

# SUSTAINABILITY REPORT



HARNESSING NATURE'S ELEMENTS  
TO POWER A BETTER FUTURE

2023-2024

# CONTENTS

Letter from Management	3	Society	52
Key Figures	5	Own Employees	53
		Occupational Safety	65
		Local Communities	73
About Elementum Energy	6	Business Conduct	80
Business Model	8	Business Ethics and Compliance	81
Corporate Governance	11	Taxes	88
Ukrainian Electricity Market	19	Cybersecurity	92
Sustainability	29	Appendices	95
Sustainability Strategy	30	GRI Content Index	102
Key Stakeholders	32		
Materiality Assessment	33		
Environment	36		
Climate Change	37		
Biodiversity	43		
Waste	48		





## RICHARD DEITZ

Chairman of the  
Board of Directors,  
Elementum Energy Ltd

During 2023-2024, we witnessed a continuing era of global geopolitical uncertainty accompanied by military conflicts and economic turbulence that directly affected the business environment. The full-scale invasion by the aggressor continues, moving to a new phase, where mass attacks on the energy infrastructure and devastation in the energy sector accompany the operations of Ukrainian energy sector players and define the business environment in Ukraine.

At Elementum Energy, our mission is to spearhead Ukraine's green transformation and – despite the current adverse conditions – we remain committed to our mission in order to support Ukraine and its energy sector, and to protect the environment, create sustainable partnerships with our communities and focus on employee wellbeing.

## CHAIRPERSON'S STATEMENT

We continue developing our existing assets and investing in new assets whilst shaping forward-looking strategies for our market presence and stakeholder engagement, implementing innovative technologies, remaining committed to sustainable development goals and building long-term value. The seamless collaboration of our skilled team, trust and integrity are the pillars underpinning this ambition. This is why honesty and transparency towards our team, counterparties and partners are our credo, our guiding principle and something we strongly stand by without fail.

Last but not least, I would like to thank our partners, customers, suppliers, and employees for their support and collaboration that help improve the country's energy security, adopt new technology, follow the path of decarbonisation and create value on both micro and macro levels, and to look into the future whilst standing on strong foundations.





## OLGA RYBACHUK

Managing Director  
Elementum Energy

We are thrilled to present our second Sustainability Report, a critical element of the Company's Strategy.

During 2023-2024, Elementum Energy significantly reinvented its operations whilst continuing to work towards growing the country's green energy sector.

In line with our sustainability strategy, during the war, we expanded our portfolio of operational assets, having commissioned Phase 2 of the 60 MW installed capacity Dnistrovska WPP, increased our wind capability portfolio by 200 MW, and invested in the development of innovative technology – energy storage systems – that enabled us to improve the performance of our existing generation portfolio.

During this period, the Company set up a strong commercial function with our own trading infrastructure that enabled us to test all the operational models available in the electricity market in order to select the right model for our business. As a result, Elementum Energy gained market risk management expertise without any government support whatsoever. Operating on market terms requires us to launch new renewable energy generation products, which the Company is in the process of developing and already using whilst working with our final consumers.

## MANAGING DIRECTOR'S STATEMENT

The growing asset base posed new maintenance-related challenges for Elementum Energy, which resulted in the launch of an in-house maintenance service to maintain and keep the generation facilities in the best working condition.

The significant expansion of the new project portfolio has driven the Company to explore the potential of raising external finance from international financial institutions, which contributes to a greater integration with the European environment and enables the Company to communicate these values and vision in Ukraine.

In realising its growth potential during 2023-2024, Elementum Energy relied mainly on its human capital. To this end, the headcount has increased by over 42% since 2022, whilst the Company commits to gender equality and to avoiding age-related discrimination, and creates workplace conditions that provide opportunities for growth, upskilling and a comfortable work environment. It is important for us to be the employer of choice for our people.

Finally, I would like to thank my team, the shareholder, partners, customers and suppliers for their commitment in working towards our shared mission, for having an opportunity to achieve our goals and for their trust in us as a business. Let us keep in mind that we all work towards our shared goal to strengthen the country's energy security.



# KEY FIGURES

## 2023-2024

Elementum Energy topped the Forbes Ukraine Top 20 Players in renewable energy.



### Operational Figures

Operational portfolio	Projects in pipe-line	Electricity produced
<p><b>636 MW</b></p> <p>536 MW 28 photovoltaic power plants</p> <p>100 MW Dnistrovska WPP</p>	<p><b>&gt;400 MW</b></p> <p>New WPP capacities</p> <p>Pilot energy storage systems</p>	<p><b>827,323.4 MWh</b> 2023</p> <p><b>935,047.7 MWh</b> 2024</p>



### Financial Figures (EUR millions)

EBITDA	Profit before tax	Operational cash flow
2023 <b>91.5</b>	2023 <b>4.5</b>	2023 <b>63.0</b>
2024 <b>91.6</b>	2024 <sup>1</sup> <b>26.5</b>	2024 <b>102.7</b>



### Environment and People

Climate	Employees	Occupational Health&Safety
<p>Avoided CO<sub>2</sub> emissions</p> <p>2023 <b>547,988 t<sub>CO<sub>2</sub></sub></b></p> <p>2024 <b>784,121 t<sub>CO<sub>2</sub></sub></b></p>	<p>Number of employees</p> <p>2023 <b>54</b></p> <p>2024 <b>71</b></p>	<p>Share of women in the workforce</p> <p>2023 <b>41%</b></p> <p>2024 <b>39,4%</b></p>

<sup>1</sup> In 2024, the Company's profit before tax increased to €26,501 thousand, primarily driven by operating profit and limited foreign exchange losses on financial transactions, which are mostly denominated in Euros.

# ABOUT ELEMENTUM ENERGY

- Business Model
- Corporate Governance
- Ukrainian Electricity Market



## GRI 2-1

Since its founding in 2019, Elementum Energy has established itself as a leading producer of renewable electricity in Ukraine. The Company is a subsidiary of VR Capital Group, which strategically focuses on Eastern and Central Europe and is headquartered in London.

Today, Elementum Energy brings together a team of 71 professionals, 39% of whom are women, and operates across the United Kingdom and Ukraine.

Thanks to its strong commitment to sustainability and a diversified portfolio of solar and wind power plants, Elementum Energy has become the largest foreign investor in Ukraine's renewable energy sector.

Elementum Energy's current portfolio includes 636 MW of low-carbon generation capacity, with more than €450 million invested in its development. The Company's solar and wind power plants generate approximately 950,000 MWh of low-carbon electricity annually. According to preliminary estimates for 2024, the Company managed to avoid around 780 thousand tonnes of CO<sub>2</sub> emissions.

The largest project implemented by the Company — the Dnistrovska Wind Power Plant — is one of the biggest wind power stations in Ukraine, with a combined capacity of 100 MW across its two phases. Together with its ongoing commitment to innovation in new solar and wind energy projects, Elementum Energy remains dedicated to its mission of generating low-carbon energy from renewable sources for a sustainable future.

Since its inception, Elementum Energy has come a long way — from launching its first renewable energy projects to entering the electricity market as a full-fledged player. Ahead lie ambitious goals and challenges, but we move forward with confidence, overcoming any obstacles along the way.

2024

- Sold 100% stake in Kartli Generation LLC (Georgia)
- Acquired 100% stake in Elementum Energy Trade LLC to develop the electricity trading business
- Established the Commercial Department
- Purchased 98% stake in Vitropark Zakhidnyi-R LLC for the construction of a 200 MW wind power plant
- Developed a business case for energy storage systems
- Released the first Sustainability Report

2023

- Commissioned the second phase of the Dnistrovska Wind Power Plant, bringing its total capacity to 100 MW
- Started work on an energy storage system project
- Signed the Ukraine Business Compact initiative aimed at strengthening support for peace in Ukraine

2022

- Resumed construction of the second phase of the Dnistrovska Wind Power Plant, adding 60 MW of capacity
- Introduced sustainability policies
- Established the ESG Committee

2021

- Launched the first phase of the Dnistrovska Wind Power Plant, delivering 40 MW of capacity
- Started construction of the second phase of the wind farm
- Joined the UN Global Compact and approved the ESG strategy
- Integrated environmental and social indicators into supplier assessments
- Acquired the Lymansky and Dunaysky wind projects at the development stage, with a total capacity of over 200 MW

2020

- Started construction of the Company's first wind project in Ukraine
- Opened its office in Kyiv
- Published the first international financial report with an audit opinion

2019

- Founded Elementum Energy Limited
- Commissioned 28 photovoltaic power plants in Ukraine, with a total capacity of 536 MW

# BUSINESS MODEL

## Elementum Energy's Value Chain

Elementum Energy delivers a full cycle of renewable energy project development – from preparing technical documentation and conducting environmental impact assessments to commissioning facilities and selling electricity.

### Upstream Value Chain:

- Natural resources: sun and wind
- Manufacturing of equipment for PV and WPP
- Logistics and delivery of equipment by suppliers to construction sites, warehouses, and other locations
- Contractor services for construction and maintenance of generation facilities
- Financial capital

### Elementum Energy Own Operations:

#### 1 Project Planning:

- Land rights registration
- Coordination of grid connection terms with Ukrrenergo and Distribution System Operators
- Tendering for equipment supply (solar panels, wind turbines, etc.)
- Obtaining permits from Ukrrenergo and Distribution System Operators (technical conditions for connection)
- Development of the project's technical design
- Conducting environmental impact assessments

#### 2 Financing and Contracting:

- Structuring the investment framework
- Signing contracts for engineering, procurement, and construction works
- Organizing technical maintenance
- Raising equity and debt financing

#### 3 Construction:

- Completion of engineering works
- Monitoring supply and resource availability
- Equipment installation
- Commissioning of the facility

#### 4 Operational Activity:

- Ensuring availability of technical personnel
- Collaborating with state and private electricity buyers
- Harnessing the power of sun and wind
- Supporting the development of local communities

### Downstream Value Chain:

- Ensuring stable connection to Ukrrenergo or Distribution System Operator substations
- Safely delivering electricity to households, businesses, and offices

### Result:

Creating stable profits through the production of clean electricity, reducing CO<sub>2</sub> emissions, and ensuring long-term energy independence for customers and communities.

## Project Portfolio

64 MW

Khmelnytskyi Region



30 MW

Poltava Region



175 MW

Kyivohrad Region



60 MW

Vinnytsia Region



100 MW

Odesa Region



172 MW

Mykolaiv Region



35 MW

Kherson Region

In addition, Elementum Energy is preparing to build three mini wind farms with a total capacity of 57.6 MW in Odesa Region as part of the Danube Project. This project includes three wind power plants — Kiliya, Artsyz and Artsyz-2, each with an installed capacity of 19.2 MW.

The expected annual electricity output will be around 67 GWh per station, helping to avoid more than 48,000 tons of CO<sub>2</sub> emissions each year.

Thanks to its proximity to consumers, the Danube Project will strengthen the region's energy independence — a critical factor under martial law. This approach reduces the risks of outages and electricity shortages while supporting the fight against climate change through lower CO<sub>2</sub> emissions.

As of the end of 2024, Elementum Energy manages 30 renewable generation projects located across various regions of Ukraine with optimal solar insolation and wind potential. Solar power plants have been commissioned in Mykolaiv, Kirovohrad, Khmelnytskyi, Kherson, Poltava and Vinnytsia Regions.

In 2024, Elementum Energy successfully completed the construction of the second phase of the Dnistrovska Wind Power Plant, adding 60 MW in Odesa Region. The first phase, with a capacity of 40 MW, began selling electricity back in May 2021.

The rollout of the second phase, which resumed after temporary delays caused by external challenges, was made possible thanks to the dedicated efforts of the Company's team. Earlier, in Q2–Q3 of 2023, all 11 wind turbines underwent additional warranty testing and reached their nominal combined capacity of 100 MW.

# Strategic Development of the Company

During the reporting period, Elementum Energy took a strategic step — expanding its operations by launching an electricity trading unit, complementing the Company's traditional expertise in building and commissioning solar and wind power plants. This move enables Elementum Energy to cover the full cycle of renewable energy production and sales, strengthening its market position.

In 2024, the Company acquired a 100% stake in Elementum Energy Trade LLC.

Between 2023 and 2024, a renewed business development team was formed, consisting of two functional departments:

**1** **Physical Business Development Unit** focuses on the development and construction of new infrastructure projects: WPPs and energy storage systems.

**2** **Commercial Business Development Unit** is responsible for project economic evaluation, business idea analysis, and research into promising areas such as:

- Microgrids and local energy systems
- Innovative models for energy storage systems (ESS)
- Integration of cutting-edge technologies into existing infrastructure

Based on these changes, Elementum Energy has defined the following strategic priorities:

**1** **Business diversification:** Develop electricity trading as a new revenue stream to complement generation and development.

**2** **Expanding the wind farm portfolio:** Actively increase the geography and capacity of new wind energy projects.

**3** **Maintaining project portfolio competitiveness:** Continuously assess the performance of existing assets and adapt them to market changes.

**4** **Launching a pilot energy storage project:** Test new renewable energy storage models with the goal of scaling successful solutions.

**5** **Innovative development:** Focus on high-potential projects — BESS, microgrids, and digital energy management solutions.

**6** **Analytical decision support:** Strengthen the role of economic analysis and risk assessment at early design stages.

**7** **Research on microgrid integration:** Explore opportunities to adapt microgrids to Ukrainian conditions, considering technical, economic, and regulatory aspects.

**8** **Sustainability:** Uphold environmental and social responsibility and transparency principles in preparing non-financial reporting.

During 2023–2024, the Elementum Energy team worked on market justification for energy storage technology. In 2025, the Company moved to practical implementation at the Dnistrovska Wind Power Plant, where it is preparing to install an energy storage system with a capacity of 10 MW / 20 MWh. The system will play a key role in energy arbitrage, imbalance management, improving production flexibility and ensuring efficiency under new market conditions.

Elementum Energy continues to expand its innovation portfolio to balance demand and generation, reduce technical challenges, and create economically sustainable solutions for the future Ukrainian market.

# CORPORATE GOVERNANCE

GRI 2-9; 2-11; 2-12; 2-14; 2-15

Elementum Energy's corporate governance system is built on the information openness, transparency and accountability principles.

The governance model is focused on long-term value and sustainable development, which allows the Group to maintain constructive interaction with investors, partners, regulators and employees. This primarily contributes to attaining strategic goals, increasing investment attractiveness and strengthening trust in the Company in the market.

Practice has shown that Elementum Energy corporate structure is not only effective but also resilient — even under the conditions of full-scale war. A clear segregation of responsibilities, coordinated work of governance bodies and prompt approval of decisions facilitates the Group continuing to maintain manageability and adaptability and to fulfil its commitments to all stakeholders.

Elementum Energy keeps the corporate governance system in constant development to accommodate business changes and societal needs. This facilitates the effective development of new and existing business areas of the Group in accordance with the long-term development strategy and the achievement of the goals outlined in the Group's ESG strategy.

The highest governance bodies are the Board of Directors and the Executive Management Committee. The Company does not have a Supervisory Board. Its role is effectively performed by the Board of Directors.

Structure of governance bodies



## Board of Directors

The Board of Directors consists of three members who currently hold management positions at VR Capital. The key selection criteria applied to the Board of Directors include expert knowledge, skills and experience of a candidate.

VR Capital oversees and controls the risk of conflicts of interest. It specifically performs information screening in respect of other companies where the candidate holds a senior position, is a shareholder or has significant material influence.

In the context of sustainability, the main tasks of the Board of Directors are:

### 1 Strategy development

- Define long-term sustainability strategy of the Company
- Approve the Sustainability Policies
- Mobilize investments in renewable energy

### 2 Risk management

- Assess and monitor environmental, social and business risks
- Ensure regulatory compliance and meet stakeholder expectations

### 3 Personnel management and performance evaluation

- Oversee performance of the Executive Management Committee and make decisions on appointments, remuneration and team development

### 4 Investment decision-making

- Approve the renewable energy investment programme
- Facilitate a transition to the decarbonised economy

The composition of the Board of Directors as at 31 December 2024 is presented below.



**Richard Deitz**

Chairman  
of the Board  
of Directors

Nationality:	USA
Year of appointment to the BoD:	2019
Educational background:	<b>Yale University</b> – a Bachelor's Degree in History and Economics (with honours)

Richard is the founder and President of VR Capital Group and the Chairman of the Board of Directors at Elementum Energy.

Prior to founding VR Capital, Richard held various investment roles, including at companies involved in asset management and securities investments. Mr. Deitz was a co-founder and partner at the Renaissance Capital Investment Bank, where he served as the Head of the Fixed Income Trading Department. Before that, Richard worked as Managing Director at Credit Suisse. He obtained higher education in Economics, which provided him with fundamental knowledge and skills for a successful career in the financial sector.

Thanks to his experience and expertise, Richard Deitz has earned a reputation of one of the leading professionals in investments in emerging markets. His strategic approach and ability to see opportunities where others see risks allowed VR Capital to gain a significant client base and to achieve strong investment management results. Mr. Deitz is currently a member of the Advisory Board at the Jackson School of Global Affairs at Yale University.



## Martin Mojžiš

Member  
of the Board  
of Directors

Nationality:	The Slovak Republic
Year of appointment to the BoD:	2022
Educational background:	Comenius University, Slovakia – a Bachelor’s Degree in Law and a Master’s Degree in Law The University of London – LL.B. Degree (with honours) The London School of Economics and Political Science – M.Sc. in Law and Accounting

Martin Mojžiš is a member of the Board of Directors at Elementum Energy and the Head of Investment Law at VR Capital Group. His main responsibilities include managing legal and regulatory issues related to the Company’s investing activities and providing legal support for strategic decision-making.

Prior to joining VR Capital Group, Mr. Mojzis gained significant experience in corporate law and international finance. In particular, he worked at White & Case Law Firm, where he held the position of senior lawyer in the capital markets group in London. His work encompassed debt and equity transactions, restructuring and liability management.

Martin Mojzis has legal background, which provides him with deep knowledge of law and allows him to effectively tackle legal challenges that arise in the process of investment management. With his experience and expertise, Martin plays a key role in ensuring the successful implementation of Elementum Energy's investment projects.



## Emile du Toit

Member  
of the Board  
of Directors

Nationality:	The Republic of South Africa
Year of appointment to the BoD:	2019
Educational background:	The University of South Africa – a Bachelor’s Degree in Commerce (with honours) CPA (SA) qualification

Emil du Toit is a member of the Board of Directors at Elementum Energy and serves as Chief Financial Officer (CFO) at VR Capital Group. Mr. du Toit's professional experience includes financial management, strategic planning and business development, especially in the context of investments in emerging markets. He previously worked at Nedbank (2003-2005) in South Africa as a group financial accountant and at PricewaterhouseCoopers in Assurance (1998-2002).

With his significant experience in finance and asset management, Emil du Toit's expertise is indispensable to VR Capital Group, where he is responsible for financial control, risk management and financial planning.

# Executive Management Committee

The Executive Management Committee (EMC) is responsible for managing and coordinating Elementum Energy's daily operations and ensures the implementation of the Board of Directors' strategic decisions, including economic, environmental and social ones.

The Executive Management Committee comprises key management personnel of Elementum Energy: Managing Director, Chief Financial Officer, Chief Technical Officer, General Counsel, Chief Development Officer and Chief Commercial Officer.

In late 2023, the Commercial Department was established, and the Chief Commercial Officer was appointed and became a member of the Executive Management Committee. In 2024, the Executive Management Committee was reinforced by the appointment of a new Chief Financial Officer. At the same time, the core composition of the EMC, as stated in the previous [Report](#), remained unchanged.



**Olga Rybachuk**  
Managing Director

Nationality:	Ukraine
Year of appointment to the EMC:	2021
Educational background:	
Kyiv National University of Trade and Economics – a Master's Degree in Finance	

Olga has over 17 years of experience in managing corporate risks and banking relationships in different sectors. She joined Elementum Energy as CFO and was in charge of finance management, financial reporting and business process optimisation. Olga has been leading the Company since early 2022.

The key tasks of the Executive Management Committee are:

- Implement Elementum Energy's strategy, mission and goals at all levels of the organisation
- Deliver on the ESG strategy and integrate sustainability principles in operating activities
- Report on the performance and progress against the strategic goals and ESG targets to the Board of Directors
- Maintain operational management of the Company, specifically address operational tasks and operate assets
- Facilitate personnel management, corporate culture development and employee satisfaction
- Engage with regulatory authorities and develop the Elementum Energy brand

Members of the Executive Management Committee as at 31 December 2024 are listed below.



**Ivanna Shkoda**  
Chief Financial Officer

Nationality:	Ukraine
Year of appointment to the EMC:	2024
Educational background:	
Taras Shevchenko National University of Kyiv – a Bachelor's Degree and a Master's Degree Kyiv Mohyla Business School (currently)	

Ivanna joined Elementum Energy in October 2024. She has over 15 years of experience in finance, including financial reporting, budgeting and internal control. In her role as CFO at Elementum Energy, Ivanna is responsible for finance management, financial reporting and business process optimisation.



## Oleksander Makhlaichuk

### Chief Technical Officer

Nationality: Ukraine

Year of appointment to the EMC: 2021

#### Educational background:

Tavria State Agrotechnological Academy – a Specialist's Degree in Power Economy, an Electrical Technician Qualification

Oleksander has more than 20 years of experience in the energy sector. He started his career as a Certified Electric Engineer. He is responsible for technical maintenance and operational management of electric power plants, occupational health and safety, and engineering support of new projects.



## Maksym Artemenko

### Chief Development Officer

Nationality: Ukraine

Year of appointment to the EMC: 2022

#### Educational background:

Taras Shevchenko National University of Kyiv – a Master's Degree in Economic Cybernetics

Maksym joined Elementum Energy in June 2022. He has 14 years of experience in investment management and corporate finance. At Elementum Energy, Maksym is responsible for the corporate strategy design and business development. He coordinates new projects and business model development and explores advanced technologies and products in the renewable energy sector.



## Victoria Pysmenna

### General Counsel

Nationality: Ukraine

Year of appointment to the EMC: 2022

#### Educational background:

Odesa Legal Academy National University – a Bachelor's Degree in Law and a Master's Degree in Law

The University of Buckingham (the UK) – a Master's Degree in Commercial and International Law

Viktoria has over 10 years of experience in law and as a corporate lawyer. As the General Counsel, she is responsible for providing legal support to the Company's business, ensuring regulatory compliance and addressing legal and regulatory issues.



## Roman Volosheniuk

### Chief Commercial Officer

Nationality: Ukraine

Year of appointment to the EMC: 2023

#### Educational background:

Igor Sikorsky Kyiv Polytechnic Institute – a Degree in Energy Management

Taras Shevchenko National University of Kyiv – a Degree in Finance

Roman Volosheniuk has over 15 years of experience in different roles related to the electricity market and trading. He joined the Elementum Energy team as Chief Commercial Officer and is responsible for adapting renewable energy projects to sales on market terms.

## Committees

The Executive Management Committee has advisory and consultative bodies – committees. The role of these committees is to provide support and expert advice on specific matters to help achieve the Group's objectives.

### ESG Committee

**Goal:** promote a sustainability culture, develop principles and implement the ESG Strategy based on best practices

**Members of the Committee:** proactive employees, members of the Executive Management Committee and the Head of the Sustainability Department

**Key tasks:**

- Provide recommendations on developing strategic ESG initiatives
- Develop programmes intended to improve workplace conditions, employee well-being and competencies
- Perform monitoring of regulations and statutory requirements related to sustainability

## Diversity and experience

In a sector as dynamic and innovative as renewable energy, diversity is not only an advantage but also a strategic asset. Elementum Energy recognises the importance of diversity within the Board of Directors and the Executive Management Committee, which contributes to effective decision-making, innovation and sustainability.

#### → Gender diversity

Three out of nine members of the highest governance bodies are women, ensuring a broader range of perspectives in strategic discussions and governance processes.

#### → Age representation

The composition of the highest governance bodies encompasses different age groups, enabling to combine experience with new approaches to address existing challenges in the energy sector.

#### → Nationality

The Board of Directors includes members of various nationalities, creating a unique environment for integrating global best practices. The Executive Management Committee is composed of Ukrainian nationals, ensuring an in-depth understanding of the local environment and regulatory landscape.



## Structure and composition of the highest governance body

By age



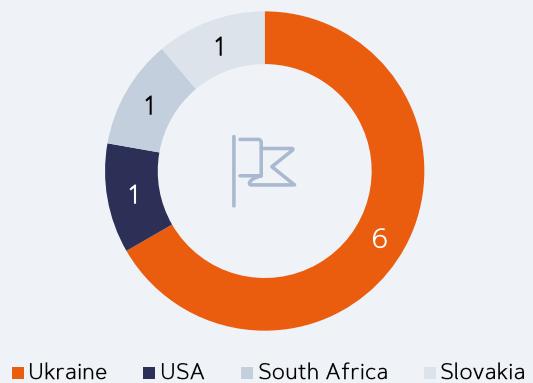
By term of office



By gender



By nationality



## Experience

Members of the Executive Management Committee possess experience in different areas ranging from operational management and finance to ESG, occupational health and safety and communications. This enables

to implement the Company's strategy effectively and efficiently, be agile with changes in the external environment and underpin sustainability.

