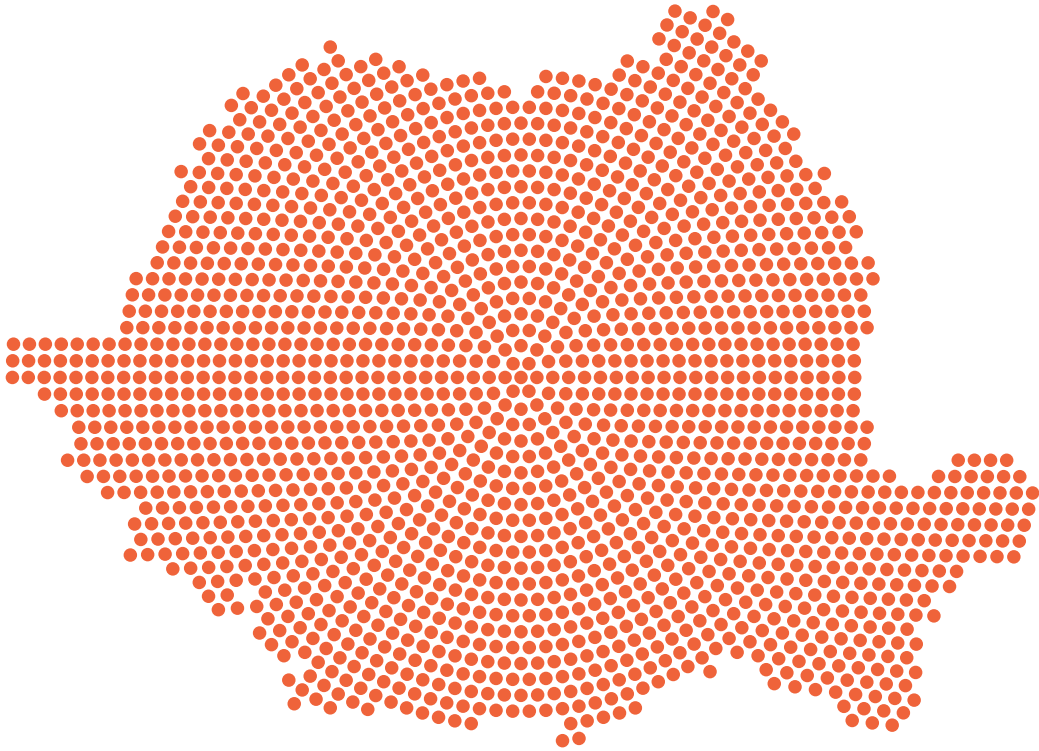




CORPORATE SOCIAL RESPONSIBILITY REPORT 2023



CANADA

GERMANY

WE
BUILD
LASTING PARTNERSHIPS

FOREWORD

I am honored to present our Corporate Social Responsibility Report for 2023. This year, we continued our journey to increase our social impact, to lower our environmental footprint, and to maintain high standard ethical practices. At AVI PROD GRUP, we believe that success is measured not only by our business achievements but also by the value we bring to our communities, the respect we show to the environment, and the integrity we uphold in all our operations.

Our mission is grounded in responsible growth. We work continuously to integrate sustainable practices into every layer of our organization, whether through eco-friendly projects, community engagement, or a culture that prioritizes well-being. This report reflects the collective efforts of our team, and it offers a transparent view of our achievements.

In 2023, we invested in infrastructure upgrades that lower emissions, expanded our partnerships with local organizations to support community well-being, and empowered our employees through development programs. These initiatives are rooted in our commitment to sustainable growth, and I am happy to share our progress throughout this report.

As we look to the future, we remain committed to have a positive impact on society and the environment. We believe that together with our employees, stakeholders and partners, we can create a legacy of responsible business that contributes to a better world.

Kind regards,
Florina Ioachim
CSR Officer

Administrative Deputy General Manager
AVI PROD GRUP

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INTRODUCTION



Building a Better Future Together

In 2023, AVI PROD GRUP remained committed to Corporate Social Responsibility (CSR) as a core aspect of its business strategy. Our approach to CSR reflects our belief that success is defined not only by financial gains but by the positive impact we have on our community and environment. This report presents our key CSR actions and accomplishments over the past year.



OUR COMMITMENT TO THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES



As a dedicated and responsible business, AVI PROD GRUP aligns its practices with the ten principles of the United Nations Global Compact, ensuring that we operate sustainably and ethically across all areas of our business.

