



CORPORATE SOCIAL RESPONSIBILITY REPORT 2022



CANADA

GERMANY



**WE
BUILD
LASTING** PARTNERSHIPS

FOREWORD

I am pleased to present this Corporate Social Responsibility (CSR) report, which highlights our company's commitment to responsible and sustainable practices. As the CSR Coordinator, I have been privileged to witness our ongoing efforts and progress in this area.

In today's world, it is crucial for businesses to consider not only their financial performance but also their social and environmental impact. At AVI PROD GRUP, we firmly believe that success is not measured solely by profits, but also by our ability to create positive change and contribute to a better future.

This report provides an overview of our CSR initiatives and achievements over the last year. It showcases our investments in logistics, including the acquisition of new vehicles, machinery, and equipment that have enabled us to improve our operational efficiency while reducing our environmental footprint.

Additionally, we have taken great care in selecting our suppliers based on CSR criteria, prioritizing those who align with our values and demonstrate a commitment to responsible business practices. We firmly believe that by working together with socially responsible partners, we can collectively make a greater impact on society and the environment.

Our dedication to CSR extends beyond our own operations to encompass our wider responsibilities towards the communities we operate in. Through vari-

ous social initiatives and philanthropic endeavors, we strive to give back and create positive change in the areas we serve.

I would like to express my gratitude to all our employees, partners, and stakeholders who have made these achievements possible. It is their dedication, enthusiasm, and support that have driven us to embrace CSR as an integral part of our business strategy.

As we move forward, we remain committed to continuously improving our CSR performance. We will set even higher targets, explore new opportunities for innovation, and collaborate with stakeholders to create a more sustainable and inclusive future.

Sincerely,
Flori Ioachim
CSR Coordinator

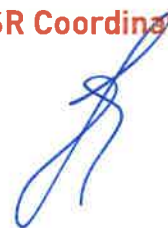


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INTRODUCTION

AVI PROD GRUP adheres to the ten principles of the United Nations Global Compact.



HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.



LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

By adhering to these principles, **AVI PROD GRUP** demonstrates its commitment to responsible and sustainable business practices.

About us



AVI PROD GRUP is a leader in network solutions, technology, and sustainable development. Our main objective is to continually improve our performance and the effectiveness of our integrated management system to meet the needs and expectations of our current and future customers, as well as all stakeholders.

We are dedicated to providing high-quality and innovative solutions that exceed customer expectations. Sustainability is a key focus for us, and we strive to minimize our environmental impact by promoting responsible resource use and adopting eco-friendly practices.

Our employees are important to us, and we provide a supportive work environment that encourages their professional growth and fosters collaboration.

We are committed to making a positive impact in the community and actively en-

gage with local stakeholders to contribute to their social and economic development.

At **AVI PROD GRUP**, we aim for excellence in all aspects of our operations. We are a trusted partner, driving positive change in the industry through our commitment to sustainability, customer satisfaction, and stakeholder engagement.

MISSION & VISION

The level of success of the organization is a reflection of its leadership. We proudly assume the status of an organization with a high level of social responsibility.

We have made and will continue to make a difference by making a positive contribution to the community.

Together with our partners, we set standards of excellence through per-

formance, professionalism, and the quality of our work, projects, and services, providing a living example for both the local and national community.



MISSION

We are trusted partners for our clients, thereby contributing to the improvement of quality of life.

VISION

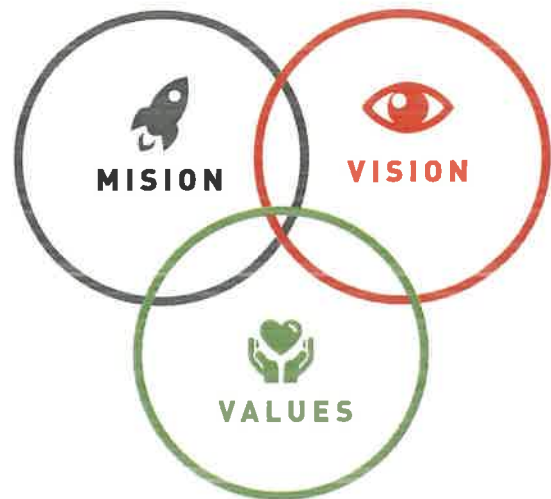
We are taking action to become the market leader in infrastructure works in Romania and developing successful international partnerships.

