

CORPORATE SOCIAL RESPONSIBILITY REPORT 2024

WE
BUILD
LASTING PARTNERSHIPS



FOREWORD

I am pleased to present AVI PROD GRUP's Corporate Social Responsibility Report for 2024. This year has been one of consolidation, resilience, and forward-looking initiatives. Despite a more challenging market environment, we remained committed to advancing sustainable practices, supporting our employees, and creating value for the communities we serve.

In 2024, we continued modernizing our fleet to reduce emissions, strengthening workplace inclusivity, and investing in training programs that equip our people for the future. We also expanded our international footprint in Germany and Canada, laying the groundwork for long-term growth beyond Romania's borders. These achievements reflect our determination to balance business performance with environmental responsibility and social engagement.

For AVI PROD GRUP true success lies not only in the projects we deliver but also in the integrity, care, and responsibility. This report reflects our ongoing journey toward sustainable growth and transparent governance, guided by the trust of our stakeholders.

Looking ahead, we remain dedicated to building responsibly, innovating for a cleaner future, and strengthening the partnerships that make our progress possible. Together, we can continue shaping a business that creates lasting value.

Kind regards,
Florina Ioachim
CSR Officer

Administrative Deputy General Manager
AVI PROD GRUP

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INTRODUCTION



We truly believe that true business success goes hand in hand with responsibility. This Corporate Social Responsibility (CSR) Report presents our continuous efforts to conduct business ethically, sustainably, and with a lasting positive impact on society.

We recognize that challenges in today's business environment call for resilience and innovation. That is why we continue to integrate sustainable practices into every layer of our operations.

Through this report, we aim not only to provide transparency on our results, but also to reaffirm our mission: to grow responsibly, to act with integrity, and to build strong partnerships that benefit both present and future generations.



COMMITMENT TO THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES



Our CSR report reflects our ongoing commitment to sustainable and responsible business practices, guided by the ten Principles of the United Nations Global Compact. We are dedicated to upholding these principles in the areas of human rights, labor, environment, and anti-corruption. We gladly share our progress, challenges, and initiatives over the past year, reinforcing our role as a responsible corporate citizen and our dedication to creating positive impact for our stakeholders and the broader society.



Principle 1 **Human Rights**

We support and respect the protection of internationally proclaimed human rights and are committed to integrating these values across all aspects of our operations. This includes fostering a culture of dignity, equality, and inclusion, while ensuring that our business activities do not contribute to human rights violations, directly or indirectly.



Principle 2 **No Complicity in Human Rights Abuses**

We are committed to ensuring that our company is not complicit in any human rights abuses. This includes conducting due diligence across our operations and supply chains, engaging with partners who share our values, and actively monitoring practices to prevent any direct or indirect involvement in violations of human rights.



Principle 3 **Freedom of Association and Collective Bargaining**

We uphold the freedom of association and recognize the right of employees to form and join trade unions and to bargain collectively. We are committed to maintaining open dialogue with employee representatives and ensuring that workers can express their concerns freely, without fear of retaliation or discrimination.



Principle 4 **Elimination of Forced and Compulsory Labour**

We are firmly opposed to all forms of forced or compulsory labor. We ensure that all employment is freely chosen and that our operations and supply chains are free from any practices that exploit individuals through coercion, threats, or abuse.



Principle 5 **Abolition of Child Labour**

We strictly prohibit child labor in any form. We comply with all legal minimum age requirements and support efforts to ensure that children are protected from economic exploitation and provided with access to education and safe development opportunities.



Principle 6 **Elimination of Discrimination in Respect of Employment and Occupation**

We are committed to equal opportunity and a workplace free from discrimination of any kind. Employment decisions are based on merit, qualifications, and performance, without regard to race, gender, age, religion, disability, sexual orientation, or any other protected characteristic.



