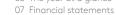


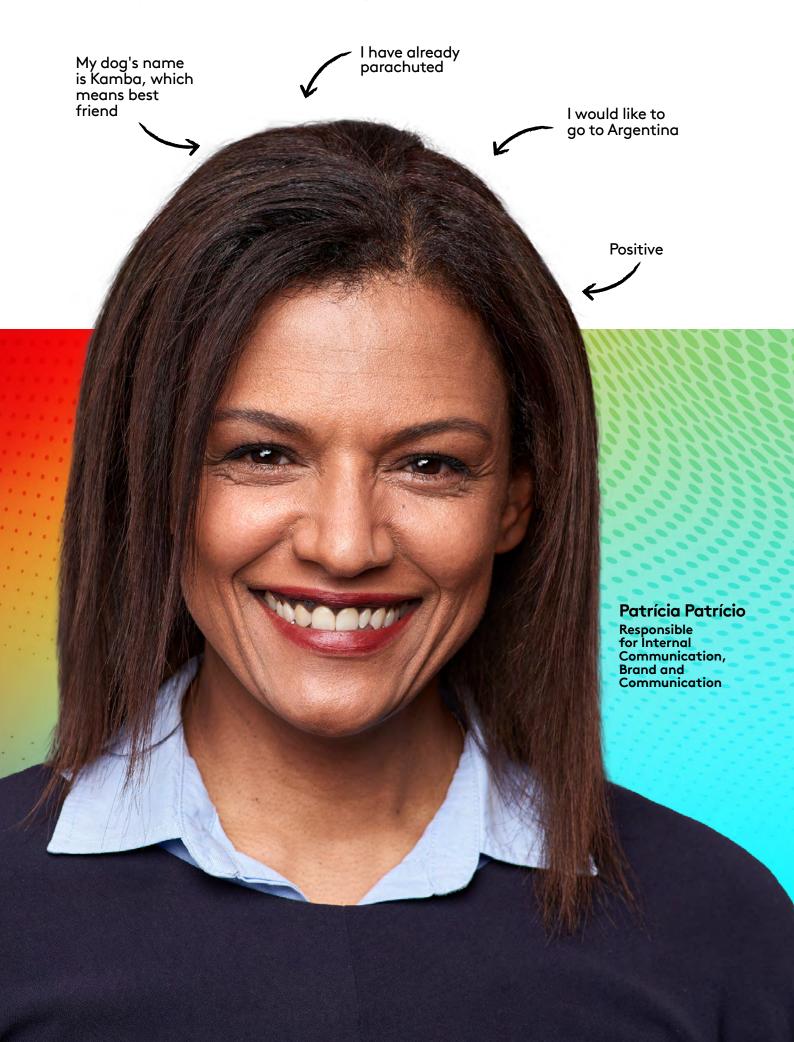
Commitment to sustainability

Chapter 06 \mid 102 \rightarrow 131

- 6.1. Our commitments to the sustainable development goals
- 6.2. Ethical and responsible governance
- 6.3. Client management
- 6.4. Suppliers management
- 6.5. Environment management
- 6.6. People management
- 6.7. Relationship with the community
- 6.8. Non-financial indicators

"THE MOST INSANE THING I DID WAS TO LEAVE MY HUSBAND AND MY DAUGHTER IN ANOTHER COUNTRY, AND MOVE ALONE TO PORTO, TO WORK FOR EFACEC."





Sustainability is at the heart of everything we do and is therefore the guiding line of our Purpose:

A SMARTER FUTURE FOR A BETTER LIFE.

We are committed to building a more sustainable future through responsible business conduct, portfolio innovation and the development of green products and solutions addressing current and future global challenges.

We believe that it is essential to incorporate sustainability at the heart of the organisations and to have a systemic approach, with the involvement of all stakeholders.

In 2021, the Sustainability Policy was updated and communicated, internally and externally, to promote ESG (Economic, Social and, Governance) principles throughout Efacec's value chain. Efacec's Sustainability Policy is an integrating document created with the objective of guiding all employees in decision-making and in the way of working, being applied across the entire company. Our business management actions and practices must be based on the three dimensions of Sustainability: Governance, Environmental and Social, which are the main principles for the achievement of objectives and for the creation of a sustainable business.

PRINCIPLES

Governance

Comply with the best governance practices in all management activities, by promoting ethical decision-making, risk management, compliance with regulations and transparency in the disclosure of information, always respecting interested parties and searching for continuous improvement in the management system. We must ensure we perform our duties in accordance with ethical principles in all activities.

Our ambition and action areas are organized into the following topics:

- → Ethics, Integrity and Transparency
- → Resilience and Risk

 Management
- → Respect for Regulations
- Innovation and Quality

PRINCIPLES

Environmental

Addressing global environmental challenges, either through responsible management of operations in order to protect the environment and prevent pollution, or by developing environmentally friendly solutions. It is crucial to promote the continuous improvement of our processes and solutions through the identification and assessment of environmental risks in all activities, as well as defining actions to mitigate negative impacts.

Our ambition and action areas are organized into the following topics:

- Decarbonization
- → Circularity
- → Biodiversity

PRINCIPLES

Social

Align our strategies and the conduct of all operations with the Universal Principles of the United Nations Global Compact (UNGC) by proactively taking measures that promote the development of society. We must identify and manage both positive and negative business impacts in order to promote a healthy work environment, both inside and outside our facilities.

Our ambition and action areas are organized into the following topics:

- → Human Rights
- Health and Safety
- → Well-being
- Community involvement



6.1. Our commitments to the sustainable development goals

The United Nations Sustainable Development Goals (SDGs) are, nowadays, a key working tool for companies, acting as guidelines or directives to support the definition, implementation, communication and report of strategies, goals, and activities. Overall, there are 17 priority themes identified and validated by 190 countries, at a global level, for the preservation of the planet and the dignity of the human being.

Efacec acknowledges holding an increased capacity to contribute to the answers to the global challenges and is strongly committed to help meeting the SDGs, fulfilling its Purpose of **designing a smarter future** for a better life.

As such, and in close cooperation with the Centre for Responsible Business and Leadership (CRB) of the Católica Lisbon School of Business & Economics, developed a project to reassess the SDGs that best reflect its impact on society. This project was built with the involvement of the entire organisation, through several phases: workshops with the collaboration of several corporate and business areas, information gathering interviews, awareness-raising actions and listening to internal and external stakeholders.

This strategic reflection allowed us to reassess the core SDGs of Efacec's activity and select the goals with the greatest potential to reach more people and generate a more significant change in society. To this end, the SDGs were selected:



Renewable and accessible energy

Ensuring access to dependable, sustainable, and modern energy sources for all.



