



#WeWontStop supporting the community

AROBS 2023

**Environmental, Social
and Governance Report**





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Foreword

The integration of the ESG criteria in the decision-making process of institutional investors has been a dominant theme in the capital markets landscape for the past years.

In general, investors take increasingly into consideration non-financial criteria such as the impact of the corporate activity on the environment, the relationship with the employees, suppliers, and other partners, or the implementation of the highest standards in terms of corporate governance into the research and the capital allocation process in their investment universe.

ESG refers to a broad range of environmental, social and governance factors that can be used to evaluate how companies manage their sustainability performance and impact. Those factors can be evaluated either from the inside-out perspective (how the company operations affect certain ESG issues) or an outside-in perspective (how certain ESG issues affect the company).

Governance encompasses the system by which an organization is managed and operates and the mechanisms by which the company and its staff are held to account. Typically, in the context of the broader ESG, governance can be broken down into two main areas: **corporate governance** and **business ethics** (or responsible business conduct). The corporate governance deals with issues such as:

- ownership structure,
- board structure (one or two tiers) and composition,
- management compensation,
- compliance and risk management procedures,
- communication with shareholders, among others.

Business ethics, on the other hand, refers to a set of principles that the company stands for and has adopted, explicitly as well as implicitly, to manage its business in a responsible way in line with applicable laws and accepted norms and standards.

SUSTAINABILITY REPORTING STANDARDS AND FRAMEWORKS

Over the years, several sustainability reporting standards and frameworks have been developed to facilitate the disclosure of ESG information. Some of them can be used to report on a broad set of ESG issues (for example GRI or SASB

Standards) others have been designed to help companies report on specific topics, such as climate change (for example TCFD recommendations).

Global Reporting Initiative (GRI) was one of the first organizations to provide companies with guidance on sustainability disclosure. Established in 1997, GRI offers sector-agnostic standards for reporting on economic, environmental, and social impacts to a broad range of stakeholders.

Sustainability Accounting Standards Board (SASB) was founded in 2011 to develop sustainability accounting standards to help companies in the US disclose financial material sustainability information in mainstream financial reporting. SASB Standards take an industry-based approach (specific guidance is provided for 77 industries) and have been designed predominantly with the investors in mind, rather than being multistakeholder inclusive.

International Integrated Reporting Council (IIRC) framework was launched in 2013 to aid companies in preparing integrated reporting that connects financial and sustainability disclosure. The framework is designed to support concise, investor-oriented disclosure based on the concept of six capitals essential to the value creation process: financial, manufactured, intellectual, human, social and relationship and natural.

International Financial Reporting Standards (IFRS) are accounting standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB). They constitute a standardized way of describing the company's financial performance and position so that company financial



statements are understandable and comparable across international boundaries. They are particularly relevant for companies with shares or securities publicly listed.



1. Message from the CEO

We won't stop supporting our community - our Commitment to the ESG Journey.

Dear Stakeholder,

In the volatile, uncertain, complex, and ambiguous context of our present times, each event presents challenges that force us to step out of our comfort zone. It is essential to take a step back and examine the community we are part of. We welcome this moment of reflection, inviting you to read our **AROBS 2023 Environmental, Social, and Governance Report**, our first report of this kind. We want to highlight our connection with the community, collective impact, and actions toward a better tomorrow.

The 25 years of AROBS are a testimony to progress, determination, resilience, and the power of community. We have not only grown but thrived, thanks to our community, colleagues, partners, and investors.

The main thing about AROBS is that we never stop, regardless of our challenges. Our ability to continuously learn, adapt quickly to new realities, and be persistent in our work has made us the most significant technology company publicly listed in Romania. We have offices in 11 countries and over 1,300 colleagues involved in multiple global partnerships in dynamic industries—embedded, automotive, medical, intelligent automation, and beyond.

We have always been open to learning and building the best possible version of our company in business, on the Stock Market, and on the environmental, social, and government levels. We want to create innovation in the industry, attract investments, and give back to the community. We are also aware of the accelerated raise in interest toward ESG from the investors and partners perspective. Therefore, we are prepared to be part of the conversation about ESG with the institutional and private investors that analyse environmental, social, and governance factors alongside traditional financial metrics when making investment decisions.