## Board of Directors

Richard Deitz	✓	✓
Emile du Toit	✓	✓
Martin Mojzis		✓

## Executive Management Committee

Olga Rybachuk	✓	✓	✓
Oleksander Makhlaichuk		✓	✓
Maksym Artemenko	✓	✓	✓
Victoria Pysmenna		✓	✓
Roman Volosheniuk		✓	✓
Ivanna Shkoda	✓		

## Evaluation of top management performance and remuneration

### GRI 2-16; 2-20

The Executive Management Committee regularly informs the Board of Directors on all key aspects of the Company's activities including the actual generation output, project implementation status, main regulatory and operating developments, financial results and strategic initiatives. The Board of Directors normally holds quarterly meetings with the Elementum Energy leadership team to address important issues related to the governance impact on the economy, environment, society and employees. During these discussions, changes in the financial position, tax matters, regulatory developments, key contracts, and internal policies and processes that may significantly impact the Company's operations and business development are analysed.

In addition, members of the EMC maintain individual contacts with members of the Board of Directors through business meetings and calls to discuss matters within their respective areas of responsibility.

To maintain a high level of sustainability knowledge and expertise, the Board of Directors consistently explores best practices and approaches applied in the market.

Management of the Company regularly informs the Board of Directors about sustainability initiatives, material environmental and social impacts, and the outcomes of engagement with communities and suppliers.

Members of the Board of Directors do not receive remuneration from the Company for performing their duties. However, members of the Executive Management Committee are eligible for bonuses and incentives based on their performance. The amount of remuneration for members of the EMC is based on the Company's performance and the individual contribution of each executive, which is approved by the Board of Directors annually. Evaluation criteria include compliance with the Company policies, development of the corporate governance system, quality of cooperation with counterparties, improvement of internal processes, expansion of renewable energy capacity, and collaboration with contractors and financial institutions. At the end of the reporting period, the Board of Directors conducts a final evaluation of management performance and determines the remuneration amount in accordance with the Company's bonus and incentive system.

# UKRAINIAN ELECTRICITY MARKET

## Development and liberalisation of the electricity market model

The Unified Energy System of Ukraine (the UES of Ukraine) comprising electric power plants and different cogeneration plants, as well as main and distribution electricity grids, continues operating. The UES centralised dispatch control is exercised by Ukrenergo NJSC, a state-owned enterprise, which maintains the balance of electricity production and consumption and capacity in the real-time mode, the operation and development of main and interstate power grids and the integration and concurrent operation of Ukraine's power system with those of neighbouring countries, specifically as part of ENTSO-E.

The electricity market is regulated by the National Energy and Utilities Regulatory Commission (NEURC). In addition, the Ukrainian Parliament (the Verkhovna Rada of Ukraine), the Cabinet of Ministers of Ukraine and the Ministry of Energy of Ukraine play key roles in shaping the policy and regulatory environment.

The electricity market reform that came into effect in 2019 created a foundation for a competitive model aligning with the European Union's principles. As part of this model, electricity generation and supply are maintained in a competitive environment, whereas transmission and distribution remain within the sphere of natural monopolies. Distribution of electricity through regional grids is handled by distribution system operators (DSOs) established as a result of the unbundling of regional energy companies in 2018.

In 2023–2024, the development of the market model focused on deepening liberalisation and increasing the flexibility of regulatory mechanisms.

In addition to traditional market players, renewable energy (RES) producers obtained an option to be more active in selecting channels for electricity sales.

Starting from April 2023, they can temporarily decline selling electricity to Guaranteed Buyer SE at the feed-in tariff, withdraw from its balancing group and operate in the competitive market segments – the bilateral contracts, the day-ahead market, the intraday market and the balancing market.

The 2023–2024 period was marked by intense shelling of energy infrastructure, posing serious challenges while driving structural changes simultaneously. Massive damage to generation facilities and grids led to forced outages and the need for extensive reconstruction and repairs. However, these circumstances became a catalyst for the accelerated implementation of solutions aimed at enhancing the energy system's resilience: changes in the generation structure with greater involvement of mobile and distributed capacities, increased electricity imports from the EU, deployment of energy storage systems, and the growing role of decentralised generation, including RES-based generation.

Overall, in 2023–2024, the Ukrainian electricity market was at the stage of gradual transformation from a model focused on state regulation to a more flexible and competitive system capable of integrating renewable generation and responding to changes in demand and supply amid increasing energy and security challenges.



## Public Service Obligations (PSO)

**PSO (Public Service Obligations)** — a state mechanism for regulating the electricity market aimed at achieving important social goals and supporting specific generation segments.

There are two main types of PSO in Ukraine:

- **PSO for households** — introduced to keep tariffs for household consumers at a socially affordable level. They are financed through obligations of Energoatom NNEGC and Ukrhydroenergo PrJSC to compensate for the difference between the market tariff for residential consumers and the tariff actually set.

The State guarantees household consumers access to electricity at regulated tariffs, which are significantly lower than market rates. The PSO model continued operating in 2023-2024, which provided for:

- The obligation of Energoatom NNEGC to sell a portion of the electricity generated to Universal Service Suppliers (USS) through Guaranteed Buyer SE to meet the needs of household consumers;
- Compensation to USS from Energoatom NNEGC and Ukrhydroenergo PrJSC for the difference between the market tariff for household consumers and the tariff actually set

Throughout 2023-2024, the tariff rate for household consumers gradually increased from UAH 1.44 per kWh to UAH 2.64 per kWh from 1 June 2023 and to UAH 4.32 per kWh from 1 June 2024, with benefits for electric heating and a two-zone night tariff rate. With the cost of UAH 2.64 per kWh for household consumers in Ukraine, the price for households was 4.5 times lower than the average in the EU and amounted to 56% of the lowest Hungarian tariff in the European Union.

After being raised to UAH 4.32 per kWh, the Ukrainian tariff rate for households has only approached the lowest tariff rate in the EU. The increase of the tariff rate has enabled to ease the burden on PSO, but it remains at a significant level and affects market pricing for industrial sectors and the financial stability of the energy market.

- **PSO for Guaranteed Buyer** — aimed at fulfilling the State's obligations to purchase electricity at the feed-in tariff and auction price from renewable energy producers. They are financed through the electricity transmission tariff set for Ukrenergo NJSC.

In 2023-2024, the State continued supporting RES producers by means of the guaranteed purchase of electricity at the feed-in tariff through Guaranteed Buyer SE. The mechanism for compensating the difference between the feed-in tariff and the wholesale market price involved raising funds through the transmission tariff set for Ukrenergo NJSC. However, this tariff covering primarily operational and technological needs did not ensure the repayment of the accumulated PSO debt for RES.

A regular increase in the electricity transmission tariff, specifically its component intended to fulfil the feed-in tariff obligations, as well as the redistribution of unused funds from other programmes and the raising of borrowings enabled to increase the level of settlements at the feed-in tariff to 99.2% in 2023 (compared to 65.5% in 2022). In 2024, the level of settlements was 89.2%.

Despite the positive trend, accumulated debt remains one of the key obstacles to further development of the renewable energy sector, particularly due to reduced investor confidence and a deteriorating investment climate in the sector.

Underfunding was effectively caused by several factors:

- 1 the special nature of allocation of funds covered by the transmission tariff, effectively leaving the PSO for the renewable energy sector to be addressed on the residual principle of financing
- 2 non-transparent tariff setting algorithms where PSO costs could be understated, were based on provisional forecasts and did not fully account for inflation risks
- 3 an absence of transparent mechanisms for restructuring Guaranteed Buyer's accumulated debts
- 4 Order No. 140 established restrictions on the level of settlements between the Guaranteed Buyer SE and producers at the Feed-in tariff. In particular, payments to producers under the feed-in tariff, who produce electricity from solar energy

In response to the crisis in 2024, the NEURC increased the transmission tariff by almost 30%, which was positively received by the renewable energy community and contributed to a slowdown in debt growth. However, the situation remains challenging and sustainable development of the renewable energy sector requires implementing transparent and stable financing mechanisms that would:

- consider Guaranteed Buyer's actual expenses for meeting PSO
- ensure full coverage of feed-in tariff financial liabilities
- implement an effective mechanism for restructuring and settling existing debts.

## Ukraine's energy structure

Ukraine's generating capacities were mostly established during the Soviet era and have not undergone significant changes since independence, except for a substantial increase in the share of renewable energy (RES) and a rise in the share of large hydropower plants (which are not classified as RES). The energy system is primarily composed of large centralised facilities with their substantial portion operating beyond their original design life.

### 1 Nuclear generation

Nuclear power plants (NPPs) have traditionally held a leading position in Ukraine's energy balance, providing 51.2%-55.1% of electricity production in 2016-2021. The total installed capacity of NPPs is 13.8 GW, and they primarily operate in base-load mode to maintain stable coverage of demand. However, after 2022, control over a significant portion of capacities was lost due to the occupation of the Zaporizhzhia Nuclear Power Plant, which increased risks to energy security.

Most power units were commissioned between 1977 and 1989, and they are nearing the end of their design life. International practice indicates that extending the NPP life is technically feasible providing that nuclear and radiation safety standards are strictly followed. Energoatom NNEG has already extended the operational period for 12 power units.

However, if operating units are decommissioned without replacement, Ukraine will have to introduce significant new capacities or to increase electricity imports over the next 10-15 years to avoid an electricity shortage.

## 2 Thermal generation

Thermal power plants (TPPs) came second in the power generation structure. However, their share gradually declined from 32.2% in 2016 to 23.8% in 2021. Most TPP units were designed for base-load operation, but they frequently operate in peak and semi-peak modes after reconstruction due to the shortage of power cycling capabilities.

Additionally, the reduction in the share of thermal power plants occurred as a result of shelling of critical infrastructure by Russia, which significantly affected the stability of the plants' operation.

Cogeneration plants (CGPs) reduced their share in generation from 8.6% to 5.5% over the same period, although they continue playing an important role in heat supply and the combined production of electricity.

## 3 Hydropower

Hydroelectrical power plants and pumped storage plants (HEPPs and PSPs) had a relatively small share in production (5.1%-7.5%), however, they have strategic importance for the energy system by covering peak loads and offsetting night-time drops in electricity consumption. This enhances the flexibility and stability of the energy system.

## 4 Renewable energy

Renewable energy sources (photovoltaic power plants (PVPPs), wind farms, biofuel power plants and mini HEPPs) demonstrated a strong growth trend from 3.1% in 2016 to approximately 8% in 2021 in the electricity generation structure. Please note that the NEURC Resolution #349 dated 26 March 2022 (as amended) imposes restrictions on the disclosure of information that, under martial law conditions, may be classified as restricted-access information, including for critical infrastructure facilities.

Consequently, data related to the energy sector that has been generated after 2021 is not subject to disclosure and cannot be used in public reports or open sources. Therefore, the presented characteristics and indicators reflect the situation observed before the full-scale invasion and are based on official data that was publicly available as of 2021.



# Generating capacity losses in 2022–2024 and energy system development prospects

After the beginning of the full-scale invasion, Ukraine's energy system suffered significant additional losses in installed capacity. In 2022–2024, circa 10 GW of energy-generating facilities were lost in total due to:

- direct destruction and damage from shelling;
- occupation of certain energy assets;
- decommissioning of damaged plant and equipment that cannot be restored promptly.

The losses cover a wide range of energy generation — from thermal and hydro-electrical power plants to solar and wind capacities. Combined with approximately 4.2 GW lost before 2022 (plants in the temporarily occupied territories of Donetsk and Luhansk Regions and the Autonomous Republic of Crimea), the total volume of unavailable power generation capacity exceeds 14 GW.

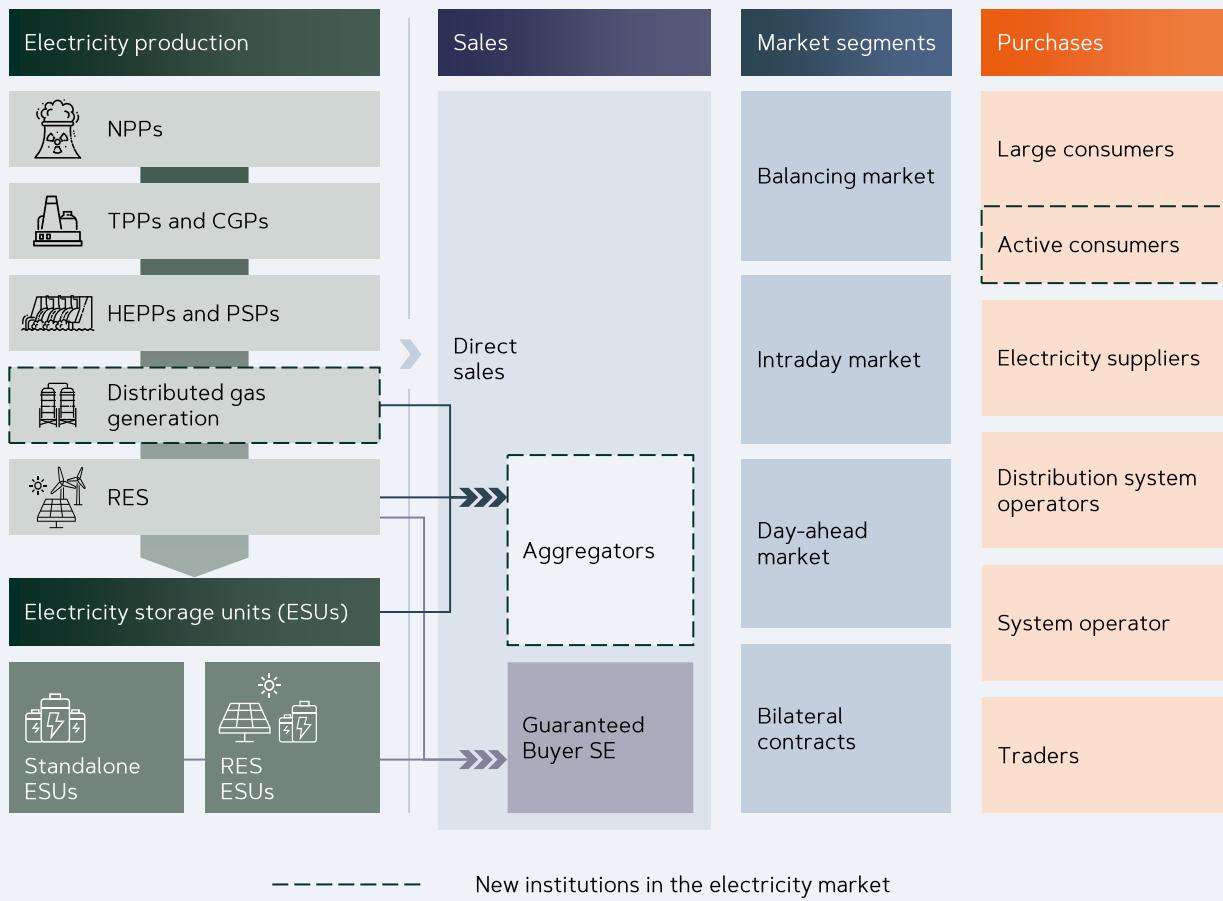
Elementum Energy has been affected in a similar way. A drone attack damaged one of the turbines at the Dnistrovska WPP resulting in its temporary decommissioning and reduced available capacity. Another turbine was damaged in the late 2024.

Furthermore, regular shelling of energy infrastructure in southern Ukraine adversely affects the operation of the Company's solar power plants, as damage to energy distribution systems limits the stable output of electricity to the grid.

The level of the losses significantly limits the ability to balance the energy system, exacerbates the shortage of power cycling capabilities and increases Ukraine's dependence on electricity imports.

At the same time, these extraordinary challenges have become a powerful driver for transforming the energy system in a broad sense. They have facilitated the development of the new legislative framework and the practical implementation of elements capable of improving the country's efficiency and energy security. This includes active development of distributed generation based on gas and renewable sources and industrial and private energy storage systems, as well as the establishment and growth of the role of active consumers as market participants with their own generation who can not only meet their own needs but also sell excess electricity to the grid. All of this shapes a new architecture of the Ukrainian energy system — more flexible, resilient and capable of rapid adaptation in times of crisis.





## Rapid growth and renewable energy sector challenges

In 2023–2024, Ukraine's renewable energy sector continued developing despite war risks, the loss of part of its infrastructure and financial difficulties. Electricity production from renewable energy sources increased by 4.7% in 2023 compared to 2022, reaching 10.3 million MWh, and by further 6.4% in 2024, exceeding 11 million MWh. The RES share in the country's total electricity production reached approximately 11% in 2024.

The National Renewable Energy Action Plan up to 2030 adopted in August 2024 has become a significant development milestone. The document aims to increase the share of renewable energy sources in end-use electricity consumption to 27% and to introduce over 4 GW of new wind capacities, including offshore ones.

An important change has been the gradual phasing out of the fixed feed-in tariff system for new capacities in favour of new support mechanisms — feed-in-premium and Contracts for Difference (CfD). According to the feed-in-premium model, the counterparty sells electricity on the market at the market price and additionally receives a (fixed or variable) premium, which compensates for the difference between the market price and an economically justified level of profitability. Contracts for Difference (CfD) are based on a similar principle, but they assure stable income to the counterparty: if the market price is lower than the agreed strike price, the State covers the difference, and if it is higher — the counterparty returns the excess.

Ukraine's renewable energy sector demonstrated significant growth in 2023-2024. According to the Solar Energy Association of Ukraine, around 800-850 MW of new solar capacities were commissioned in 2024 — primarily in the private sector and among households.

Commissioning Phase II of the Dnistrovskaya WPP with a capacity of 60 MW by Elementum Energy was among the largest projects of that period. The Company continues implementing its strategic expansion plans. It intends to build up to 400 MW new wind capacities distributed between the southern and western parts of Ukraine. In 2024, the Company acquired a 200 MW WPP project in the western regions — in Lviv, Rivne and Ternopil Regions — planning to prepare it for construction in 2026. The Danube project is at the development stage and comprises "Kiliya", "Artsyz" and "Artsyz-2" WPPs with a total capacity of approximately 57.6 MW, which are prepared for construction in the Odesa Region. In addition, DTEK continues developing the Tyligulskaya WPP by launching Phase I with a capacity of 114 MW in 2023 and intending to expand the facility to 500 MW.

The introduction of trading in Guarantees of Origin for electricity was an important innovation. In 2024, the first auction was held to enable producers to prove the "green" origin of generated electricity officially and to sell this additional attribute separately from the electricity itself.

Guarantees of Origin (GoO) are electronic certificates that prove that a specific volume of electricity was produced from renewable sources. For companies and consumers, this is a tool to confirm "green" consumption; for producers, it is a new source of income and a way to integrate into the European energy space.

The figures and projects indicate that the renewable energy sector continues demonstrating sustained and even accelerated progress. The volume of new solar capacities is indeed impressive.

Nevertheless, the war continues causing significant damage to the sector. In 2022, about 25% of installed renewable capacities were suspended or occupied, including 1.25 GW of wind capacities (75% of total farms) and over 0.6 GW of solar capacities (14%). Chronic debt remains a significant problem despite positive trends. As of January 2025, the amount payable by Ukrenergo NJSC to GarPok for the service of increasing the share of renewables equalled UAH 22.08 billion, having decreased by UAH 9.424 billion over the year. In its turn, the outstanding balance payable by Guaranteed Buyer SE to renewable energy producers as of the end of 2024 amounted to UAH 27.6 billion inclusive of VAT.

The development of the renewable energy sector in Ukraine is currently constrained by several interrelated problems that require a comprehensive solution. One of the main challenges is the complex logistics for supply of equipment, especially for wind energy projects. Delivering large wind turbine components under the existing circumstances, without using deep-water ports, becomes extremely expensive, lengthy and risky. A significant portion of supplies is made through Romania's Constanța and then along the Danube River to the ports of Reni and Izmail, creating a bottleneck in the transport infrastructure and competing with other cargo flows. Meanwhile, unblocking Ukrainian ports for importing energy equipment could greatly simplify and reduce the cost of logistics, but this requires close collaboration between the government, port administrations, insurers and developers.



The overregulation and unpredictability of the energy market are additional significant obstacles. Frequent and sudden changes in price caps, the absence of medium- and long-term electricity sales instruments and fixed-price contracts complicate planning and reduce the investment attractiveness of projects.

While futures, forwards and multi-year corporate PPAs are widely used in Europe, in Ukraine most deals are limited to day-ahead trading, which does not provide price certainty to investors over the project payback horizon. Modern hedging instruments should be introduced and benchmarks for real market prices should be created to overcome this barrier.

The technical aspects of new capacity connection also remain an issue. Obtaining technical specifications from transmission and distribution system operators is a lengthy process that is further delayed due to infrastructure damage from shelling. This leads to situations where completed plants cannot operate at full capacity or remain idle. It is necessary to shorten the period for issuing technical specifications, to ensure priority connection for investment projects and to establish proactive dialogue between operators and developers.

A specific challenge is the shortage of qualified personnel required for the

construction, installation and maintenance of renewable energy facilities. Due to the war and mobilisation, the shortage of engineers, electricians and builders has increased, and the special nature of dealing with wind and solar power plants require high professional competency. To solve this problem, it is feasible to develop state educational programmes, to encourage businesses to deliver in-house training for their employees and to simplify engagement of foreign experts.

Therefore, a combination of logistical, regulatory, technical and manpower barriers, as well as the lack of military risk insurance, is slowing the pace of renewable energy development in Ukraine. Only coordinated actions taken by the government, business and international partners can create the environment where renewable energy companies will be able to replace lost capacities and integrate into the European energy market promptly, ensuring the country's energy security and sustainable development.

Overall, despite the difficulties, years 2023–2024 became the period of maintaining development momentum and preparing for more extensive growth triggered by the launch of new support mechanisms, the expansion of international partnerships and the implementation of strategic investment projects.

## Renewable energy integration into Ukrainian infrastructure

The transition to renewable energy is accelerating globally. It is particularly crucial for Ukraine due to the destruction of TPPs and the shortage of fossil fuels which have a harmful environmental impact. At the same time, the integration of PVPPs and WPPs creates technical challenges while opening opportunities for innovation and enhancement of electricity supply sustainability and quality. Elementum Energy's portfolio, including 636 MW of solar and wind generation with the annual output of 946,574 MWh, makes a significant contribution to the integration of green energy.

The intermittent nature of wind and solar power uniquely affects electricity production, complicating grid operation and security. A high level of penetration of variable renewables changes the energy system dynamics, requiring innovative solutions for effective and efficient management of fluctuating demand and generation.

Extensive integration of renewables significantly impacts stability and reliability of the energy system. In particular, the voltage-related risk increases, as renewables provide limited reactive power support, which can lead to failures and outages.

Frequency stability also decreases because PVPPs and WPPs connected via inverters do not provide inertia as opposed to conventional generators. This accelerates frequency changes and complicates the balance between demand and generation. In addition, renewable integration affects rotor stability, amplifying generator oscillations and increasing the risk of loss of synchronism.

As for system reliability, the intermittent output of solar and wind power plants creates challenges for continuous electricity supply to consumers. Reduced inertia and premature generator disconnection during failures raise the risk of frequency disturbances. To mitigate these effects, new technical solutions are required, including energy storage systems, synthetic inertia and flexible grid management to ensure energy system stability and reliability under high-renewable scenarios.

Renewable integration also impacts electricity quality, causing voltage fluctuations, harmonics and voltage sags. Voltage imbalance is often triggered by the mass connection of rooftop PV systems, but it can be mitigated through distributed control strategies, including EV charging integration and energy storage systems. Harmonics arise from inverter operation, distorting current and voltage waveforms, reducing equipment efficiency and shortening its service life. Filters are used to mitigate these effects, with hybrid combined solutions being the most appropriate. Voltage sags (accounting for up to 80% of all electricity quality issues) are exacerbated by renewable intermittency and low grid inertia.

Innovative solutions help minimise renewable energy curtailment, improve the balance between demand and generation and reduce costs. These include:

## 1 Energy storage systems

Energy storage systems ensure energy system flexibility and facilitate the integration of renewables by mitigating their variability and unpredictability. They store excess energy and release it during periods of low generation or high demand, enhancing reliability and reducing dependence on traditional power plants.

## 2 Renewable energy microgrids

Localised networks powered by renewable sources can provide dedicated electric power supply for EV charging stations, households and industrial consumers. These microgrids can operate independently or in conjunction with the main grid, improving reliability and reducing transmission losses.

## 3 Integrated renewable energy and charging stations

Installing solar panels and wind turbines at EV charging stations can provide a direct renewable energy source to electric vehicles. This not only reduces dependence on the grid but also promotes the use of green energy.

## Elementum Energy's position in the market

Elementum Energy is evolving in step with the market, strengthening its presence not only through new renewable energy projects but also through involvement in emerging market mechanisms. The liberalization of electricity prices in 2019 created the foundation for new opportunities. In 2023, the Company launched commercial operations for the first time.