Industry, Innovation, and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



Sustainable cities and communities

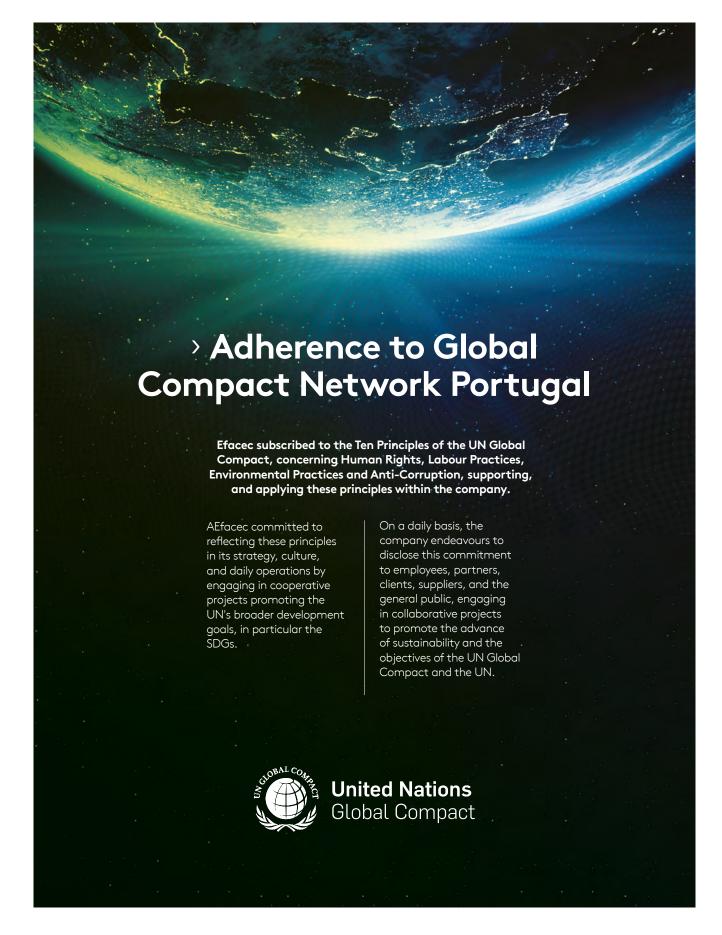
Make cities and communities inclusive, safe, resilient, and sustainable.



Sustainable production and consumption

Ensure sustainable consumption and production patterns.

With this change, embodying a more refined and focused selection, Efacec evolves in its commitment to the SDGs, enabling a more proactive approach with the future definition of indexes, targets and a monitoring system for each one of the four goals. Nevertheless, Efacec remains committed to the 17 SDGs.





6.2. Ethical and responsible governance

Efacec is committed to the improvement of its governance mechanisms, working continuously to achieve business efficiency while respecting the fair competition principles, and acting in accordance with the external controls (laws and regulations) and the internal controls to ensure the company's transparency.

A new Code of Conduct was published in 2021, revised and reformulated in accordance with the periodic monitoring of best practices. The Code of Conduct is strengthened with additional policies that aim at deepening the core ethical guidelines applicable to all Employees and members of the governing bodies as , well as to all those who act in the interest of Efacec, or who are related to it.

Anticorruption Policy

Efacec is committed to a policy for the transparency and zero tolerance to any form of corruption and bribery, regardless of the geography and the public or private nature of the business. In line with Principle 10 of the UN Global Compact and the OECD Anti-Corruption Convention, this Policy lists the internal rules that reflect Efacec's commitment against corruption, seeking to ensure that all actions and decisions are taken in the best interest of clients, all its stakeholders, the market, and the society in which it operates.

Conflict of Interest Policy

Although, in general, conflicts of interest are not inherently wrong or inappropriate, they have the potential to cause great damage to a company. At Efacec, all real or apparent conflict of interest situations must be immediately declared, in writing, by filling in the Conflict of Interest Statement, prior to any decision making that may reveal the potential conflict.

Gift and Hospitality Policy

The exchange of gifts and hospitality within the commercial scope is not, in itself, illegal or unethical. However, it, can create (or appear to create) conflicts of

interest or inappropriate influences, as well legal and reputational compliance risks. This Policy establishes what can be offered or received, within the commercial scope.

Privacy and Personal Data Protection Policy

Efacec is committed to ensuring the security of the personal data of its commercial and non-commercial Partners and its Employees' personal data while respecting the data protection legislation applicable in all jurisdictions where it operates. Implementation of procedures and tools for compliance with the General Data Protection Regulation (GDPR) are in place. It should also be noted that Efacec has a Privacy Team, whose primary mission is to ensure the data subjects' rights, promoting clear and objective communication with all Employees about compliance with the GDPR and other legislation applicable to Efacec.

6.3. Client management

At Efacec, we continually develop a process of monitoring and following up on our clients' expectations.

We aim to ensure that our product and service offer is adequate and satisfies all stakeholders.

This process includes several methods for obtaining information, allowing an objective and detailed analysis and the definition of improvement plans. These methods are diverse, and of which we highlight the followina:

- Analysis of responses to the Client Satisfaction surveys:
- Analysis of clients' complaints;
- Results of clients' qualification audits.

In 2021, Efacec questioned over 800 of its clients and obtained an overall performance of 74%, with 85% of the clients stating that they would consider Efacec again in future supplies.

All results are analysed, and specific plans are defined to ensure the continuous improvement of clients' satisfaction.

6.4. Suppliers management

02 Reprivatisation and restructuring

06 Commitment to sustainability

One of the decisive factors in guiding and balancing Efacec's policies and strategies is based on its Sustainability Policy, which instils the adoption of corporate values and principles in delivering solutions to the end client as well as throughout the supply chain.

The Procurement and Purchasing area has a set of initiatives in place to promote Sustainable Purchasing s it is increasingly necessary to strengthen, in addition to economic aspects, the importance of ethical, environmental, and social aspects in the suppliers' selection process.

As a transversal support area to the different business units, it has an internal negotiation platform (Efasst) ensuring a seamless purchasing process, allowing full auditing of the supplier selection process.

Our partners are seen as an essential part of the development of sustainability policies and strategies. In this way, a new Supplier Qualification and Evaluation process is being implemented, to strengthen mechanisms which will ensure compliance and sustainability, guaranteeing a reinforcement of the weight of these criteria in the selection and contracting decision process, complementary to the commercial criteria.

Efacec's Sustainability Policy, disclosed to partners, is reinforced by the participation in public commitments, such as the Charter of Principles of BCSD Portugal, aiming to promote the engagement of suppliers and technological partners. As such, the sustainability principles are also shared, so as to encourage the same level of commitment and practices as Efacec, towards making its activities increasingly sustainable.

Moreover, Efacec signed the "Business Ambition for 1.5°" commitment in 2019 which, at the Procurement and Purchasing level, aims to identify and define an action plan to reduce gas emissions from the extraction, production and transport of the purchased materials and services.

Efacec defends the principle of selecting suppliers geographically closest to their facilities or projects. In 2021, 54% of purchases originated from suppliers located in the country where the Efacec entity that issued the purchase order is located. In addition to having a positive impact at the environmental level by reducing transport distances, this line of action also has a strong social impact, contributing to the development of local communities.

In addition to the increasing focus on sustainability, the year 2021 was marked by global instability in the supply chain and an increase in the cost of raw materials, thus evaluating the resilience of organisations.

It was recognised that to be prepared to face these challenges, it would be necessary to implement a set of mechanisms in order to reduce the risk to clients. This way, new commercial partnerships were identified, benefiting from the reinforcement of the Procurement team, whilst focusing on consolidating relations with existing suppliers, and an additional effort to improve the contracting terms.

Furthermore, we developed tools to monitor price fluctuations of critical products and the evolution of logistical constraints, using various sources of information, from regular publications to direct consultation of suppliers, ensuring economic and sustainable competitivity and the continuous creation of value in the market.



6.5. Environment management

Environmental Management is one of Efacec's concerns and one of the main factors for its existence.

Every year, Efacec contributes in different ways towards a more sustainable planet:

- Development of new products with better environmental performance or designed to allow a better environmental performance for clients;
- Implementation of infrastructures that reduce the environmental impacts of the communities where the projects fall;
- Systematic reduction of environmental impacts resulting from the company's activities.

The Efacec's effort to develop new products with better environmental performance is described in the chapter "Main technological developments of the year." The construction of infrastructures with a strong environmental (and social) impact is described in the chapter "Business for People." This chapter reviews some aspects of the first two points and focuses, especially, on the third point.

Efacec's environmental effort can also be seen from the two main objectives of today's society:

- Development and implementation of Low Carbon Economy:
- Development and implementation of Circular Economy.

6.5.1. A Efacec and the low carbon economy

Efacec contributes, significantly, to the Low Carbon Economy through its portfolio. Its products and systems offer allows its clients to reduce their CO₂ emissions.