The AROBS' ESG objectives are the following:

- Foster innovation, creativity, and education among youth and employees.
- Enhance involvement in sports, health, and community support.
- Promote sustainability and reduce carbon footprint.
- Ensure governance through adherence to regulations and standards.



- Mitigate identified ESG risks.
- Leverage ESG opportunities to drive innovation and sustainability.
- Monitor and evaluate performance through measurable KPIs from 2024 to 2027.

Our ESG vision is ambitious and straightforward: We aspire to excel in our industry and support the development of an innovative, connected, equitable, and sustainable community. The Commitment of a modern organization extends toward the legacy we build and the values we support through our actions.

As we look ahead, we are committed to amplifying our actions. How can we drive innovation, champion education, promote health and sports, advance sustainability, uphold our CSR commitments, and deepen our community ties? We eagerly await your thoughts and challenges, as they are crucial in our journey of continuous improvement.

Voicu Oprean,
CEO & President of the Board, AROBS Transilvania Software

2. Our Story

AROBS TRANSILVANIA

SOFTWARE S.A. is a publicly listed company, with registered office in Romania, Cluj-Napoca, str. Donath, nr. 11, bl. M4, sc. 2, et. 3, ap. 28, Cluj County, registered with the Trade Register Office attached to Cluj Court under no. J12/1845/1998, Tax Reference Number 11291045, Romania.



AROBS Transilvania Software SA is an IT company established in 1998, and currently, it is the largest and most liquid technology company listed on the Bucharest Stock Exchange. The company's object of activity is developing custom software with high expertise in software engineering for the automotive, aerospace, medical, maritime, and others, but it also develops software for IoT, tourism, clinical studies, enterprise solutions, and FinTech. The expertise of Intelligent Automation for optimizing processes in logistics, banking, healthcare, complete our software

development palette of expertise. AROBS has 25 years of experience in developing customized software solutions for clients in fourteen countries in Europe, Asia, and America.

Since its establishment, AROBS Transilvania Software has relied on excellent specialists and well-adjusted but flexible processes to consistently deliver the best quality customized software, products, and software applications, where the company has retained ownership.

The excellence of the software services and the dedication shown by the company's specialists have helped establish strong, long-term partnerships with over 11,000 companies from Romania, Central and Eastern Europe, and long-term partnerships for custom development services with over 70 global companies.

Since 2003, AROBS Transilvania Software has been creating its own solutions and products, the most important of which are **TrackGPS**, a solution for managing and monitoring car fleets, **Optimall** – a sales force automation solution, **RateWizz** – channel manager for the hotel industry, and a **solution for digitizing school textbooks**.