Specifically, the Dniester WPP exited the balancing group of SE "Guaranteed Buyer" and began operating "in the market," which effectively marked the starting point for developing a new line of business. At the same time, the WPP joined a standard commercial balancing group to avoid losses from imbalances, which are quite significant for wind generation.

Therefore, the current participation in the balancing group is not just an option but an integral part of operating in the competitive market environment and maximising the effect of imbalance optimisation is one of the key tasks for the Company's newly established commercial division. Soon after the introduction of the feed-in-premium mechanism, the Company began testing the new rules. First, it adapted its two PVPPs to market conditions, followed by expanding the list to four. However, due to the imperfect feed-in-premium mechanism and the higher efficiency of the existing feed-in tariff model, a decision was made to return solar generation to the Guaranteed Buyer's balancing group. Meanwhile, the Company's wind assets continue operating successfully under market conditions, demonstrating stability and high efficiency.

The Company has entered a new stage of development by establishing its own trader in 2024, which allowed expanding the scope of commercial activities significantly. In addition to selling self-generated electricity, Elementum Energy has currently become able to trade third-party resources purchased both on organised auction platforms and through bilateral contracts to consolidate its role as an active player in the electricity market consistently. The Company is also testing relevant innovative tools, including a price stabilisation mechanism. As an important step, long-term annual fixed-price contracts have been concluded, which serve as a hedging instrument for budget price indicators. Such instrument is not typical for the volatile Ukrainian market, but it is widely used in Western markets. Implementing it by Elementum Energy contributes to hedging development in Ukraine.

The Company's success story of applying its cutting-edge approach is signing the first pilot price stabilisation agreement under the CfD (Contract for Difference) mechanism in Ukraine.

The agreement is signed for one year between the 100 MW Dnistrovska WPP operated by the Company and an industrial enterprise. The agreement establishes a "price corridor" within which market fluctuations do not trigger additional settlements between the parties. If the market price exceeds the upper limit, the producer compensates the consumer for the difference; if it falls below the minimum threshold, the consumer compensates the producer. Physical delivery of electricity does not occur: settlements are based on an indicative price index specified in the agreement (e.g., the day-ahead market base index) and the agreed electricity volume. This approach enables businesses to forecast costs, reduces exposure to price volatility and creates a foundation for long-term stability.

This is a landmark pilot project not only for the Company but also for the entire Ukrainian energy market. It allows testing the viability of the CfD mechanism under real-life conditions, where the war and regulatory uncertainty make businesses cautious about long-term obligations. For this reason, the agreement is limited to one year, as Ukrainian business entities currently prefer shorter stabilisation instruments (1–3 years) that allow cost predictability while maintaining flexibility for future decisions.

Thus, Elementum Energy is gradually transforming from a renewable energy producer and developer into a comprehensive market player capable of combining generation, trading and implementation of state-of-the-art financial and energy instruments.



# SUSTAINABILITY

- Sustainability Strategy
- Key Stakeholders
- Materiality Assessment



# SUSTAINABILITY STRATEGY

## E

### Our approach

Elementum Energy generates energy that supports natural ecosystems and contributes to decarbonisation.

### Our priorities:

- Expansion of the wind and energy storage portfolio, thereby increasing the generation of clean energy
- Investment in cutting-edge technologies, such as energy storage systems
- Contribution to decentralised, accessible, and sustainable electricity in the regions
- Reduction of the carbon footprint of our own operations – improving internal processes to reduce Scope 1 and Scope 2 emissions
- Implementation of design and operational approaches that minimise impact on biodiversity
- Systematic assessment of the environmental impact of projects and preparation of the sustainability report

### Achieved results:

- 636 MW of generation capacity from photovoltaic and wind power plants
- 935,047.7 thousand kWh of green energy supplied to the grid
- 784 thousand tonnes of CO<sub>2</sub>- equivalent emissions avoided in 2024 thanks to Elementum Energy projects
- Mandatory Environmental Impact Assessment before starting project construction



## S

### Our approach

Elementum Energy focuses on ensuring that the transition to low-carbon energy is fair, inclusive, and safe for employees and communities.

### Our priorities:

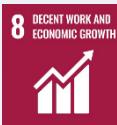
- We strive to ensure the green transformation benefits everyone – including those who previously worked in traditional energy sectors. Elementum Energy supports the creation of "green" jobs, retraining of staff, and the development of local employment
- Equal opportunities for all employees, regardless of gender, age, nationality, social status, or other characteristics
- Creation of safe workplaces through the implementation of occupational health and safety standards and regular training for staff and contractors
- Support for local initiatives, involving residents in decision-making regarding new wind and energy storage projects
- Promotion of local economic development through job creation and the development of competencies in the field of renewable energy

### Achieved results:

- 39% of employees are women, demonstrating gender balance in the team
- 113% – the ratio of average salary for women to men, confirming the absence of a gender pay gap

## S

- All conditions have been created for the implementation of an integrated HR Dashboard for monitoring key indicators of employee engagement, development and well-being
- 100% of Elementum Energy employees are covered by the Occupational Health and Safety Management System as of the end of 2024
- The Occupational Health and Safety Management System complies with the requirements of the international standard ISO 45001:2018
- 31 Memorandums of Cooperation signed with communities
- 0 complaints received from community residents in 2023–2024
- 15 community projects implemented



## G

## Our approach

Elementum Energy integrates the principles of transparency, accountability, and integrity into its management system, decision-making processes, and daily activities.

## Our priorities:

- Responsible business conduct within the company and among partners
- Proper due diligence of suppliers and partners for compliance with ethics and compliance requirements
- Advocacy and engagement with partners to build a sustainable energy sector

## Achieved results:

- Zero tolerance for cooperation with counterparties under sanctions and avoidance of cooperation with counterparties from jurisdictions on the FATF blacklist
- 100% of operations assessed for corruption-related risks
- 0 recorded or confirmed cases of corruption related to Elementum Energy's activities
- The anti-bribery policy is regularly reviewed and updated
- Personnel regularly undergo training and testing in anti-bribery, ensuring a continuous process of learning and improvement



# KEY STAKEHOLDERS

## GRI 2-29

Elementum Energy engages with stakeholders through regular communication, feedback, and sustainability initiatives to ensure mutual value, strengthen trust, and promote sustainable growth.

Why We Engage	How We Engage	Value Created
<b>Employees and future employees</b>		
<ul style="list-style-type: none"> <li>Professional development</li> <li>Sense of belonging</li> <li>Job satisfaction</li> <li>Workplace safety</li> <li>Fair pay</li> <li>Clear communication</li> </ul>	<ul style="list-style-type: none"> <li>1-to-1 culture (Dialogue on performance results and development)</li> <li>Pulse Survey</li> <li>Social Activities</li> <li>Cooperation with universities</li> </ul>	<ul style="list-style-type: none"> <li>Career growth and professional skills development</li> <li>Ensuring well-being, equal opportunities, and safety</li> <li>Reducing staff turnover</li> </ul>
<b>Suppliers and business partners</b>		
<ul style="list-style-type: none"> <li>Building reliable supply chains</li> </ul>	<ul style="list-style-type: none"> <li>Interaction through contracts and compliance checks with Elementum Energy's business ethics and requirements</li> <li>Seminars and industry cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Stable supply of goods and services</li> <li>Adherence to Elementum Energy's partnership principles</li> </ul>
<b>Investors and shareholders</b>		
<ul style="list-style-type: none"> <li>Understanding expectations of shareholders and investors</li> <li>Attracting responsible investors who share the Company's principles and values</li> <li>Increasing transparency</li> </ul>	<ul style="list-style-type: none"> <li>Annual meetings</li> <li>Reporting</li> <li>Dialogue with investors</li> </ul>	<ul style="list-style-type: none"> <li>Reliable financial and non-financial information</li> <li>Positive financial returns through growth and profitability</li> </ul>
<b>Local communities</b>		
<ul style="list-style-type: none"> <li>Identifying and assessing potential impacts on communities from Elementum Energy projects</li> <li>Addressing issues and questions received from communities</li> <li>Building trust and support</li> </ul>	<ul style="list-style-type: none"> <li>Public meetings and hearings</li> <li>Signing Memorandums of Cooperation</li> <li>Partnerships and community development projects</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of joint projects with communities</li> <li>Support for local initiatives</li> <li>Measures to minimize potential negative impacts on communities</li> </ul>
<b>Industry associations</b>		
<ul style="list-style-type: none"> <li>Advocating common interests with other industry players</li> <li>Getting up-to-date information on changes in legislation and the market</li> <li>Helping identify investment barriers</li> </ul>	<ul style="list-style-type: none"> <li>Membership in industry associations</li> <li>Participation in working groups, roundtables, and forums</li> <li>Public discussion of sector challenges</li> </ul>	<ul style="list-style-type: none"> <li>Reputation as a responsible and active industry participant</li> <li>Access to analytics and expertise</li> <li>Ability to help identify problems and seek solutions together</li> </ul>
<b>Government bodies and state-owned enterprises</b>		
<ul style="list-style-type: none"> <li>Ensuring compliance with legislative requirements and licensing conditions</li> <li>Supporting the implementation of the state energy policy and Ukraine's integration into the European energy market</li> <li>Information exchange to improve the efficiency of the electricity market</li> <li>Addressing systemic issues of the electricity market and challenges in the energy sector</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings, consultations, official requests and participation in working groups</li> <li>Providing expert recommendations on draft regulatory acts</li> <li>Participation in public discussions and forums</li> </ul>	<ul style="list-style-type: none"> <li>Transparent and predictable regulatory environment for investments in renewable energy</li> <li>Improving the efficiency of the energy market</li> <li>Strengthening trust between the state and business</li> </ul>

# MATERIALITY ASSESSMENT

## GRI 3-1, 3-2

Materiality assessment is a standardized procedure defined by the GRI (Global Reporting Initiative) standards for identifying the topics to be disclosed in a company's report for the specified reporting period. Since there is no sector-specific standard that predetermines the list of material topics currently, this procedure is the first and mandatory step in preparing sustainability reports. The process of determining material topics involves engaging both internal and external stakeholders, which ensures a more impartial, representative, and relevant evaluation of the company's impacts.

Starting from 2023, Elementum Energy's approach to materiality assessment was updated in accordance with the GRI 3: Material Topics 2021 standard, which came into effect on 1 January 2023. Unlike previous years, the new approach is based on a systematic analysis of the company's actual and potential impacts on the economy, environment, and society (including human rights), taking into account their scale, severity, likelihood, and the possibility of prevention or remediation.

## Approach to Materiality Assessment

### Step 1. Impact Identification

**Goal:** to identify actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on human rights, within our activities and business relationships. This process included the following steps:

→ Analysis of the external context	→ Review of industry practices	→ Analysis of internal documents
Study of current trends in sustainable development, international initiatives, standards, and best practices in non-financial reporting.	Analysis of material impacts of leading companies in the renewable energy sector in the Ukrainian and international markets.	Review of internal documents such as policies, procedures, analytical information, and research.

External resources	Internal resources
Regulatory changes	Previous materiality assessment
Current and new standards (e.g., GRI, SASB, TCFD, ESRS)	Business model, strategic documents, and policies
Stakeholder surveys, NGO reports, news	Dialogue and surveys with internal stakeholders
Industry reports and forecasts	Interaction with investors

## Step 2. Impact Assessment

Goal: to assess the identified impacts according to the criteria defined by GRI standards.

### → Impact assessment

An internal team was formed, which conducted a thorough analysis of the social, environmental, and economic aspects of the Company's activities to determine the highest-priority impacts for further management and disclosure in the Report.

During the assessment process, we identified

32 impacts

6 were assessed as non-material

The assessment was carried out using 5 criteria, each evaluated on a scale from 0 to 5 points. These criteria include the scale of the impact, its scope, the complexity of prevention or compensation for harm caused, and the overall probability of the impact occurring.

## Step 3. Materiality Matrix

Goal: to create a materiality matrix as a visual result of the assessment process.

### → Development of the Materiality Matrix

Based on the assessment results, a matrix was developed that reflects the significance level of each topic and its priority for further disclosure in reporting.

# Stakeholder Engagement

Stakeholder engagement is an integral part of Elementum Energy's strategy, so the Company actively maintains regular communication. Throughout the year, we conduct various activities to gather feedback, including:

- Employee surveys
- Meetings with business partners

→ Engagement with investors

→ Regular consultations with local communities and public organizations

More details on stakeholder engagement can be found in the section [Key Stakeholders](#).



# Results

As a result of the materiality assessment, a list of key report topics was identified in three main areas: environmental, social, and governance. The table below presents the list of priority topics disclosed in the report. Some impacts were also combined into common categories of material topics for clarity and ease of presentation.

The impacts corresponding to these topics are further described at the beginning of the relevant sections of the report, ensuring full and transparent disclosure of the Company's material information.

## Result of the Materiality Assessment

<b>Environmental Topics</b> 	Climate change Waste generation Biodiversity
<b>Social Topics</b> 	Learning and development Diversity and equal opportunities Occupational Health and Safety Internal communication and feedback with employees Local communities
<b>Governance Topics</b> 	Taxes Investments in the economy Cybersecurity Anti-corruption and bribery Business partner assessment



# ENVIRONMENT

- Climate Change
- Biodiversity
- Waste



# CLIMATE CHANGE

## Why It Matters

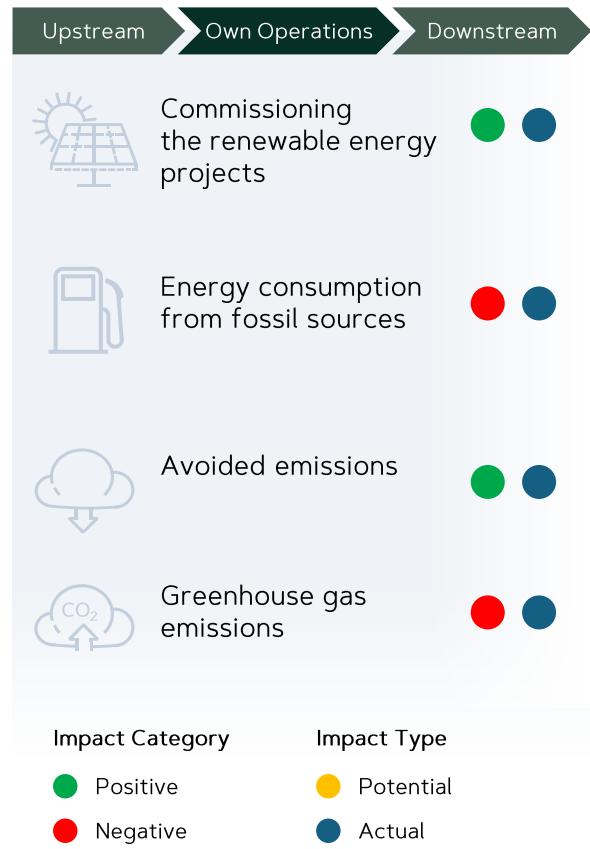
Combating climate change is a defining factor for the energy sector, influencing both long-term business resilience and ecosystem stability. For Elementum Energy, decarbonizing operations and advancing renewable energy sources are a strategic choice that builds investor trust, ensures access to green financing, and enables the company to contribute to global climate leadership.

## Our Approach

### GRI 3-3

Climate change is an integral part of Elementum Energy's mission. As one of the largest investors in renewable energy in Ukraine, we contribute to combating climate change and reducing environmental impact primarily through the construction and grid connection of PV and wind power plants. Our key environmental goal is to support Ukraine's efforts to meet international and EU integration commitments, including its Nationally Determined Contribution under the Paris Climate Agreement.

We strive to create a lasting positive impact on the environment by promoting the transition to a low-carbon economy. Since 2021, Elementum Energy has been a participant in the UN Global Compact, officially committing to sustainability and climate responsibility for adhering to the relevant Sustainable Development Goals (SDGs), including:



Goal 7:  
Affordable and Clean Energy



Goal 13:  
Climate Action

As of the end of 2024, Elementum Energy's portfolio includes solar and wind energy assets with a total installed capacity of 636 MW.

The Company is actively developing new projects, including wind farms «Lymanska» and «Dunai» with a combined capacity of over 200 MW in Odesa Region, as well as energy storage systems designed for arbitrage and resource management.

Managing climate risks and impacts is based on principles of transparency, systematic monitoring of greenhouse gas emissions (Scope 1 and Scope 2), and implementing measures to reduce, avoid, and gradually eliminate emissions. Beyond infrastructure solutions, the company also focuses on

raising climate awareness among employees and partner communities. In particular, in 2024, after a pause caused by the onset of the full-scale invasion, the Social Initiatives Contest was resumed, with two out of its three topics dedicated to climate issues and responsible energy consumption.

## Policies and Commitments

Climate responsibility at Elementum Energy is embedded in a set of policies that define our principles, approaches, and action frameworks for managing environmental impact. These documents form the foundation of how we make decisions,

assess risks, plan development, and respond to challenges.

The key policies governing our climate-related work include:

**Sustainability Policy** is a comprehensive framework that outlines the Company's key areas of impact, including environmental responsibility. It formalizes our commitments in this field, namely: minimizing negative impact through efficient resource management, emissions control, soil and water protection, and biodiversity conservation. The policy sets out the Company's principles for reducing CO<sub>2</sub> emissions, advancing clean energy, and supporting the transition to a low-carbon future, ensuring sustainability across all stages of our operations.

**Environmental Policy** sets out the core principles Elementum Energy follows in its daily operations to ensure environmental responsibility at every stage of the Company's activities. Under this policy, the Company commits to promoting decarbonization through the production of renewable energy – the most effective way to reduce energy-related greenhouse gas emissions. Elementum Energy also measures greenhouse gas emissions within its own operations and takes actions to prevent, reduce, and eliminate them, supporting the global science-based goal of achieving net-zero greenhouse gas emissions by 2030.

**Climate Action Policy** Elementum Energy defines the Company's commitments to supporting the transition to a low-carbon future, implementing an emissions management system, and raising climate awareness. It is based on the UN Sustainable Development Goals applied to all employees and contractors and is regularly reviewed to ensure relevance. In line with this policy, the Company has implemented an environmental management system for continuous monitoring of climate risks, as well as control and reporting on greenhouse gas emissions.

# Metrics

## GRI 302-1; 302-3

Below is the trend of Elementum Energy's energy resource consumption for 2022–2024.

Indicator	Unit of measure	2022	2023	2024
<b>Fuel consumption from non-renewable sources, incl.:</b>				
Diesel	liters	4,191.00	6,333.46	8,972.33
Petrol	liters	7,438.00	11,619.91	9,065.57
Natural gas (office) <sup>1</sup>	thousand m <sup>3</sup>	1,741.80	1,295.62	-
<b>Total from non-renewable sources:</b>	<b>GJ</b>	<b>393.52</b>	<b>606.89</b>	<b>620.96</b>
<b>Fuel consumption from renewable sources, incl.:</b>				
Own-generated electricity	thousand kWh	-	10,842.97	12,196.98
<b>Total from renewable sources:</b>	<b>GJ</b>	<b>-</b>	<b>39,034.70</b>	<b>43,909.12</b>
<b>Consumption of electricity and heating from other types of sources:</b>				
Consumption of electricity from external sources	thousand kWh	9,155.6	8,332.70	4,324.52
Consumption of electricity from external sources	GJ	32,960.2	29,997.71	15,568.26
<b>Total consumption of energy from all sources</b>	<b>GJ</b>	<b>33,353.72</b>	<b>69,639.30</b>	<b>60,098.33</b>

Energy consumption at Elementum Energy primarily consists of electricity used for the operational needs of power plants and offices. The 48% reduction in electricity consumption during the reporting period compared to 2023 was driven by the following factors:

- Reduction of mandatory generation curtailments imposed by NEC «Ukrenergo». Compared to the previous period, restrictions on generation of

electricity were less stringent, which allowed for reduced consumption from the external grid.

- Update of the consumption recalculation methodology – changes were introduced to the electricity accounting procedure, specifically regarding recalculations in cases of insufficient transformer load. This applied to facilities in the Kirovohrad and Mykolaiv Regions.

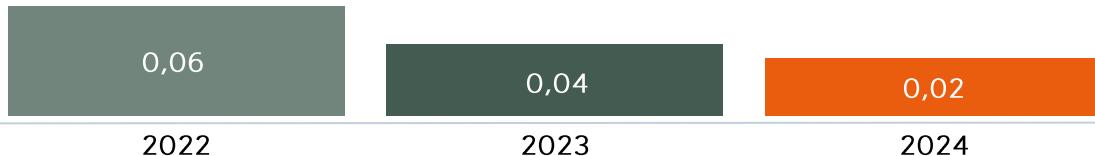
<sup>1</sup> In 2024, the Company relocated to a new office where heating costs are included in the rental fee. As a result, it is currently not possible to determine the volume of natural gas consumption.

## Volume of electricity sold by source, thousand kWh

Indicator	Unit of measure	2022	2023	2024
Electricity (supplied and sold by the legal entity under the Feed-in tariff)	thousand kWh	587,090.74	655,476.90	562,669.22
Electricity (sold by the legal entity under commercial terms)	thousand kWh	0	185,805.72	443,295.23
Trading	thousand kWh	0	0	15,026.00
<b>Total</b>	<b>thousand kWh</b>	<b>587,090.74</b>	<b>841,282.62</b>	<b>1,020,990.46</b>

Energy intensity indicators below illustrate the efficiency of energy use relative to revenue and electricity generated. A decrease in these ratios indicates improved operational efficiency.

### Energy intensity, GJ/MWh



#### Calculation methodology

To prepare the sustainability report, the Company applies the following approaches to collecting and accounting for energy consumption data:

##### → Petrol and diesel fuel

Consumption volumes are determined based on actual fleet expenses recorded in the Company's accounting reports.

##### → Natural gas

Data is obtained from utility bills for natural gas consumption in office premises.

##### → Consumption of self-generated electricity

Information is collected through an automated metering and monitoring system installed at generation facilities.

The volume of self-generated renewable electricity consumed was calculated as the difference between total electricity used for internal needs and the amount of electricity sourced from external grids.

The increase in consumption was driven by the commissioning of the second phase of the wind power plant, which resulted in higher installed capacity and, consequently, greater internal energy use.

##### → Consumption of electricity

Energy used in offices is recorded based on actual expenses indicated in utility bills for electricity, as well as data from the internal accounting system.

#### Sources of conversion factors used

##### → Electricity

For converting kilowatt-hours (kWh) to gigajoules (GJ), the coefficient from the Order of the State Statistics Committee of Ukraine «On Approval of Methodological Provisions for Forming the Energy Balance» dated 23 December 2011 No. 374 was used:

$$1 \text{ kWh} = 0.0036 \text{ GJ}$$

##### → Fuel (petrol and diesel)

or converting fuel volumes from liters to joules, density values and lower heating value (LHV) coefficients from Ukraine's Greenhouse Gas Inventory 1990–2021 (Annual National Inventory Report) were applied:

- Diesel fuel density – 850 kg/m<sup>3</sup>
- Petrol density – 750 kg/m<sup>3</sup>
- LCV of diesel fuel – 43,05 GJ/t
- LCV of petrol – 43,04 GJ

##### → Natural gas

For converting natural gas volumes from m<sup>3</sup> to joules, the following parameters from the same source were used:

- Natural gas density – 0,719 kg/m<sup>3</sup>
- LCV – 47,96 GJ/t

# Greenhouse Gas Emissions

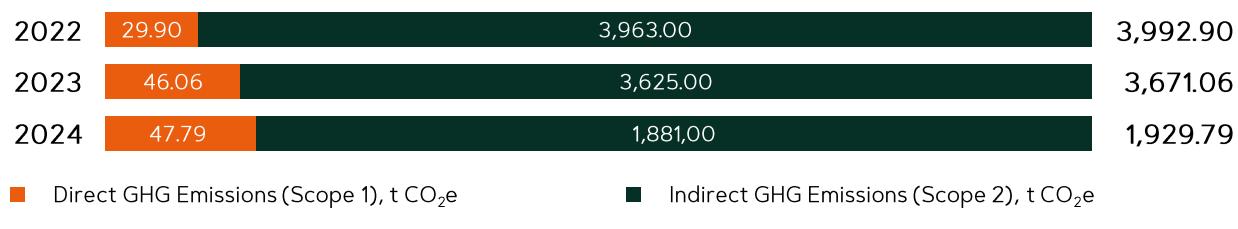
## GRI 305-1; 305-2; 305-4

Scope 1 emissions, which primarily include direct emissions from burning diesel and petrol in the Company's vehicles are regularly monitored and analyzed to reduce environmental impact.

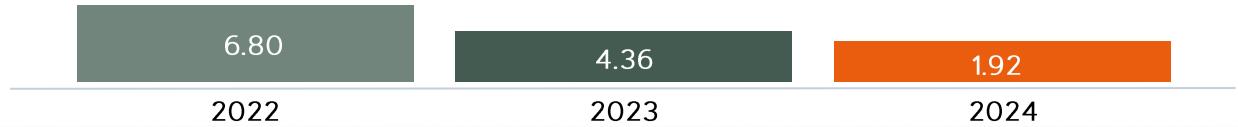
In 2024, the volume of direct GHG emissions (Scope 1) amounted to 47.79 t CO<sub>2</sub>e, showing a slight increase compared to the previous year. However, emission intensity per unit of produced energy has decreased, indicating more efficient resource use.