Respecting Human Rights Across Our Operations

- **Principle 1:** We support and respect the protection of internationally proclaimed human rights, integrating these values throughout our operations.
- **Principle 2:** We make sure that AVI PROD GRUP is not complicit in any human rights abuses.

Upholding Fair Labour Standards

- **Principle 3:** We uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle 4:** We support the elimination of all forms of forced and compulsory labor.
- **Principle 5:** We stand for the abolition of child labor in all its forms.
- **Principle 6:** We promote the elimination of discrimination, aiming for a workplace rooted in equality and fairness.

Protecting Our Planet

- **Principle 7:** We adopt a precautionary approach to environmental challenges, prioritizing sustainability in our business decisions.
- **Principle 8:** We continuously undertake initiatives to promote greater environmental responsibility within and beyond our organization.
- **Principle 9:** We encourage the development and diffusion of environmentally friendly technologies, contributing to a greener future.

Zero Tolerance for Corruption

- **Principle 10:** We stand firmly against corruption in all its forms, including extortion and bribery, maintaining the highest standards of integrity and transparency.



CSR OVERSIGHT

- GUIDING OUR INITIATIVES



At AVI PROD GRUP, CSR is overseen by Administrative Deputy General Manager Florina Ioachim, who reports to CEO Mihai Ioachim. She closely collaborates with a Committee formed by the Executive Deputy General Manager Adriana Maria Barbu, the Head of the Execution Department Traian Sima, and the Head of the Legal Department Elena Alina Antone. Together, they develop strategies, policies, programs, and initiatives focused on addressing our main priorities within our operations and philanthropic endeavors.

Our Administrative Deputy General Manager provides regular updates on CSR matters to the Committee and reports to the full Board at least once a year. The CSR Committee meets once annually for updates and adjustments, with directives specified in the meeting minutes.



Florina Ioachim



Adriana Maria Barbu



Traian Sima



Elena Alina Antone

ABOUT US



AVI PROD GRUP is a leader in public works. Our philosophy is to continuously enhance both our performance and the effectiveness of our integrated management system, ensuring we meet—and exceed—the needs and expectations of our current and future clients, along with all the stakeholders.

Sustainability is central to our commitment, and we actively work to reduce our environmental footprint by promoting responsible resource usage and eco-friendly practices.

Our employees are our priority, and we nurture a workplace that supports professional growth and cooperation.

We also engage actively with local communities, contributing to social and economic development.

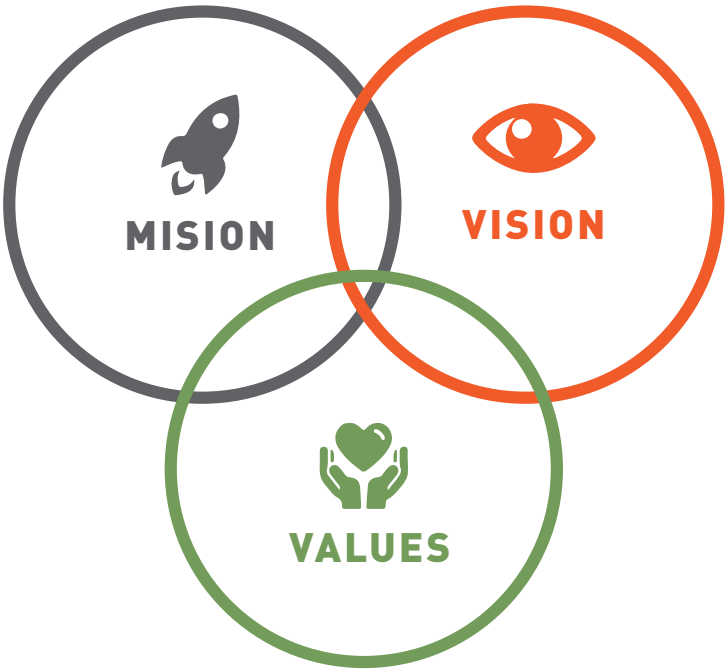
As a trusted partner, we drive positive change in the industry through our focus on sustainability, customer satisfaction, and stakeholder engagement.