VALUES

The most valuable asset of the organization is its people, the entire staff, partners, suppliers, and the community, all of whom are in the service of our customers. Our overall values are: Honesty, Competence, Experience, Responsibility, Trust, Realism, Teamwork, Engagement, Quality, Continuous development.

Our principles regarding the organization's staff include:

- Mutual respect
- Personal development
- Leadership
- The right people in the right positions
- Employee and family benefits
- A successful business
- Work-life balance
- Socially responsible business



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.



BUSINESS ETHICS

We are committed to conducting business with integrity, transparency, and accountability. Trust and ethical behavior are foundational to our relationships and reputation in the industry.



As a responsible organization that operates in compliance with ethical principles and regulations, **AVI PROD GRUP** is fully committed to ensuring compliance with the law, avoiding and combating conflicts of interest, maintaining confidentiality and protecting the data of clients, suppliers, and other stakeholders, adopting a zero-tolerance approach, and strictly adhering to measures for the prevention and combat of corruption.

aspect of providing ethical services is communication with clients, which includes identifying their needs, providing all relevant information, and delivering the contracted work in line with their expectations.

The principles of business ethics are defined in the organization's **Code of Conduct**, which employees must adhere to, even outside of the workplace. One key



STAKEHOLDERS

We embrace a collaborative and inclusive approach with our stakeholders. By fostering trust and mutual respect, we commit to build long-term relationships based on shared value creation.



Our organization values the stakeholders' role in shaping strategies and recognizes that developing a climate of trust with stakeholder groups is essential for social acceptance of the company and the success of its business plans.

Stakeholders	What Our Organization Can Offer
Employees / Employee Representatives	<ul style="list-style-type: none"> Job and career satisfaction Increased knowledge level Professional training/authorizations required Safe and healthy work environment Necessary equipment for specialized activities
General clients	<ul style="list-style-type: none"> Providing complete knowledge about the work/project/service Achieving a profitable offer for the client and the organization Fulfilling contractual requirements Achieving and continuously improving customer satisfaction
Traditional Clients / External Clients from EU and Non-EU	<ul style="list-style-type: none"> Vast experience in the field of water and sewerage networks, gas, district heating, etc. Competent and authorized personnel for contracted work Fulfillment of contractual, legal and regulatory requirements Achieving and continuously improving customer satisfaction
Municipal Clients / Local Councils	<ul style="list-style-type: none"> Vast experience in the field of water and sewerage networks, gas Competent and authorized personnel for contracted work Fulfillment of contractual, legal and regulatory requirements Achieving and continuously improving customer satisfaction
Suppliers / Subcontractors	<ul style="list-style-type: none"> Establishing profitable long-term relationships; Timely payment of invoices
AVI PROD GRUP's Competitors / New Market Entrants	<ul style="list-style-type: none"> Implementation of a customer loyalty program Highlighting in communication that AVI PROD GRUP is the most active organization Actions against unfair competition (without complaints or involvement of the Competition Council)
Authorities	<ul style="list-style-type: none"> Compliance with legal requirements for execution, control, and authorization Respect for workers' rights related to occupational health and safety Compliance with legal environmental requirements Reporting of disposed waste amounts Restoring worksites to their initial state Traffic management
Community	<ul style="list-style-type: none"> Timely payment of central and local taxes and fees Sponsorship contracts/sponsorships/scholarships/donations
Local Residents	<ul style="list-style-type: none"> Minimal interference Minimal discomfort/announcements posted Day/night work signaling; compliant pedestrian crossings The work panel with all relevant information
Shareholders	<ul style="list-style-type: none"> Execution of profitable offers and contracts (not at a loss) Expanding activity into new market segments (increasing the client portfolio)

Actions of dialogue with stakeholders



AVI PROD GRUP has developed two types of dialogue actions with stakeholders:

- Mutual consultation actions

Having a bidirectional character, within these actions, the organization and stakeholders continuously interact to ensure a transparent exchange of information, aiming to improve and adjust the company's processes. AVI PROD GRUP appreciates their importance in developing and publishing the CSR Report.

- Informative actions

This type of actions is unidirectional: the organization provides information to all stakeholders based on their expectations.