On the other hand, Efacec is also determined to reduce CO2 emissions resulting from its own activities, having joined, in 2019, two important international movements in favour of decarbonisation of the planet: the Business Ambition for 1.5 °C and the EV100. These commitments require the reduction of CO2emissions to 50% (source: https://sciencebasedtargets.org/) by 2030 and the achievement of carbon neutrality by 2050.

The action plan launched in 2020 to achieve the targets is now reinforced in the following areas:

- Inventory of all CO₂ emissions related with Efacec (scope 1, 2 and 3 emissions);
- Analysis of energy and environmental performance through the assessment of energy performance and procedural compliance indicators, including the breakdown of CO₂ emissions data;
- Establishment of new CO₂ targets that may be validated by the SBTi (Science Based Targets Initiative) methodology;
- Clarification and quantification of CO₂ emissions in the value chain and establishment of partnerships to reduce these emissions;
- Continuous assessment of the need for specific investments to successfully achieve the new CO₂ emission targets;
- Continuous assessment of the results of the conversion of the fleet to electric and hybrid vehicles;
- Promotion of more efficient management behaviours and policies in order to reduce energy consumption and CO₂ emissions.

Efacec has conducted important measures to reduce its carbon footprint. The widespread and intensive use of digital resources, as well as the reduction of travel between different countries, due to the pandemic, contributed significantly to the reduction of CO₂.

In 2019, Efacec committed to gradually adopt a fleet of electric vehicles and provide charging points to its employees, as part of EV100, a global initiative that brings together companies focused on accelerating the transition to electric vehicles and making electric transport the "new normal" by 2030. As part of this commitment, Efacec recently replaced 48 vehicles with electric/hybrid cars.

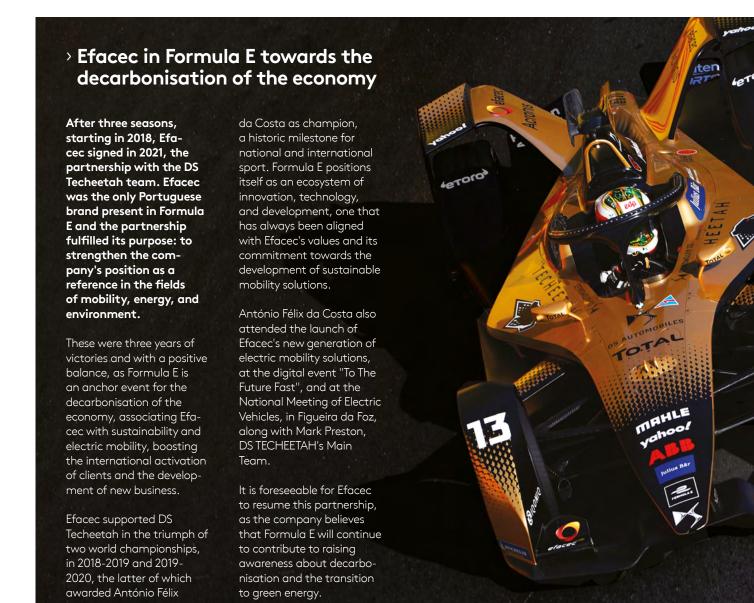
By integrating this commitment, Efacec reinforced its priorities in terms of sustainability, converting its vehicle fleet and simultaneously supporting and encouraging employees to adopt electric mobility by installing charging points at their premises and offering preferential conditions for the purchase of Efacec electric chargers.

In 2021, the rehabilitation works of Efacec's industrial buildings continued. The most recent investments were made in the Service, Equipment, Transportation and Corporate Areas buildings and in the social area of the bar in Arroteia. In general, the works involved various improvements in energy efficiency by opting, whenever possible, for the reuse and recycling of mterials or equipment.

Efacec's current Energy Efficiency Plan provides for a series of continuous actions, such as optimizing the operation of the service substation transformers, the replacement of T8 luminaries with T5 with electronic ballast, the gradual replacement of mercury vapour luminaries with LED and the replacement of metal halide lamps (400w) with T5 fluorescent lamps (2x80W).

02 Reprivatisation and restructuring

06 Commitment to sustainability





6.5.2. Efacec and the Circular Economy

Circularity is an Efacec commitment which is always present, in the way it uses energy and raw materials and how it develops its products and solutions.

Efacec has a team dedicated to developing and implement a programme based on six pillars: design, procurement, production, transport, use and end of life.

Following current business requirements, conducts frequently life cycle studies for its products. These studies conduct a complete and systematic analysis of the products, identifying environmental aspects and impacts, throughout their history, from the extraction of raw materials, through the production, transportation, use and final destination.

Product Life Cycle Assessment

It was performed a Life Cycle Assessment of the MCU and TPU equipment of the Automation area, the environmental impacts were calculated and issued the first Environmental Product Declarations (EPD).

Pilot Study of the CTI

Efacec participated, for the second time, in the Circular Transition Indicators Tool (CTI) pilot study, evolving and consolidating the sustainable management of resources in the entire product portfolio. The study focused on calculating the circularity of an electric charger. For the calculation, the characteristics of the component materials were considered, namely masses, the origin of the materials, their recyclability, amongst others.

Project E+C

In partnership with EY and CIP, Efacec participated in the development of the E+C (Economy + Circular) project, which complements Efacec's transition to the Circular Economy, by applying the Circulytics tool. This measurement tool made it possible to assess the extent to which Efacec, and specifically the Electric Mobility area, has achieved circularity in all its operations.

The evaluation of the results of these projects leads to the conclusion that there is still a long way to go with partners and suppliers in order to identify the environmental characteristics of raw materials and materials. With regard to the work with partners, namely suppliers, Efacec is introducing the Material Passport to characterize, environmentally the raw materials and materials that make up its products, so that more ecological choices can be made. To systematise the

process of collecting information from partners and suppliers, the Supplier Qualification and Evaluation Procedure is being revised, where all circular economy issues will be taken into consideration.

Still within the scope of the Circular Economy and the portfolio of Efacec solutions, the Service business is a remarkable example of a business model that supports Circular Economy directly, either through the rehabilitation of energy equipment or through the oil regeneration (a competence introduced at Efacec in 2018, which allows reusing oil from transformers, thus reducing the quantity purchased and extending its useful life, contributing to waste reduction).

The work and projects developed within the circular economy enables us to understand the challenges and the path that needs to be taken in identifying opportunities. The process of searching for data, analysing results, prioritising risks, and opportunities, and evaluating circular solutions eventually led to the formulation of clear targets and improvement actions. We are now better able to identify synergies and introduce changes that will have a positive impact across the portfolio. It is crucial to cooperate and communicate with all stakeholders to achieve the full potential of circularity and be successful in the long term.

Projects scheduled for completion in 2022:

- Obtaining the ISO 14067 Certification (Carbon Footprint) of the Fluofix Circuit Breaker and the respective Environmental Certificate (ISO 14040 and ISO 14025);
- Implementation of the Life Cycle Assessment process of more Efacec products and respective issue of Environmental Product Declarations;
- Certification of Efacec Angola complying with ISO 14001 and ISO 45001 standards;
- Review of Assessments of Environmental Aspects and Impacts of production processes;
- Development of new circularity indicators;
- Establishment of SBTi (Science based Targets) decarbonization goals;
- Progress on conversion to electric vehicles.