Compared to the previous year, in 2024, Elementum Energy achieved a 48% reduction in indirect GHG emissions (Scope 2). This was made possible by cutting electricity consumption from external grids at solar power plants.

Additionally, in 2024, heat consumption in rented office premises was not included in Scope 2 calculations. This is due to the landlord not providing a breakdown of energy consumption at the tenant level, making accurate accounting of such emissions impossible.



Total intensity of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions, tCO<sub>2</sub>e/MWh



### Calculation methodology

To calculate and collect data, the Company applies the control approach, meaning all emission sources under the Company's financial and operational control are included in the calculations. This ensures comprehensive coverage of activities that may impact emission volumes.

GHG emission calculations were based on the following sources:

- IPCC Guidelines for National GHG Inventories (2006);
- GHG Protocol: Corporate Accounting and Reporting Standard.

Scope 1 includes the following greenhouse gases generated from fuel combustion in vehicles: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.

For calculating direct emissions, fuel consumption volumes and corresponding IPCC coefficients were used:

- Diesel fuel:
  - Lower calorific value: 43 MJ/kg
  - Emission coefficients: CO<sub>2</sub> – 74,100 kg/TJ, CH<sub>4</sub> – 3.9 kg/TJ, N<sub>2</sub>O – 4.15 kg/TJ
- Petrol:
  - Lower calorific value : 44.3 MJ/kg
  - Emission coefficients: CO<sub>2</sub> – 69,300 kg/TJ, CH<sub>4</sub> – 3.9 kg/TJ, N<sub>2</sub>O – 4.15 kg/TJ

Emission intensity was calculated as the ratio of total direct emissions (t CO<sub>2</sub>e) to the amount of energy produced (MWh).

Scope 2 GHG emissions were calculated in accordance with the GHG Protocol methodology using a location-based approach.

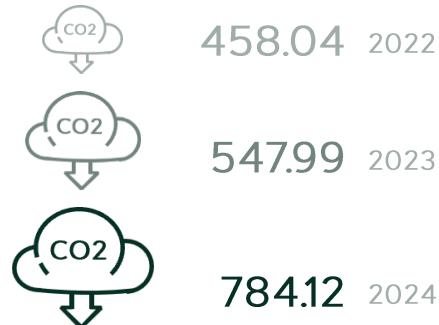
Indicators for indirect emissions (Scope 2) were derived based on emission factors per unit of electricity for Ukraine's energy system, determined using the harmonized IFI approach «Accounting for Greenhouse Gases for Grid-Connected Renewable Energy Projects». For details on emission factor calculations, see the document «Methodological Approach for the Common Default Grid Emission Factor Dataset» (2022).

## Emissions Reduction

Elementum Energy makes a significant contribution to reducing GHG emissions by generating electricity from renewable sources, which produce no direct CO<sub>2</sub> emissions and help replace a portion of electricity derived from non-renewable sources.

In 2024, the Company succeeded in avoiding 43% more CO<sub>2</sub> emissions compared to 2023, thanks to increased renewable energy generation.

### Emissions avoided during 2022-2024, thousand t CO<sub>2</sub> eq.



#### Calculation methodology

The assessment of avoided emissions is carried out in line with the harmonized approach of international financial institutions (IFI) — «Accounting for Greenhouse Gases for Grid-Connected Renewable Energy Projects». Calculations follow the methodology described in the document «Methodological

Approach for the Common Default Grid Emission Factor Dataset» (2022).

The evaluation uses the operating margin indicator, which reflects the average emission level of power plants that actually respond to changes in demand within the energy system.



## Goals and Ambitions for 2025–2026

- Ensure a significant increase in electricity generation volumes in accordance with the approved project pipeline.
- Organize a Social Initiatives Contest focused on promoting renewable energy (RES) and fostering environmental awareness within local communities.

# BIODIVERSITY

## Why It Matters

As part of our commitment to responsible development, we recognise the importance of understanding how our activities interact with local ecosystems. Renewable energy projects might influence biodiversity both directly and indirectly, and Elementum Energy is dedicated to managing these interactions sustainably. Direct interactions typically occur during the construction and operation phases of renewable energy assets. These may include temporary changes to the local environment, such as light, noise and short-term movement of species in the area. Elementum Energy works to minimise these effects through careful planning, assessment and implementation of best practices.

Indirect interactions can arise from the development or expansion of grid infrastructure needed to deliver clean energy to communities. While these impacts are usually outside our direct control, we actively consider their potential implications when locating our projects, aiming to support positive biodiversity outcomes wherever possible.

## Our Approach

### GRI 3-3

Elementum Energy has implemented [Biodiversity Conservation and Sustainable Natural Resources Policy](#), which covers all owned and operated assets and is approved by the Board of Directors.

This policy guides Elementum Energy's actions throughout the entire lifecycle of our renewable energy projects – design, construction, reconstruction, operation and decommissioning.

The Biodiversity Conservation and Sustainable Natural Resources Policy further establishes the following commitments:



Interactions with biodiversity, particularly during construction phase of RE projects



### Impact Category

Positive

Negative

### Impact Type

Potential

Actual

- 1 Sustainable management of natural resources
- 2 Incorporation of ecosystem approach into business strategy and day-to-day operations
- 3 Precautionary approach
  - Taking preventive action in the face of uncertainty
  - Exploring a wide range of alternatives to possible harmful actions
  - Public participation in decision-making
- 4 Advocacy and Awareness-raising internally and externally

The Company's risk reduction measures follow the mitigation hierarchy below:



Avoidance

Minimising the duration, intensity and extent of potential impacts

Mitigation

Residual impact offset and compensation

# Managing impacts associated with biodiversity in projects and operations

GRI 304-2



## Wind Power Plants

Elementum Energy operates the wind park Dnistrovska in Odesa Region, with 21 wind turbines

### Key biodiversity pressures from wind energy projects

Collisions of birds and bats with wind turbines, solar panels, and transmission lines

Electrocution of birds and bats on transmission lines

Disturbance and displacement of fauna due to noise, dust and vibration from construction activities

### Elementum Energy's mitigation strategy

#### Careful site selection:

- Avoid high biodiversity areas such as wetlands, forests, migratory bird corridors, and breeding grounds
- Shift turbine locations or
- infrastructure layout to minimise habitat destruction

#### Pre-construction Environmental Impact Assessment:

- Conduct detailed Environmental Impact Assessment that includes biodiversity surveys
- Identify sensitive habitats, protected species and migratory routes

#### Timing restrictions:

- Schedule construction activities outside of critical breeding, nesting, or migratory periods to avoid disturbance to wildlife

#### Noise and light management:

- Reduce construction noise and limit nighttime lighting to avoid disrupting nocturnal species

#### Post-project monitoring:

- Conduct regular post-construction monitoring
- Adapt operations or implement additional measures if significant impacts are observed

All new construction or expansion projects for wind electricity generation require strict environmental impact assessments and generally need to positively contribute to biodiversity.

Elementum Energy conducts an environmental impact assessment before the start of each project and takes into account the results of this assessment during the construction and operation phases.

The purpose of the assessment is to determine the potential impacts

on biodiversity and ecosystem services in the area of influence of the activity and to assess the materiality of these impacts for the facility, the environment and the communities affected.

After the project is put into operation, Elementum Energy implements a comprehensive Post-Project Monitoring Programme in accordance with the results of the environmental impact assessment.

The post-project monitoring programme for the Dnistrovska WPP includes the following monitoring activities:

Activity	Purpose	Frequency
Noise and vibration monitoring	Ensuring compliance with national standards and assessing potential disturbance to surrounding communities and fauna	Quarterly
Monitoring of protected species	Monitoring the status and habitat use of species listed in the Red Book of Ukraine that may be affected by wind farms	Quarterly
Monitoring of bird and bat activity	Monitoring activity patterns, migration, and roosting behavior of birds and bats, especially during peak migration seasons	Quarterly
Mortality studies – birds and bats	Documenting fatalities of birds and bats as a result of collisions with turbines	Quarterly
Reporting of fauna-related incidents	Reporting injured or dead animals accidentally found on the wind farm territory	Ongoing

The Sustainability Manager is responsible for overseeing the full implementation of the Post-Project Monitoring Programme. This includes:

- Coordinating on-site assessments and studies
- Working with external experts
- Ensuring data quality
- Validating monitoring reports prepared by experts
- Evaluating monitoring results and, if necessary, implementing additional risk mitigation or adaptive management measures

The Post-Project Monitoring Programme demonstrates Elementum Energy's commitment to biodiversity conservation, compliance with environmental standards, and transparent communication with stakeholders.



## Photovoltaic Power Plants

Photovoltaic power plants generally have a relatively low impact on biodiversity compared to other forms of energy production. The significance of impacts depends on current land use, the level of degradation of previous habitats, and geographic location.

That is why Elementum Energy prefers to build ground-mounted solar installations on human-altered areas—former agricultural lands or wastelands—which minimizes impacts on ecosystems and rare species.



## Main threats to biodiversity from solar energy projects

Disturbance of wildlife due to noise, dust, and vibration during construction works

Barrier effect for biodiversity movement, since renewable energy infrastructure requires large areas

Soil degradation

## Elementum Energy's Mitigation Strategy

## Site Selection:

- Preference is given to disturbed or degraded areas, such as industrial zones and abandoned agricultural lands
- Avoidance of areas with high biodiversity, wetlands, and known wildlife corridors

## Biodiversity Impact Assessment Before Construction

## Erosion Control

## Minimizing Footprint

- Use of compact layouts, minimizing road construction and land clearing
- Preservation of natural vegetation between panel rows where possible

## Construction Timing

- Avoiding construction during breeding or nesting periods

## Metrics

## GRI 304-1; 304-4

## Overlaps with protected areas, 2024

4  Protected areas

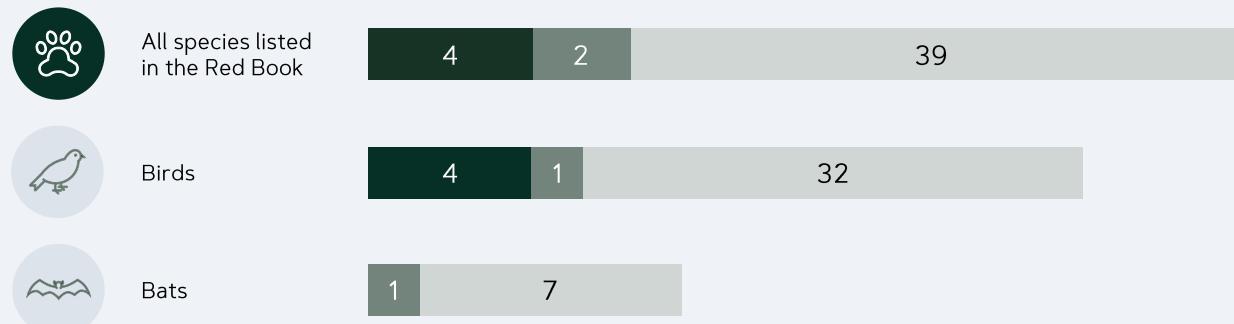
0  Key Biodiversity Areas

Emerald Network

Category II (National Park) by IUCN

Information on facilities under the control of Elementum Energy and located within or near protected areas is given in Appendix 2.

## Status of species in the Red Book of Ukraine



■ Vulnerable

■ Near Threatened

■ Least Concern

### Calculation methodology

Elementum Energy conducted an analysis of the locations of solar and wind power plants in relation to protected areas using the IBAT platform.

The data takes into account the location of solar and wind power plants within a one-kilometer buffer zone to ensure completeness and recognition of relevant interactions with protected natural areas or key biodiversity areas.

Protected areas and key biodiversity areas correspond to section 304-1 of the Global Reporting Initiative (GRI) standards. This includes protected areas according to IUCN Protected Area Management Categories, the Ramsar Convention, and national legislation.

The indicators reflect the total number of protected areas and conservation zones for biodiversity with which Elementum Energy's operational sites interact.

The number of locations intersecting with protected natural areas includes only solar power plant sites.

Currently, Elementum Energy's wind power plants do not intersect with any protected natural areas or key biodiversity areas.

A complete list of production facilities controlled by Elementum Energy and located **within or near** protected areas is provided in **Appendix 2**.

Data on endangered species covers only the Dnistrovska onshore wind power plant. This indicator complies with GRI (Global Reporting Initiative) standard 304-4 and includes a list of the number of species that are endangered in the areas where Elementum Energy operates its wind power plants. The number of endangered species indicated in the table was obtained based on post-project monitoring conducted in 2024. The identified species were recorded during monitoring activities carried out in January, February and December 2024. The monitoring methodology was based on the recommendations of Scottish Natural Heritage.



### Goals and Ambitions for 2025-2026

- Complete the environmental impact assessment for new wind energy projects
- Ensure continuous post-project monitoring at the Dnistrovska Wind Farm



# WASTE

## Why It Matters

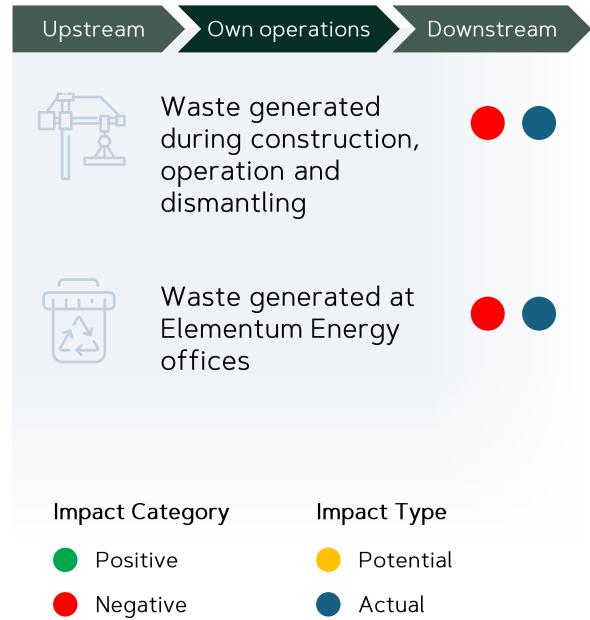
For Elementum Energy, waste management is a significant aspect, as the Company's operations involve the use of various types of equipment — such as solar panels, wind turbines, accumulators, and cables — which eventually require proper disposal or recycling. Certain waste types may contain hazardous substances (for example, lead, cadmium, lubricants), creating potential risks to human health and the environment if handled improperly.

In addition, the decommissioning of renewable energy components, as well as the management of household and office waste requires a systematic approach to reduction, sorting, and reuse. Recognizing these aspects, the Company emphasizes the importance of introducing circular economy principles.

## Our Approach

### GRI 3-3; 306-1; 306-2

The principles and approach of Elementum Energy to waste management are defined in **Environmental Policy** and **Sustainability Policy**, which set out the Company's commitment to minimizing waste generation and encouraging recycling and reuse wherever possible.



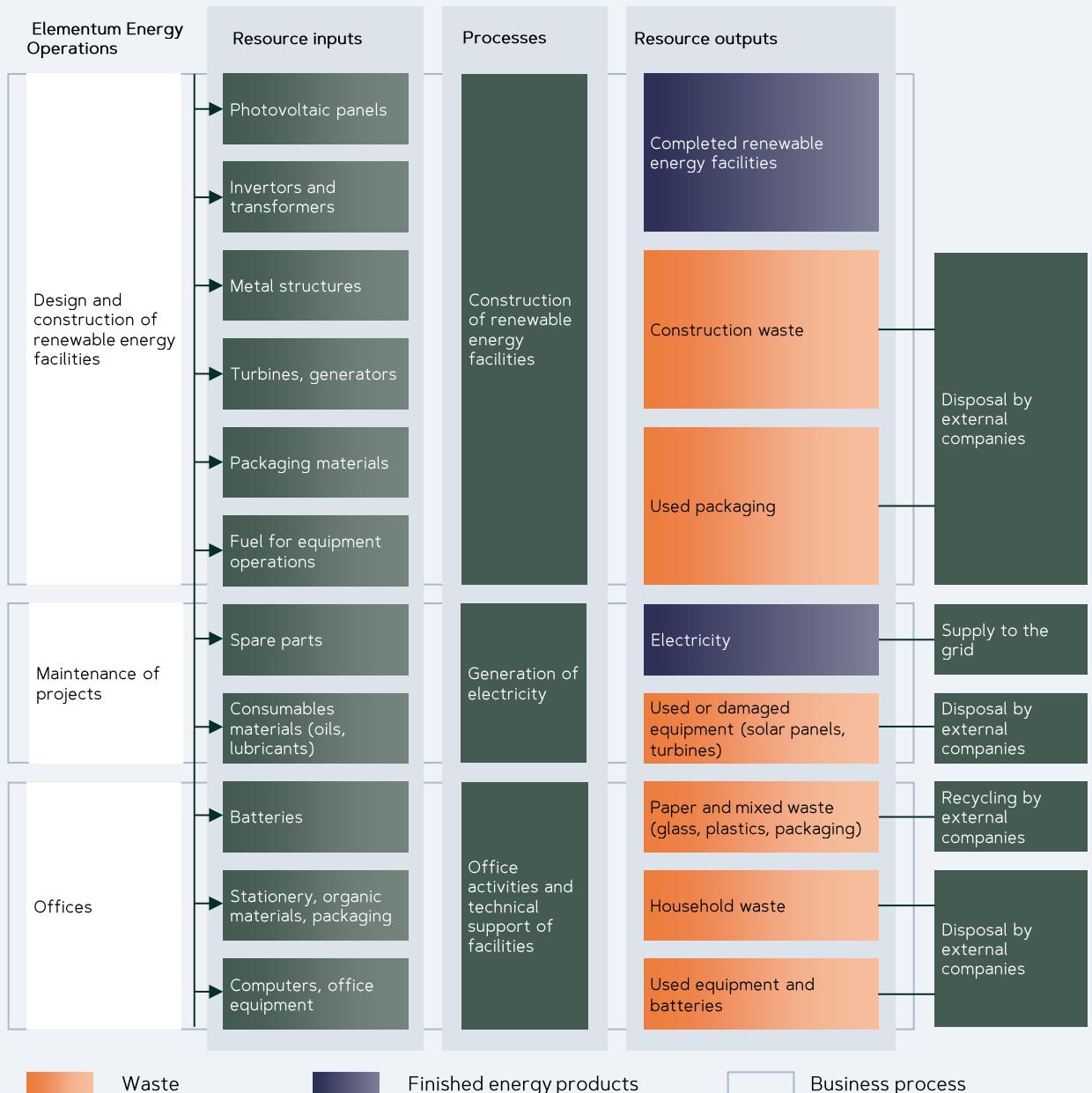
Waste management is carried out according to the division of responsibilities between the Technical Department and the Sustainability Manager.

The company handles waste in compliance with applicable environmental legislation and standards.

Each year, training is provided for personnel to raise awareness of proper waste handling practices and waste prevention.

Waste is generated both in the upstream stages of the value chain, within the Company's own operations, and at the downstream stage of the value creation process, as illustrated in the scheme below.

# Waste Management Scheme of Elementum Energy in Own Operations and Value Chain



To minimize the impact of waste generation, the following practices are implemented:

- Reuse and repair of equipment are ensured whenever possible.
- Both hazardous and non-hazardous waste are transferred to specialized contractors licensed for disposal, under agreements that ensure compliance with environmental regulations.
- Contractors are monitored through verification of documents, licenses, and performance reports.
- The collection and monitoring of waste data are based on accounting records (e.g., disposal certificates).
- Data on waste volumes and types are collected on a regular basis.

## Metrics

### GRI 306-3

Waste is generated during the construction and operation of power plants, as well as from the Company's office activities.

A separate category includes waste in the form of decommissioned solar panels and wind power components. During the 2023–2024 reporting period, no such waste was generated at the Company's facilities. However, part of the equipment is located in territories affected by military actions (Kherson Region), which makes it impossible to confirm the presence or absence of such waste at this time.

Due to these circumstances, the Company is unable to conduct full monitoring or provide verified waste data.

In 2024, because of military operations, a wind turbine was decommissioned, generating waste that includes fibrous materials, ferrous and non-ferrous metals (cast iron, steel, aluminum, copper, bronze, brass) and plastics.

Other waste types include paper, plastic, glass, household waste, used batteries, car tires, accumulators, and waste generated during the construction of power stations.

The accounting and management of construction waste are performed by contractors.

For the 2023–2024 period, no waste in the form of tires or accumulators was recorded.

## Waste Management

### GRI 306-4; 306-5

Elementum Energy adheres to the principles of the European waste management hierarchy, which prioritizes the prevention of waste generation. Where waste generation cannot be avoided, the Company makes every effort to ensure its reuse. If reuse is not possible, the waste is sent for recycling.

Waste that cannot be recycled is subject to disposal or removal (for example, by landfilling at specially designated sites).

The Company cooperates exclusively with licensed contractors that possess valid permits for waste recycling or disposal activities, in accordance with applicable legal requirements.

The table below presents the types of waste generated in 2023–2024 and transferred for disposal and recycling/reusing.

Waste generated by Elementum Energy by type and method of management, tonnes:

Type of waste	2023	2024
Hazardous waste (decomposed solar panels and batteries)		No waste generated
Non-hazardous:		
Sent to external companies for disposal:		
Municipal solid waste	0.51	Accounting data unavailable <sup>2</sup>
Diverted from disposal:		
Recycling by external companies:		
Mixed waste (glass, plastic containers and packaging)	0.86	Accounting data unavailable <sup>2</sup>
Preparation for reuse by external companies:		
Fibrous material waste	0.00	71.10
Cast iron and steel	0.00	64.28
Aluminium	0.00	0.32
Copper, bronze, brass	0.00	0.12
Plastics	0.00	3.80
Cables	0.00	0.77
<b>Total amount of waste</b>	<b>1.37</b>	<b>140.39</b>

#### Calculation Methodology

Data on waste at Elementum Energy is collected and reported in accordance with the GRI 306 (2020) standard, based on information from the Company's operational and administrative sites. The accounting covers waste volumes by type (hazardous / non-hazardous; disposed of / recycled / prepared for reuse within operational sites or outside them).

Description of waste sources covers own operations or activities of external contractors. Waste volumes are measured in tonnes based on the following sources:

- waste handover and acceptance documents;
- reports from licensed waste disposal contractors;
- internal documentation.



#### Goals and Ambitions 2025–2026

- Conduct training for all Elementum Energy employees on waste management rules
- Implement a system for monitoring and accounting of waste generated at production units

<sup>2</sup> In 2024, it was not possible to determine the exact amount of office waste, as the landlord of the office premises independently manages waste placement into general containers, and the cost of waste management services is included in the rent payment.

# SOCIETY

- Own Employees
- Occupational Safety
- Local Communities



# Own Employees



**Tetiana Sheremet**

Head of Human Resources and Culture  
at Elementum Energy



Gender and age diversity



Employee training and development



Internal communication and feedback systems with employees



Impact Category

● Positive

● Negative

Impact Type

● Potential

● Actual

## Why It Matters

### GRI 3-3

Our employees are the foundation of Elementum Energy's success in implementing renewable energy projects. Their experience, motivation, and professional engagement directly influence the quality of work and the ability to respond effectively to the challenges of the energy transition.

Elementum Energy recognizes its responsibility to create a safe and supportive work environment that fosters development.

Despite the difficult times for the energy sector due to the challenges of martial law, the Elementum Energy team continues to work actively, directing efforts to the implementation of strategic goals in the field of renewable energy.

We are convinced that the key to success in difficult times is the stable work of each employee in his/her role. The efforts of each engineer, analyst, manager or technical specialist contribute to the overall business result.

It is the team that holds the Company together, moves it forward despite all the difficulties, and allows us to look to the future when planning new projects.





## APPROACH TO PERSONNEL MANAGEMENT AND POLICIES

Elementum Energy's HR management system is based on the principles of openness, equal opportunity and respect for human rights. We foster an inclusive environment where every employee can learn, realize their full potential, pursue professional growth, and feel safe and respected for their identity.

[The Human Resources Policy](#) is a key document that defines the basic principles and approaches of the Company to working with employees. The Policy is the basis for internal processes — from hiring to staff development and ensuring decent conditions and remuneration, which include:

- Safe environment
- Prohibition of discrimination based on gender identity, sexual orientation, race, religion, nationality, age, physical ability, or other characteristics
- Prohibition of child and forced labour
- Equal access to training and career growth
- Transparent rules for recruitment, onboarding, and internal promotion

→ Official employment.

The responsible body for the implementation of and compliance with this Policy is the Human Resources and Social Responsibility Department.

The head of the department is directly responsible for monitoring compliance with the provisions of the Policy, addressing employee concerns, and ensuring timely updates.

The Policy applies to all Elementum Energy employees and contractors. The document is regularly reviewed in order to adapt to new challenges, legislative developments and socio-economic conditions. The latest version of the Policy was approved by the Board of Directors on 28 December 2024.

All Elementum Energy employees are employed under official contracts, ensuring transparent employment practices and full legal protection. In addition to state-provided social protection, the Company offers health insurance and provides paid annual leave along with sick and parental leave, for both parents as required.