RISK AND OPPORTUNITY MANAGEMENT MODEL



Dedicated to continuously improving its processes, **AVI PROD GRUP** constantly identifies and analyzes market risks and opportunities, prioritizing them to allow a focus on those that have the greatest impact. At the same time, the organization focuses on risks that have a higher probability of occurrence, as well as on opportunities that can realistically improve performance. Not all identified risks and opportunities require action, and the organization may choose to accept them with no action taken apart from identification and evaluation.

Ensuring the effectiveness of responses to risks and opportunities is achieved through management analysis. In cases where actions taken in response to risks and opportunities are not effective, corrective actions are undertaken to achieve effectiveness.



RESPONSIBLE FINANCIAL PARTNER

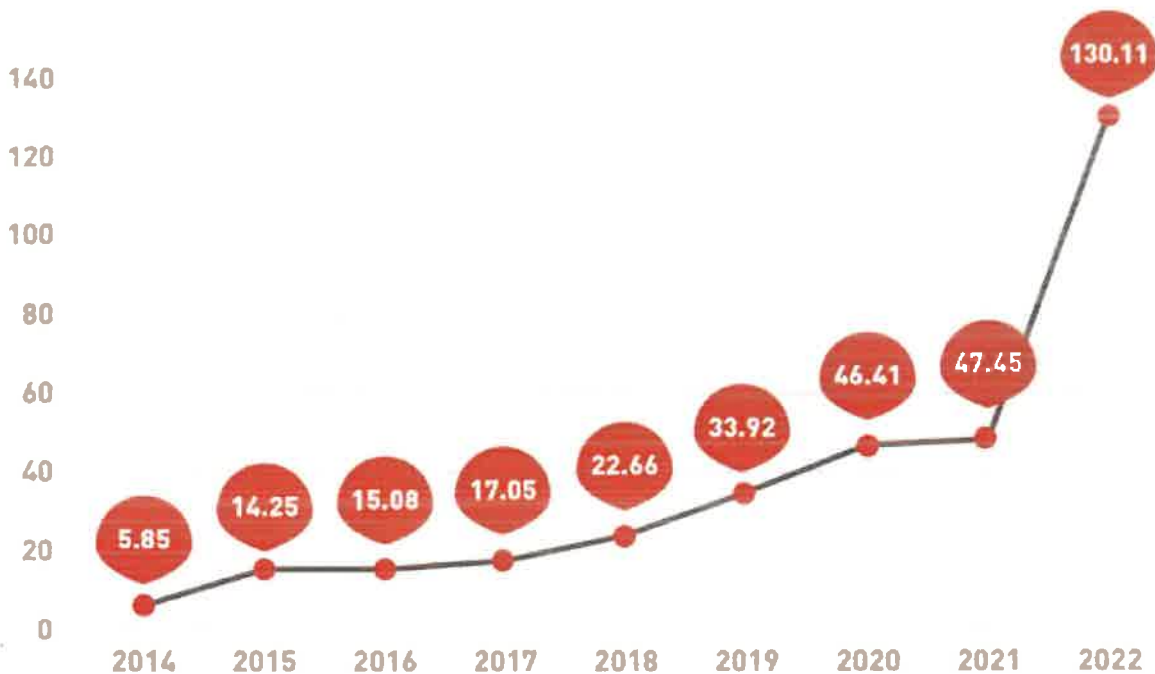


KEY MILESTONES AND GENERAL ACHIEVEMENTS FROM 2014 TO 2022

Covering almost the entire country (31 out of 41 counties) and with sufficient resources to manage multiple projects at the same time, we believe we are best positioned to help even the most ambitious and demanding clients successfully expand their business.