OUR MISSION, VISION & CORE VALUES

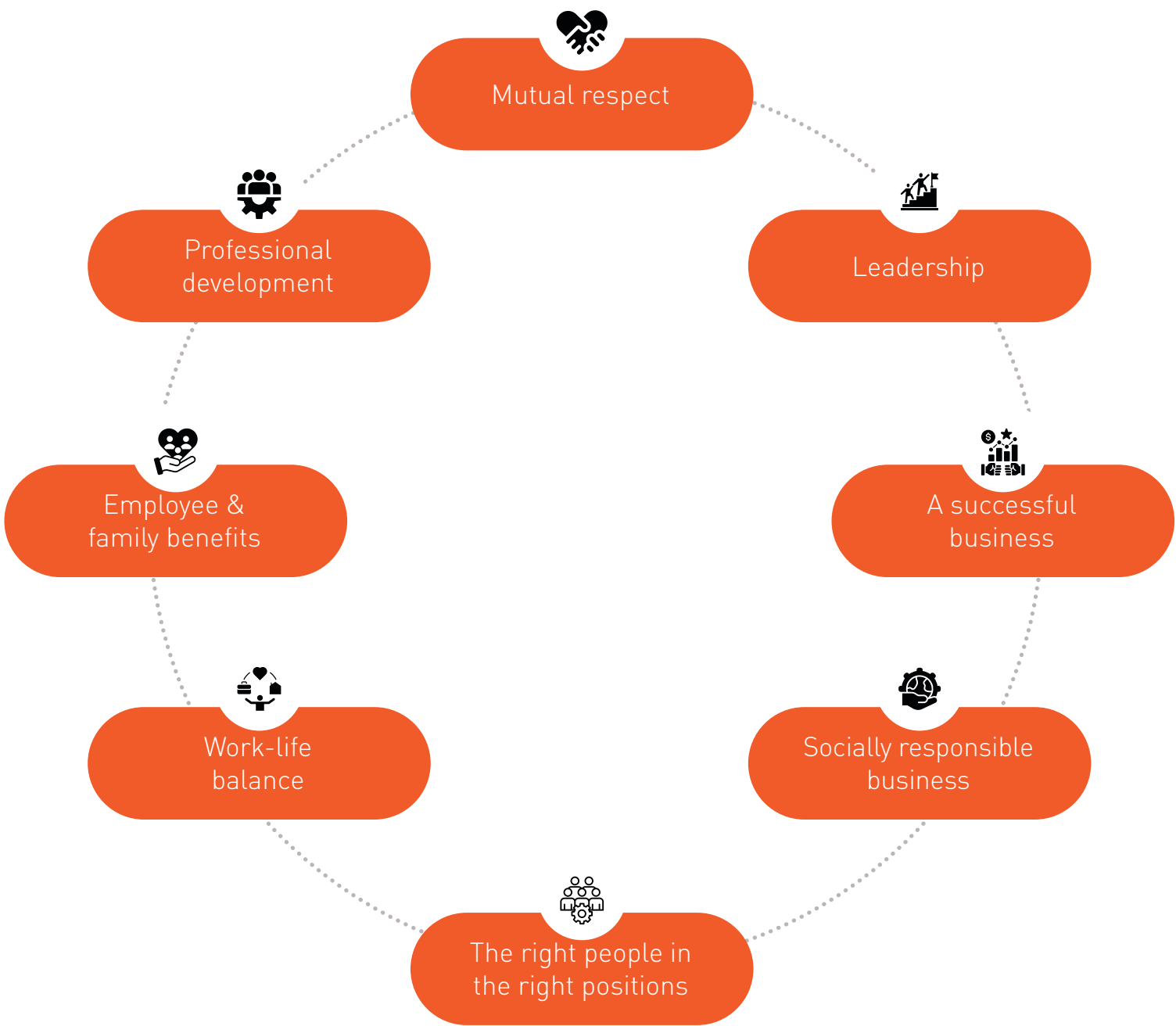
Our **mission** is to be a trusted partner for our clients, contributing to improved quality of life.

Our **vision** is to become the leader in infrastructure projects in Romania, and to develop successful international partnerships.



Our **values** include Honesty, Competence, Experience, Responsibility, Trust, Realism, Teamwork, Engagement, Quality and Continuous development.

Our principles regarding the organization's staff include:



Our principles regarding the organization's ethics consist of:

- Strict compliance with local and international laws;
- Impartial treatment of each provider and beneficiary;
- Non-interference with the bids of competitors;
- Employees have no right to offer or obtain advantages for business partners, their employees, or any third party;
- No employee has the right to request or acquire undue advantages;
- Avoiding situations where personal or financial interests of employees will conflict with those of the organization.