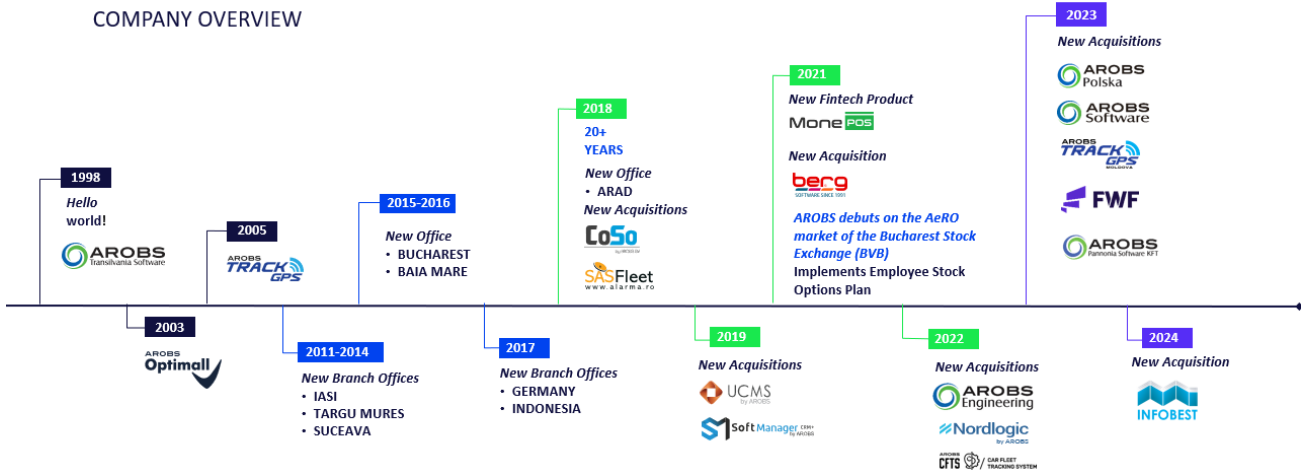
AROBS Highlights for 2023

- 11 Romanian + 10 international offices.
- 1300+ employees and collaborators.
- About 70 partners of the Software Services business lines in Europe and America.
- Over 11.000 Customers for the Software Products business lines in Europe and Asia.
- The e-Partnership Award for the AROBS collaboration with BCR – e-Finance Awards Gala 2024
- Deloitte Romania Best Managed Company 2022 certified.
- 2021 Supplier of the Year award for Engineering Services offered by Continental.
- Consolidated Turnover 2023: 85.8 mil. €



Thinking propelled our evolution

COMPANY OVERVIEW



3. The AROBS Group structure

We hereby highlight the AROBS GROUP of companies:

Romanian entities		
AROBS DEVELOPMENT & ENGINEERING (ENEA) 100%	CENTRUL DE SOFT GPS 100%	SAS FLEET TRACKING SRL (SAS GROUP) 100%
AROBS ETOLL SOLUTIONS 100%	NORDLOGIC SOFTWARE 100%	SILVER BULLET 100%
AROBS SYSTEMS 100%	FUTURE WORKFORCE SA 100%	SOFTMANAGER 70%
BERG COMPUTERS 100%	FUTURE WORKFORCE SRL 100%	UCMS GROUP ROMANIA 97.7%

International entities	
AROBS PANNONIA SOFTWARE KFT (Hungary) 100%	COSO BY AROBS B.V. BE (Belgium) 90%
AROBS POLSKA (Poland) 94%	COSO TEAM UK LTD (UK) 90%
AROBS SOFTWARE SOLUTIONS GMBH (Germany) 60%	FUTURE WORKFORCE GmbH (Germany) 65%
AROBS SOFTWARE SRL (Rep. Moldova) 100%	FUTURE WORKFORCE Limited (UK) 80%
AROBS TRACKGPS SRL (Rep. Moldova) 100%	NORDLOGIC USA, INC (USA) 100%
ATS ENGINEERING LLC (SUA) 100%	PT AROBS SOLUTIONS INDONESIA (Indonesia) 70%
CABRIO INVEST B.V. (the Netherlands) 90%	SKYSHIELD MAGYARORSZAG KFT (Hungary) 100%
COSO BY AROBS B.V (the Netherlands) 90%	



4. The organizational structure

The organizational structure of AROBS Transilvania Software S.A is shown below:

4.1. Directors

The Board of Directors of five members manages the company, being appointed by the ordinary general meeting of shareholders for a four-year term of office, starting on 29.09.2023. In 2023, the Board of Directors of the company was evaluated by its Chairman, the conclusions of which were that the members have fulfilled their duties in accordance with the provisions of the Articles of Association and the applicable legal provisions. In addition, 23 meetings of the Board of Directors were held during the past year.

The Board of Directors of the company consists of:



Voicu Oprean - Chairman of the Board of Directors and C.E.O.

Founder of AROBS, Voicu Oprean graduated the Technical University of Cluj-Napoca, holding a bachelor’s degree in computer Automation and a master’s degree in business administration from Babeş Bolyai University. He also completed an EMBA from Wu Wien in 2008, the London Executive Business School in 2018, and the President's Program in Leadership Y.P.O. at Harvard Business School in 2021.



Mihaela Cleja - Non-executive member

Mihaela Cleja joined AROBS Transilvania Software in 2008 as Chief Financial Officer (C.F.O.) until September 2021, coordinating capital budgeting, forecasting, reporting, and controlling operations. Before this position, she held the position of C.F.O. in several companies, with over 28 years of professional experience. She graduated in 1993 from the Faculty of Economic Sciences at Babeş Bolyai University, and in 2008, she obtained a master’s degree in management in Administration of Credit Institutions and Commercial Companies.