# WORKFORCE SIZE AND STRUCTURE

GRI 2-7; 401-1; 402-2

We have assembled an extremely outstanding team of experts who, both in terms of values and professionalism, share the vision of Elementum Energy and strive for continuous development. We create fair and competitive opportunities for each candidate. The personnel selection process is transparent and open, ensuring equal competitive

conditions for all candidates and showing respect to every individual who wishes to become part of our team.

In 2024, the number of employees increased by 42% compared to 2022, reaching a total of 71 staff members across three Elementum Energy locations: Kyiv, Odesa and London.

Elementum Energy Workforce Structure by Gender and Age



It is important for us to be a conscious employer that provides stability and support to its employees and future candidates. In 2023-2024, all Elementum Energy employees worked under a permanent employment contract. At the same time, we are open to cooperation with specialists who

can join a team to work on individual projects.

For this reason, the Company has both permanent and temporary contracts, which allows us to engage different talents in project implementation, while maintaining flexibility and dynamics in conducting our business.



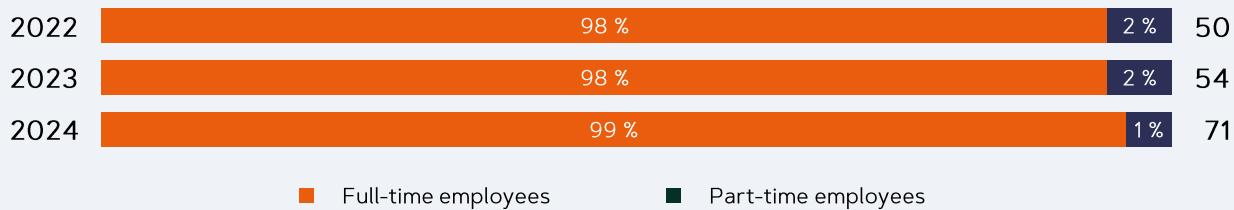
## Number of employees by type of employment contract for 2022-2024



The structure by type of employment at Elementum Energy has remained stable in recent years. We strive to create working conditions with equal opportunities, and therefore acknowledge that not all colleagues can work full-time and are ready

to support such formats of cooperation. In 2024, most employees in Kyiv and Odesa worked full-time, and in 2023 and 2024, only one person was employed on a part-time basis.

## Number of employees by type of employment for 2022-2024



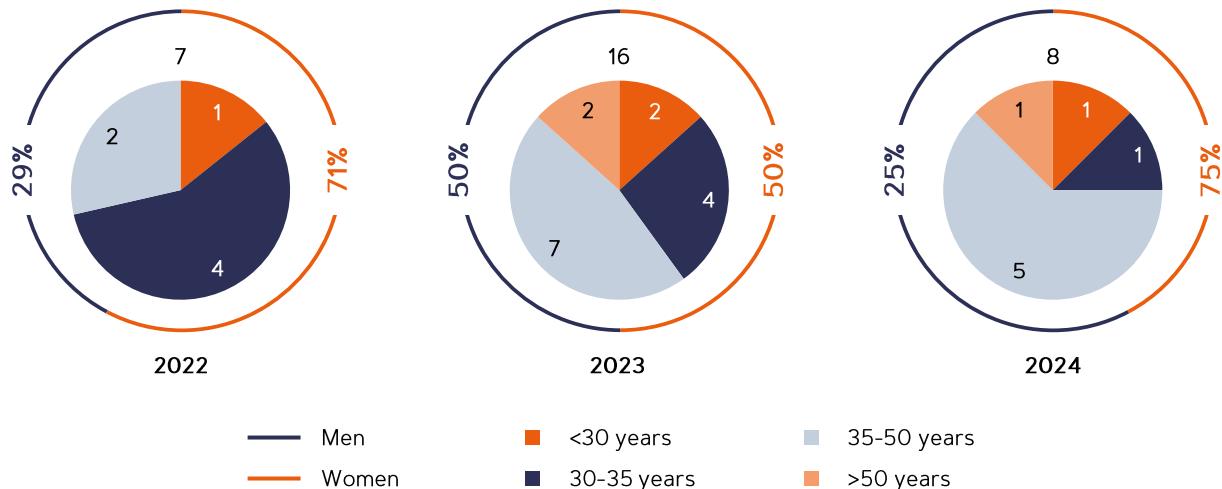
In 2024, the Company demonstrated a significant expansion of its staff: 25 people were hired, which is almost three times more than in 2022 (9 people). At the same time, the number of layoffs decreased significantly – 8 people in 2024 compared

to 18 people in 2022. This reflects the Company's market growth, strengthened position, progress toward stable team management, and the rising prominence of Elementum Energy as an employer brand.

## Number of hired employees by gender and age for 2022-2024



## Number of departed employees by gender and age for 2022-2024



We make efforts to create good working conditions for our team. Every employee, every new colleague is important to us, so we do everything possible to reduce the outflow of personnel.

In 2024, staff turnover was 14%, the lowest rate in the last three years. In particular, among women, it decreased from 38% in 2023 to 34% in 2024, and among men it decreased from 28% to only 5%.

## Parental leave

### GRI 401-3

Elementum Energy fully supports and stands by its employees during a special period in their lives – the birth of a child. We comply with the requirements of the Ukrainian legislation regarding the provision of parental leave in connection with the birth of a child. This allows our employees to be close to the families when it really matters.

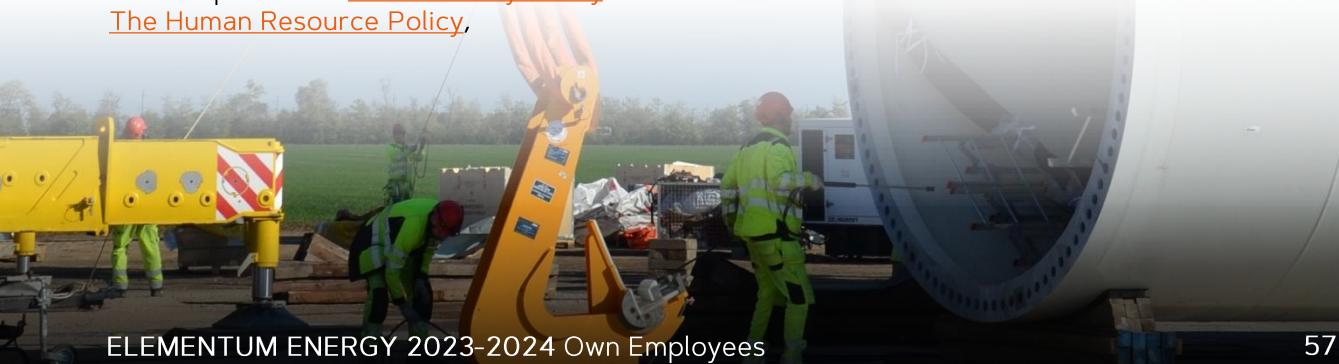
Our Company guarantees equal opportunities for all employees regardless of gender, so both women and men have the right to parental leave in accordance with the current legislation of Ukraine. During 2023-2024, one employee of the Company took advantage of this opportunity.

## Diversity and equal opportunities

### GRI 405-1

Highly appreciating and sharing the global trend towards diversity and inclusion, the Company incorporates these values into its internal policies — [Sustainability Policy](#) and [The Human Resource Policy](#),

which involve non-discrimination, support for inclusion and ensuring equal treatment for all, regardless of personal or social characteristics.

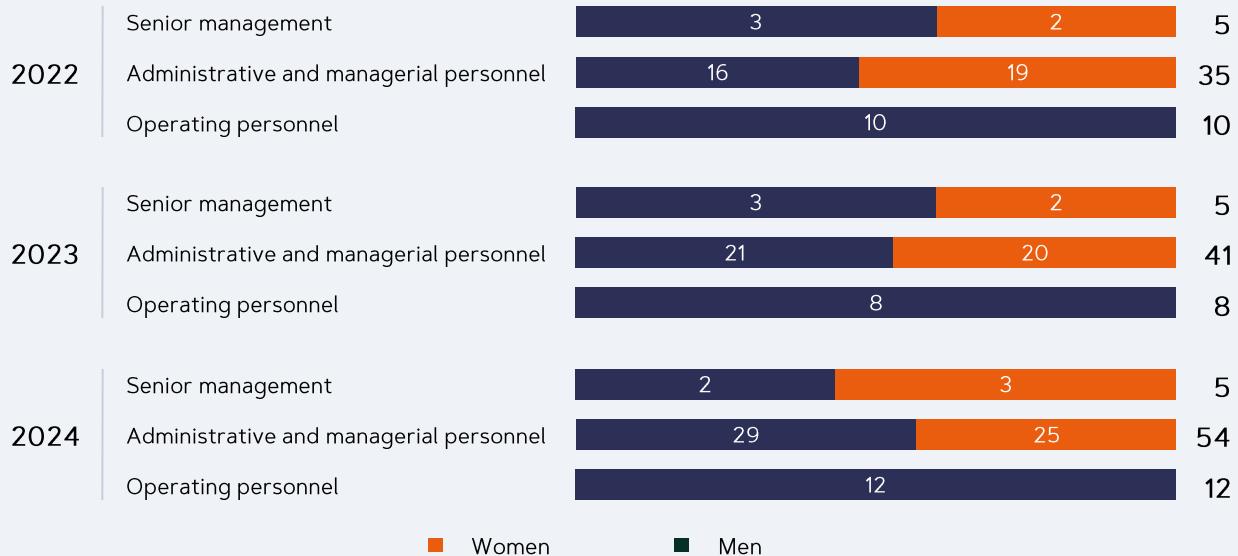




The safety, health and well-being of our employees, community members and everyone with whom we interact is an absolute priority for the Company. As a responsible employer, the Company guarantees fair wages, decent, safe and predictable working conditions, transparent labour relations, maintaining a work-life balance, as well as protection from any form of discrimination, violence or harassment.

*Elementum Energy  
Sustainability Policy*

**Number of employees by job category and gender<sup>3</sup>**



**GRI 405-2**

We believe that fair pay is not only a matter of ethics, but also a powerful incentive for the development of the potential of each employee. That is why Elementum Energy provides equal opportunities for all employees — regardless of gender, gender identity, position, or functional level in the Company. We try to do everything to ensure the equality of employees, in particular, this applies to their income.

In the field of recruitment, we are guided exclusively by candidates' professional experience, knowledge and motivation for professional growth. We are also convinced that everyone has the right to professional realization, regardless of life circumstances. That is why we ensure conditions for the employment of persons with disabilities, supporting their aspiration to work, develop and be part of the team.

As of the end of 2024, the Company employs three persons with disabilities.

In addition, as of 2024, senior management represented 7% of the total workforce, with women making up the majority (60%)—a fact we are proud of.

In recent years, we have done a lot to obtain a positive trend in the ratio of the average aggregate remuneration of women to men: in 2024, this figure was 113% in the category of senior management and 77% among administrative and managerial personnel, compared to 99.5% and 69%, respectively, in 2022.

<sup>3</sup> Senior Management – top-level managers (CEO, director, managing director, etc.)

Administrative and managerial personnel – heads and deputy heads of structural units as well as employees of the planning, financial, legal, accounting, HR and other departments.

Operating personnel – employees engaged in production and its maintenance.

# FEEDBACK

Employees are the key value of our Company. We receive feedback from them and, based on it, we constantly improve internal processes, focusing on employees' needs and expectations. **The main feedback tool** at Elementum Energy has been the PULSE online survey for several years, with employee engagement at >75%, increasing by 3-4% annually.

PULSE is an internal survey covering all Elementum Energy employees, which is regularly conducted three times a year. It helps us identify the level of employee satisfaction and engagement on a timely basis and respond to their requests promptly. The structure of the survey consists of 2 parts:

→ **Constant questions**

They help measure employee satisfaction, enable timely responses to force majeure situations, and allow adjustments to managerial practices.

→ **New questions**

They relate to recently introduced processes and enable the Company to evaluate their effectiveness.

To make grievances or proposals, our employees can also use the anonymous PULSE form.

In the reporting period, the frequency of PULSE surveys increased and was integrated into a broader approach to internal communication and staff well-being. The results collected previously became the basis for specific improvements: we have adjusted the KPI system, highlighting cases where it was ineffective. In 2023, it became evident that payment approval processes required simplification, leading to substantial gains in transparency. In addition, based on the survey, creation of a digital platform for supplier selection approval for 2025 was further articulated and initiated, having a potential to expand our capabilities significantly by optimising this process.

Furthermore, to make grievances or proposals, all Elementum Energy employees can use an alternative channel – the e-mail box [grievances@elementumenergy.com](mailto:grievances@elementumenergy.com).

All e-mail letters go directly to the Managing Director and the General Counsel. We are glad that throughout the 2023-2024 reporting period, this channel was not used by any employee of the Company, and we hope that the comprehensive feedback system developed by the Company provides employees with the opportunity to raise their concerns appropriately and on time.



# Learning and development

## GRI 404-1, 404-2

Developing employees' knowledge and skills is fundamental to maintaining the team's professionalism at a high level and is also a key component of Elementum Energy's sustainable growth. As such, the Company pays significant attention to this area and continuously improves its approaches to employee training and professional development, reviewing existing practices and introducing new ones.

Recognising the importance of learning in building a resilient organisational structure,

in 2023–2024, we implemented a series of initiatives and improvements aimed at establishing a systematic approach to corporate training and team development. As part of these innovations, we conducted an analysis of employee needs, identified training requests and created all necessary conditions, laying the foundation for the launch of a comprehensive learning and development programme in 2025.

## Updated curricula

Over the past few years, we have significantly updated the Company's approach to learning. The changes have affected not only the expansion of programmes but also their content, format and accessibility for the team. We have made training more flexible, practical and aligned with the real needs of employees, considering the specifics of work in the renewable energy sector, current market challenges, emerging industry trends, and the individual requirements of each employee.

To advance this area, the Company invested over half a million UAH in 2024, enabling us to cover a broader range of topics and engage more participants.



### Sustainability

This area covered topics of environmental responsibility, energy efficiency and ESG approaches. Employees participated in webinars on ESG for Ukrainian businesses and in the Plastic Free July 2024 Initiative, as well as attended training sessions on the fundamentals of ESG reporting. Members of the Supervisory Board and the Chief Executive Officer additionally completed the Fundamentals of ESG Reporting programme, which included European reporting standards (ESRS) and the development of an ESG data management system.





## Occupational health and safety

We pay considerable attention to occupational health and safety, and everything related to the prevention of accidents is a high priority for us. Occupational health and safety programmes were focused on all employees, especially on those who work in high-risk jobs. They included the General Occupational Safety Course, Civil Protection, Fire Safety, Electrical Safety, as well as Rules for the Safe Operation of Consumer Electrical Installations and Rules for the Safe Use of Electrical Protective Equipment.



## Corporate governance

In 2023-2024, for the first time, we supplemented the corporate ethics and transparency training with sustainability topics. The content of the training programmes included the basics of ESG reporting, with particular focus on the European Sustainability Reporting Standards (ESRS), and an overview of ISO 45001:2018 and ISO 14001:2015 standards. The target audience of the trainings was primarily the Company's senior management, as they shape the management culture and set the strategic vector for the development of Elementum Energy.



## Energy

As part of a comprehensive approach to the training system, we offer employees programmes that would best meet their professional interests. Training and webinars on the topic "Electric Power Engineering, Electrical Engineering and Electromechanics" were organized for technical specialists. The programmes covered scientific provisions and practical solutions to improve energy efficiency in the context of market relations. Some employees had the opportunity to receive a master's degree in the relevant field in order to improve their level of professional training, or to acquire a new one.



## Soft skills

Most of the difficulties that employees face in their daily work are caused by soft skills issues such as unclear or incomplete communication. To develop communication and personal skills, employees were trained in communication and working with different personality types. We organised these training courses for all team members, which gave them the opportunity to learn and practice correctly, and clearly convey their thoughts to the interlocutors, share tasks and receive feedback.



For the Company's management team, including the Supervisory Board and the Chief Executive Officer, we organized advanced training focused on understanding personality types and learning how to work effectively with different personality profiles, set tasks appropriately, and provide constructive feedback.

Thanks to the introduction of a number of changes in training approaches, we managed not only to start systematic tracking of the average number of training hours per employee, but also to gradually increase it. As of the end of 2024, the average number

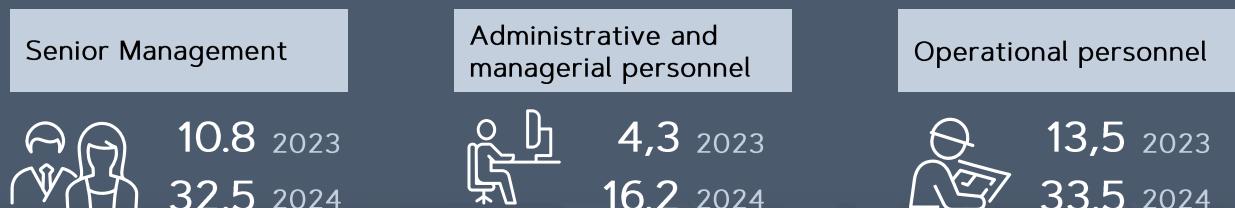
of training hours per employee was 20.3 hours, which is more than twice the figure in 2023. We can already say that the target of 32 hours is gradually being implemented, and training is increasingly integrated into our corporate culture.

Elementum Energy actively promotes the professional growth of its employees, including funding master's programs in energy and related fields.

#### Average number of training hours by gender



#### Average number of training hours by job category



ELEMENTUM ENERGY 2023-2024 Own Employees

An increase in the average number of training hours has been observed across all employee categories. This positive trend is the result of an updated learning approach, which includes mandatory training sessions, individual development programmes, and participation in professional conferences and exhibitions.

In 2024, one of the key steps in advancing internal learning was the pilot launch of a

coaching project for directors — two senior management representatives have already benefited from individual sessions with a coach. Currently, the programme operates in a pilot mode; however, there are plans to gradually expand it to other levels of the Company's organisational structure.

## Key events in 2023-2024

Despite the challenging conditions of wartime, Elementum Energy remains focused on team support, organizational flexibility and inclusiveness. The Company strives to ensure employee stability, development and confidence in the future. Over the past two years, we have consistently worked on improving and enhancing our personnel management system. In 2023-2024, we developed and integrated a range of measures and improvements aimed at optimizing team interaction, strengthening internal processes, enhancing leadership competencies, and creating a more effective and stimulating work environment.

Currently, like many other companies, we face a shortage of new talent. These challenges are driven by both external and internal factors. Demographic changes and mobilisation have had a particularly significant impact, making it necessary to adapt to new conditions and challenges. In view of this, Elementum Energy has revised and improved several approaches to recruitment to attract

new candidates more effectively. Specifically, we thoroughly reviewed and optimized the recruitment process, which allowed us to significantly simplify decision-making and reduce the time to fill vacancies by more than half. At present, the average time to close a position is 2-3 months, which, although still relatively long, represents a major achievement given the high requirements for candidates.

One of the key achievements during the reporting period was the establishment of a transparent communication system that ensures timely identification of issues and supports a productive work environment. Considering that a significant part of the team works in a hybrid format (partly from the office, partly from home), it is essential that communication remains clear and understandable to achieve results on time and at a high level of quality. We introduced regular one-on-one meetings and conducted training sessions for managers and the entire team, laying the foundation for the development of the Learning & Development (L&D) system.

### Main changes and innovations:

2023	→	2024
→ A two-year Development Strategy for Elementum Energy was approved, which became the basis for systemic changes in approaches to personnel management.		→ The system of key performance indicators (KPIs), which was first implemented on a regular basis, has been updated. KPIs have become not only a tool for evaluating results, but also a means of structuring work — in particular, writing procedures and policies.
		→ The implementation of the IT projects has begun, which gave impetus to the digitalization of internal processes and created the basis for the further digital development of HR for 2025.
		→ The foundation was laid for the finalization and implementation of a full-fledged L&D programme.



## Goals and Ambitions for 2025-2026

- Further digitalization of HR: Implement an integrated HR Dashboard for convenient monitoring of key indicators and data-driven decision-making.
- Introduction of L&D: Systematize internal training and create a training platform accessible to all employees; increase the average number of training hours per employee to 32 hours.
- Establishing the foundation for implementing the HRM system (Human Resources Management System): Prepare for the launch of a single platform that will consolidate all HR processes — from recruiting to performance evaluation.

We are proud of the fact that even in difficult conditions, we continue to work and develop effectively: we motivate and retain our team, improve our approaches, quickly make informed decisions, efficiently allocate resources and maintain a high level of productivity.

Although there is still a lot of work ahead, we believe that it is our cohesion, openness to change and shared responsibility that will allow the Company to survive in such difficult times, overcoming all obstacles and challenges. After all, the success of Elementum Energy is the common property of each of our employees!



# OCCUPATIONAL SAFETY

## Why It Matters

As Elementum Energy's operations involve technically complex works in a production environment, safety is crucial for us and is fully integrated into all operational processes. As a responsible employer and a reliable supplier of renewable electricity, we take care of the safety of our employees, counterparties and contractors when carrying out high-risk works across Elementum Energy sites. Elementum Energy has an occupational health and safety (OHS) management system in place to maintain and continuously enhance safety standards at all levels of the Company's operations. This system is designed to identify, proactively manage and prevent potentially hazardous situations, to reduce risks that may pose a threat to life or health of the employees, to raise employee OHS awareness, and to promote a safe working environment.

Elementum Energy ensures adherence of its OHS activities to legal requirements and ISO standards, enabling the Company to maintain effective control and monitoring during audits and inspections. We consistently comply with applicable safety regulations and continuously review and enhance our risk management approaches in this area.

Upstream      Own operations      Downstream



Potential work-related injuries at Elementum Energy sites



### Impact Category

Positive

Negative

### Impact Type

Potential

Actual

## Occupational health and safety management system

### GRI 3-3; 403-1; 403-8

Our occupational health and safety management system complies with local regulations and ISO 45001:2018. It covers Elementum Energy employees and our contractors' personnel who physically perform work at the Company's production facilities to the extent prescribed by applicable law.

**100%** of Elementum Energy employees are covered by the OHS management system as of the end of 2024.

The OHS underlying documents include the Occupational Health and Safety Policy, the Occupational Health and Safety Management System (OHMS) Regulation, safety instructions and programmes, procedure checklists, procedural documents and safety briefing logs.



Occupational Health and Safety Policy is the core document defining the fundamental principles and governing the Company's approaches to ensure appropriate workplace conditions. The Policy allows integrating key safety rules into routine business processes and ensures that they are followed and overseen consistently. The document provides for integrating the occupational health and safety strategy into the annual business planning, setting clear and measurable objectives, maintaining consistent risk management, conducting audits, etc. In addition, the occupational health and safety principles are aligned with the Company's overall business goals and are embedded in the performance evaluation system through the Integrated Management System (IMS).

The core principle underpinning the Policy is the Zero Harm culture, which implies full employee engagement in occupational safety matters.

All our employees are actively involved in the development and improvement of the Company's safety system. They undergo relevant training, take part in OHS initiatives decision-making and have clearly defined responsibilities within their job descriptions.

The Chief Occupational Safety Engineer is responsible for implementing and maintaining the OHS system across Elementum Energy. As part of her duties, this employee ensures onboarding training of new employees and conducts OHS induction briefings and training sessions, contributing to the building of basic knowledge and development of a safety-oriented culture from the very first days of employment.

The key responsibilities of the Chief Occupational Safety Engineer include the ongoing recording and analysis of workplace injuries and the preparation of relevant documents intended to prevent incidents.

The specialist is involved in developing plans and implementing measures to improve workplace conditions and adapts new standards and procedures to the Company's specific needs.

Additional responsibilities of the Chief Occupational Safety Engineer include:

- Collaborating with management on updating occupational safety instructions
- Monitoring compliance with regulatory requirements and standards
- Organising and conducting internal training and knowledge assessments of employees
- Sharing up-to-date information among employees
- Maintaining communication with government authorities to share experience and improve safety practices

Data is recorded in line with the company's approved internal reporting procedure, ensuring that all identified hazards and risks are documented in the appropriate records, such as risk registers, emergency situation logs, workload and intensity assessment protocols, and workplace condition cards. At the end of the reporting period, the Chief Occupational Safety Engineer prepares a comprehensive report demonstrating progress toward achieving the established occupational health and safety targets and metrics.

In 2023-2024, the occupational health and safety management system covered 100% of Elementum Energy employees.



# Risk management system

## GRI 403-2; 403-7

Elementum Energy has implemented a risk management system in accordance with the requirements of ISO 45001:2018. The system is based on the principles of the hierarchy of controls — from the most effective to the least effective safeguards — enabling to mitigate or eliminate the impact of potential hazards to the greatest extent possible.

The hierarchy comprises the following levels of control:

1	Eliminating hazard at the source
2	Substitution of the hazardous process or material
3	Isolation of the hazard
4	Physical guards or engineering controls
5	Safety procedures and rules
6	Supervision and monitoring
7	Employee training
8	Safety briefings
9	Warning signs

During 2023–2024, significant changes were introduced in the Company's OHS management

system to improve risk management efficiency and incident response. In particular, new procedures were developed and approved:

- P09 — Risk and environmental assessment;
- P11 — Incident investigation;
- P13 — Training and competence;
- P12 — Emergency response.