OUR PRINCIPLES OF ETHICAL BUSINESS CONDUCT



At AVI PROD GRUP, we are dedicated to conducting business with **integrity, transparency, and accountability**. Trust and ethical conduct form the backbone of our relationships and our reputation within the industry.

As a responsible organization, we operate in full compliance with ethical principles and legal standards. Our commitment includes:

- upholding the law;
- proactively avoiding and addressing conflicts of interest;
- maintaining confidentiality, and safeguarding the data of clients, suppliers, and other stakeholders;
- zero-tolerance policy towards corruption;
- strictly adhering to preventive measures and actively working to combat unethical practices.

Our principles of business ethics are outlined in our organization's **Code of Conduct**, which all employees are expected to uphold, both within and outside the workplace. A vital component of our ethical approach is clear communication with clients, which involves understanding their needs, providing comprehensive information, and ensuring the delivery of services that align with their expectations.

OUR COMMITMENT TO STAKEHOLDERS



Our organization recognizes the central role that stakeholders play in shaping our strategies. Building a climate of trust with all stakeholders is essential to gaining social acceptance and supporting the success of AVI PROD GRUP’s business initiatives.

Stakeholders and Our Commitments

| Stakeholders | What AVI PROD GRUP offers |
|--|---|
| Employees | Career satisfaction Skill development Professional certifications A safe and healthy workplace Required specialized equipment |
| General clients | Comprehensive information about projects Competitive offers Adherence to contractual terms Continuous improvement in client satisfaction |
| Traditional clients / External clients (EU and Non-EU) | Extensive experience in utility networks (water, gas, heating, optical fiber) Highly skilled and certified personnel Compliance with all regulatory and contractual requirements Commitment to client satisfaction |
| Public clients | Proven expertise in public utility projects Qualified teams for project execution Compliance with legal and regulatory standards to ensure satisfaction and trust |
| Suppliers | Establishment of long-term, mutually beneficial partnerships Prompt payments |
| Competitors / New market entrants | Focus on customer loyalty programs, showcasing AVI PROD GRUP’s leadership in active industry involvement Fair competition practices |
| Competent regulatory authorities | Full compliance with regulations on safety, environmental standards, and traffic management during projects |
| Community | Prompt tax payments Community sponsorships, scholarships, and donations |
| Local Residents | Minimizing disturbance during projects Transparent communications on project impact Ensuring safety through clear signage |
| Shareholders | Profitable project execution Business expansion and entry into new market segments to diversify client portfolios |

Fostering Trust with Stakeholders

AVI PROD GRUP fosters open and transparent communication with stakeholders through two primary approaches:

- 1. Mutual consultation:** We engage in two-way discussions with stakeholders, ensuring ongoing dialogue to improve transparency, adjust processes, and align with stakeholder expectations.
- 2. Information sharing:** We proactively provide stakeholders with updates on company initiatives relevant to their interests and needs.



SIX-STEP RISK & OPPORTUNITY MANAGEMENT PROCESS



AVI PROD GRUP’s Risk and Opportunity Management Model is a structured approach that enables us to identify, assess, and address both potential risks and growth opportunities. By following a proactive, six-step framework, we ensure that our actions align with our strategic objectives and foster sustainable development.



01. Identification

We systematically identify risks and opportunities across all operational levels, considering factors such as market conditions, regulatory changes, and environmental impact.



02. Assessment

Each identified risk and opportunity is assessed based on its likelihood and potential impact. This prioritization allows us to focus on issues that may have significant effects on our business performance and stakeholder trust.



04. Implementation

Response plans are executed, with cross-functional teams ensuring that all measures are effectively integrated into our operational workflows and comply with AVI PROD GRUP’s standards.



03. Planning & Response

For each prioritized risk and opportunity, we develop tailored response plans. These may include risk mitigation, control measures, or strategies to capture opportunities that support business growth and innovation.



05. Monitoring & Review

We continuously monitor the effectiveness of our risk and opportunity responses, conducting regular reviews to adapt to evolving circumstances. This step ensures that we stay resilient and responsive to changes in our operating environment.



06. Improvement & Feedback

Insights gained from the monitoring process are used to refine our risk and opportunity management practices. This feedback loop fosters ongoing improvement, helping us build a stronger foundation for sustainable business growth.