> Number of pieces of equipment rehabilitated in 2021

Type of Equipment	% of Typical Recovered Mass	Number of pieces of equipment rehabilitated
Power transformers	50	44
Distribution transformers	60	196
High voltage switchgear	80	71
Medium voltage switchgear	90	531
Rotating machines	60	63

02 Reprivatisation and restructuring

06 Commitment to sustainability

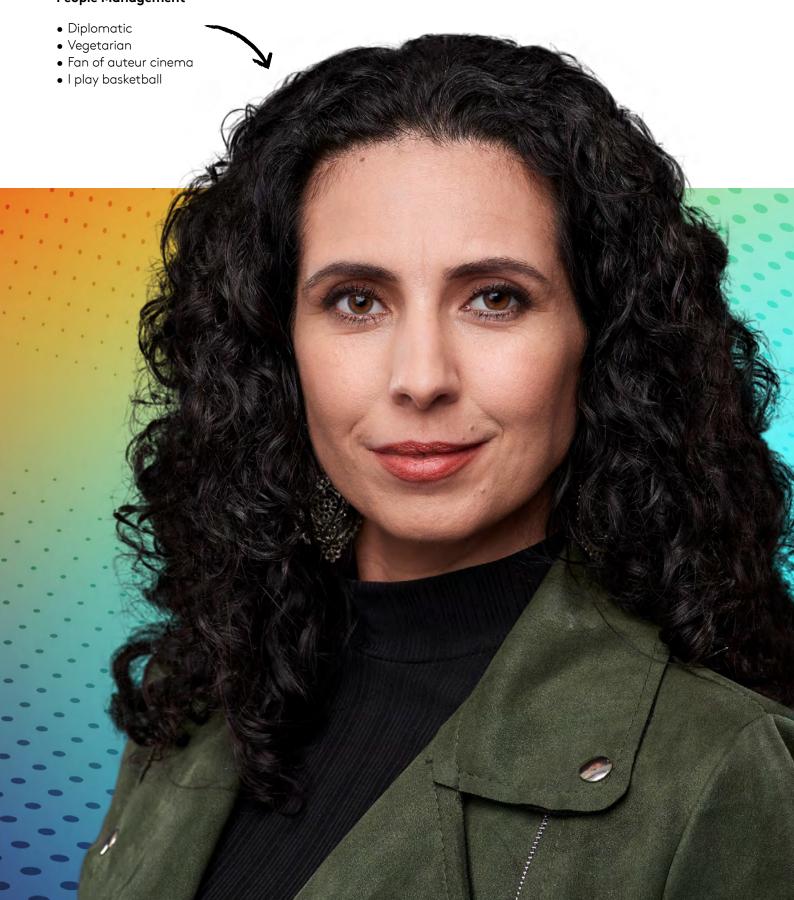
Efacec considers the Circular Economy to be an essential pillar for its sustainability strategy, in three areas of action:

- Development of solutions for the energy, mobility and environment sectors from biogas plants, waste treatment plants, renewable solar and wind power solutions, hydrogen projects, digital asset management, modular transformers, among other solutions in its portfolio.
- Design of its products and redesign of operating and logistics processes, with a view to increasing circular flows in the value chain.
- Repair, refurbishment and upgrading activities (retrofit and revamping), which increase the life span of electrical equipment.





Ana Ramos Environment, Safety and Health at Work Manager, People Management



6.6. People management

2021 was a year to consolidate the working models adjusted to the specific needs of this time of pandemic.

02 Reprivatisation and restructuring

06 Commitment to sustainability

In addition to the consolidation of the practices adopted, new work-family balance needs have arisen, which have brought to the frontline the need for organisations to provide tools that ensure the well-being of employees.

Remote leadership

2021 was a year marked by the continuity of the remote working regime, which led to a more structured and permanent change in the way we work and in the way we lead. In this field, Efacec has considered essential to support its leaders in the challenge that remote leadership implies. In this way, we conducted a questionnaire with the objective of defining a development plan for each leader, which would guarantee the adequate remote management of the teams.

Partnership WeCareOn

Focused on the physical and mental well-being of employees, and aware of the impact that this well-being has on motivation, commitment, and healthy relationships between work teams, Efacec, in partnership with WeCareOn, shares 50% of the costs of a set of online services that stimulate well-being and foster work-family balance.

Index of Excellence

Efacec participated in the Excellence Index - Organisational Climate Study, on the organisational climate and the development of human capital, conducted by Neves de Almeida HR Consulting, to obtain the overall results of employee satisfaction. This questionnaire allows us to know the overall positioning of the organisation in relation to the market benchmark, as well as the results in the four dimensions: Organisational Dynamics, Practices, Climate and People Management. In addition to Satisfaction, this was an opportunity to gauge other complementary themes, such as Involvement, Retention Factors, Perceived Evolution, Organisational Initiatives and New Ways of Working.

Programa Trainees - To the Future Fast!

04 Governance and organisation

Motivated by the climate of change, and in fulfilment of its purpose, Efacec assumed the commitment of identifying and developing new talents through the young talent programme, the first trainee programme transversal to the organisation. Strengthening the relationship with higher education institutions and with Valor T Employability Agency, People Management has invested in attracting and developing young talent, which, in this first edition, included 30 recent graduates, focusing on diversity of training and gender, and ensuring the inclusion of people with disabilities. The Trainees Programme - To the Future, Fast! began in September, with a phase of integration in the company in which the trainees were invited to analyse and present solutions to different challenges proposed by the functional and business areas until December, when the transversal departments proposed a final challenge. Once this phase is concluded, the young trainees are incorporated into the business units where, during nine months, they will have the opportunity to have a first contact with the working world and develop their vision and apply the empirical knowledge they have acquired during their academic training.





Mov.in | Internal Mobility Programme

At Efacec, we recognise the importance of internal mobility, and we offer employees this opportunity in different ways: from one job to another or for the same job in different areas or units. Under Mov.in, in 2021 there were 42 internal movements registered.

Talent and Skills Development

In order to support the development of talent, Efacec continued to analyse the skills and potential of its employees. The process consisted of conducting a set of exercises that allowed employees' skills to be mapped, understand their career motivations, and establish the potential to take on positions of greater responsibility and/or leadership in the short, medium, and long term.

Recognising the vital importance of identifying, analysing, and assessing the skills that live within the organisation, the year 2021 was also marked by the construction of a technology skills model, which enables the integration of People Management processes such as recruitment, development and training, succession planning and performance management. By mapping and defining existing skills in the organisation, as well as current and future critical skills in technology, this model enables Efacec to understand the existing skills gap and define actions to reduce its impact, as well as to define actions to retain talent.

By creating a specific development and training plan for these competences, Efacec intends to empower teams with new knowledge, clarify the importance or the impact of each competence on the organisation's capacity for innovation and execution and create a basis for a model of continuous assessment and an organisational model for management by competences.

2021 at Mast3r Academia

We delivered 16,238 hours of training, divided between each of our Schools \vee



Corporate School

Around 53% were training hours on themes related to Quality, Safety and Environment.



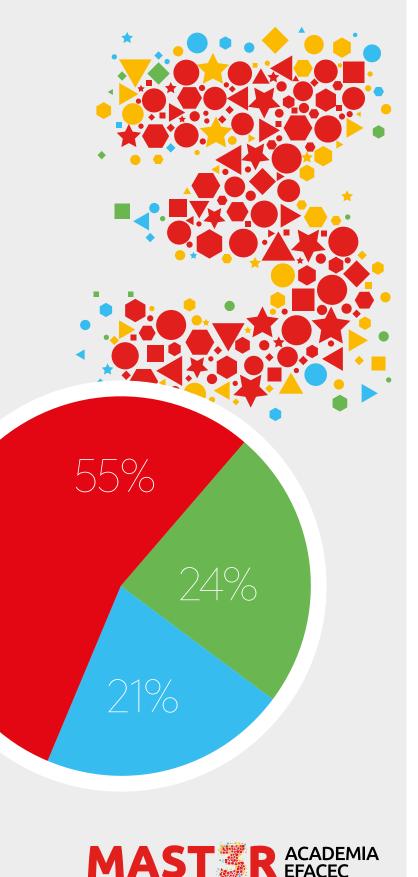
Management School

3.876 h



Technological School

> 75% of Efacec's employees attended at least one Mast3r Academia course (1594 trainees).