Principle 7 **Precautionary Approach to Environmental Challenges**

We support a precautionary approach to environmental responsibility by proactively identifying and managing environmental risks within our operations. We strive to minimize our ecological footprint through sustainable resource use, pollution prevention, and responsible waste management.



Principle 8 **Environmental Responsibility**

We are committed to promoting greater environmental responsibility throughout our business. This includes integrating environmental considerations into decision-making processes, encouraging sustainable practices across our value chain, and engaging stakeholders to support a greener future.



Principle 9 **Environmentally Friendly Technologies**

We encourage the development and diffusion of environmentally friendly technologies. By investing in innovation and cleaner technologies, we aim to reduce emissions, enhance energy efficiency, and support the transition toward a low-carbon economy.



Principle 10 **Anti-Corruption**

We stand firmly against all forms of corruption, including bribery and extortion. We are committed to conducting our business with integrity, transparency, and accountability, guided by robust compliance systems and a zero-tolerance approach to unethical behavior.

CSR OVERSIGHT

GUIDING OUR INITIATIVES



Effective governance is central to the success and integrity of our CSR efforts. Our strategy is overseen by a cross-functional **CSR Steering Committee**, which includes representatives from senior management, compliance and operations.

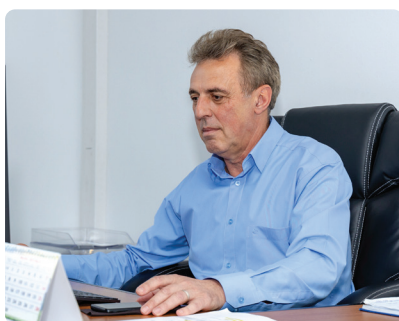
Our **Administrative Deputy General Manager** plays a key role in ensuring strategic oversight of CSR activities. She provides **regular updates on CSR matters to the CSR Steering Committee and reports to the full Board of Directors at least once a year**. This reporting structure ensures that CSR remains a priority at the highest levels of governance and that our initiatives are aligned with both operational goals and long-term sustainability objectives.



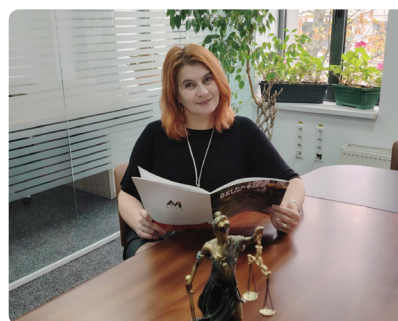
Florina Ioachim



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ABOUT US



As a recognized leader in the public works sector, we are committed to operational excellence and the continuous improvement of our integrated management system. Our approach is driven by a commitment to exceeding the expectations of our clients and stakeholders: today and into the future.

Sustainability is at the core of our business strategy. We actively work to minimize our environmental impact by promoting efficient resource use, reducing emissions, and embedding eco-conscious practices across all areas of operation.

Our people are fundamental to our success. We foster a supportive and inclusive work environment that encourages professional development, collaboration, and a shared sense of purpose.

We are also deeply engaged in the communities where we operate, contributing to local economic growth and social wellbeing through responsible practices and meaningful partnerships.

As a trusted industry partner, we lead by example, championing sustainability, delivering value to our clients, and building strong, lasting relationships with all the stakeholders.

MISSION, VISION & VALUES

OUR MISSION



Is to be a trusted partner for our clients, contributing to improved quality of life.

OUR VISION



Is to remain the leaders 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.

ETHICAL PRINCIPLES

We have integrated ethics in the way we do business. Every decision we make and every partnership we build is guided by principles that ensure integrity, fairness, and respect.