Aurelian Deaconu - Executive Member

Aurelian Deaconu has been Executive Director of the Software Services Division of AROBS Transilvania Software since 2011, having previously held C.F.O. positions at Endava Romania (2007-2011), A.G.S. Romania (1999-2004) and Alfasoft SA (1993-1999). He has a degree in Electronics and Telecommunications from the Technical University, in Industrial and Financial Management from Babeş Bolyai University, and an M.B.A. from the Conservatoire de Arte et Métiers, Paris.



Ioan Nistor - Independent Member

Ioan Alin Nistor, Professor of Finance at Babeş-Bolyai University in Cluj-Napoca, is distinguished by a career of over 20 years in the academic world. After graduating with a PhD in finance, he broadened his global perspective through a post-doctoral internship at Kobe University in Japan and an Executive M.B.A. program at Hull University in the U.K. His commitment to values-based leadership has been reinforced by his graduation from the prestigious Aspen Institute - Public Service Leadership program.



Răzvan Gârbacea –Independent member

Răzvan-Dimitrie Gârbacea has been co-opted as an independent member of the Board of Directors out of AROBS' desire to align itself with best corporate governance practices. Mr. Răzvan Gârbacea has 20 years of experience in the banking sector, having held management positions in B.C.R. (Regional Corporate Director) and BRD (Regional Corporate Director) and currently holding the position of Corporate Executive Director in EXIMBANK Romania.

All members of the Board of Directors are covered by professional liability insurance. Details of the remuneration of the members of the Board of Directors and Executive Directors are available in the Remuneration Report for 2023, available on the company's website under the [Investors Section – Corporate Governance](#).



4.2. The Executive level

Voicu Oprean – Founder and C.E.O. – Short bio in section 4.1

Aurelian Deaconu - Executive Director- Software Services AROBS – Short bio in section 4.1.

Ovidiu Bojan - Executive Director – TrackGPS by AROBS was named in October 2023 as executive director with the power to represent the Company. He is a graduate of Babes Bolyai University, Faculty of Mathematics and Computer Science, and holds a master’s in business management. He has over 25 years of professional experience in sales, marketing and automotive, of which 12 years in top management positions.

On February 8, 2023, the company informed the market about the appointment of Mr. Bogdan Ciungradi as Chief Financial Officer of the company.



Bogdan Ciungradi (CFO) is a professional with 25 years of experience in the financial and operations field. During his career, he held various management positions in companies such as Noriel Group, Țiriac Imobiliare, SIVECO Romania, and Flanco, where he led to their business optimization and financial processes. He followed the ACCA (the Association of Chartered Certified Accountants) program. Before joining AROBS, Bogdan Ciungradi was the CEO of Noriel Group. In the management positions in Flanco, Siveco, and Noriel, he coordinated the relationship with investors - mostly investment funds and corporate governance processes. He is a graduate of The Politehnica University of Bucharest.

4.3. AROBS shares on the Bucharest Stock Exchange



AROBS shares were admitted to trading on the SMT-AeRO segment of the Bucharest Stock Exchange on 06.12.2021. Previously, the company had conducted a private placement whereby it offered for sale a total of 54.7 million shares, and at the end of the first day of subscription, investors had placed subscription orders for 154.5 million shares, resulting in an oversubscription of 2.82 times. The offer price was 1.357 lei per share, meaning that total subscriptions amounted to 209.7 million lei.

As of 25 September 2023, AROBS shares were admitted to trading on the Main Market of the Bucharest Stock Exchange.

During 2023, investors traded 78.8 million AROBS shares in more than 23,500 transactions totalling RON 77.8 million. AROBS shares were the most traded shares on the AeRO market in 2023, a performance achieved between January and September 2023 (as of 25 September 2023, AROBS shares are traded on the Main Market of the B.V.B.).