The hazard identification and risk assessment process at Elementum Energy is carried out in accordance with the internal procedure P09 — Risk and environmental assessment. Three main levels of responsible parties, such as the OHS specialist, the risk management work group and the heads of business units are involved in the process.

Overall coordination and consultation support is provided by the OHS specialist, whose responsibilities include ensuring comprehensive support and facilitating the hazard identification process across the Company.

The work group is responsible for:

- Determining the frequency of risk reviews
- Preparing and updating the risk register
- Developing risk management measures
- Assessing the residual risk level after implementing the measures

To prevent potential adverse impacts on occupational health and safety, the Company applies a comprehensive risk management approach. We closely monitor compliance with all necessary measures to ensure a safe working environment.



## Hazard identification and accident prevention

### GRI 403-2

Since Elementum Energy activities primarily relate to the design, construction and operation of renewable energy facilities, this nature of business entails heightened occupational safety requirements and the need for regular compliance monitoring. Safety audits represent one of the key tools allowing us to assess the effectiveness of occupational safety measures consistently, to identify potential hazards and to implement remedial actions.

Furthermore, in 2024, a comprehensive identification of hazards and risk assessment were carried out for all workplaces, including roles that do not have a permanent workplace – both at production sites (for example, electricians) and in the office environment. This process starts annually in August and ends before the commencement of the formation of the Company's budget for the next year.

## Electronic incident reporting system

The goals for Implementing the electronic incident reporting system were achieved during the reporting period. This was made possible by implementing the procedure P11 «Incident investigation» which establishes the procedure for detecting, recording, investigating and managing incidents. The procedure also provides for reporting and analysing causes for the purpose of the continuous improvement of the occupational safety system.

The Company investigates incidents not only according to statutory requirements, but also according to internal regulations to better understand the causes of events and to prevent their recurrence. This approach is intended not only to record the fact, but also to find the root causes and implement effective measures to enhance safety.

An investigation process covers:

- creating an investigation team;
- interviewing witnesses and analysing the actions of employees;
- identifying the true causes of the incident;
- developing effective remedial actions;
- preparing a report for management.

Such approach enables not only to respond to incidents but also to work on their prevention, creating a safer working environment.

The procedure P11 is not just a response to incidents. It is an integral part of the continuous OHS improvement system.

We do not limit ourselves to meeting statutory requirements only. The Company also applies its own internal standards and procedures to better understand why the event occurred and to make the maximum possible effort to prevent its recurrence. We use the findings of such investigations to:

- identify recurring or systemic problems in operations;
- update occupational health and fire safety instructions and internal documents;
- establish additional safeguards, such as barriers, sensors and emergency buttons;
- conduct dedicated training for employees;
- take measures that help prevent future incidents.

## Employee health as an element of the safety system

### GRI 403-3; 403-6

Elementum Energy places a high priority on maintaining the health of its employees by providing a wide range of medical services, both within the work process and during events that may occur outside of normal circumstances. All employees of the Company are provided with medical insurance covering treatment, diagnostics and hospitalisation expenses according to the insurance programme.

Elementum Energy employees who are engaged in performing hazardous work undergo medical examinations.

We adhere to the principle of limited access to employees' medical information and maintain the highest level of confidentiality regarding their health-related matters.

In the event of complaints or signs of deteriorating health, medical information is processed exclusively in an anonymous format, without disclosing the employee's personal data. Therefore, we eliminate the possibility of using medical data in any employee-related decisions, except as provided by law, and restrict access to it only to medical personnel.



## Employee participation in occupational safety

### GRI 403-2; 403-4

We encourage employees to participate in the development, implementation and evaluation of the OHS management system actively. This process covers involvement in hazard identification and risk assessment in the workplace, as well as provision of recommendations for remedial actions during discussions at the Company's regular meetings.

To develop a culture of trust and accountability, we have created conditions that encourage employees to openly report potential hazards, incidents or risks. A communication mechanism has been established to ensure open and safe reporting, allowing employees to report dangerous situations without fear of retaliation. Employees who identify an incident are required to inform the head of their business unit immediately or, if that is not possible, the relevant Company manager, in accordance with the procedure for reporting incidents (G14-Memo Notification of incidents and emergency situations).

The incident reporting procedure includes:

1 Information about the person reporting the incident: full name, position and contact details.

2 Detailed description of the incident: date and time of occurrence, location, nature of the incident, and whether there are any casualties.

3 Information about injuries sustained and assistance required, if known at the time of reporting.

4 If necessary, additional information about the causes and circumstances of the incident.

The person receiving the notification of a potential hazard is required to forward it to the Company Director, OHS specialist and the Department Director immediately. An assessment of the incident is then carried out, and further actions are determined, including consultation with the employee who reported the incident regarding his/her rights during the investigation and safety measures.

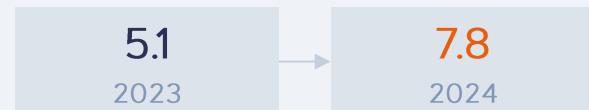
## Employee training on occupational health and safety

### GRI 403-5

Over the years, our Company consistently develops the personnel training area focusing on occupational health and safety. In 2023-2024, Elementum Energy achieved the set target — conducting annual training to implement and maintain the OHS culture (at least, 3 hours per employee).

This was made possible by expanding training programmes and increasing the average number of training hours per employee.

#### Average number of training hours



The number of the employees trained in OHS has increased by 43.5% from 46 employees in 2023 to 66 employees in 2024.

Not least, the increase in training coverage has resulted from a systematic approach to assessing OHS needs of our employees.

We regularly review the applicable legislation and industry-specific standards, trace changes that may impact competencies of our employees and assess production processes for potential risks. Testing is additionally conducted to identify knowledge gaps enabling to develop and adapt training programmes to the actual needs of our employees.

Organising the training process includes both internal and external formats: webinars, training sessions, courses on the Moodle electronic platform and training with the involvement of specialised organisations. All training programs and sessions for Elementum Energy employees are free of charge, conducted during paid business hours, and mandatory. The responsibility for training planning and delivery rests with the Chief Occupational Safety Engineer, while control over timely completion lies with the heads of the business units.

Annual occupational health and safety training is mandatory for all employees, especially for those performing high-risk tasks.

Such employees attend dedicated training courses at educational institutions where they acquire knowledge required for safe work.

In addition, Elementum Energy conducts annual practical first aid and fire safety training which is available for all who are interested. During the training courses, our employees learn:

- how to properly stop critical bleeding using tourniquets;
- how to use different types of fire extinguishers;
- how to act in emergency situations.

The Company has also implemented training according to international standards, specifically ISO 45001:2018, to increase the level of knowledge and to enhance the readiness of its employees to respond to non-standard situations.

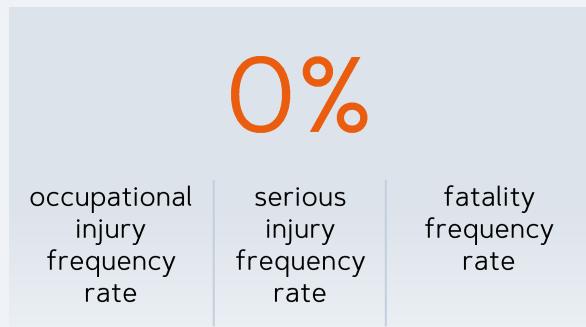
After each training course, knowledge is assessed — this may include tests, practical tasks or exams. If the training is conducted by an external organisation, employees receive certificates or records. Internal courses are assessed through the Moodle electronic platform or in a written form.

## Safety statistics

### GRI 403-9

In 2023–2024, Elementum Energy maintained a zero level of occupational injuries, incidents and accidents. We highly value this stability resulting from our team's consistent and coordinated work as a whole and the implementation of a comprehensive risk management approach. We proudly note that all measures, initiatives and innovations within the occupational health and safety system are yielding tangible results — for several years in a row, we have demonstrated zero indicators, despite operating in an industry with an increased level of occupational risks.

This reporting period was no exception: the accident frequency remained at 0%.





We understand that employee safety is not a one-time initiative but an ongoing process that requires daily attention, continuous improvement and engagement. That is why we do not rest on our laurels but continue to invest in training, risk prevention and monitoring and the development of a safety culture at all levels of the Company.

*Oksana Perehuda,  
Chief Occupational Safety Engineer*

Goals for 2023-2024	Status
Achieve ISO 45001:2018 certification of the OHS management system	Achieved
Ensure safe workplace conditions to prevent injuries and protect the lives and health of our people	Achieved
Implement a digital incident record system	Achieved
Deliver annual training to implement and maintain an OHS culture (3 hours per employee)	Achieved



## Goals and Ambitions for 2025-2026

### → Zero Occupational Injuries

- Ensure absolute priority of safety during the execution of any production processes.
- Cultivate a responsible attitude towards safety at all management levels and for each employee.

### → Enhance knowledge and safety culture among employees

- Conduct regular OHS training, workshops and practical sessions.
- Use innovative training methods (VR simulators, emergency situation simulations and interactive platforms).
- Create a corporate culture where safety equals value, not just a requirement.

### → Continuous improvement of the OHS management system

- Harmonise internal procedures with international ISO 45001 standards and ESG requirements.
- Conduct regular risk assessments and implement preventive measures.
- Improve safety communications between management and employees.

# LOCAL COMMUNITIES

## Why It Matters

Elementum Energy strives to create long-term and trust-based relationships with residents of local communities in areas where it operates, considering them equal partners in creating shared value and improving local well-being. Since the majority of our facilities are located in rural areas, we systematically engage with communities at every stage of the project life cycle – from planning and construction to operation and modernization. This approach involves open dialogue, assessment of potential social and economic impacts, and the development of joint solutions that help reduce risks and enhance positive effects for local populations.

We believe that sustainable community development and the effective operation of the Company are interconnected and mutually reinforcing. That is why Elementum Energy pays attention to involving community representatives in processes related to identifying material topics, planning social initiatives, and monitoring results. The main areas of interaction include job creation during project implementation, development of local infrastructure, support for educational and cultural projects, environmental protection, and improvement of road safety in the regions of operation. Elementum Energy also pays special attention to working with local authorities,

Upstream → Own operations → Downstream



Job creation for local residents



Social projects and initiatives for community development



Negative impacts on residents' comfort caused by the construction and operation of renewable energy projects



### Impact Category

Positive

Negative

### Impact Type

Potential

Actual

public organizations and educational institutions to develop comprehensive solutions that consider the needs of different population groups.

## Our Approach

### GRI 413-1

The main principles guiding our interaction with communities are outlined and formalized in our Sustainability Policy. Our approach focuses on building strong relationships with communities in the regions where we operate. We always prioritize community needs and contribute to their development while ensuring responsible business practices.



Community engagement is an integrated part of Elementum Energy's management processes and covers all stages—from project planning to the implementation of social initiatives. In particular, all issues related to communities are addressed by the Company at three levels, including:

1 Operational level	2 Strategic level	3 Executive level
<p>The Corporate Social Responsibility (CSR) Manager is the primary person responsible for organizing and coordinating the Company's engagement with communities. This role includes collecting information about community needs, and preparing budgets for initiatives, charitable activities and social projects. The manager also aligns priorities with the Company's strategic directions and prepares an action plan.</p>	<p>The Board of Directors approves the social partnership programme budget every December. For the «charity» category, additional approval is provided by the Chief Legal Counsel to ensure compliance with legal and ethical standards.</p>	<p>The Executive Management Committee reviews and approves the action plan and makes decisions on allocating funds to support communities beyond the approved budget, within the limits agreed upon by the Board of Directors.</p>

## Engagement and cooperation with local communities

The primary mechanism for formalizing partnerships with local communities is the signing of **Social Partnership Memorandums**. These documents establish a shared vision, areas of cooperation (infrastructure, social initiatives, education, environment), principles of transparency, and coordination mechanisms. The process includes identifying community needs, discussing priorities, agreeing on projects, and subsequent monitoring of implementation. Thanks to these Memorandums, communities gain predictability and guarantees from the business, while we, as a Company, secure a stable foundation for responsible project implementation.

During the 2023–2024 period, 3 Memorandums were additionally signed with three local communities. The total number of Memorandums signed as of the end of 2024 is 31 Memorandums signed with 29 local communities.

We highly value the outcomes of the community engagement process and encourage suggestions

and requests from local residents. Open communication channels, timely responses, and respect for different viewpoints are the basis of responsible two-way cooperation, helping consider local expectations, identify potential risks, and jointly develop solutions that support sustainable development of the territories. To achieve this, the Company operates several feedback channels.

You can contact us via email at [CSR@elementumenergy.com](mailto:CSR@elementumenergy.com) for questions related to social development from local communities, or [office@elementumenergy.com](mailto:office@elementumenergy.com) for all other inquiries and proposals. We are also always open to dialogue during public hearings. All requests are handled in accordance with the Law of Ukraine «On Citizens' Appeals».

The Procedure for Submitting and Reviewing Complaints and Proposals is planned to be expanded and updated in 2025.

## 0 complaints

from local residents during 2023–2024

## Partnership for Development

A key aspect of supporting local communities is the implementation of projects aimed at improving comfort and well-being for residents. These projects include educational programmes, sports development, environmental protection initiatives, and infrastructure modernization. During the reporting period, Elementum Energy implemented more than 30 social projects and initiatives for local residents, with total Company investments in community support amounting to approximately UAH 6.4 million.

### 2023

In 2023, Elementum Energy's social activities were primarily focused on charitable assistance due to the severe conditions of wartime. It was an extremely challenging year for Ukraine, particularly because of the destruction of the Kakhovka HPP dam and constant threats to civilians and the Defense Forces. Accordingly, the Company actively contributed to support efforts—the largest contributions were directed to rescuers through the United24 platform under the project «Help the Rescuers» (UAH 500,000), as well as to the needs of Ukraine's Defense Forces — UAH 1 million

for the purchase of a new pickup truck for sappers in cooperation with the NGO «Come Back Alive!» charity foundation. In total, in 2023, Elementum Energy provided charitable assistance exceeding UAH 2.6 million.

### 2024

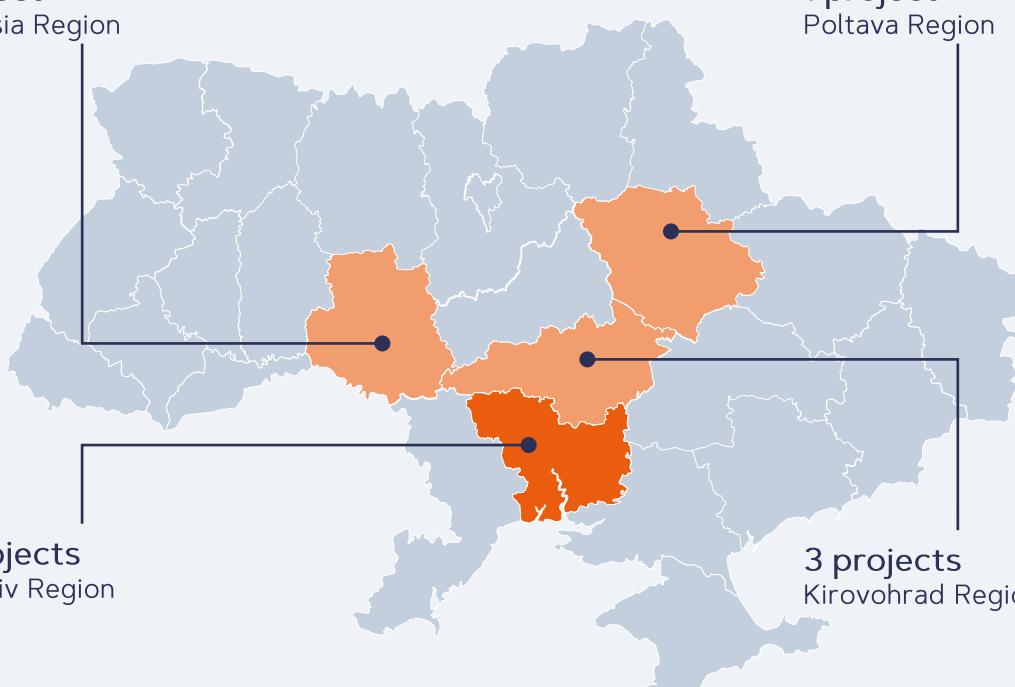
In 2024, we significantly increased the overall scope of social activities by expanding areas of engagement with communities, particularly in culture, sports, education, and local infrastructure improvement. Charitable assistance continued to remain a major priority for our Company. The largest donations were directed toward purchasing sensors for the State Emergency Service employees and supporting the Ohmatdyt hospital after it was hit by a Russian missile during the shelling of Kyiv on 8 July 2024. Together with local communities, the Company implemented about 15 social projects in four regions of Ukraine, totaling UAH 1.39 million. The infographic below provides an overview of other projects and initiatives carried out by Elementum Energy in 2024.

1 project  
Vinnytsia Region

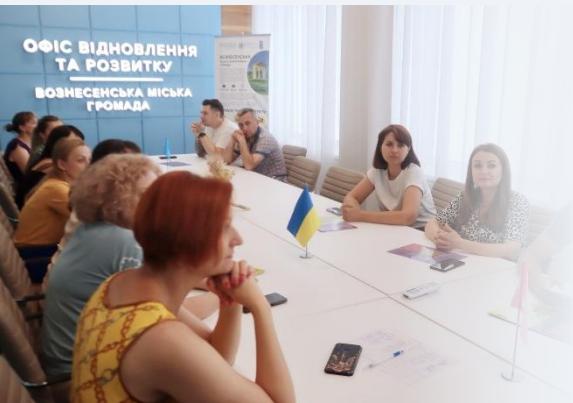
1 project  
Poltava Region

10 projects  
Mykolaiv Region

3 projects  
Kirovohrad Region



## Mykolaiv Region



- Yelanets community (Yelanets): Equipped an innovative sports hall specially adapted for preschool children.
- Yelanets community (Yelanets): Created a modern educational space in the local library.
- Buzka community (Taborivka): Opened a room and introduced educational and extracurricular activities to develop science and technology skills.
- Buzka community (Taborivka): As part of the «From Small to Big» project, a sports and play area was set up for children and adults to encourage active leisure.
- Voznesensk community (Voznesensk): Implemented the eco-initiative «Breathe Without Limits!» with a series of workshops on responsible waste management.
- Doroshivka community (Shcherbanivske): Developed a modern park with children's zones, autonomous lighting, and spaces for active recreation.
- Kazanka community (Kazanka): As part of an energy-efficiency upgrade at Gymnasium No. 2, windows were replaced by energy-saving ones, reducing heating costs by 30%.
- Sukhoi Yelanets community (Buzke): Improved the central part of the village by creating recreational areas.
- Bashtanka community (Yavkyne): Established RURAL FITNESS — a modern space with state-of-the-art sports equipment for active leisure and health improvement.
- Bashtanka community (Yavkyne): Opened a cinema space with a photo studio — a venue for cultural development, creative meetings, and self-expression for youth and adults.

## Poltava Region

- Novosanzhary community (Novi Sanzhary): Launched a waste sorting and environmental education project called «Sort to Save».



## Vinnytsia Region

- Kalynivka community (Pavlivka): «Healthy Children — Healthy Nation» — installed a modern sports complex for training and rehabilitation activities.



## Kirovohrad Region

### → Project «Warmth in Every Heart» (Zavallia, Kirovohrad Region)

In the inpatient care unit of the Territorial Social Service Center of Zavallia Settlement Council, 48 elderly people with special needs live, for whom stable access to hot water is a matter of hygiene, health, and dignity. Due to damage to the energy system and periodic power outages, the facility regularly faced interruptions in hot water supply. To solve this problem, Elementum Energy purchased and installed an all-season 500-liter solar thermal system (solar collector) on the building's roof, providing hot water year-round regardless of ambient temperature. This solution simultaneously improves living conditions for residents and reduces the facility's electricity costs, cutting associated greenhouse gas emissions, thanks to the use of renewable energy. The partnership was implemented jointly with the charitable organization «Community Development Fund Initiative» and the Territorial Social Service Center.

The project received recognition at the international **Partnership for Sustainability Award 2024** (category «Planet», Silver Award) organized by the UN Global Compact in Ukraine.

The award acknowledges joint efforts of business, government, and civil society aimed at creating a better future. It brought together over 500 initiatives from businesses and NGOs from Ukraine, the United Kingdom, France, Germany, Switzerland, Sweden, Finland, Croatia, Poland, Georgia, Romania, Bulgaria, and Turkey. The award aims to raise awareness of the importance of shared values such as human rights, sustainability, and development, which form the foundation of a civilized world.

### → Malovyskivska community (Mala Vyska):

Implemented the project «Safe Road to School», which includes infrastructure solutions to improve the safety of students on their daily routes.

### → Novoukrainska community (Novoukrainka):

Created the «Intellectual Hub» — an open space for learning, hosting club meetings, and community events.

# Responsible approach to assessing impact on communities

## GRI 413-2

Elementum Energy adheres to the principle «do no harm but bring benefit».

That is why our team pays significant attention to identifying and mitigating potential negative impacts already at the project planning stage.

Wind farms and solar power plants themselves do not create significant actual negative impacts on local communities. Potential impacts on residents' comfort may occur during the construction phase and are of a temporary nature associated with the use of construction machinery, vehicles, and equipment that generate noise and vibration. According to laboratory measurement protocols, the noise and vibration levels of Elementum Energy's wind projects remain within permissible limits during the operational phase.

In the first half of 2023, construction of the second phase of the Dnistrovska Wind Farm (Odesa Region, Bilhorod-Dnistrovskyi District) was completed. The identified impacts on communities during the works were minimal: crop damage during crane relocation was compensated to farmers under agreements, nighttime lighting was

coordinated with the village council and the State Border Guard Service, and no complaints about noise were received from local residents.

Before starting any project, we conduct an environmental impact assessment (EIA) — this is a mandatory procedure provided for by the legislation of Ukraine, which includes the involvement of the local population in the consultation process. In addition, the Company annually provides post-project monitoring to identify possible discrepancies or deviations in the actual environmental impact indicators from the forecasted ones identified in the EIA report. Monitoring is also aimed at assessing the effectiveness of implemented measures to prevent, mitigate or eliminate negative environmental impacts.

During the reporting period, EIA was carried out for 1 new project — Lyman Wind Farm. The finished conclusion was received in October 2024. As for other projects, EIA is planned for 2025.

The table below shows the main aspects of community engagement that took place in 2023-2024.

Communities' involvement	Lyman Wind Power Plant	Artsyz Wind Power Plant	Kiliia Wind Power Plant	Phase II of the Dnistrovska Wind Power Plant
Method	Public hearings			
Goal	Resolution of land issues (inventory and determination of land plot boundaries)	Ensuring transparency, identifying and minimizing possible environmental, social and economic risks, as well as building trust and support for the project from the community	Agreement on the schedule and conditions for construction works with local communities and authorities	
Result	No remarks or comments from community representatives		Night lighting use was agreed with local authorities, and compensation was provided to farmers for crop damage (during crane relocation)	

## Goals for 2023-2024

## Status

Finalise and approve the Stakeholder Engagement Plan	In progress
Develop internal regulations on community development expenditures in the regions of Elementum Energy presence	In progress
Complete the community projects that won the competition for social projects from Elementum Energy at the end of 2021 and were expected to be implemented in 2022 but will be implemented in 2023-2024 due to the full-scale invasion, providing that they are relevant and feasible	Achieved
Support projects and initiatives aimed at promoting energy independence of local communities through the introduction of renewable energy sources (wind and solar), as well as assist in solving the urgent needs of communities that have arisen in connection with hostilities in the territory of Ukraine	Achieved – Solar system project at the Home for the Elderly (Zavallivska community)



## Goals and Ambitions for 2025-2026

- In 2025, it is planned to conduct a Social Project Competition for local communities where Elementum Energy photovoltaic plants operate. The initiative will be implemented in partnership with the ICF Charitable Organisation «Community Development Fund «Initiative». Priority will be given to projects that promote the use of renewable energy, the development of affordable and inclusive infrastructure, and the raising of environmental awareness in response to the challenges of climate change.
  
- Develop and approve the Stakeholder Engagement Plan
  
- Document and approve/implement the Complaint Handling Procedure



# BUSINESS CONDUCT

- Business Ethics and Compliance
- Taxes
- Cybersecurity



# BUSINESS ETHICS AND COMPLIANCE

## Why It Matters

Elementum Energy adheres to high standards of ethics and compliance, and our position on this matter has remained unchanged throughout all the years of our activity.

The Company does not tolerate any manifestations of corruption, bribery, kickbacks, facilitation payments or any other illegal actions that contradict the current legislation of Ukraine and our values.

To minimise such risks, we pay special attention to preventing them at all levels – both within the Company and in relationships with partners, contractors and any third parties.

We believe that transparency, integrity and responsibility are the foundation of trust in business. That is why we implement clear control and risk management tools, review internal policies regularly and conduct mandatory training for all employees.