Corporate School

Emphasis is given to the high volume of internal training provided, regarding the alteration and/or updating of internal processes and procedures, as a result of the consolidation of the change in the organisational and functional structure of the Group. In addition to these initiatives, self-learning actions were maintained, either by supporting doctoral projects or by providing training opportunities and diversified contents in accordance with the interest, needs and availability of each person, through e-learning solutions, offering the digital training platform to all employees (Mast3r Learning Hub in collaboration with LearningHubz), regardless of their functional background.

Management School

Besides the involvement of some employees in executive training at the best Management Schools in the country (PBS, Universidade Nova and AESE), we highlight the third edition of the On the Way to the Future Programme, co-created with Porto Business School. This Management and Leadership Programme aims to be an inspirational programme and a unique learning experience, intended to prepare Efacec leaders for future challenges. This training combines more theoretical modules such as strategy, finance, innovation, logistics and leadership, with a practical component, which comprises the development of a diagnosis and the definition of an action plan to address a business challenge at Efacec.

Technological School

With its activity focused on the Energy, Mobility and Environment sectors, Efacec has followed, with particular interest, investment policies in the hydrogen area. In this sense, and with the objective of knowing more about this energy vector, identify business development opportunities, know the inherent technological challenges, and provide the company with skills in this area, a customized training program was developed together with INEGI. Also noteworthy, in 2021, is the programme to reinforce the technical skills of those working in production and logistics in the Transformers area, with the creation of the Operations Technical School, aiming the development of skills in operational areas, related with the management of production, products, work organisation and continuous improvement, among others.

6.6.1. Profile of Efacec's people

By the end of 2021, Efacec had 2,046 employees, spread throughout Portugal and 20 other countries.

Portugal **86%**\$6 1.760
|| Employees

World

14%

\$\tilde{1} 286

Employees

Efacec's international presence, representing 14% of the total number of employees in the Group, plays a central role in the business expansion, which is why it is important to ensure the hiring of qualified local employees, as well as the expatriation of Portuguese employees who guarantee the implementation of the culture and transmission of know-how in the various countries. Currently Efacec has 39 expatriate employees, mainly in Angola, Mozambique, Algeria, and Denmark.

Efacec Employees Around the World *Branches with Efacec employees: France, Greece, Tunisia, Morocco, Denmark, and Sweden.

Country	N.°
Portugal	1769
India	75
Spain	46
Angola	30
Albania	1
Austria	5
Bulgaria	3
Czech Republic	7
Romania	4
Chile	20
Algeria	18
Mozambique	26
Argentina	13
United States of America	7
Brazil	9
Branches*	13
Total	2.046







The majority of Efacec's employee population is grouped into the "operational" functional group (24%), given the manufacturing nature of its activity, and "specialist" (38%) due to its strong technological and development component.

> Distribution of employees by functional group and location

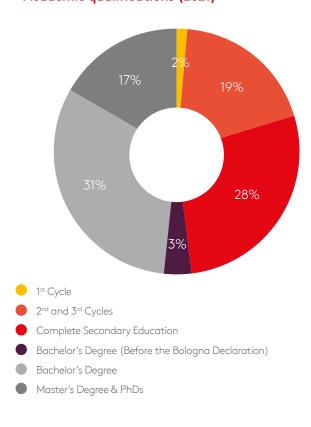
	Portugal				Other	Tabal	
Category	Arroteia Maia		Oeiras Others		geographies	Total	
Members of the Executive Committee	5	_	_	_	_	5	
Coordinator/Corporate Director	15	5	4	_	_	24	
Director	20	18	12	_	3	53	
Head	59	33	11	2	2	107	
Coordinator	83	84	18	_	20	205	
Specialist	280	268	121	1	100	770	
Technician	82	101	21	2	44	250	
Supervisor	42	23	9	4	15	93	
Operational	340	50	10	8	78	486	
Administrative	25	9	4	_	15	53	
Grand Total	951	591	210	17	277	2.046	

It should be noted that more than two thirds of Efacec's population i.e., 79% of employees have, at least, secondary school qualifications, of which 40% have completed a degree and 21% a master's or doctorate. The employees' academic qualifications are a concern for Efacec, as it believes that the training and development of its people is the key to the success of its business.

> Academic qualifications (2021)

03 The year at a glance

07 Financial statements





59% of Efacec's population is over 40 years old, of which 40% are aged 50 or over. 9% of employees are in the age group up to 30 years old.

In order to promote personnel restructuring, 70% of the new admissions at Efacec in 2021 were made to employees aged 30 or under, and only 15% to employees aged over 40. The activity conducted by Efacec in the areas of production and engineering is, nowadays, still mainly performed by men. In this sense and believing that the issue of gender diversity should not be neglected, Efacec has been seeking to balance its population by increasing the recruitment of female employees.

In 2021, 47 women were hired, about a third of the total (32%) of new hires and up 14% when compared to 2020.

Distribution of employees by gender, worldwide

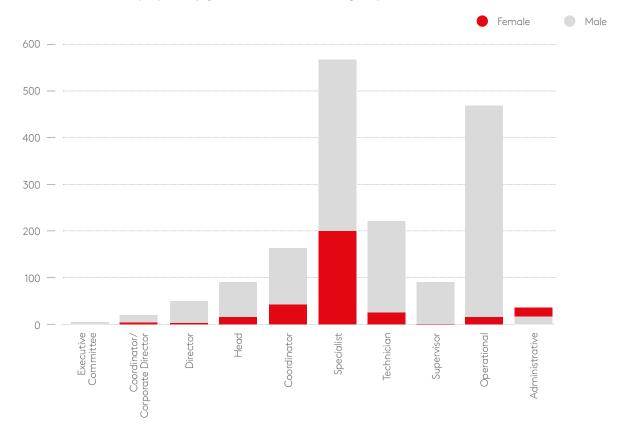
Age group	Female	Male	Total
<30	52	142	194
30 - 39	120	524	644
40 - 49	106	617	723
=> 50	67	418	485
Total	345	1701	2046

Female **17%**\$\tilde{1}\$ 345

\$\tilde{1}\$ Employees

Male **83%**n 1.701

> Distribution of Efacec Employees by gender and functional group



6.6.2. Human Rights

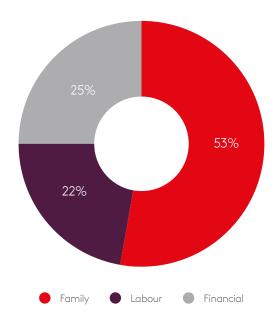
Corporate Sustainability

Committed to align Efacec's strategies and operations with universal principles of human rights, labour, environment, and anti-corruption, ensuring the promotion of social objectives, the company joined Global Compact (UN), thus committing to the adoption of sustainable labour practices, aligning its strategies and operations with those principles, and defining actions with broader social objectives such as the UN Sustainable Development Goals, emphasizing collaboration and innovation.

Social Assistance

Efacec strives to support employees from a personal and family perspective. In 2021, tailor-made social assistance services were made available at the centres in Portugal. About 920 service sessions (consultations) were conducted with employees. The main problems dealt with are of a family, financial and labour nature.

> Nature of the Problems



Promoting the Employees' Association

Efacec continued to support the employees' association, Clube Efacec The main activities conducted are sports and recreational activities, including Christmas gifts for all children.

Protocols

Efacec has established protocols that provide advantageous conditions to its employees, namely, with clinics, schools, banks, insurance companies and other entities, having more than 60 protocols in areas of health, leisure and culture, education, among others.