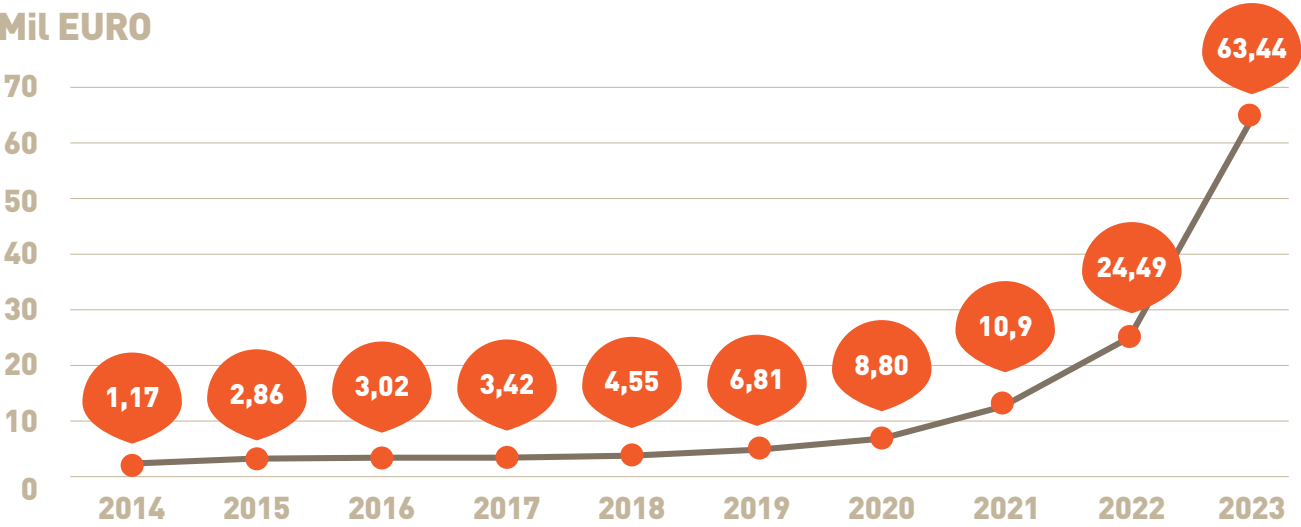
OUR ROLE AS A RESPONSIBLE FINANCIAL PARTNER



Key Milestones and Achievements (2014–2023)

With operations spanning nearly the entire country (36 out of 41 counties) and robust resources that allow us to manage multiple projects simultaneously, AVI PROD GRUP is well-equipped to support even the most ambitious and demanding clients in achieving successful business growth. Our extensive reach and proven capabilities enable us to deliver reliable, high-quality solutions tailored to our clients’ needs, reinforcing our role as a trusted partner in the industry.