- **Compliance without compromise**
We strictly follow all local and international laws, honoring both the letter and the spirit of the regulations.
- **Fairness at every step**
We treat all providers and beneficiaries with impartiality, creating relationships based on trust and transparency.
- **Respect for competition**
We do not interfere with the bids or activities of our competitors, believing that fair competition drives progress.
- **Integrity in action**
Our employees are prohibited from offering or obtaining advantages, directly or indirectly, for business partners, their employees, or any third party.
- **Zero tolerance for undue influence**
No employee may request or accept benefits that compromise our standards of fairness.
- **Avoiding conflicts of interest**
We actively prevent situations where personal or financial interests could conflict with the best interests of the organization.

Through these principles, we ensure that AVI remains a responsible and trusted partner that puts ethics at the heart of sustainable growth.

Staff

Our people are at the heart of everything we do. We believe that when employees thrive, the entire organization prospers. That's why we nurture a workplace built on respect, growth, and responsibility.

- **Mutual respect**
We cultivate a culture where every voice matters, and colleagues treat each other with dignity and fairness.
- **Continuous professional development**
We invest in training and learning opportunities that help our people grow, both as professionals and as individuals.
- **Leadership at every level**
We encourage initiative, accountability, and the confidence to inspire others.
- **The right people in the right roles**
We ensure that talent and skills are matched with responsibilities where they can truly shine.
- **Support for employees and their families**
We care about the well-being of our people's loved ones, offering meaningful benefits and support systems.
- **Shared success**
A thriving business is the result of engaged teams who contribute to sustainable growth.
- **Work-life balance**
We recognize the importance of harmony between professional and personal life, and we actively support it.
- **Social responsibility at work**
We hold ourselves accountable to society, integrating ethical and sustainable practices into our daily operations.

Business Conduct

We believe that integrity, transparency, and accountability are essential for building trust, shaping long-term partnerships, and safeguarding our reputation in the industry.

As a responsible organization, we commit to the highest standards of ethical business conduct by:

- **Respecting the law** - We comply fully with both local and international legal requirements.
- **Preventing conflicts of interest** - We actively identify, avoid, and address situations that could compromise impartial decision-making.
- **Protecting confidentiality** - We safeguard the data and information entrusted to us by clients, suppliers, and stakeholders.
- **Zero tolerance for corruption** - We take a firm stand against all forms of bribery, fraud, or unethical behavior.
- **Preventing unethical practices** - We apply strict preventive measures and foster a culture that discourages and combats misconduct.

Our **Code of Ethics** guides these principles, ensuring that every employee upholds them not only at work but also as ambassadors of our values outside the workplace.

Equally important is the way we communicate. With clients, we emphasize openness and clarity: listening to their needs, providing complete and accurate information, and ensuring that the services we deliver reflect both our standards and their expectations.

HUMAN RIGHTS

Respect for human rights is a core principle that guides the way we operate and interact with our employees, partners, and communities. We are committed to upholding internationally recognized human rights standards and ensuring that our operations never contribute, directly or indirectly, to violations.

Our Commitment

- We support and respect the protection of internationally proclaimed human rights, as outlined in the **Universal Declaration of Human Rights** and the **United Nations Global Compact Principles**.
- We ensure that our business practices, projects, and partnerships align with ethical standards and comply with both local and international regulations.
- We are committed to preventing any form of complicity in human rights abuses across our operations and supply chain.



AVI Best Practices

- **Due diligence**

We integrate human rights considerations into our decision-making processes, including supplier selection, project development, and community engagement.

- **Non-discrimination**

We foster a workplace culture where all individuals are treated with dignity and equality, regardless of gender, age, ethnicity, religion, disability, or background.

- **Stakeholder engagement**

We maintain an open dialogue with employees, clients, suppliers, and communities to identify and address potential human rights risks.

- **Confidentiality and privacy**

We safeguard the personal data of our employees, clients, and stakeholders, treating privacy as a fundamental right.

- **Grievance mechanisms**

Employees and partners are encouraged to raise concerns without fear of retaliation, and all issues are handled promptly and fairly.