Safety and Health

Efacec defines people safety as one of its priorities, a topic under the responsibility of the Environment, Health, and Safety area, monitored by the Executive Committee. One of the guiding elements in the organisational risk management strategy is the Occupational Health and Safety Management System, covering all the activities conducted at Efacec's industrial sites and external projects. Its main objective is to involve all employees and stakeholders in promoting health and safety at work, thus improving the efficiency of occupational risk management associated with our activities.

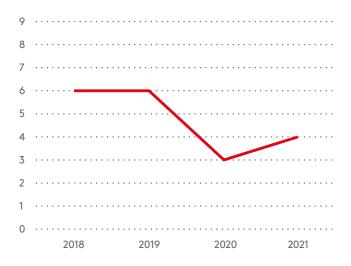
Within the Safety Management System, we have established principles and practices implemented and followed by our employees and stakeholders:

- Identification of hazards, risk and opportunity assessment of all activities, products, and services, aiming at replacing what is "dangerous" with what "is free from danger or less dangerous";
- Investigation and reporting on work accidents and near-accidents to determine causes;
- Definition of actions to correct deficiencies and prevent recurrence;
- Communication of security alerts and their monitoring;
- Promotion of monthly EHS dialogues with the work teams;
- EHS operational visits to factories and external projects;
- Implementation of the Internal Security Plan, which contains security procedures and;
- Continuation of the initiative Country Survey in the external projects for definition of safety requirements from the project design phase;
- Definition and monitoring of an improvement indicator: Safety Culture

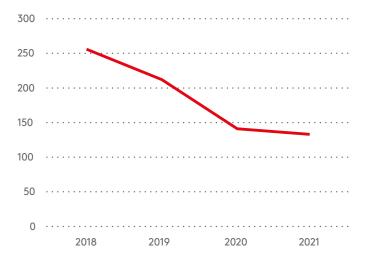


Since 2016, the Valor Segurança project has been active whose ultimate goal is to eliminate accidents at work through the training and awareness of all employees and other interested parties.

Accidents at work frequency index



Accidents at work severity index



The Valor Segurança Project, initially focused on the Transformers and Service areas, was extended to the Switchgear and Electric Mobility areas, aiming at "Zero Accidents."

The programme, developed in articulation with Du-Pont Sustainable Solutions (DSS), a consultant specializing in the topic, has helped to change the way safety is perceived at Efacec, ensuring collaboration between all co-workers, who are now much better able to report good and bad examples. This action plan, which has already led to a significant change in behaviour, and included awareness-raising actions, recurring follow-up visits to the production areas, training at the several hierarchical levels of the areas and accident investigation.

In addition to these initiatives, the focus was on prevention activities, with an emphasis on increasing the near-accident record and the Preventive Behaviour Observations (PBO) programme, which aims at observing work practices from the point of view of safety. Employees communicate their concerns more easily, which facilitates the analysis of these practices and the achievement of a commitment to improvement. Even with the increase in the number of rules to be followed, the reduction of non-compliances is visible. Given the transition of the Safety Management System to the ISO 45001 standard, through auditing by an external entity, the Environment, Health, and Safety area continues to develop its documental and operational structure within the scope of this standard.

In 2022, Efacec will implement and continue to improve the following topics:

- Reinforce the incentive for employee participation and consultation, through the various risk management processes;
- Promote new communication channels to employees and stakeholders, to encourage their contribution in the health and safety at work process;
- Strengthen the anticipation culture: focus on recording and analysing near misses, safety alerts and PBOs;
- Strengthen safety thinking from the design/conception phase in the products and systems portfolio;
- Promote communication actions to make safety more visible in the factories and external projects;
- Promote workplace exercise programmes in the BUs.

Labour Relations

In 2021, Efacec strengthened its relations with the workers' representatives, maintaining dialogue and regular meetings with the Workers' Representatives, to develop a proximity work with these entities allowing the identification and promotion of actions to meet the needs of their employees.





6.7. Relationship with the community

Efacec's contribution towards building a sustainable society includes a strong involvement with the surrounding community, based on complicity and sharing.

As a result, every year several initiatives are implemented to support the development of the new generations, promote academic success, the opening up to science and technology and the sustainability of the planet.

Either through social responsibility actions, relationships with schools and universities, participation in events concerning trends and future, or through partnerships and impact programmes, Efacec's focus will always be the fulfilment of its Purpose to "Create a smarter future for a better life".

6.7.1. Volunteer work

During 2021, Efacec developed several social responsibility actions and supported its employees in conducting initiatives that brought value to the community and society in general, fostering team spirit and strengthening the company's Purpose and Values. The involvement of all employees resulted in a total of **2,473 hours of volunteer work**. The following are some of the actions with the greatest impact in 2021:

Junior Achievement Portugal (JAP)

Partners since 2007, Efacec opens its doors to students every year and participates in initiatives based on three fundamental pillars: Citizenship and Financial Literacy, Education for Entrepreneurship and Employability Skills.

Efacec Community Composting Project

The project aims to promote and exemplify the circular economy, fostering environmental participation and citizenship, ensuring the optimisation and efficiency of waste collection, and enhancing the principles of a circular economy.

Donate and Transform

On a regular basis, Efacec's Transformers team supports the community, dedicating part of its time to help those who need it most. In 2021, the associations Raríssimas, Obra de Frei Gil and Aldeias SOS were supported.

Rota dos Povos NGO

We provided materials such as furniture, a solar kit and office supplies to support the NGO Rota dos Povos, from Equatorial Guinea. Efacec also received a Guinean trainee, who through the knowledge acquired, will be able to install the solar kit in his village, allowing electric energy to reach the Social and Health Centre in Catió.

Doar sangue é salvar vidas

Efacec promoted two blood collections, in partnership with Instituto Português do Sangue e da Transplantação, IP, at the Arroteia and Maia premises.

Project reVIVE: Ready for this mission?

The reVIVE project aims to improve working conditions for all employees by giving a second life to materials and equipment regarded as waste.

Milk donation

Efacec promoted a milk collection, by request of Associação Nacional de Ajuda aos Pobres (ANAP), which supports 700 families every month with food baskets consisting of essential goods, for which Efacec employees donated 1,026 litres of milk.

Efacec committed to women empowerment

Through the "Change" programme from Girl MOVE Academy, aimed at Mozambican girls aged between 20 and 30, Efacec welcomed Chelsea Marlen, who "travelled" through the areas of People Management, and joined in "inspirational" sessions with a number of Efacec professionals.

Caixa dos Sonhos

For Christmas 2021, we encouraged Efacec employees to offer sustainable gifts to their colleagues' children. The aim was to promote the circular economy and the reuse of material goods, through a platform for the exchange of (reused) gifts.

International Workers' Day in Mozambique

It was organised a staff meeting for the Metoro Central Solar employees, involving the Mozambican Workers' Organisation and the representative of the Station Manager. During the event, Efacec employees visited the Metoro Health Centre, to pay homage to health professionals and delivered snacks to all employees, patients, and their families.

Support for Covid-19 vaccination in Mozambique

The Metoro project team, in partnership with the local Health Centre, gave all project workers access to Covid-19 vaccination, reaching a total of 214 employees. Efacec was responsible for ensuring all the logistics related with the vaccination process.

Fulfilling a Christmas dream for 53 children in Chile

The Laja Substation Expansion Project Team (TRANSE-LEC), located in the Bio Bio region in the municipality of Laja, Chile, organised a special Christmas moment for children from the local community.







6.7.2. Relationship with Schools and Universities

Efacec maintained its presence at the various events organised by the country's main academies and/or research and development institutes.

