaged areas of Prahova County**



**Arranging in the school unit a space dedicated to STEAM**



**Establishment of school educational HUBs**

**Current study materials, adapted to the needs of students, both in the field of STEAM and in the field of software skills**

**Additional preparation hours for exam subjects**

**Open Day - tour of the implemented educational HUBs**



Aquila is committed to giving back to the communities in which it works and using business experience to help people in need..

Over the next few years we aim at the following:



Medium-long-term collaboration with a non-governmental organization in the social area



Collaboration with local authorities in Ploști to revitalize other green spaces in the city and expand partnerships for the rehabilitation of urban green spaces to other localities where we operate



Establish a volunteer program for Aquila employees in partnership with non-governmental organizations for social and / or environmental actions

## Ethics and Corporate Governance

As a company listed on the Stock Exchange, we aim to ensure a high level of transparency to stakeholders through regular reporting and openness to dialogue.

We follow the Governance Code of the Bucharest Stock Exchange. According to the Declaration of Conformity to the BVB Governance Code, at the time of publication of the report, Aquila complied with most of the articles of the Code, and by introducing procedures would cover all subsections in question.

The company's Code of Conduct forms the foundation of a corporate culture that is based on integrity. Aquila is committed to promoting integrity, good corporate governance and the highest ethical standards.

The company's ethical values promote a culture in which transparency, fairness and fairness are the norm, establishing individual and common responsibilities related to the creation and maintenance of a common and universally recognized ethical and deontological environment.

### Management structure

Aquila is managed in a unitary system by a Board of Directors, which has delegated the management of the current activity of the Company to the General Manager.

The structure and principles of corporate governance of the Company, as well as the competencies and responsibilities of the GMS, of the Board of Directors and of the General Manager, respectively of the executive directors are described in the Articles of Association of the Company, GMS Rules and Procedures, Internal Rules of the Board of Directors, as well as other relevant documents

For more information, visit: <https://www.aquila.ro/guvernanta-corporativa>

The members of the Board of Directors are responsible for the development of strategic business plans, as well as for the monitoring and management of operational performance. They are also responsible for developing appropriate and effective risk management policies and relevant processes.

The process of selecting the members of these authorities is based exclusively on the qualifications and expertise of the members. The members of the Board of Directors are appointed for a term of 4 years, with the possibility of re-election for subsequent terms of 4 years, except for the first members of the Board of Directors, whose term of office is 2 years. The company has concluded professional liability insurance contracts for each member of the Board of Directors.

The Nomination and Remuneration Committee has the following attributions and responsibilities:

- Revises the company's remuneration policy;
- Establishes eligibility criteria for executive directors who have a mandate contract;
- Elects the potential candidates for the Board of Directors;
- Prepares succession planning for executive directors who have a mandate contract.

In order to properly perform its duties and responsibilities, the company acting through its Executive Director or Chief Financial Officer is required to provide members of the Nomination and Remuneration Committee with access to any relevant information or records relating to the Company.

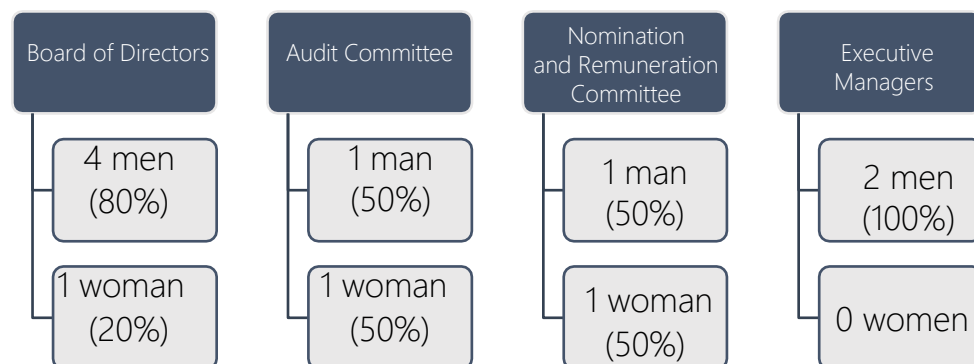


## Composition of The Management Structure And Policies

The Audit Committee regularly reviews the effectiveness of the financial reporting, internal control and risk management system adopted by Aquila and will ensure that the audit analyzes performed as well as the audit reports prepared complies with the audit plan approved by the Audit Committee. The Audit Committee also assists the Board in monitoring the credibility and integrity of the financial information provided by Aquila, in particular by reviewing the relevance and consistency of the accounting standards applied by it (including the consolidation criteria).

The Audit Committee makes recommendations to the Board of Directors regarding the selection, appointment, appointment and replacement of the external auditor, as well as the terms and conditions of his remuneration, monitoring the independence and objectivity of the external auditor. The Audit Committee shall ensure the existence of the Internal Audit function, its independence and efficiency, together with access to adequate resources for the unrestricted performance of this function.

Composition of the management committees at the date of publication of the report:



### Rules of conduct of the management

Our common goal is to fulfill our responsibility to the Company and to protect its reputation. Sustainability requires us to be aware of our responsibility for the economic, social and ecological impact of the actions taken. Such conduct also means that we all comply with and comply with the regulations in force within the company, anywhere and at any time.

The members of the Board of Directors, as well as all those who hold management positions in our company, managers or supervisors of other employees have a special responsibility in this context: they are role models and must prevent misconduct within the company, protect their employees and act with integrity both within the company and externally.

### Remuneration policy

The company wants to ensure a competitive level of remuneration to attract, retain and motivate people with professional training and experience to be part of the administrative and executive management. The Remuneration Policy was prepared by the Board of Directors and is approved by the Ordinary General Meeting of Shareholders of the Company. The Nomination and Remuneration Committee will monitor the implementation of the Remuneration Policy and make recommendations for its revision. The Board of Directors of the Company ensures the implementation of the Remuneration Policy, monitors its adequacy and formulates recommendations regarding its modification. Any amendment to this Remuneration Policy will be subject to the approval of the Ordinary General Meeting of Shareholders of the Company.