REVENUE EVOLUTION

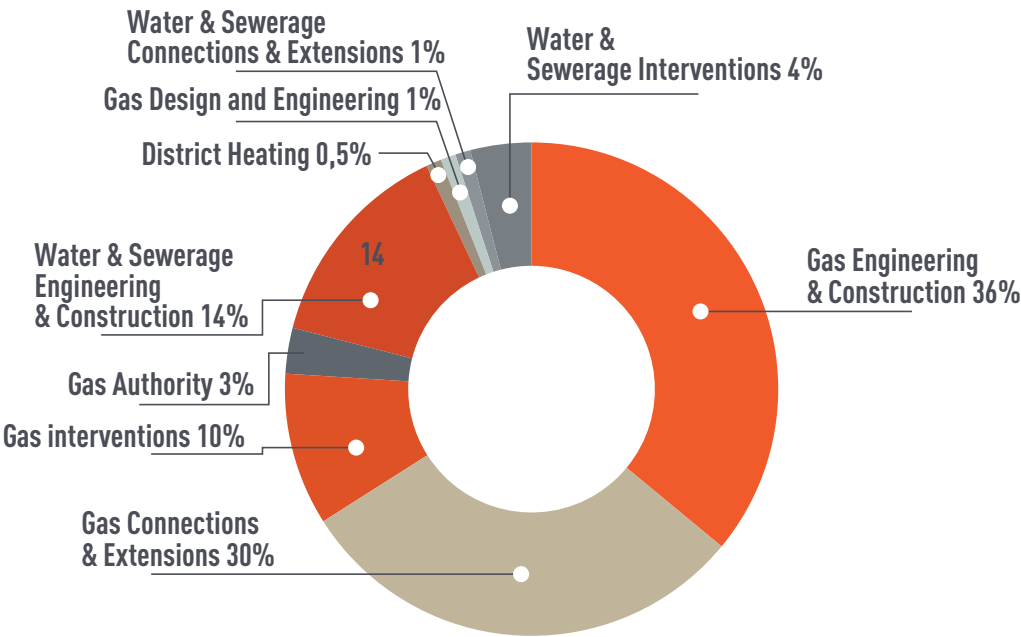


TYPES OF WORKS

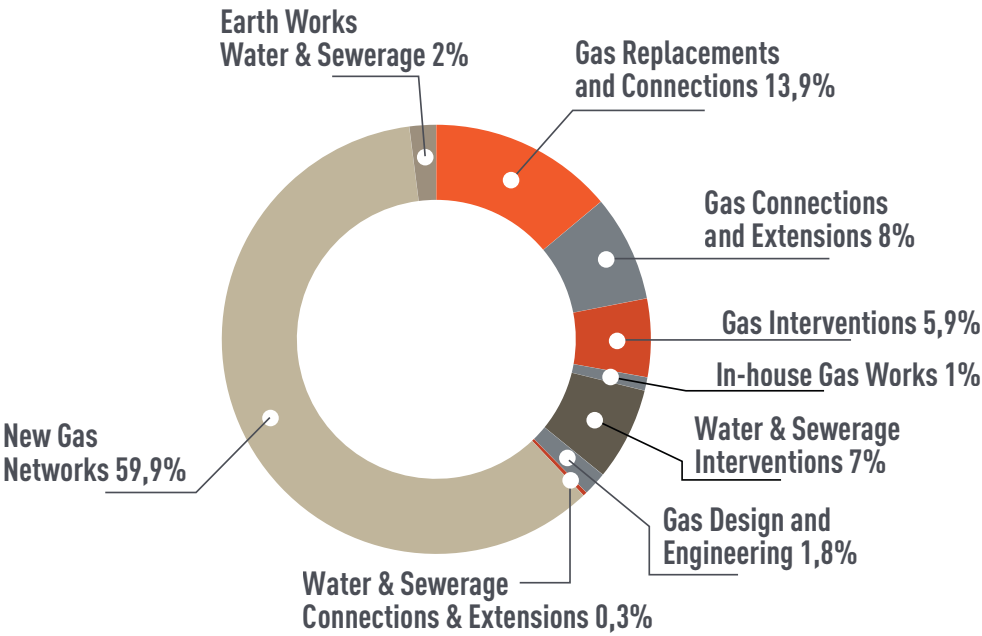
2022 vs 2023



2022



2023



EXPANDING OUR REACH - INTERNATIONAL PROJECTS



Germany

In 2023, AVI PROD GRUP further expanded its presence in Germany by securing significant contracts for infrastructure projects:

- Eisenharz – Electrical networks and optical fiber installation.
- Bad Wurzach – Electrical networks and optical fiber development.
- Unterstall – Network connections and optical fiber infrastructure.

We also signed an additional contract with DSL to further strengthen our position in the German market in the field of optical fiber. The local client and we are in the process of expanding the coordination and management team for the projects carried out by the company in Germany.





Canada

In 2023, we took a strategic step by opening the AVICAN GRUP branch in Montréal, Québec. This new branch complements our field of activity, focusing on bridge construction, pavement, and municipal works.

The expansion into Canada brings a new set of opportunities, positioning AVI PROD GRUP in the international infrastructure market.



CREATING A RESPONSIBLE AND INCLUSIVE WORKPLACE



At AVI PROD GRUP, our commitment to being a responsible employer stands at the heart of our operations. We prioritize the safety, well-being, and development of our workforce, working to create an inclusive environment filled with opportunities for growth. Beyond competitive salaries, we offer comprehensive training programs to equip employees with the skills and resources they need to excel and fulfill their potential. By nurturing a culture that supports both professional advancement and personal satisfaction, we ensure that our team is positioned for long-term success while demonstrating our dedication to their growth.



Key Highlights

We proudly support diversity in our workforce. In line with this commitment, we extended the collaboration with **3 citizens from Vietnam** and actively fostered an inclusive environment that welcomes varied backgrounds and perspectives.

Total annual workforce average: 208 employees, with women representing **26%¹**.



Average employee age: 43 years, underscoring the maturity and expertise within our team.



First aid certification: 32 employees completed this essential training to ensure workplace safety.



Gender diversity in management: Women occupy **67%** of leadership positions.



Training programs: In 2023, **232 employees** were trained in diverse areas, including essential certifications such as ANRE Authorized Installers, ISCIR Certified Welders, Communication Specialists, Crane Operators, Load Binders, First Aid, SAF-T Compliance, GDPR Compliance, and Social Media Specialists. Four specialized cybersecurity sessions were also conducted to enhance digital security skills.