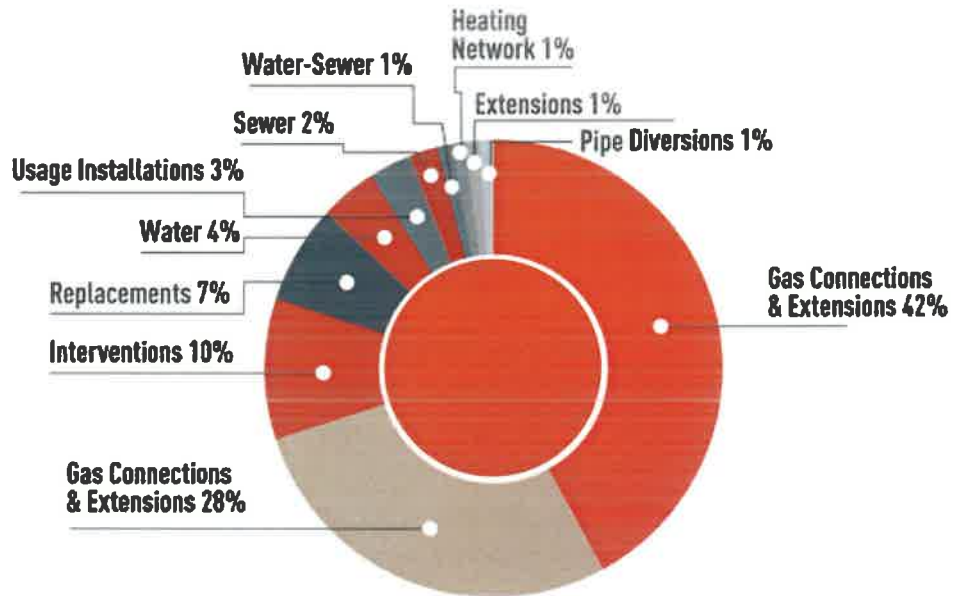
REVENUE EVOLUTION



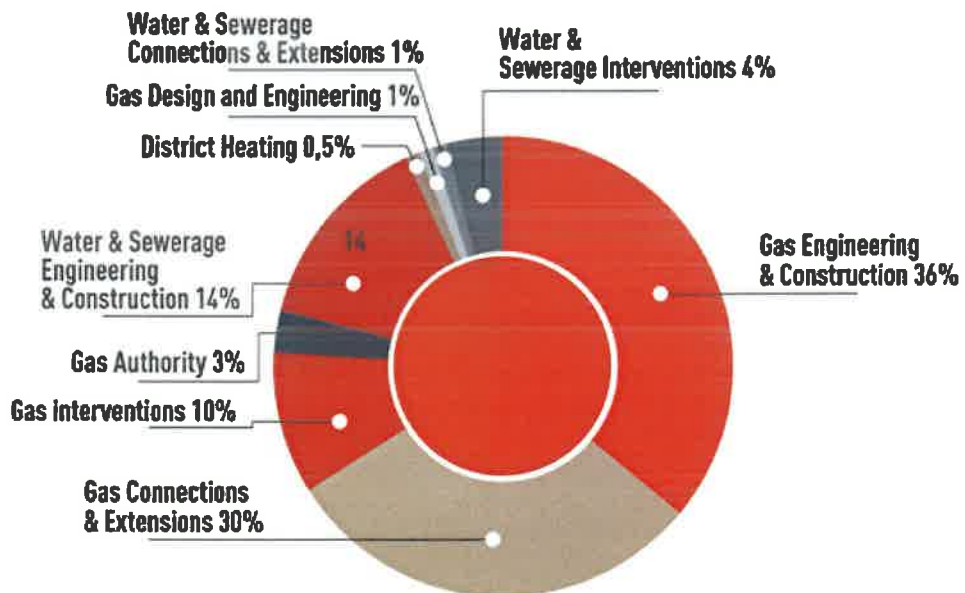


TYPES OF WORKS 2021 vs 2022

2021



2022



Projects in Germany 2022



Bergheim - Gas network installation, fiber optic network installation (internet), individual gas and fiber optic connections.

Günzburg - Gas network installation, fiber optic network installation (internet), individual gas and fiber optic connections