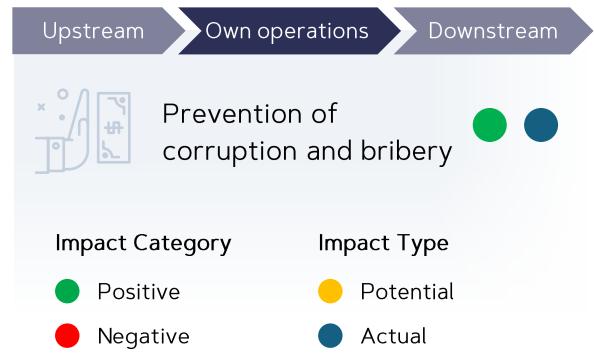


Our main goal is to ensure that every employee and contractor not only understands their role and responsibility in building an ethical environment but also actively contributes to shaping a culture of trust, transparency and mutual respect.

## Our Approach

### GRI 3-3

In its work, Elementum Energy is guided both by national legislation and by international standards, specifically:



- Law of Ukraine «On Prevention of Corruption»
- Law of Ukraine «On Prevention of and Counteraction to Legalisation (Laundering) of Proceeds of Crime, Terrorist Financing, and Financing of Proliferation of Weapons of Mass Destruction»
- U.K. Bribery Act 2010
- Foreign Corrupt Practices Act (FCPA)
- UN Convention against Corruption
- Other international documents that set high standards of ethical conduct

## Prevention of Corruption and Bribery

In the area of combating corruption and bribery, Elementum Energy follows two interrelated documents.

The **Anti-Bribery Policy** (hereinafter – the *Policy*) defines the general principles and commitments of the Company regarding ethical business practices and preventing corruption.

At the same time, the **Anti-Bribery and Anti-Corruption Manual** provides more detailed and practical guidance that outlines specific procedures, rules and mechanisms for implementing the Policy within the Company.

**The Anti Bribery Policy** defines the key commitments of Elementum Energy Group regarding compliance with applicable legislation and ensuring fair and transparent business conduct.

The Policy is a framework document outlining the core anti-corruption obligations of the Company.

According to this Policy, the Company conducts systematic analysis of corruption risks that may arise within its operations and assesses potential threats. In particular, we carry out checks of counterparties with whom business relations are planned or maintained, especially if this can influence decision-making objectivity or impenience.

The Policy also envisages that the Company acts responsibly in engaging with local communities and implementing social initiatives. No form of charity or sponsorship should be used as a cover for improper payments, especially for the benefit of politically exposed persons. All social and charitable projects should be transparent, reasonable and documented properly.

The **Anti-Bribery and Anti-Corruption Manual** (hereinafter – the *Manual*) is a key internal document of Elementum Energy that establishes unified standards of conduct for employees in the Company's anti-corruption compliance system. It has been developed in line with leading international ethical standards (including FCPA<sup>4</sup> and the UKBA<sup>5</sup>) and contains clear requirements for compliance with national legislation, risk assessment, interactions with third parties, as well as the Company's obligations in the field of anti-corruption and proper conduct.

The Manual is mandatory for all Company employees, and also applies to contractors, their representatives and other persons acting on behalf of or in the interests of the Company.

The Manual includes the following list of the Company policies:

- Anti-corruption policy;
- Policy on gifts, hospitality and entertainment;
- Policy on charity, sponsorship and social responsibility;
- Policy on activities outside the Company;
- Policy on personal relationships (conflict of interest);
- Policy on politically exposed persons (PEPs); and
- Policy on reporting breaches and investigations.

The Anti-Bribery and Anti-Corruption Manual is subject to regular review — at least once a year or more frequently if needed — to ensure its relevance and alignment with evolving legislation and best practices.

The primary person responsible for matters related to corruption, fraud and compliance with anti-corruption standards is the General Counsel.

Her key responsibilities are:

- Provide consultations to employees on compliance with the Company's internal policies
- Ensure that risk assessments and compliance findings are communicated to Elementum Energy management.
- Approve restrictive provisions for counterparties (e.g. suppliers and counterparties), including standard anti-corruption clauses and sanctions clauses in contracts.
- Organise anti-corruption and compliance training activities
- Monitor compliance with the rules on gifts and hospitality.

The General Counsel annually reports to the Managing Director on incidents identified, investigation findings and measures taken to mitigate risks and prevent negative consequences.

<sup>4</sup>FCPA – U.S. Foreign Corrupt Practices Act

<sup>5</sup>UKBA – U.K. Bribery Act 2010

## Conflict of Interest

During recruitment, new employees are required to report any conflicts of interest, participation in boards of directors, as well as any external time-consuming business or charity activities. Employees' personal interests should not affect the selection of suppliers or contractors.

Employees must also report if they have family ties or close political connections with politically exposed persons. In its turn, Elementum Energy has introduced an internal mechanism for preventing conflicts of interest through internal policies.

The Company promotes openness, integrity and transparency, and encourages employees to report violations, including conflicts of interest, so that potential negative consequences can be prevented.

## Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF)

### [The Policy on Prevention of and Counteraction To Legislation \(Laundering\) of Criminal Proceeds and Terrorist Financing](#)

(hereinafter – the AML Policy) defines the Company's approach to meeting national legislation and international standards and ensuring transparent business operations.

The purpose of the AML Policy is not only to comply with national and international regulatory requirements but also to uphold the Company's commitment to responsible and ethical conduct.

To achieve this, Elementum Energy has introduced an internal implementation document – the AML Manual – which sets out specific mechanisms, controls and responsibilities related to preventing money laundering and other criminal activities.

Key provisions of the AML Manual include:

### → Risk assessment of business partners

Elementum Energy uses a risk-oriented approach when establishing business relations with potential counterparties and establishes relationships only with those who can be properly identified and assessed through a comprehensive risk-based review related to potential partners and the jurisdictions of their activities.

### → Refusal to cooperate with sanctioned counterparties

The Company does not engage in any business relations with partners subject to sanctions, whether they are individuals or legal entities included in the FATF blacklist.

### → Internal organisational measures

The Company ensures compliance with high standards of integrity, including maintaining an internal AML register of employees involved in partner interactions.

The AML Manual is subject to regular review – at least once a year or more often when necessary – to ensure its relevance and compliance with changing legislation and practices.

The General Counsel is the main person responsible for ensuring compliance with AML Manual requirements.

Elementum Energy adheres to a strict zero-tolerance principle toward cooperation with counterparties under sanctions or those included in the FATF blacklist<sup>6</sup>.

The Legal Department of Elementum Energy provides employees with explanations regarding policy provisions, reviews contracts for compliance with internal rules and national legislation and provides recommendations to mitigate conflict-of-interest risks or risks associated with corruption.

<sup>6</sup> FATF (Financial Action Task Force) is an intergovernmental organisation that sets global standards in the field of financial security. The FATF list is a register of jurisdictions that, in the organisation's view, have strategic deficiencies in combating money laundering, terrorist financing and the proliferation of weapons of mass destruction.

Every employee of Elementum Energy who becomes aware of facts or attempts of violations of anti-corruption legislation or Company policies is required to report this through the following mechanisms:

**1 To the Managing Director**

**2 To the General Counsel**

**3 Via email**  
grievances@elementumenergy.com

Access to this mailbox is limited to the General Counsel and the Managing Director.

Elementum Energy guarantees protection of whistleblowers from retaliation.

## Assessment of Corruption-Related Risks

**GRI 205-1; 205-3**

As part of any company's operations, corruption risks may arise, particularly in relationships with suppliers, government authorities or other third parties.

Such risks may have both financial and reputational consequences. Elementum Energy is no exception, which is why to prevent and minimise corruption risks, we apply a comprehensive approach: we conduct thorough preliminary due-diligence checks of counterparties, adhere to internal ethical standards and provide systematic training to our team.

Elementum Energy makes anti-corruption efforts at several levels. We raise employees' awareness of the importance of preventing corruption risks and regularly evaluate corruption-related threats. Preliminary due diligence (Know Your Client, KYC) is an integral part of this process, and its scope depends on the nature of cooperation, type of transactions and potential risks.

Counterparty checks may include an analysis of provided documents, an examination of data from public registers (for foreign companies), determination of the ownership structure and ultimate beneficial owner, an analysis of litigation history, a review of operational history, ESG-related matters and more.

In most cases, such verification is conducted before signing agreements, although for certain partners — e.g., state-owned enterprises or counterparties at the nondisclosure-stage prior to concluding agreements — the procedure may be simplified.

In addition, we conduct internal audits and review reports submitted via official communication channels.



Number and percentage of operations assessed for corruption-related risks for 2023–2024

Indicator	2023	2024
Total number of operations assessed for corruption-related risks	96 1 potential counterparty did not pass the screening	118 1 potential counterparty did not pass the screening
Percentage of operations assessed for corruption-related risks out of total assessed operations	100% Every potential counterparty undergoes KYC screening, including assessment for corruption-related risks	

During 2023–2024:

- No cases of corruption related to Elementum Energy were recorded or confirmed.
- No court cases related to corruption involving Elementum Energy were initiated.
- No cases of contract termination or non-renewal by business partners due to corruption were recorded or confirmed.
- No fines or sanctions related to corruption or anticompetitive behaviour were imposed.

## Know Your Client

In 2023–2024, Elementum Energy conducted assessments of potential counterparties under due diligence procedures and customer identification (KYC – Know Your Customer). According to the results, 96 such screenings were conducted in 2023 and 118 – in 2024. In 2023, one potential counterparty failed the screening due to identified risks. The same occurred with one counterparty in 2024.

Under the KYC procedure, the Company evaluates not only basic legal aspects such as corporate and civil standing, absence of bankruptcy and liquidation procedures, and compliance with licensing requirements, but also deeper risk indicators.

Specifically, the assessment includes verification of ultimate beneficial owners and ownership structure, absence of politically exposed persons (PEPs) and screening against sanction lists (OFAC, UN, EU, Great Britain, etc.), information on criminal records and other restrictions, registers of corrupt individuals, enforcement proceedings, ESG matters, and observance of human rights.

In addition, most contracts concluded with counterparties include standard anti-corruption and sanctions clauses. These clauses impose an obligation on the parties to the contract, their employees and affiliated persons to comply with the requirements of anti-corruption and sanctions legislation.

# Anti-Corruption Training

## GRI 205-2

In 2023–2024, we continued the systematic work on raising awareness of the management team regarding anti-corruption standards.



■ Members of the Executive Management Committee

As part of the annual anti-corruption and anti-bribery training, the following number of employees completed training and testing:



■ Directors of the Group entities

The training coverage rate of senior management on anti-corruption and anti-bribery topics was 100% in the reporting period.

Total number and percentage of management body members who completed anti-corruption training and testing in 2023–2024, by region

Indicator	Region	2023		2024	
		Number	Percentage	Number	Percentage
Total number of governance body members who completed anti-corruption training	Kyiv, Odesa	9		8	
	London		N/A		N/A
Percentage of governance body members who completed anti-corruption training	Kyiv, Odesa		100%		100%
	London		N/A		N/A

In 2023, the completion rate of testing among other employee categories was 99%, as only one employee did not complete the test.

In 2024, the rate reached 96%: one employee did not complete the test and two did not get enough correct answers to pass it. Those employees took additional compliance policy training.

Total number and percentage of employees who completed anti-corruption training in 2023–2024, by employee category

Indicator	Managers and Nominal Directors		Other employees <sup>7</sup>	
	2023 <sup>8</sup>	2024 <sup>9</sup>	2023	2024
Total number of employees who completed practical anti-corruption training	9	8	44	60
Percentage of employees who completed practical anti-corruption training	100.00%	100.00%	99%*	96%**

\*1 employee did not complete the test

\*\* employees completed the training but scored fewer correct answers than required

During 2023, practical training in the form of annual testing was completed by 53 employees out of 54, in 2024 – 68 out of 71.

As noted above, the slight decrease relates to several individual cases of employees, particularly from the Odesa office, who were unable to participate or did not achieve the required number of points.

Thus, the training completion rate in Odesa in 2023–2024 ranged from 99% to 98%, while in Kyiv and London, 100% completion rate was consistently maintained throughout the reporting period.

Total number and percentage of employees who completed anti-corruption training in 2023–2024, by region

Indicator	Region	2023	2024
Total number of employees who completed practical anti-corruption training	Kyiv	41	55
	Odesa	11	12
	London	1	1
Percentage of employees who completed practical anti-corruption training	Kyiv	100%	100%
	Odesa	99%	98%
	London	100%	100%

We are proud that from year to year, we demonstrate zero recorded cases of corruption or fraud. This is the result of our consistent work, well-defined procedures, regular training and a high level of responsibility of each employee. These indicators confirm that our efforts are building a solid foundation for the further

development of a culture of integrity and transparency within the Company. We are confident that we will continue to be able to maintain high standards of ethics and build trust in Elementum Energy both internally and externally.

<sup>7</sup> Category 'Other' includes Managers and nominal Directors

<sup>8</sup> Of which: 6 members of the Executive Management Committee and 3 nominal Directors

<sup>9</sup> Of which: 6 members of the Executive Management Committee and 2 nominal Directors

# TAXES

## Why It Matters

Since Elementum Energy conducts international financial activities and operates across different jurisdictions, tax transparency is essential to ensuring trust from investors, partners and regulators. Proper tax compliance helps the Company maintain business stability, avoid risks and contribute to the development of regional economies.

As a responsible taxpayer, we consistently comply with tax legislation in all countries where we operate, upholding high standards of accounting and reporting. Elementum Energy discloses information about taxes paid in its financial statements, reaffirming our commitment to the principles of legality and transparency.

## Our Approach to Taxation

### GRI 3-3; 207-1; 207-2

The main document regulating taxation at Elementum Energy is the [Tax Policy](#).

This document defines the principles of tax planning, tax risk management approaches and the strategy and principles of interaction with fiscal authorities.

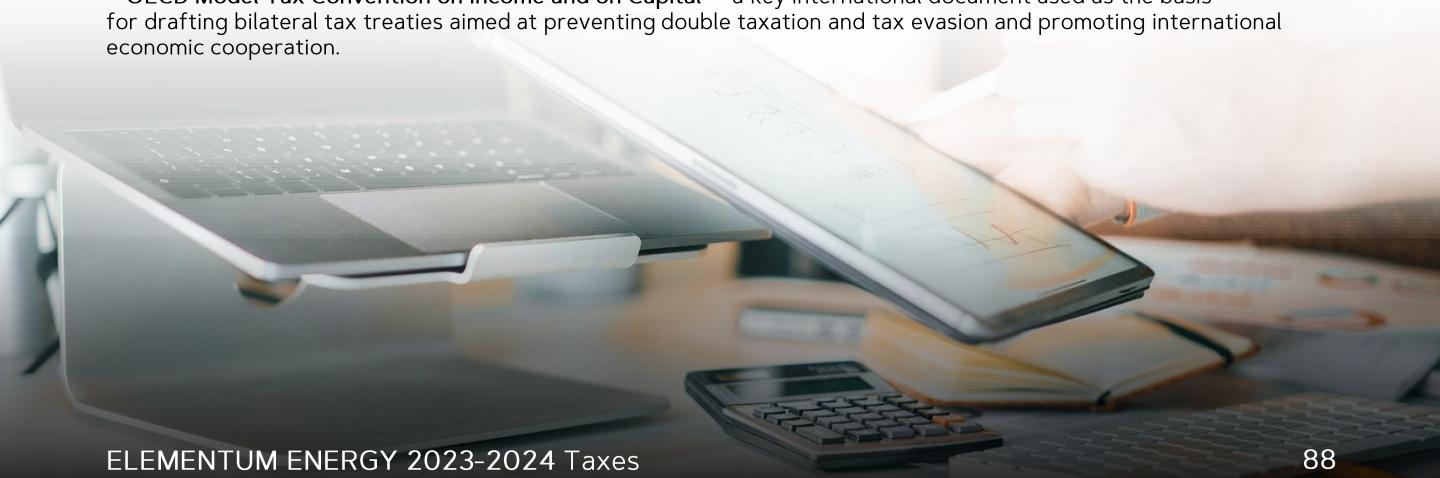
<sup>10</sup> OECD Model Tax Convention on Income and on Capital — a key international document used as the basis for drafting bilateral tax treaties aimed at preventing double taxation and tax evasion and promoting international economic cooperation.



The Policy outlines the key foundations of the Company's tax strategy, ensures compliance with applicable legislation in the jurisdictions where the Company operates, and reflects the interests of all stakeholders.

When planning cross-border operations, Elementum Energy follows international standards, conventions, treaties and recommendations adopted by the Organisation for Economic Co-operation and Development (OECD), including the OECD Model Tax Convention<sup>10</sup>, its official commentaries, the OECD Transfer Pricing Guidelines, and the OECD BEPS Action Plan on Base Erosion and Profit Shifting.

The Tax Policy is approved by the Board of Directors and reviewed during the budgeting process. The Board of Directors has the authority to amend the provisions of the Policy by adopting the relevant resolutions.



## Key Principles of Elementum Energy's Tax Planning

Principle	Description
Legality and commercial justification	The Company uses only those tax benefits and exemptions that are provided for by applicable legislation and aligned with legitimate commercial objectives.
Tax structuring and use of low-tax jurisdictions	Elementum Energy does not use low-tax jurisdictions (offshore locations) for tax planning purposes. Even though such jurisdictions may be used globally for general business activities, they are not applied for tax optimisation. The Company does not also engage in artificial tax planning, including transactions without genuine economic or commercial substance.
Engagement of external advisors	When needed, Elementum Energy engages external experts while adhering to the principles of transparency and integrity.
Adherence to the arm's length principle <sup>11</sup>	The Company adheres to the arm's length principle, ensuring market-based pricing in related party transactions, and prepares documentation in line with transfer pricing requirements under applicable tax legislation.

The main unit responsible for managing Elementum Energy's financial and tax matters is the **Finance Department**.

The Finance Department coordinates relevant processes and engages external advisors when required.

The CFO and the Chief Accountant are responsible for implementing advisory recommendations to

ensure compliance with applicable legislation and to meet the interests of all stakeholders.

Thus, this approach enables the Group to ensure effective management of financial and tax processes, creating a stable environment of trust and partnership that supports the achievement of strategic objectives.

## Tax Risk Management

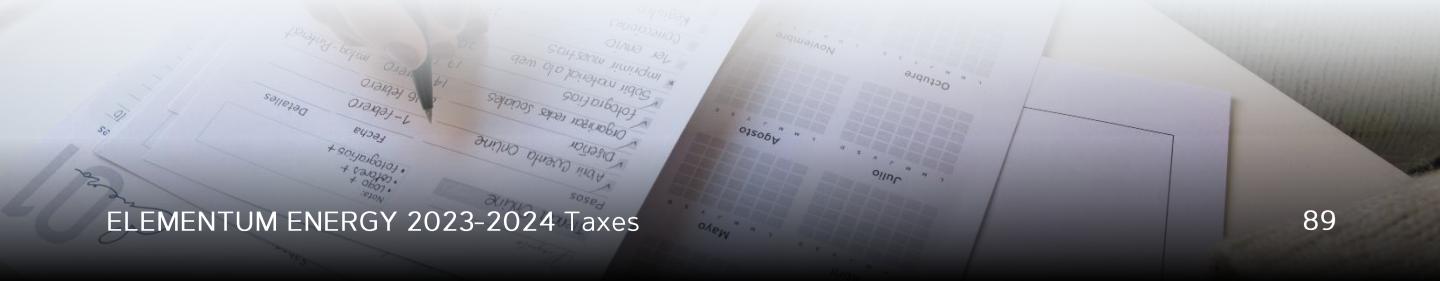
Investment decisions, operations and business activities of Elementum Energy may involve tax risks — uncertain tax positions or situations that could trigger tax liabilities.

To address and manage these challenges, Elementum Energy conducts systematic analysis of potential tax risks that may arise in its operations.

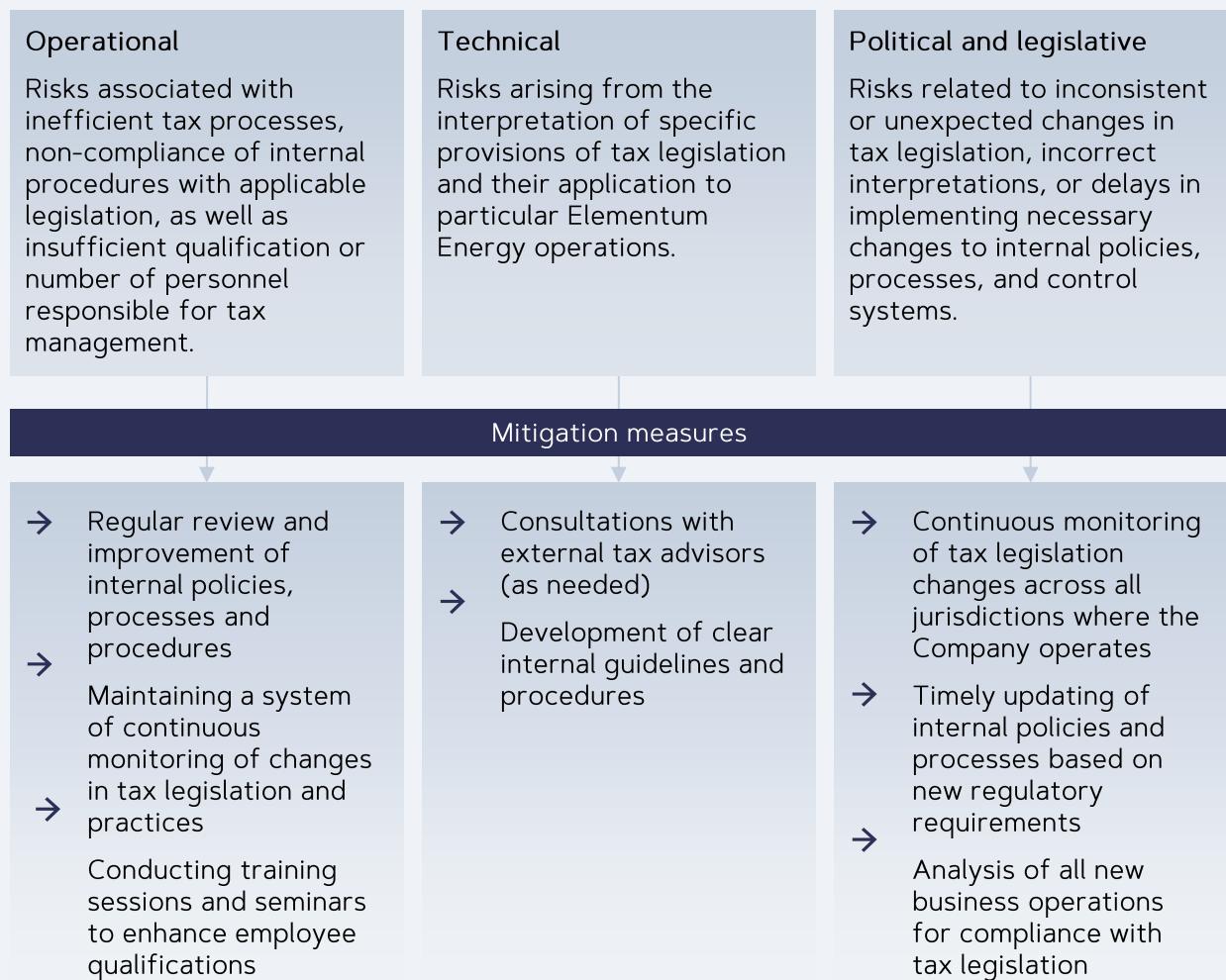
We promptly identify potential risks and develop effective measures to minimise, reduce and manage them.

The identified tax risks are assessed and recorded in a unified internal system for tax risk management, ensuring systematic monitoring of their status.

<sup>11</sup> The arm's length principle — an international transfer pricing standard that requires the terms of transactions between related parties to correspond to the terms that would be established between independent parties in comparable uncontrolled transactions. This means that prices, profits and other conditions must reflect market levels, preventing tax distortions caused by price manipulation between related companies.



Elementum Energy identifies three main categories of tax risks:



Elementum Energy considers legal compliance a priority and ensures open channels for reporting any instances of unethical or improper tax behaviour are available:

- In person or by phone to the General Counsel or Managing Director
- By email [grievances@elementumenergy.com](mailto:grievances@elementumenergy.com)
- Anonymously (in paper form)

## Management of Tax Matters

### GRI 207-3

The Group allocates financial resources among key stakeholder groups — investors, employees, suppliers, contractors, creditors, government authorities and local communities.

Such an approach contributes to the redistribution of economic value.

And the part of economic value that is not distributed is directed towards further business development through reinvestment.

Elementum Energy adheres to the principles of openness and transparency in shaping its tax strategy, policy and tax risk management.

The Company builds relationships with tax authorities in the countries and regions of its presence based on constructive dialogue.

When making management decisions that have, or may have, tax implications, the Company follows applicable legislation.

Transparency also includes readiness for effective cooperation with regulatory authorities to achieve agreed decisions on all potential tax matters.

In cases where tax legislation provisions are open to interpretation, Elementum Energy seeks professional advice.