¹ While this may seem like a lower proportion, it reflects the traditional makeup of the field, where roles in execution and technical operations have historically been male-dominated. Nonetheless, we are committed to creating opportunities for women across all roles and levels in our organization, actively promoting diversity and inclusion in our teams.

Employee Benefits

Medical subscriptions: Comprehensive healthcare coverage is available for employees and their families.



Seasonal gifts: Every year, we celebrate the holiday season by providing gifts for employees’ children on Easter, Christmas, and Saint Nicholas Day.

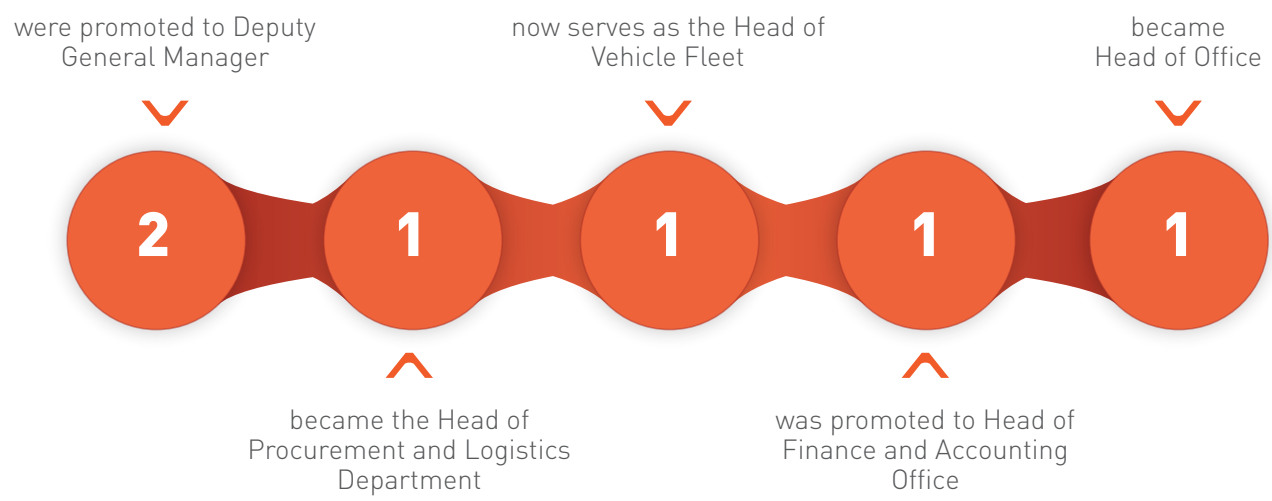


Sports sponsorship: AVI PROD GRUP actively supports sports, particularly our mini-football team, through a yearly contract allowing participation in competitions, promoting teamwork and personal development.



Career Advancement

In recognition of our employees’ contributions, **6 persons** received promotions:





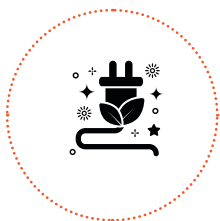
EMPOWERING COMMUNITIES, ENRICHING LIVES



AVI PROD GRUP is dedicated to supporting its community by investing in education, healthcare, and promoting an active lifestyle. Through **Prodavia Care Association** and **Prodavia Foundation**, we fund a variety of social initiatives, enhancing local well-being.

Significant sponsorships have included:

- **Asociația Micii Stejari** – Supported medical recovery for a child.
- **Asociația Sprijin pentru Suflet** – Provided equipment for sensory therapy benefiting 150 children with special needs.
- **Asociația Luca Zian Rugăciune și Minune** – Supported neuro-psychomotor recovery for a child.



GREENER CHOICES, LASTING IMPACT



We're committed to building a culture of sustainability within our team through simple, impactful practices:

- **Reducing Waste:** Employees are encouraged to use reusable cups and bottles. Water dispensers are conveniently located, and trash bins are placed in shared spaces rather than individual offices, promoting movement and waste reduction.
- **Energy-Efficient Cooling:** At our headquarters (8, Popa Lazar Street, Bucharest), we've replaced a high-energy chiller with a heat pump, achieving the same cooling levels with far less energy.
- **Optimized Heating:** Each year, we conduct thorough maintenance on our heating system, including cleaning out magnetite buildup for improved radiator efficiency. New thermostatic valves on each radiator enable temperature adjustments in less-used areas, reducing gas consumption.
- **LED Lighting:** By replacing traditional lighting with LED fixtures, we're cutting down on energy use significantly, achieving both sustainability and savings.