LABOUR STANDARDS

Responsible labour practices not only protect our employees but also strengthen our ability to deliver quality and sustainable outcomes. Guided by the International Labour Organization (ILO) standards, the UN Global Compact Principles, and the WorldCOB CSR Standard, we uphold the highest labour standards across our operations.

Our Principles

- **Freedom of association and collective bargaining**
We respect the right of employees to organize, join trade unions, and engage in collective bargaining.
- **No forced or compulsory labour**
All employment at AVI PROD GRUP is voluntary. We reject any form of coercion, exploitation, or abuse.
- **No child labour**
We strictly comply with all legal minimum age requirements and ensure that children are never employed in our operations or supply chain.
- **Non-discrimination and equal opportunity**
Employment decisions are based on merit, qualifications, and performance, without discrimination of any kind.
- **Fair wages and benefits**
We provide competitive salaries, medical subscriptions, and family benefits, ensuring that our employees and their families are supported.
- **Safe and healthy workplace**
We maintain strict occupational health and safety standards, providing protective equipment, continuous training, and monitoring of workplace conditions.
- **Work-life balance**
We actively promote balance between professional responsibilities and personal well-being.

STAKEHOLDERS AND OUR COMMITMENTS



Our stakeholders are more than partners in business. They are an integral part of our journey. We are committed to cultivating open dialogue and long-term relationships built on respect, transparency, and accountability. By fostering this climate of trust, we not only earn social acceptance but also create the foundation for sustainable growth and shared success.

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 Through Dialogue

We focus on two key practices.



Mutual consultation



We prioritize open, two-way communication with stakeholders, encouraging feedback and dialogue that allow us to adjust processes, increase transparency, and better align with their expectations.

Proactive information sharing



We keep our stakeholders informed about initiatives, projects, and decisions that impact them, ensuring they have the knowledge needed to engage with us confidently.



SIX-STEP RISK AND 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.

RESPONSIBLE FINANCIAL PARTNER

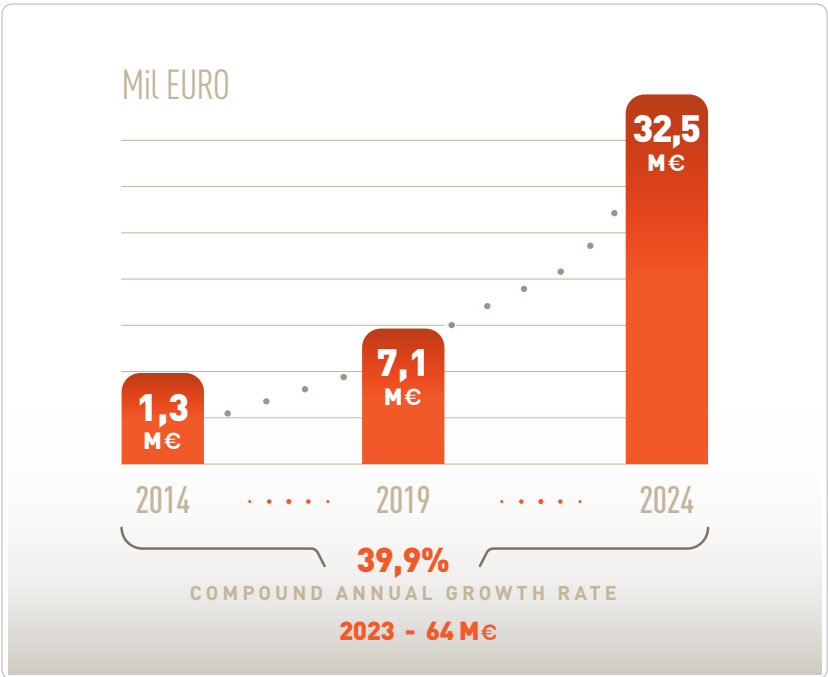


Key Milestones and Achievements (2014–2024)

Over the past decade, AVI PROD GRUP has grown into one of Romania’s most reliable partners in infrastructure and utility projects. With national and international operations, we have built a presence that allows us to manage complex, large-scale projects while maintaining the same level of quality and reliability across all regions.