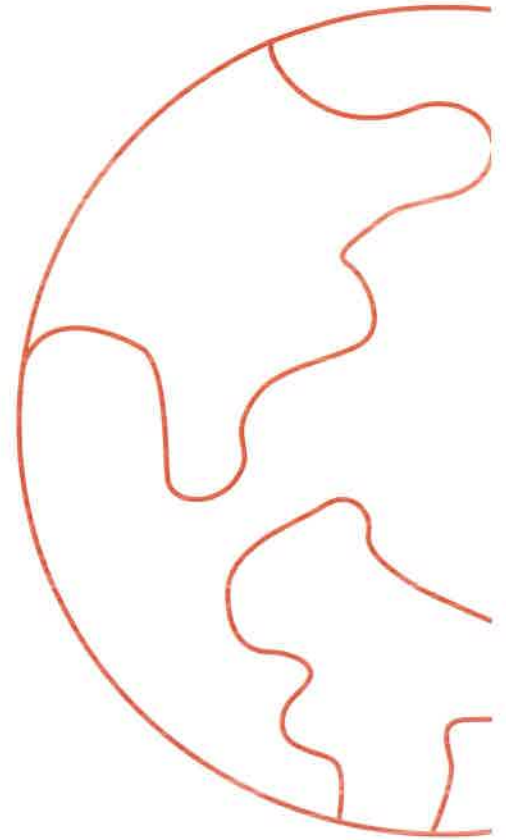


RESPONSIBLE EMPLOYER



As a responsible employer, our organization ensures the safety of its employees at the workplace, equal rights, training and professional development, fair compensation, and career development opportunities.

In 2022, several initiatives and HR programs have been implemented, each targeting a specific group of employees, a well-defined purpose, and already proven added value.



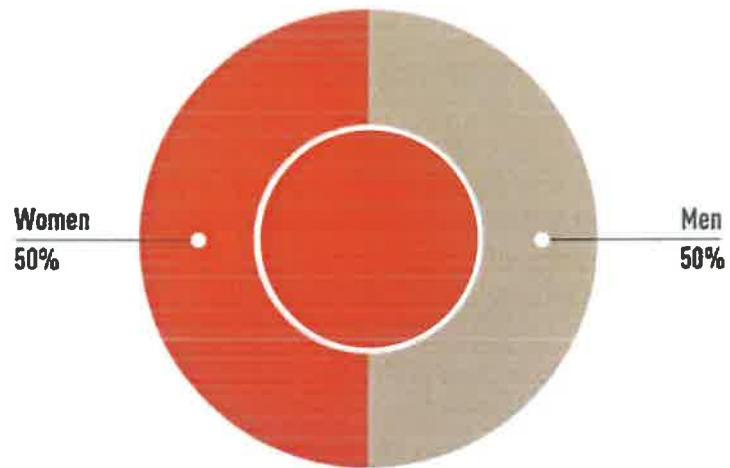
Some key highlights in this context:

- **139** - total number of employees, of which **32% are women**.
- The organization promotes diversity and equal opportunities; **50% of management positions are occupied by women**.
- The average age of employees is **45 years**.
- **434** trainings have been organized for the organization's employees

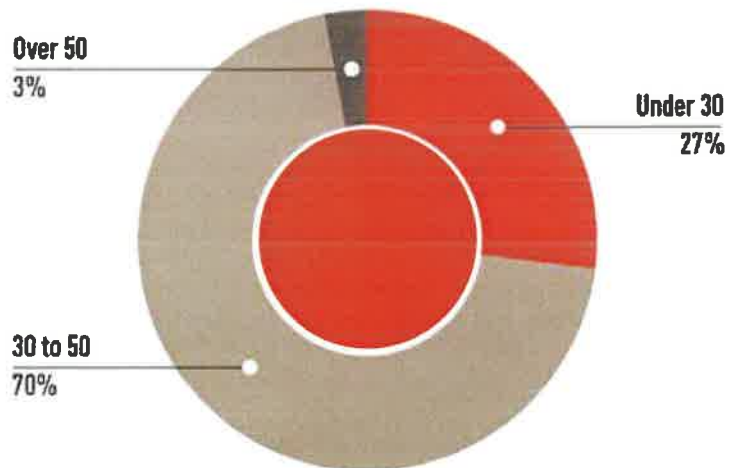




GENDER DISTRIBUTION IN MANAGERIAL POSITIONS



AGE DISTRIBUTION



Human capital by category	2022		
	Men	Women	Total
Total no of employees	94	45	139
Men distribution	-	-	68%
Women distribution	-	-	32%



THE ORGANIZATION'S PERSONNEL

The role of employees is crucial to the success and performance of the organization. For this reason, it is important to train and capitalize on the human resources, identify talented employees, stimulate their commitment and loyalty.

AVI PROD GRUP offers equal opportunities to employees and supports career orientation by identifying key positions and implementing a development strategy for key individuals. The career management process aims to identify the career needs and aspirations of employees based on their skills, in order to support the development of competencies in the medium and long term within the organization.