Of these participations, the following are noteworthy FEUP Talent League, FEUP Career Fair and FEUP Engineering Days (Faculty of Engineering of the University of Porto), the Empresa à Vista (University of Minho), the Professional Academy (Faculty of Science and Technology of the University of Coimbra), and the course unit with the Challenge Based Learning methodology (Instituto Superior de Engenharia do Porto). During its participation in the Youth Speak Forum, organised by AIESEC, Efacec presented for the first time its Trainee Programme for 2021.

In 2021, Efacec also established curricular internship protocols with several Schools and Higher Education Institutions: Agrupamento de Escolas de Ermesinde, ATEC, Cenfim, Colégio de Gaia - Escola Católica, GIVA, Escola Profissional Gustave Eiffel, ESS-P.Porto, Profitecla, FCT NOVA, Instituto Politécnico de Tomar, IPAM, IPMAIA, ISCAP, LSIS2, ISMAI, IST, ISEP, Universidade do Porto, Universidade de Coimbra, Universidade do Minho, Universidade Aveiro.

Two development programmes that started in 2021 should also be highlighted:

Projet groWing

With the acceleration of the digital transition, the need to effectively empower our people is a reality. Therefore, in partnership with Porto City Hall and the Psychology Consultancy Service of the University of Porto, we understood and perceived it as a joint framework, for the reconstruction of the professional paths.

Programme "Ser Pro"

Organised by Teresa and Alexandre Soares dos Santos - Education Initiative, this programme aims to create greater proximity between life at school and life in the company, in order to offer an educational pathway that is closer to the objectives of many students, facilitating their transition to the working life with appropriate qualifications that allow them to boost their employment opportunities or to continue their studies with an increased confidence. In partnership with the Maia Group of Schools and the Maia Municipality, Efacec is actively participating in the preparation of students from the Electronics, Automation and Computer Technician Course.

6.7.3. Institutional representations and external presences

Recognising the importance of the role of its relations with different institutions for the development of its activity, Efacec maintained, in 2021, regular connection and representation with 62 associations, 76% national and 24% international. In 2021 Efacec attended seven events of such nature and shared its knowledge on the topics addressed.

> Relationship with associations

Scope	Number of associations
Institutional	15
Business	26
Technological	11
Training and certification	10

Efacec regularly attends community events to share and build knowledge and experience, particularly on subjects linked with trends and the future in its operational areas - Energy, Environment and Mobility. In 2021, Efacec attended 30 events of such nature, and shared its viewpoints on the topics addressed.

We highlight some of these events:

ENVE: Efacec is a pioneer in sustainable mobility alongside Formula E champions

Efacec participated in the Encontro Nacional de Veículos Elétricos 2021 (ENVE), which took place in Figueira da Foz on June 5 and 6. The event, during which Efacec disclosed its latest electric mobility solutions, was attended by the Secretary of State for Mobility, Eduardo Pinheiro, and Formula E world champion, António Félix da Costa and Mark Preston, DS Techeetah Team Principal. This was an opportunity to meet the driver and get to know the team's official car - the G2 - on display at Efacec's stand. In addition to being an event for the whole family, ENVE was a moment for Efacec to disclose its solutions and to position itself with the biggest players in the Energy sector.

Efacec participates in the Perspetivas APD 2021 online seminar

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Efacec participated in the Perspetivas APD 2021 online seminar, organized by the Associação para o Progresso da Direção de Empresas, focused on the macroeconomic outlook for 2021. During the digital event, the manner in which economy and companies will develop in 2021 was also addressed. Ângelo Ramalho, Chairman and CEO of Efacec, was the moderator of the roundtable discussion on Economic Perspectives, with Rui Constantino, from Santander Portugal and Paulo Mota, from the University of Porto.

Efacec attends the Conference «Solar Domestic Parity Portugal»

Efacec participated in the discussion panel on "How to benefit from the technical innovations arriving in Portugal", along with other representatives of the sector's main players. The Conference «Solar Domestic Parity Portugal» is a platform for sharing knowledge and experience about the opportunities and challenges of the Portuguese market. Efacec participated and shared its strategy and vision of the sector for a more sustainable future.

Hydrogen discussed during an online seminar organised by INEGI

Efacec participated in the online seminar "The Industrial Line of the Hydrogen", organised by INEGI. Talked about the current challenges in the construction of an industry for hydrogen. During the online seminar, there were discussions about the challenges that we must overcome in order to move forward beyond the manufacture, storage, distribution, and use of hydrogen to create an industry to manufacture tools and equipment to support the sector. Efacec is proud to be part of the energy transition and to contribute, with its solutions, to a more sustainable planet.

6.7.4. Awards and recognitions

2021 was a year of achievement for various transformation initiatives, enabling us to reach very important milestones in the history of the organisation that once again prove Efacec's intrinsic quality and excellence.

One of the three best companies to work for in the **Energy sector**

The Randstad Employer Brand Research 2021 revealed that Efacec is the second best company to work for in the energy sector in Portugal.

Human Resources 2021 Awards

Efacec was one of the winners of the Human Resources Awards 2021. These awards recognize the best companies and the best professionals in the Management of People Management. In this context, the People Management function was recognised, in the category of Best Human Resources Director under 45 years of age.

Red Dot Design Awards

Efacec was distinguished with two awards at the world's most prestigious design competition: Red Dot Design Award, in the category Product Design 2021. The Modular Transformer and XBarrier100, the barrier mechanism for level crossings, were the awarded products in the Industrial Equipment, Machinery and Automation subcategory, reinforcing our commitment to excellence. This is the first time that Efacec runs for the Red Dot Design Awards, reaching the level of the major world references.

Ranking of Companies Committed to Youth

For this ranking, Efacec presented the various projects developed internally and meeting the company's objective: the empowerment and training of young people. This ranking brings together companies and private sector entities that consider intergenerational objectives and propose solutions to encourage young people in the transition to professional life and in building their autonomy.

4th edition of the PT Global Water Awards

Efacec was distinguished at the 4th edition of the PT Global Water Awards 2020-21, the internationalisation awards for the water sector that are supported by the Ministry of the Environment and Climate Action and the Ministry of Foreign Affairs and promoted by the Água & Ambiente newspaper and the Portuguese Water Partnership. Winner in the "Contract for Works" category, Efacec was awarded for its the project for the WWTP in Nykobing, Denmark, comprising the renovation, expansion, and improvement of operating conditions, directly benefiting 35,000 inhabitants, demonstrating the company's excellence abroad, in a demanding and competitive market like Northern Europe.



6.8. Non-financial indicators

> Environmental Indicators

Heading	Indicator	Scope	Unit	2019	2020	2021
Materials	Magnetic plate consumption	Arroteia	Ton	4.568	473	1797
	Magnetic plate recycling		%	100 5	100 5	100
	Copper consumption	Arroteia	Ton	1.623	74	56
	Copper recycling		%	0	0	0
Materials	Aluminium consumption	Arroteia	Ton	916	278	130
	Aluminium recycling		%	0	0	0
	Oil consumption	Arroteia	Ton	3.558	117	180
	Oil recycling		%	0	0	0
	(Dlastia) and a single section	Arroteia	Kg	1.919	999	100
	(Plastic) packaging consumption	Maia		916	1110	75
	(Denote / conditional) - color site - condition	Arroteia	Kg	1.740	720	200
D	(Paper/cardboard) packaging consumption	Maia		272	197	65
Packaging	047 10 1 1	Arroteia	Kg	40.139	17845	4020
	(Wood) packaging consumption	Maia		0	4500	3000
		Arroteia	Kg	622	274	0
	Packaging (others) consumption			4	327	260
	Thermal energy consumption (natural gas) ¹	Arroteia		29.901	17.525	18.000
		Maia	GJ	6.256	4835	4.009
		Total		36.158	22.360	22.009
	Thermal energy consumption (petrol) ¹	National	GJ	850	973	1.300
	Thermal energy consumption (diesel) ¹	National	GJ	33.799	21.952	21.968
	Electric power consumption ²	Arroteia		54.045	38.923	36.207
		Maia	GJ	22.443	20.271	21.058
Energy		National		76.488	59.194	57.265
	Indirect hydroelectric power consumption ³			15.364	11.560	7.156
	Indirect wind power consumption ³			17.402	15.722	4.352
	Indirect natural gas consumption ³	Ni mati a va sul	G I	14.773	15.134	24.531
	Indirect coal consumption ³	National	GJ –	14.174	3.462	4.478
	Indirect consumption of other non-renewables			5.807	4.567	6.394
	Indirect consumption of other renewables ³			8.968	8.749	9.872
	Renewable production	Maia		945	898	912
		Arroteia Maia		15.612	6.745	8.495
	Water consumption - public supply network		m^3	19.826	21.550	15.051
		National		35.438	28.295	23.546
		Arroteia		9.700	4.371	4.548
Water	Water consumption - bore	Maia	m^3	15.663	7.381	9385
		National		25.363	11.752	13.933
	Total water consumption	National		60.801	40.047	37.479
	Water sources affected	National	-	0	0	0
	Reused/recycled water	National	m^3	0	0	0
Efluentes	Spills	Arroteia	-	11	9	5
Biodiversity	Protected area (or adjacent)	National	m²	0	0	0