Our robust resources, technical expertise, and ability to run multiple projects simultaneously make us a partner of choice for ambitious and demanding clients. By delivering solutions that are not only efficient but also tailored to the specific needs of each client, we reinforce our reputation as a trusted and responsible financial partner.

With a compound annual growth rate of 39,9% between 2014 and 2024, AVI PROD GRUP has built a strong foundation for future resilience and expansion, **while surpassing the 64M EUR turnover in 2023.**



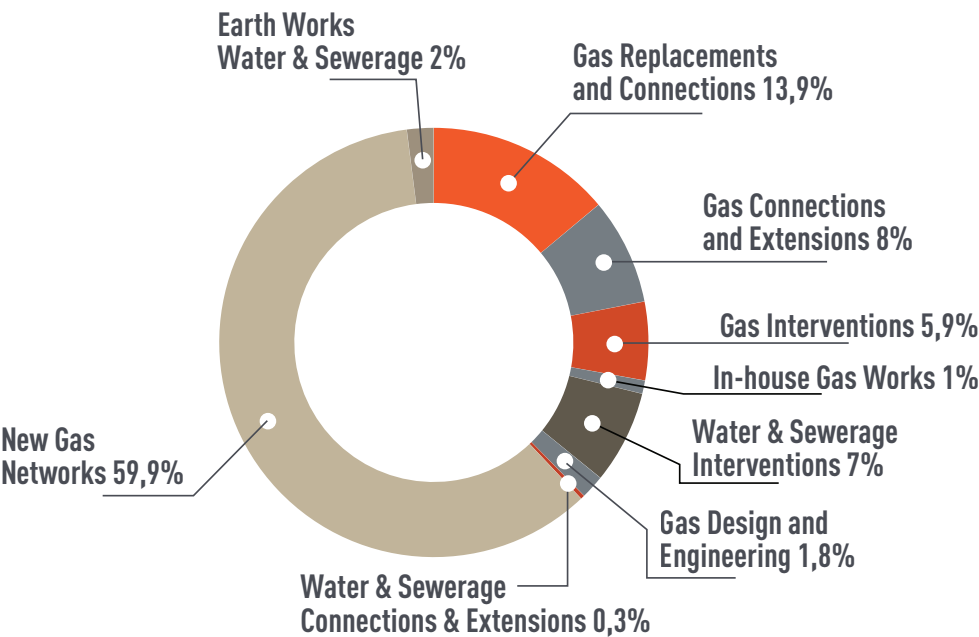
AVI ROMANIAN PROJECTS

Types of projects

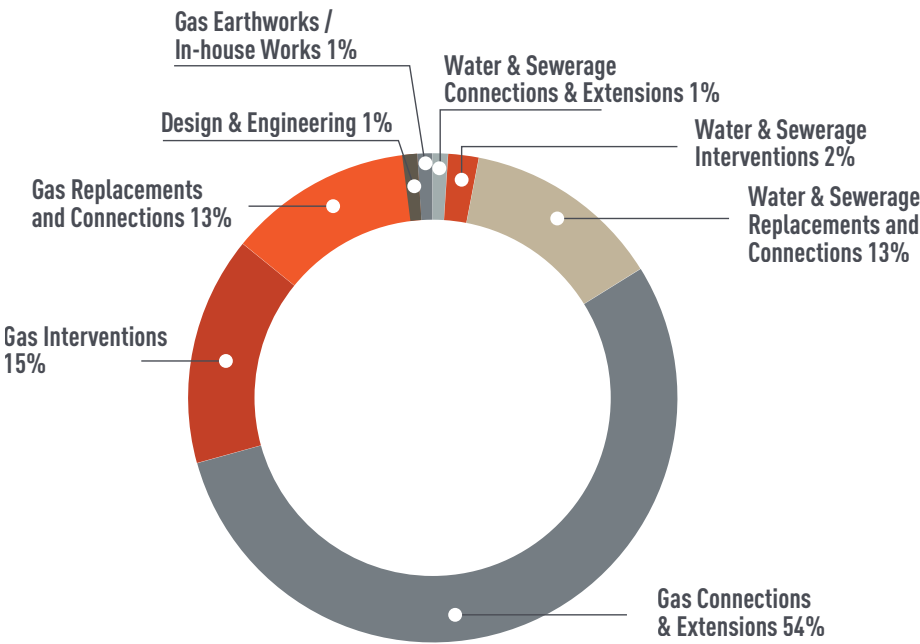


2023 vs 2024

2023



2024



AVI INTERNATIONAL PROJECTS



Germany

In 2024, AVI PROD GRUP further expanded its presence in Germany by securing significant contracts for infrastructure projects:

- **1,464 connections** – Neuburg an der Donau
- **186 connections** – Pottmes
- **30 km of network** – Neuburg an der Donau
- **5 km of network** – Pottmes

2024 total connections:

1,650 connections and **35 km of network**





Canada

In 2023, we took a strategic step by opening **AVICAN GROUP** in Montréal, Québec—marking AVI’s first international branch. Specializing in bridge construction, pavement, and municipal works, this subsidiary broadens our expertise and strengthens our international footprint.

In 2024, **AVICAN GROUP** focused on laying the foundation for long-term growth in the Canadian market. We initiated the due diligence process for the acquisition of Lambert & Grenier company.



RESPONSIBLE AND INCLUSIVE WORKPLACE



We are committed to being a responsible employer by ensuring safety, well-being, and equal opportunity for every member of our team.

We work to create a workplace where inclusion is not just encouraged, but actively practiced, where diverse perspectives are valued, and everyone has the chance to grow. Beyond offering competitive salaries, we invest in continuous training and professional development, giving our employees the tools and resources to advance their careers and reach their full potential.

By nurturing a culture that balances professional achievement with personal satisfaction, we build more than a workforce—we build a community of dedicated, skilled, and motivated people ready for long-term success.