As of 31.12.2023, the shareholding structure of the company was as follows:

Shareholders	No of shares	Percentage
Voicu Oprean	578.278.772	66,3701%
Other shareholders	293.014.837	33,6299%
TOTAL	871.293.609	100%

4.4. Key Governance Events

EGMS FROM 19 APRIL 2023

On 16 March 2023, the Board of Directors of AROBS Transilvania Software convened an Extraordinary General Meeting of Shareholders for 19 April 2023. The legal and statutory quorum was constituted at the first conference. The critical points voted at the EGM were:

- Approval for the future admission to trading of the Company's shares on the regulated market administered by the Bucharest Stock Exchange.
- Approval of the distribution of shares through the stock option plan to employees of Berg Computers SRL and COSO by AROBS B.V.
- Approval of the reduction of the share capital of AROBS Transilvania Software S.A. from RON 91,139,498.8 to RON 87,129,360.9, i.e. by RON 4,010,137.9, because of the cancellation of 40,101,379 own shares (in the proportion of 4.4% of the total number of shares) acquired by the Company, under the EGMS Resolution no. 4 of 23.08.2021 and EGMS Resolution no. 8 of 11.10.2021 and not distributed within the legal term, under art. 1041 para. (3) of the Companies Act no. 31/1990 republished, as amended. After the reduction, the share capital of AROBS Transilvania Software S.A. will amount to RON 87,129,360.9 divided into 871,293,609 ordinary, registered, dematerialized shares with a nominal value of RON 0.1 each.

OGMS FROM 28 APRIL 2023

On 27 March 2023, the Board of Directors of AROBS Transilvania Software convened the Ordinary General Meeting of Shareholders for 28 April 2023. The legal and statutory quorum was constituted at the first convocation. The critical points voted at the AGM were:

- Approval of the income and expenditure budget for the financial year 2023.
- Approval of the allocation of the Company's net profit for RON 41,898,453.37 for the financial year ended 31 December 2022, determined following the applicable laws, as follows: the amount of RON 38,547,374.37 retained net profit (retained earnings), the amount of RON 2,403,521.88 shall be allocated to the legal reserve, and the amount of RON 947,557.12 shall be assigned to other reserves.

- Approval of the remuneration policy of AROBS Transilvania Software S.A.
- Approval of the discharge of the members of the Board of Directors for the financial year 2022 (secret ballot).

EGMS AND OGMS FROM 29.09.2023

On 29 September 2023, the Extraordinary and Ordinary General Meeting of Shareholders of the Company was held. The legal and statutory quorum was constituted at the first call for both meetings. Among the items approved on the AGM and AGOA agendas are:

- Approval of the amendment of the Company's Articles of Association to bring them in line with the Company's status as a listed company on the Main Market of the Bucharest Stock Exchange, as well as to implement best practices in the way the Company is organized.
- Approval of the delegation of the powers of the EGM regarding the increase of the Company's share capital to the Board of Directors for 3 years, with the possibility of exercising the shareholders' pre-emptive right through one or more issues of ordinary, registered, and dematerialized shares, with a nominal value not exceeding RON 9,000,000 (representing 90,000,000 shares). Of the 90,000,000 shares:
 - 75,000,000 shares are intended to be used to finance investments and acquisitions of shareholdings in other entities (including with the possibility of payment of the price relating to such acquisition in part or in full in Company shares), provided that no more than 25,000,000 shares are used for this purpose annually (with the possibility of carry-over to subsequent years to the extent that this limit is not reached each year); and
 - 15,000,000 shares will be used to conduct the Company's ESOP plans, provided that a maximum of 5,000,000 shares are used annually (with the possibility of carry-over to subsequent years to the extent that this limit is not reached each year).
- Approval of the ratification of the sale and purchase agreements for the acquisition of AROBS Pannonia Software Kft. and Future Workforce Global S.A.

- Approval of the appointment of a 5-member Board of Directors and selection of the Board members Voicu Oprean, Mihaela-Stela Cleja, Răzvan-Dimitrie Gârbacea, Ioan-Alin Nistor, Aurelian-Călin Deaconu.

APPOINTMENT OF CHAIRMAN AND COMMITTEE MEMBERS

On October 10, 2023, the Company informed the market of the appointment of the Chairman of the Board and the members of the Company's committees. Accordingly, at the Board of Directors meeting held on 09.10.2023, the following items were approved:

- Mr. Voicu Oprean was appointed Chairman of the board of directors for a four-year term, from 29.09.2023 to 29.09.2027.
- Appointment of the members of the Audit Committee for a four-year term of office from September 29, 2023, to September 29, 2027. The members of the Committee are Ioan Alin Nistor, Chairman, Răzvan-Dimitrie Gârbacea, and Mihaela Stela Cleja.
- Appointment of the Nomination and Remuneration Committee members for a four-year term of office, from 29.09.2023 to 29.09.2027. The Committee members are Voicu Oprean, Chairman of the Committee, Ioan Alin Nistor, Răzvan-Dimitrie Gârbacea, and Mihaela Stela Cleja.