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Heading	Indicator	Scope	Unit	2019	2020	2021
		Arroteia		1.467	987	1.014
	Natural gas¹	Maia	Ton CO ₂ e	303	272	226
		Total		1.770	1.259	1.240
	Petrol ¹	— National	Ton CO ₂ e —	63	71	95
	Diesel ¹	National	1011 CO ₂ e	2.505	1.610	1.612
	Scope 1 emissions	Total	Ton CO₂e	4.338	2.940	2.947
	Constant /Floorist	Arroteia		3.748	2.130	2.063
	Scope 2 emissions / Electricity Consumption ³	Maia	Ton CO ₂ e	1.546	1.109	1.200
		Total		5.284	3.239	3.263
CO,	Scope 1/2 emissions	Total	Ton CO₂e	9.622	6.179	7.501
emissions	C 2 4	Arroteia	V ~	1.132	1.004	1.004
emissions	Co ⁴	Maia	Kg —	32	0 (6)	0
	COV. 4	Arroteia	IZ -	10.599	4.629	4.629
	COVs ⁴	Maia	Kg —	32	0 6	0
	NO _x 4	Arroteia	14	1.876	1.595	1.595
		Maia	Kg —	172	0 6	0
	SO ₂ ⁴	Arroteia	14	244	203	203
		Maia	Kg —	1.228	0 (6)	0
	Particles ⁴	Arroteia	Kg —	11.882	1.266	1.266
		Maia		193	0 6	0
	Ozone-depleting substances	Arroteia	Kg	0	0	0
		Arroteia		59	36	37
	Disposed dangerous	Maia	_	3	0	0
		Oeiras	Ton —	0	0	0
		Total		62	36	37
	Disposed non-dangerous	Arroteia		57	28	2
		Maia	Ton	17	2	6
		Oeiras	1011	1	0	0
		Total		75	30	8
	Disposed	Arroteia		117	63	39
		Maia		19	2	6
		Oeiras		1	0	0
		Total		137	65	45
Waste		Arroteia		334	168	39
		Maia	 Ton	3	5	3
	Valued dangerous	Oeiras		1	0	0
		Total	_	338	173	42
		Arroteia		1.995	989	1238
	Valued non-dangerous	Maia	_	350	125	214
		Oeiras	Ton —	10	0	0
		Total	_	2.355	1.114	1.452
		Arroteia		2.329	1.114	1.432
			_	353		217
	Valued	Maia	Ton —		130	
		Oeiras	_	11	0	0

 $^{^{\}rm 1}\,\mbox{Amounts}$ calculated based on the Lower Calorific Power (PCI) values listed in the National Inventory of Greenhouse Gases 2013-2020. 2 Conversion factors: 1kWh=0,0036GJ.

2.693

1.287

1.494

³ Amounts calculated from data published by EDP Comercial (corporate clients) reflecting the origin of the electricity consumed and of the CO2 emissions in 2021.

⁴ The availability of data depends on the frequency of monitoring resulting from the values gathered and the opinion of the CCDR. Until the next measurements, the values of preceding years are maintained. ⁵ Updated amounts.

 $^{^{\}rm 6}$ Deactivated the only existing chimney in Maia.



> Social Indicators

Heading	Indicator	Units	Scope	2019	2020	2021
	Full/Permanent employees	- - - # Colabs ¹		1.793	1.737	1.632
Employment	Employees with fixed-term contracts			399	257	132
	Executive directors			7	5	5
	Employees in subsidiaries		Group —	332	305	277
contract	Global with employment contract (Group + Subsidiaries)		Gloup —	2.531	2.304	2.046
	Full-time employees			2.530	2.303	2.045
	Part-time employees			1	1	1
	Professional Internships			41	13	72
No	Self-employed professionals		_	0	0	0
employment contract	Temporary work	# Colabs ¹	Group —	11	5	2
	Global no employment contract			52	18	74
Employment	Global	# Colabs ¹	Group	2.583	2.322	2.120
	Employees departures <30 years			104	111	79
	Employees departures 30-39 years			122	99	111
	Employees departures 40-49 years		_	58	57	73
Turnover with	Employees departures = or > 50 years	-	_	60	33	77
employment contract	Global (Group + Subsidiaries)	# Colabs ¹	Group —	340	300	340
	Male employees' departures		_	275	248	277
	Female employees' departures			65	52	63
	Turnover rate			13%	13%	16%
Labour	Unionised employees	# Colabs ¹	NI . ·	15%	11%	12%
Relations	Deadline for notification of changes		National –	15	15	15
	Volume of training by categories	-				
	Director ⁸			3.129	256	1.225
	Head		_	5.827	1.293	1.415
	Coordinator		_	8.253	2.042	1.872
	Specialist			27.779	6.683	6.520
	Technician	# 1 1	<u> </u>	3.591	2.416	1.118
	Supervisor	# Hours	Group —	1.944	1.873	805
	Operational		_	3.528	1.934	2.892
	Administrative			500	286	118
Training with	Professional Internship ⁷		_	2.619	176	275
employment	Total			57.168	16.959	16.238
contract	Average training by categories					
	Director ⁸			41	11	19
	Head	# Hours / Employee	_	49	28	15
	Coordinator		_	37	18	10
	Specialist			26	32	10
	Technician		Group	12	3	8
	Supervisor		· <u>—</u>	16	7	13
	Operational			6	18	8
	Administrative	_	_	7	1	4
	Global		_	22	7	8

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2021

4

131

8

15

4

8

30

164

9

15

7

40

14

4 5

0

0

0

0

0

5

167

Incidence index

Duration index

Deaths

Human

Rights

Occupational diseases

Discrimination cases

Operations with freedom of association risk

Operations with child labour risk

Operations with forced labour risk

30

12

4

0

0

0

0

0

Mobility

National

National

Group

#Occurrences

#Occurrences

12

2

2

0

1

0

0

0

¹ Indicators involving counting employees (# Employees) are for 31

December 2021
² Frequency Index = number of accidents with sick leave / (number of Man hours worked) x 10⁶.

³ Severity Index = number of (working) days lost /number of Man hours worked x 10⁶.

⁴ Incidence Index = number of accidents with sick leave /(average number of workers) x 10³.

⁵ Duration Index = number of (working) days lost /number of accidents.

⁶This indicator shows the number of cases actually confirmed by the National Centre for Protection against Occupational Hazards (CNPRP) in the respective year.

⁷ Number of classroom training hours.

⁸ Includes training of executive directors.