## Country-by-Country Reporting

### GRI 207-4

Legal entities of Elementum Energy registered in the United Kingdom, Ukraine and the Republic of Cyprus<sup>12</sup> are subject to corporate income tax according to the laws of each respective country.

The applicable corporate income tax rates in these countries are 25%<sup>13</sup>, 18% and 12.5%, respectively.

Information on accrued and actually paid income tax in every jurisdiction where the Company operates is presented in the [Appendices](#).

Elementum Energy Limited, as the parent company, is required, under the legislation of the United Kingdom, to prepare consolidated financial statements and undergo a mandatory annual audit.

These financial statements, together with the auditor's report, are submitted to the UK regulator and include information on accrued, paid and deferred taxes.

### Reporting in Ukraine

During 2022–2023, in Ukraine, electricity producers under the Feed-in tariff scheme were allowed to use the cash method for determining corporate income tax liabilities.

This method allowed companies to recognise income tax obligations only upon the actual receipt of funds.

This was particularly important due to payment delays from the State Enterprise *Guaranteed Buyer*.

In 2024, this option was not extended, and companies returned to the standard accrual method.

At the same time, the cash method for value added tax (VAT) remained in effect in both 2023 and 2024, which partially reduced the financial burden on producers of "green" electricity.

<sup>12</sup> Sale of a 100% stake in the company Kartli Generation LLC (Georgia) in 2024.

<sup>13</sup> In the United Kingdom, as of 1 April 2023, the standard corporate tax rate increased from 19% to 25% for companies with profits exceeding £50,000.

# CYBERSECURITY

## Why It Matters

In the era of digital transformation and growing reliance on information technology, cybersecurity has become a key priority for energy companies. Protecting technological infrastructure is crucial for the stability of business processes, asset security, personnel safety and customer trust. Any breach in this area can lead to significant operational losses, reputational risks and even threats to people's safety.

## Our Approach

### GRI 3-3

The main elements of the Company's cybersecurity structure include:

- Regulatory policies and standards
- Regular internal and external audits
- IT solutions for infrastructure and data protection
- Cyber risk management and access control.

Since 2020, Elementum Energy has implemented the User Information Security Policy, which sets out clear requirements for the use of information systems, passwords, personal computers and devices, as well as regulates the retention of personal data and intellectual property and the procedure for accessing email and the Internet.

The main provisions of this policy include:

- Requirements for creating and changing complex passwords regularly.
- Restrictions on using social media, personal email addresses and cloud services for corporate information storage purposes

- Restrictions on disclosing corporate passwords, log-ins and financial information to third parties
- Secure remote work requirements
- Personal information and personal data security standards
- Rules for physical access to Elementum Energy offices and information systems
- Appropriate standards for recording employee access and rules for using private devices.

All IT infrastructure is managed by the Elementum Energy IT Department under the leadership of Managing Director Olga Rybachuk.

To protect its information systems, Elementum Energy uses comprehensive software from leading provider Check Point, which ensures multi-level cybersecurity. This system includes the following solutions:

- Industrial firewalls that protect offices and data centres from various cyber threats without compromising the performance and capacity of the entire network.
- Check Point Capsule Workspace combined with Check Point Harmony Mobile antivirus – for secure access to corporate email from smartphones.
- Check Point Harmony Endpoint – for protecting laptops and other workstations.

For an additional layer of protection, the Company has implemented workplace virtualisation based on the Citrix VDI platform, enabling centralised access management and enhancing the security of user environments. Moreover, all computing resources and data of Elementum Energy are located in data centres outside Ukraine, ensuring their reliability, continuous access and resilience to external risks.

External security measures play an important role in an independent evaluation of the effectiveness of internal protection systems and identification of potential vulnerabilities that may have been overlooked.

In 2024, Elementum Energy conducted an external penetration test (the 'penetration test') resulting in the prompt elimination of minor weaknesses by the IT Department.

To strengthen control over the leakage of confidential information and to implement additional security measures, the DLP (Data Loss Prevention) system based on Check Point and Microsoft solutions was implemented during the reporting period.

## Confidentiality Breaches and Information Leakage

### GRI 418-1

Maintaining the confidentiality of personal information for employees, clients and counterparties is one of the key tasks of Elementum Energy as a responsible employer. The Company adheres to high cybersecurity standards, consistently develops an internal culture of data protection and takes comprehensive measures to mitigate risks.

In 2023–2024, no leaks, thefts or losses of personal data were recorded.

The responsibility for protecting confidential information at Elementum Energy is assigned to the IT Department. Its main goal is to prevent situations that threaten personal and corporate data at Elementum Energy. The IT Department also ensures the stable operation of security systems, controls access to corporate resources, provides cybersecurity training to personnel and responds to potential incidents. Its main responsibilities are:

- Ensure remote storage and backup of information to facilitate its security and availability.
- Train employees to work with information securely and to use social networks, including conducting phishing attack simulations.

- Use a virtual desktop with two-factor authentication for access protection.
- Provide access exclusively from secure workstations to equipment management and monitoring services.
- Review user access rights and privileges on a regular basis.
- Ensure secure connection to corporate resources.

Elementum Energy has also implemented the Security Incident Identification and Response Plan as part of its internal Cybersecurity Programme. This plan applies in cases of data security breaches and contains clear instructions for detecting, analysing and responding to incidents, including threat localisation stages, reporting to responsible persons, technical actions to eliminate consequences and subsequent policy reviews to prevent recurrence.

Furthermore, Elementum Energy regularly conducts comprehensive checks on suppliers and other third parties that have access to confidential information. Exceptions are made only for government or regulatory authorities with legal rights to obtain such data in accordance with the effective legislation.

**0 complaints in 2023-2024**  
regarding breaches of customer confidentiality and information security.

# Internal Cybersecurity Measures

Elementum Energy recognises the importance of developing a cybersecurity culture based on individual responsibility of each employee. For this very reason, we, as a responsible employer and partner, pay significant attention to internal awareness-raising measures, including the regular conduct of phishing simulations on the Knowbe4 platform (quarterly) to help our employees better recognise and effectively counteract cyber threats. This tool allows sending controlled emails with phishing indicators to employees to assess the level of their attentiveness and ability to recognise threats in real-life digital environments. Through these tests, the Company can identify employees

who require additional training and support in maintaining security.

In 2023, the click rate on phishing links in training emails was 9%, which does not exceed the 2022 rate. In 2024, this rate was 10%, which is attributed to the increase in the number of employees. Personalised training was organised for employees who clicked on such phishing emails, aimed at providing detailed explanations of threat signs and ways to avoid them. As a result of these measures, no repeat clicks on malicious links were recorded, indicating the effectiveness of the training programme and the growing digital literacy of our employees.

Goals for 2023-2024	Status
Implement the Data Loss/Leak Prevention (DLP) system by 2025	Achieved
Run an external penetration test in 2023	Achieved



## Goals and Ambitions for 2025-2026

- Develop the Disaster Recovery Plan (DRP) to ensure business continuity and prompt recovery of the Company operations in case of emergencies
  
- Implement and optimise the Document Management System (DMS) to enhance the effectiveness and efficiency of processing, storing and accessing corporate information

# APPENDICES



## Appendix 1. List of Elementum Energy's renewable energy projects

Plant name / Region	Technology	Installed capacity / MW	Commissioning date
Kherson region			
Kherson	PV	35	Dec-18
Khmelnytskyi region			
Kamianets-Podilskyi	PV	64	Dec-18
Kirovohrad region			
Morozivka	PV	91	Dec-19
Inhulo-Kamianka	PV	18	Nov-19
Novoseyitsa	PV	16	Apr-19
Mogylne	PV	13	Nov-19
Novoukrainka	PV	13	Apr-19
Zavallia	PV	12	May-19
Mala Vyska	PV	11	Oct-19
Mykolaiv region			
Taborivka-1	PV	17	Dec-18
Yavkyne	PV	17	Jun-19
Kostychi	PV	15	Jun-19
Taborivka-2	PV	15	Nov-19
Yelanets	PV	15	Apr-19
Kazanka	PV	13	Apr-19
Novohryhorivka	PV	13	May-19
Doroshivka	PV	12	Jun-19
Maryivka	PV	12	Jun-19
Kandybne	PV	10	May-19
Veselynove	PV	9	Jun-19
Buzke	PV	7	Jun-19
Pryvilne	PV	7	May-19
Shcherbany	PV	7	Apr-19
Odesa region			
Dnistrovska, phase 1	Wind	40	Mar-21
Dnistrovska, phase 2	Wind	60	Apr-23
Poltava region			
Romodan	PV	20	Sep-19
Lelyukhivka	PV	10	Oct-19
Vinnytsia region			
Pavlivka-1	PV	20	Dec-19
Pavlivka-2	PV	20	Dec-19
Vapniarka	PV	20	Dec-19
Total installed capacity		636	

Appendix 2. List of facilities under the control of Elementum Energy and located within or near protected areas

Electric power plant	Location	Area, km <sup>2</sup>	Protected area	Distance to the protected area	Protected area description
Kamianets-Podilska PVPP	Khmelnitsky Region	100	Podilski Tovtry NPP	Within the protected area	Category II (National park) under the IUCN. Emerald Network
Ingulo-Kamianka PVPP	Kirovohrad Region	26,5	The middle reaches of the Ingul River	Within 1 kilometre from the protected area	Emerald Network
Zavallia PVPP	Kirovohrad Region	19,7	Nyzhniopodilsky	Within 1 kilometre from the protected area	Emerald Network. Valley of the Southern Buh River
Vapniarka PVPP	Vinnytsia Region	30	Zhuravlivska Dacha	Within 1 kilometre from the protected area	Emerald Network

Appendix 3. Number of employees by type of employment contract for 2022-2024 .

Region	Type of employment contract	Gender	2022	2023	2024
Total, including:			50	54	71
Kyiv	Permanent	Women	19	21	26
		Men	16	25	30
	Temporary	Women	1	0	0
		Men	4	0	0
Odesa	Permanent	Women	0	0	0
		Men	8	7	13
	Temporary	Women	0	0	0
		Men	1	0	0
London	Permanent	Women	1	1	2
		Men	0	0	0
	Temporary	Women	0	0	0
		Men	0	0	0

## Appendix 4. Number of employees by type of employment for 2022-2024

Type of employment		Gender	2022	2023	2024
Total, including:			50	54	71
Kyiv	Full-time	Women	19	20	25
		Men	21	25	30
Odesa	Part-time	Women	1	1	1
		Men	0	0	0
London	Full-time	Women	0	0	0
		Men	8	7	13
	Part-time	Women	0	0	0
		Men	0	0	0
	Full-time	Women	1	1	2
		Men	0	0	0
	Part-time	Women	0	0	0
		Men	0	0	0

## Appendix 5. Number of hired and departed employees by gender, age, and region

Indicator	Number of hired employees			Number of departed employees		
Total, including:	2022	2023	2024	2022	2023	2024
By gender						
Women	6	9	12	5	8	6
Men	3	11	13	2	8	2
By age						
<30 years	2	5	4	1	3	1
30-35 years	4	2	2	4	4	1
35-50 years	3	13	14	2	7	5
>50 years	0	0	5	0	2	1
By region						
Kyiv	8	18	18	7	13	8
Odesa	0	2	6	0	3	0
London	1	0	1	0	0	0

Appendix 6. Staff turnover rate by gender, age and region for 2022-2024, %<sup>14</sup>

Indicator	Turnover		
Total, including:	2022	2023	2024
	14%	31%	13%
By gender			
Women	25%	39%	25%
Men	6%	25%	5%
By age			
<30 years	14%	40%	12%
30-35 years	31%	36%	10%
35-50 years	7%	20%	13%
>50 years	0%	143%	28%
By region			
Kyiv	17%	30%	17%
Odesa	0%	40%	0%
London	0%	0%	0%

## Appendix 7. Ratio of the average salary of women employees to men employees by job category, % – for 2022-2024.

Year	Senior management	Administrative and managerial personnel		Operating personnel
		Men only	Women only	
2022	99,50%	69%	Men only	
2023	184%	72%	Men only	
2024	113%	77%	Men only	

<sup>14</sup> Staff turnover is calculated as the ratio between the number of employees terminated per year to the average number of employees per year \*100%. The data is rounded to the nearest integer.

## Appendix 8. Country Reporting, 2023

	Ukraine	United Kingdom	Georgia	Republic of Cyprus
Number of employees	53	1	-	-
Sales revenue (excluding intragroup revenue), kEUR	104,62	-	-	-
Revenue from sales (excluding intra-group revenue), kEUR <sup>2</sup>	6,497	-	-	-
Revenue from intra-group transactions, kEUR	15,936	65,748	297	22
Tangible assets, other than cash and cash equivalents, kEUR	385,522	611,840	182	-
Corporate income tax paid on a cash basis, kEUR	45	-	-	-
Corporate income tax accrued on profit / loss, kEUR	129	0	0	0

## Appendix 9. Country Reporting, 2024

	Ukraine	United Kingdom	Republic of Cyprus
Number of employees	69	2	-
Sales revenue (excluding intragroup revenue), kEUR	122,644	-	-
Revenue from sales (excluding intra-group revenue), kEUR <sup>2</sup>	28,611	-	-
Revenue from intra-group transactions, kEUR	36,191	53,984	8
Tangible assets, other than cash and cash equivalents, kEUR	398,047	710,443	-
Corporate income tax paid on a cash basis, kEUR	1,018	-	-
Corporate income tax accrued on profit / loss, kEUR	1,734	0	0

<sup>15</sup> This section includes amounts of intra-group revenue formed exclusively within Ukraine, without involvement of other jurisdictions.

## Appendix 10. Participation in associations and external initiatives

Association name	Description of the company role	Date of entry
ACC (The American Chamber of Commerce)	Participant	2021
EBA (European business association)	Participant, member of the energy committee	2020
EUEA (European-Ukrainian Energy Agency)	Member	2020
UWEA (Ukrainian Wind Energy Association)	Participant, member of the Board	2020
UARE (Ukrainian Association of Renewable Energy)	Participant	2020
Energy Club	Participant	2021

External initiative name	Description of the company role	Date of entry
UN Global Compact in Ukraine	Participants, implementation of the principles of the UN Global Compact and the UN Sustainable Development Goals, reporting, participation in union events and trainings	2021

## Compliance with licensing requirements of the images used in the report

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# GRI content index

Statement of use	The Elementum Energy report is prepared in accordance with the GRI Standards and covers the period from 01.01.2023 to 31.12.2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	The required GRI Industry Standards have not yet been published as of the date of preparation of this Report

GRI Standard	No	Disclosure	Report section	Comments
<b>General Disclosures</b>				
GRI 2: General Disclosures 2021	2-1	Organizational details	About Elementum Energy	Office locations: Head office: Appold Street, 9, London, United Kingdom Operational office: BC «Eurasia», 75 Zhylianska Street, Kyiv, Ukraine.
	2-2	Entities included in the organization's sustainability reporting	-	Legal entities included in the Report: Artsyz Wind Power Plant LLC Artsyz Wind Power Plant-2 LLC Consulting Solar LLC Dnistrovska Vitroelektrostantsiia LLC Eco Solar Station LLC ELEMENTUM (GEORGIA) I LIMITED ELEMENTUM (Poland) I LIMITED ELEMENTUM (Ukraine) I LIMITED ELEMENTUM (Ukraine) II LIMITED Elementum Energy (Ukraine) LLC ELEMENTUM ENERGY LIMITED ELEMENTUM UKRAINE LIMITED Energy Company "Solar Capital" LLC Energy Dan LLC Energy Systems LLC Green Electra 1 LLC Grinen LLC Ingul Solar LLC Kartli Generation LLC Kiliya Wind Power Plant LLC Lymanska Vitroelektrostantsiia LLC Nick Green LLC Nick Solar 2 LLC Nick Solar LLC Nick Star Green LLC Nick Star LLC Nick Sun Star 2 LLC Nick Sun Star LLC Odgrin LLC OVID WIND (UK) LIMITED Pallada Solar LLC Podilskenergo LLC RETERIA INVESTMENTS LIMITED Starvoit LLC Sun Village LLC Sunstar Energy LLC Sunstar Pryvilne LLC Sunvin 12 LLC Sunvin 13 LLC Sunvin 14 LLC Sunvin 17 LLC Sunvin 2 LLC Suvinc 5 LLC Tavr Energo LLC
	2-3	Reporting period, frequency and contact point	-	Contact information: E-mail: <a href="mailto:office@elementumenergy.com">office@elementumenergy.com</a> The financial reporting cycle, as well as the sustainability reporting cycle, is one calendar year. The information included in the Report covers the period from 01.01.2023 to 31.12.2024.

GRI Standard	No	Disclosure	Report section	Comments
<b>General Disclosures</b>				
GRI 2: General Disclosures 2021	2-4	Restatements of information	About Elementum Energy	Compared to the previous reporting period, the indicators have undergone minor changes that did not significantly affect the overall conclusions or assessments. All data remain comparable to previously published figures, and the adjustments made had minimal impact on the reporting structure. Additionally, the following indicators were disclosed: Energy intensity (GRI 302-3), the amount of waste diverted from disposal and directed to recovery under GRI 306-4 and 306-5.
	2-5	External assurance	-	This report is not assured by an independent third party
	2-6	Activities, value chain and other business relationships	About Elementum Energy - Business Model	During the reporting period, the company acquired a 100% stake in LLC 'Elementum Energy Trade' with the aim of expanding its electricity trading activities. No other significant changes occurred in Elementum Energy's business activities, in relationships with product and service distribution partners, or in other business relations.
	2-7	Employees	Society – Own Employees; Appendices	
	2-8	Workers who are not employees	Society – Own Employees	<b>The information is incomplete.</b> This disclosure is partially present because it is not included in the list of material topics determined by the materiality assessment results.
	2-9	Governance structure and composition	About Elementum Energy – Corporate Governance	
	2-10	Nomination and selection of the highest governance body	About Elementum Energy – Corporate Governance	<b>The information is incomplete.</b> Information about the process of nomination and election of members of the supreme management body is confidential.
	2-11	Chair of the highest governance body	About Elementum Energy – Corporate Governance	None of the heads of the highest governing body holds the position of managing director of the company.
	2-12	Role of the highest governance body in overseeing the management of impacts	About Elementum Energy – Corporate Governance	
	2-13	Delegation of responsibility for managing impacts	About Elementum Energy – Corporate Governance	
	2-14	Role of the highest governance body in sustainability reporting	About Elementum Energy – Corporate Governance	A process for assessing the effectiveness of supervision and impact management has not yet been documented.
	2-15	Conflicts of interest	About Elementum Energy – Corporate Governance	
	2-16	Communication of critical concerns	Society – Own Employees, Occupational safety, Local communities; Business Conduct – Ethics and Compliance	
	2-17	Collective knowledge of the highest governance body	About Elementum Energy – Corporate Governance	

GRI Standard	No	Disclosure	Report section	Comments
General Disclosures				
	2-18	Evaluation of the performance of the highest governance body	-	Information is incomplete Elementum Energy does not have a process for evaluating the performance of the supreme management body.
	2-19	Remuneration policies	About Elementum Energy – Corporate Governance	Information is incomplete Elementum Energy is working to properly disclose the provisions of the Remuneration Policy for members of the highest governing body and senior management in future reporting periods.
	2-20	Process to determine remuneration	About Elementum Energy – Corporate Governance	
	2-21	Annual total compensation ratio	-	Limitations due to confidentiality Information regarding the overall annual compensation ratio is confidential and is not publicly disclosed.
	2-22	Statement on sustainable development strategy	Letter From Management	
	2-23	Policy commitments	Environment - Climate change, Biodiversity; Society - Employees, Occupational Safety; Business Conduct - Business Ethics & Compliance	Information on Elementum Energy's commitments under internal policies is provided in separate sections of the report that correspond to relevant ESG areas.
	2-24	Embedding policy Commitments	Environment - Climate change, Biodiversity; Society - Own Employees, Occupational Safety; Business Conduct - Business Ethics & Compliance	Information on the integration of policy commitments is presented in the introductory "Our Approach" sections at the beginning of each chapter corresponding to ESG topics.
	2-25	Processes to remediate negative impacts	Society – Own Employees, Occupational Safety, Local Communities; Business Conduct - Business Ethics and Compliance	
	2-26	Mechanisms for seeking advice and raising concerns	Society – Own Employees, Occupational Safety, Local Communities; Business Conduct - Business Ethics and Compliance	In separate sections of this Report, information on feedback channels on each of the topics is disclosed.
	2-27	Compliance with laws and regulations	-	No significant cases of non-compliance with legislation or regulatory requirements were recorded during 2023-2024.
	2-28	Membership associations	Appendix 10	
	2-29	Approach to stakeholder engagement	Key Stakeholders	
	2-30	Collective bargaining agreements		During 2023-2024, Elementum Energy did not enter into any collective agreements.

GRI Standard	No	Disclosure	Report section	Comments
<b>Material Topics</b>				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainability - Materiality Assessment	
	3-2	List of material topics	Sustainability - Materiality Assessment	
<b>Anti-corruption</b>				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Conduct - Business Ethics and Compliance	
	205-2	Communication and training about anticorruption policies and procedures	Business Conduct - Business Ethics and Compliance	
	205-3	Confirmed incidents of corruption and actions taken	Business Conduct - Business Ethics and Compliance	
<b>Taxes</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Business Conduct - Taxes	
GRI 207: Taxes 2019	207-1	Approach to tax	Business Conduct - Taxes	
	207-2	Tax governance, control, and risk management	Business Conduct - Taxes	All entities are included in the audited consolidated financial statements of the Elementum Energy.
	207-3	Stakeholder engagement and management of concerns related to tax	Business Conduct - Taxes	
	207-4	Country-by-country reporting	Appendix No. 8, Appendix No. 9	
<b>Energy</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environment - Climate Change	Information on target setting is incomplete. Elementum Energy is working to ensure proper data collection for their disclosure in future reporting periods.
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environment - Climate Change	
	302-2	Energy consumption outside the organization	Environment - Climate Change	Not applicable.
	302-3	Intensity of energy consumption	Environment - Climate Change	
	302-4	Reduction of energy consumption	Environment - Climate Change	
<b>Biodiversity</b>				
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment - Biodiversity	
			Appendix 2	

GRI Standard	No	Disclosure	Report section	Comments
<b>Material Topics</b>				
<b>Biodiversity</b>				
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	Environment - Biodiversity	
	304-3	Habitats protected or restored	-	<b>Not applicable.</b> Elementum Energy does not operate in areas that require protection or restoration of habitats of living organisms.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environment- Biodiversity	
<b>Emissions</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environment - Climate Change	<b>Information on target setting is incomplete.</b> Elementum Energy is working to ensure proper data collection for disclosure in future reporting periods.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environment - Climate Change	<b>305-1 p. Not applicable.</b> Elementum Energy has no sources of biogenic emissions in its own operations.
	305-2	Energy indirect (Scope 2) GHG emissions	Environment - Climate Change	
	305-3	Reduction of GHG emissions	-	<b>Information is incomplete.</b> Elementum Energy does not calculate emissions in the value chain (Scope 3). Elementum Energy is working to ensure proper data collection for disclosure in future reporting periods.
	305-4	GHG emissions intensity	Environment - Climate Change	
	305-5	Reduction of GHG emissions	Environment - Climate Change	
<b>Waste</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environment - Waste	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Environment - Waste	
	306-2	Management of significant waste-related impacts	Environment - Waste	
	306-3	Waste generated	Environment - Waste	
	306-4	Waste diverted from disposal	Environment - Waste	
	306-5	Waste directed to disposal	Environment - Waste	

GRI Standard	No	Disclosure	Report section	Comments
<b>Material Topics</b>				
<b>Employment</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Society – Own Employees	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Society – Own Employees	
	401-3	Parental leave	Society – Own Employees	
<b>Occupational Health and Safety</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Society – Occupational Safety	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Society – Occupational Safety	
	403-2	Hazard identification, risk assessment, and incident investigation	Society – Occupational Safety	
	403-3	Occupational health services	Society – Occupational Safety	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Society – Occupational Safety	There is no separate occupational health and safety committee for employees.
	403-5	Worker training on occupational health and safety	Society – Occupational Safety	
	403-6	Promotion of worker health	Society – Occupational Safety	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Society – Occupational Safety	
	403-8	Workers covered by an occupational health and safety management system	Society – Occupational Safety	The occupational health and safety management system has not undergone an external audit or certification.
	403-9	Work-related injuries	Society – Occupational Safety	
	403-10	Work-related ill health	Society – Occupational Safety	No work-related illnesses among employees were recorded during 2023–2024.
<b>Training and Education</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Society – Own Employees	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Society – Own Employees	
	404-2	Programs for upgrading employee skills and transition assistance programs	Society – Own Employees	

GRI Standard	No	Disclosure	Report section	Comments
<b>Material Topics</b>				
<b>Local Communities</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Society - Local Communities	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Society - Local Communities	
	413-2	Operations with significant actual and potential negative impacts on local communities	Society - Local Communities	
<b>Customer Privacy</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	Business Conduct - Cybersecurity	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Business Conduct - Cybersecurity	