In 2024, we launched a heartfelt campaign to celebrate and express our gratitude to the employees who have dedicated between 5 and 10 years of their professional journey to our company.

This initiative stands as a token of appreciation for their loyalty, passion, and the invaluable contributions they've made over the years. Their commitment continues to shape our culture and drive our success forward.



Key Highlights

Age distribution



Total annual workforce average

268 employees, with women representing **18%**¹.



Gender diversity in management

Women occupy **67%** of leadership positions.



Average employee age

40 - 45 years, underscoring the maturity and expertise within our team.



18% women
& **82%** men

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.

Training Programs



In 2024, AVI PROD GRUP continued to invest in the professional growth of its employees, providing access to training programs that enhance expertise, strengthen organizational capabilities, and support international mobility.

- Authorized Gas Installation Course – 9 employees completed certification as authorized installers in the field of natural gas.
- **AVI PROD Business School** (in collaboration with ASE) – A series of workshops and reporting activities designed to strengthen the organization's capabilities – 25 employees completed this program. It was an MBA Programme for middle and top management employees.
- Project Management Programs – 6 employees participated in specialized training in construction project management.
- First Aid Training – 10 employees attended courses on applying first aid measures. Every structure of AVI PROD GRUP is well trained to help in case of emergency.
- Foreign Language Training – Our Project Manager in Germany received language training.

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

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.



EMPOWERING COMMUNITIES, ENRICHING LIVES

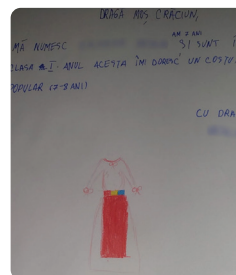


In 2024, AVI PROD GRUP supported **31 sponsorship initiatives**, ranging from sports clubs and educational programs to the Police Association, music, and local churches.