DRIVING SUSTAINABILITY: OUR INVESTMENT IN A CLEANER FUTURE



2023 Fleet Renewal for Reduced Environmental Impact

We recognize the urgency of reducing greenhouse gas emissions. By upgrading our machinery and embracing energy-saving practices, we aim to significantly lower CO₂ emissions from our operations.

Fleet Upgrades to Meet High Emission Standards

Our entire fleet, including large trucks and heavy equipment, now meets European Euro 5 and Euro 6 standards, which enforce the strictest emissions regulations. These engines release fewer nitrogen oxides—a major contributor to smog and acid rain—helping to protect air quality and public health.

Energy-Efficient, High-Performance Machinery

Our new machinery is equipped with modern, energy-efficient technology, reducing both fuel consumption and harmful emissions. This investment supports our goal to lower CO₂ output and aligns with our dedication to sustainable operations.



Responsible Maintenance and Recycling

To maintain efficiency, all equipment is serviced at authorized centers that recycle used oil in eco-friendly ways. Additionally, our Euro 6 trucks come equipped with integrated cranes and grabbers, which reduce the need for additional equipment and cut fuel use.

Hybrid Technology for a Greener Fleet

In 2023, we introduced a hybrid (gasoline + electric) vehicle to our fleet, combining lower emissions with high performance and fuel efficiency. This addition underscores our commitment to sustainability, helping us reduce our carbon footprint while meeting operational needs.

| Category | Subcategory | Purchase year 2022 | Purchase year 2023 |
|-----------|-------------------|--------------------|--------------------|
| Vehicles | Passenger Cars | 13 | 13 |
| | Utility Vehicles | 0 | 10 |
| | Trucks | 0 | 5 |
| Equipment | Compactor Roller | 1 | 1 |
| | Mini Excavators | 1 | 1 |
| | Backhoe Loaders | 0 | 1 |
| | Motor Compressors | 4 | 0 |

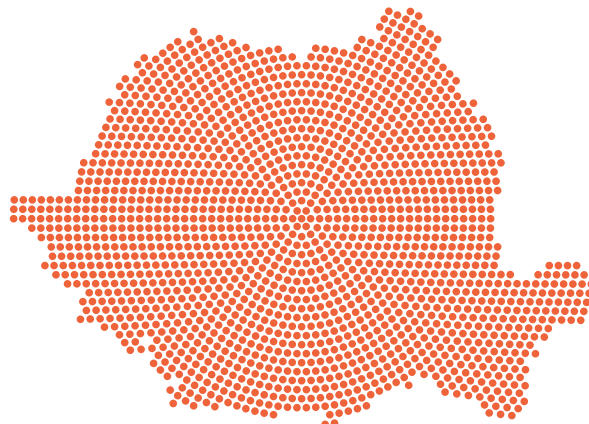
| Actions taken | 2022 | 2023 |
|--|------|------|
| Fuel Consumption Reduction | 40% | 40% |
| Fleet Renewal of Passenger Cars (minimum 10) | 70% | 100% |
| Renewal and Expansion of the Utility Vehicle Fleet (minimum 5) | 50% | 100% |
| Urgent Renewal of Small Mechanization Equipment | 70% | 70% |
| Acquisition of Equipment through the State Aid Project (not IMM) | 10% | 0% |
| Acquisitions of Vehicles and Equipment Compliant with the Highest EURO Standard (EURO 6) | 100% | 100% |

CONCLUSION

Reflecting on the accomplishments and initiatives presented in this report, we are proud of the progress AVI PROD GRUP has made in integrating Corporate Social Responsibility into the heart of its business operations. 2023 was a year of tangible achievements in our sustainability goals, community engagements, and our dedication to creating a supportive work environment for our team.

Our efforts to reduce environmental impact, highlighted by upgrades to our fleet and facilities, underscore our commitment to lowering carbon emissions and embracing eco-friendly practices. Through partnerships with local organizations, we have contributed to social initiatives that address essential needs, from health-care to education, for underserved communities. Our employees are the foundation of these efforts, and we remain committed to supporting their growth through professional development programs, diverse and inclusive workplaces, and robust health and wellness initiatives.

Looking ahead, we are committed to continue this journey, and we look forward to achieving even greater impact in the years to come.





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