In employment relationships, the principle of equal rights for all employees is applied. The organization adheres to local legislation and internal rules for human resources management and ap-

plies a zero-tolerance policy towards discrimination based on gender, age, job position, political or religious preferences, etc. The organization ensures equal career opportunities for all employees, including through the employee training and performance evaluation program.

To provide high-quality services focused on the client and efficient functioning, the organization attaches great importance to the professional training of employees.





INVESTMENTS IN HUMAN RESOURCES TRAINING – 2022

Training Overview	Number of trainings/authorizations:
Professional Certified Welders	200
Authorised Installer Degrees	165
Large Tonnage Machine Operators	15
Water and Sewage Plumbers	13
Load Binders	26
Public Procurement	15
Health and Safety	ongoing
Total	434





The safety and health of the organization's employees are ensured in accordance with the current legislation and specific regulations. This includes following the Internal Instructions for Safety and Health at Work (IPSSM), the norms for providing Personal Protective Equipment, and other practices and policies.

All employees benefit from regular preventive health checks to maintain their well-being, as well as a free membership to a private clinic for both themselves and their families.

Annually, several events are organized to provide leisure and relaxation for the

employees. This includes team-building activities, Christmas parties for employees and their children, and more.

These measures are in place to prioritize the well-being and safety of the organization's employees and create a positive work environment.



RESPONSIBLE COMMUNITY PARTNER



AVI PROD GRUP is a responsible partner in the community in which it operates. The organization invests in education and volunteer programs, supports the healthcare sector, and promotes sports as a lifestyle.

Examples of sponsorship contracts:

1. Sponsorship contract supporting the activities of the Association of Graduates and Students of the Bucharest Business School and providing a scholarship for the MBA Rumanian-Canadian program.
2. Sponsorship contract supporting a medical recovery intervention.

Examples of services for employees:

3. Service contract, for the organization of the National Corporate Football Championship in Bucharest from September to November 2022.

4. Parking spot rental contract for employees, valid for 1 year with automatic renewal.

5. Carwash services for employees.

6. Medical services subscriptions for employees and their families.

These contracts and partnerships demonstrate **AVI PROD GRUP's** commitment to supporting various sectors of the community and ensuring the well-being of its employees.

RESPONSIBLE CONSUMER

Investments in environmental protection



REDUCING ENVIRONMENTAL IMPACT THROUGH THE RENEWAL OF MECHANIZATION FLEET – 2022

Actions	Progress
Reducing fuel consumption	40%
Use of national programs for investments in renewing the vehicle fleet (minimum 10 vehicles)	70%
Use of national programs for investments in renewing the utility vehicle fleet (minimum 5 vehicles)	50%
Use of national programs for investments in renewing the machinery equipment	70%
Acquisition of machinery through the State Aid project	10%
Top suppliers of materials selection based on social responsibility criteria	100%



INVESTMENTS IN LOGISTICS

Machinery and Equipment Acquisition	TOTAL 2022
Cars	13
Compacting roller (AMMANN ARR / 1585)	1
Mini excavator	1
Air compressors (KAESER M27)	4



CONCLUSION



Throughout 2022, AVI PROD GRUP has made significant progress in various areas of CSR. We permanently seek to implement actions to reduce fuel consumption, renew our vehicle fleet, and update our machinery and equipment. These initiatives have resulted in a notable reduction in fuel consumption and improved operational efficiency.

Furthermore, we have prioritized the evaluation and selection of suppliers based on CSR criteria. This approach ensures that our suppliers align with our values and contribute to responsible and sustainable practices in their operations.

In terms of logistics investments, we have strategically acquired new vehicles, equipment, and machinery to enhance our logistical capabilities. This investment has not only improved the efficiency of our operations but has also contributed to reducing our environmental impact.

We also continued to be committed to creating a positive and inclusive work environment that empowers our employees and enables them to thrive. Through various community initiatives, we have actively contributed to the well-being of the communities in which we operate: employees and their families, clients, suppliers, stakeholders and beneficiaries.

Overall, our commitment to CSR reflects our dedication to operating responsibly, both in terms of our internal practices and supply chain management. We will continue to monitor our progress, evaluate our performance, and make necessary adjustments to further integrate CSR into our business practices. We remain dedicated to continuously improving our CSR performance and embracing responsible and sustainable practices in our professional activities, employee relations, and community engagement.



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