The highlight of the year was our contribution to the **2024 Olympic Games**, where we proudly sponsored Team Romania, marking a milestone of impact and national pride for our organization.

AVI PROD NETZBAU, our German branch was a proud sponsor of the **EHF FINAL4 2024**. This partnership reflects our ongoing dedication to promoting excellence, performance, and passion in sports. We take great pride in contributing to major international events that inspire both athletes and fans alike.

Through the church, we collected 20 letters to Santa Claus from children in disadvantaged backgrounds and turned their wishes into reality. We sent out 20 Christmas packages containing clothing, toys, school supplies, food, and more.



DRIVING SUSTAINABILITY: INVESTING IN A CLEANER FUTURE



Greener Choices, Lasting Impact

In 2024, AVI PROD GRUP took further steps to reduce its environmental footprint and promote responsible resource management across its offices. Key initiatives included:

Improved energy efficiency

We upgraded exterior joinery to minimize heat loss and enhance insulation.

Smart heating management

An automated system was introduced to maintain optimal indoor temperatures during working hours and switch to standby mode outside operating hours.

Responsible recycling

Paper, cardboard, and Waste Electrical and Electronic Equipment (WEEE) were delivered to authorized recycling operators.

Safe disposal of consumables

Used cartridges from multifunction devices, printers, and copiers were collected and disposed of through certified operators.

Through these initiatives, AVI PROD GRUP reaffirms its commitment to sustainable practices that create lasting value for both the business and the environment.



Fleet Modernization An Eco-Friendly Initiative

Throughout 2024, the Logistics Department initiated a vehicle fleet renewal process aimed at reducing pollutant emissions and increasing operational efficiency. As part of this initiative:

- **27 new vehicles and utility vans** equipped with Euro 6 engines were purchased, in full compliance with the latest European emission standards.
- **9 new low-consumption machines** were also added to the fleet.
- At the same time, we began the gradual sale or scrapping of older vehicles and equipment, particularly those with Euro 5 engines, which no longer meet current environmental performance standards.

In parallel, we explored new opportunities for clean energy, including the potential installation of solar panels at our headquarters during 2024–2025, an initiative that would complement our existing logistics base and pave the way for a future transition to electric vehicles. While the adoption of such vehicles remains dependent on the development of Romania's charging infrastructure, AVI PROD GRUP continues to monitor progress closely, committed to embracing sustainable solutions as soon as conditions allow.



Carbon Footprint Report

In 2024, we conducted a comprehensive carbon footprint assessment in line with the **GHG Protocol, ISO 14064, and ESRS** standards, reaffirming our commitment to environmental responsibility. The analysis revealed total emissions of **6,458.64 tCO₂e**, with the majority (over 80%) originating from **Scope 3 activities**, primarily purchased goods and services. Using the **CarbonTool** platform, AVI ensured accuracy and transparency in data collection. Moving forward, we aim to enhance energy efficiency, expand renewable energy use, and adopt low-carbon technologies to further reduce our environmental impact.



CONCLUSION

As this report reflects, 2024 was a year of both progress and resilience for AVI PROD GRUP. We strengthened our presence nationally and internationally, invested in our people, advanced sustainability initiatives, and deepened our engagement with communities and stakeholders. While operating in a challenging economic environment, our commitment to ethical conduct, responsible growth, and long-term value creation has remained steady.

Looking ahead, we recognize that the road to sustainable business is a continuous journey and challenge. We will continue to integrate environmental responsibility, innovation, and inclusivity into our strategy, while pursuing operational excellence and building strong, transparent relationships with all stakeholders.

At AVI PROD GRUP, we remain guided by the belief that success is most meaningful when it is shared and contributes to the well-being of our people, the prosperity of our partners, and the sustainability of the communities and environments in which we operate.





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