More details <https://www.aquila.ro/informatii-aga>

## Sustainability Approach

We understand the importance of sustainability in maintaining a sustainable business.

In order to have a correct approach and to pursue sustainability objectives, the Board of Directors has appointed a Group-level Sustainability Coordinator and a Deputy, under the auspices of the Human Resources and Organization Directorate and with the support of an external consultant.

### General Manager

- Makes strategic decisions and integrates in the company's strategy the sustainability objectives on the three pillars
- Establish KPI

### Human Resources and Organization Manager

- Makes operational decisions and ensures that sustainability objectives are implemented

### Sustainability Coordinator and Deputy

With the support of the external consultant

- Carries out the annual sustainability report
- Prepares regular reports on the progress of the implementation of sustainability objectives
- Constantly monitors the market, trends, legislative changes
- Advises management and staff on the development and implementation of the sustainability strategy
- Helps departments involved in organizing, monitoring and maintaining sustainability initiatives

## Ethics and Corporate Governance

### Transparency in the relationship with investors

As a public interest entity, listed on the stock exchange, we carefully monitor the rights of shareholders and ensure that relations with them are governed by best practices.

Transparency objectives in relation to shareholders presuppose:

- ✓ the correct disclosure of the rights of the shareholders, in full compliance and within the limits related to the minimum requirements provided in the applicable legislation and in the articles of incorporation
- ✓ continuous information on the activity carried out, with the correct management of the privileged information
- ✓ respect for the right to vote
- ✓ monitoring the equal rights of shareholders in accordance with the provisions of the articles of incorporation

### Conflict of interests

A conflict of interest or loyalty exists when the employee's personal interests harm or may harm the interests of Aquila. Conflicts of interest may be based on a personal financial interest, a family or personal relationship. It is especially important to avoid even the appearance of a conflict of interest. We respect privacy and personal interests, but it is essential that any business decisions we make as employees are based on the needs of Aquila and not on personal interests or relationships.

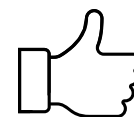
### Fraud

Aquila has zero tolerance for any type of fraud, which may include, but is not limited to: false records in financial records or non-compliance; the presentation of reports of "inflated" expenditure or which do not indicate the true purpose of an expenditure; forgery of payment instruments or other documents; taking over or misusing the company's property or money; exaggeration of sales figures in order to increase reported revenue; forgery in claiming compensation for an accident at work, etc.

### Bribery

Offering or accepting bribes or other inappropriate benefits for the purpose of financial gain, is strictly prohibited. This prohibition is applicable in all cases. Aquila employees will not offer any amount of money or other benefits to civil servants in order to determine them to violate in any way the legislation and regulations in force in order to obtain undue benefits in favor of the company. Any request or offer of bribe or inappropriate benefit must be rejected immediately and reported to the manager directly.

In 2021, at the level of the Aquila group



There were no incidents or lawsuits related to bribe or corruption

## Ethics and Corporate Governance

### Compliance with legislation and the Constitution

Aquila is determined to carry out its activity in compliance with all legal provisions in force contained in the Constitution, laws, ordinances and decisions of the Government, orders, regulations and other normative acts issued by central, local or European public bodies and authorities. In this sense, all Aquila employees will have an active role in the knowledge and compliant application of the legal norms in force in carrying out their service activities. Aquila employees have the obligation to, through their acts and deeds, to respect the Constitution, the laws of the country and to act for the implementation of the legal provisions, in accordance with their attributions, respecting the professional ethics.

### Political affiliations

Aquila has not supported, does not support or sponsor causes or political parties.

### Fair competition

Free and fair competition is protected by applicable competition and antitrust law. Compliance with this legislation ensures the integrity of competition in the market - which is for the benefit and interest of all market players. Agreements and concerted practices between competitors aimed at preventing or restricting free competition are prohibited in particular.

Aquila undertakes to:

- ✓ compete loyally and seriously
- ✓ not abuse the dominant position in the market, if it holds such position

- ✓ not enter into anti-competitive agreements with competitors, suppliers or customers
- ✓ not violate or appear to violate antitrust law and other competition laws in the countries in which it operates
- ✓ not tolerate any conduct that violates these requirements. Violations can have serious consequences for the company and can even lead to personal criminal liability for employees who are involved.
- ✓ provide in-depth training in this field for employees who, by the nature of their professional position, can benefit from this addition of important information

### Protection of personal data

We are responsible for and protect the collection, storage, processing and use of personal data of employees, former employees, customers, associates, our business partners, their authorized or conventional representatives or other data subjects, in full compliance with interests and rights related to these data, in accordance with the relevant legal provisions and the GDPR policy.

All data processing components must be protected in such a way that the confidentiality, integrity, availability, verifiability and reliability of such sensitive data are guaranteed and unauthorized internal or external access is prevented. The protection of personal data and the security of information are an essential aspect of carrying out day-to-day activities.

At this time, the company has begun the process of implementing the Information Security Management System (SMSI).

## Objectives for the next strategic period

Aquila's efforts for the next 5 years will focus on strengthening internal corporate governance policies through:



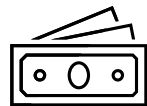
Development of a cyber-security and data privacy protocol



Elaboration of a Diversity Policy



Elaboration of a Declaration of Modern Slavery



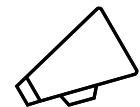
Remuneration Policy



Road safety code



Code of conduct for suppliers



Complaint Procedures



# Aquila 2021 sustainability report

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