APPOINTMENT OF THE CEO AND OTHER EXECUTIVES OF THE COMPANY

On October 12, 2023, the Company informed the market about appointing Mr. Voicu Oprean as Chief Executive Officer and Mr. Aurelian Deaconu and Mr. Ovidiu Bojan as executive directors with the power to represent the Company.

4.5. Main Capital Market events

COMPLETION OF THE SHARE BUYBACK PROGRAMME

On June 6, 2023, the Company informed the market about the completion of the share buyback program, which was communicated to the market on 22.06.2022 and initiated on 11.07.2022. The repurchase of a maximum number of 10,936,740 shares was conducted following AGEA Resolution No. 4 of 31.05.2022, published in the Official Gazette Part IV No. 2574/20.06. 2022, at a minimum price of RON 0.1 per share and a maximum price equal to the lower of (i) RON 3 per share and (ii) the

higher of the price of the last independent transaction and the highest price at the respective time of the independent tender offer at the trading venue where the acquisition is carried out, under Article 3 paragraph (2) Delegated Regulation No 1052/2016 supplementing Regulation (EU) No 596/2014.

The repurchase was carried out to implement the Stock Option Plan, a remuneration and loyalty scheme for employees and members of the Company's governing bodies designed to reward them for their work with the Company.

SHARE CAPITAL REDUCTION

On July 5, 2023, the Company informed investors about the registration with the Commercial Register of the reduction of the Company's share capital, as this operation was approved by the Extraordinary General Meeting of Shareholders Resolution No. 1 / 19.04.2023.

On July 13, 2023, the Company received from the Financial Supervisory Authority the Certificate of Registration of Financial Instruments (CIIF) no. AC-5433-3/12.07.2023. The CIIF certifies the registration of the operation to reduce the share capital by 40,101,379 shares following the Resolution of the Extraordinary General Meeting of Shareholders of the Company no. 1 dated 19.04.2023.

As a result of the reduction, the Company's share capital is 87,129,360.9 RON, divided into 871,293,609 registered shares, each with a nominal value of RON 0.1.

PUBLICATION OF FINANCIAL RESULTS IN IFRS FORMAT

On July 26, 2023, the Company published its financial results, prepared following International Financial Reporting Standards (IFRS), for the financial years ended December 31, 2022, December 31, 2021, and December 31, 2020. Preparing the audited financial results in accordance with IFRS was one of the main steps to be achieved before the formal start of



the transfer process to the Main Market, which was approved at the Extraordinary General Meeting of Shareholders on 19.04.2023.

INCLUSION OF AROBS SHARES IN MSCI INDICES

On August 14, 2023, the Company informed the market that the Company's shares will be included in the MSCI Frontier Markets Small Cap Index and the MSCI Romania Small Cap Index, effective August 31, 2023. The MSCI Romania Small Cap Index measures the performance of the small cap segment of the Romanian market, while the MSCI Frontier Markets Small Cap Index reflects the representation of small cap companies in 28 countries classified as Frontier Markets by MSCI.

The inclusion of AROBS TRANSILVANIA Software S.A. shares in these indices represents a significant moment for the Company and attests to its solid performance and growth potential. It is also an important step in the Company's strategy to improve the liquidity of its shares and attract international institutional investors.

APPROVAL AND PUBLICATION OF PROSPECTUS FOR ADMISSION TO TRADING ON THE REGULATED MARKET

On 6 September 2023, the Company notified the market of the approval of the prospectus for admission to trading on the Regulated Market of the Bucharest Stock Exchange by the Financial Supervisory Authority (ASF). On 8 September 2023, the Company published the prospectus for admission to trading on this market.

START OF TRADING OF AROBS SHARES ON THE REGULATED MARKET

As of 25 September 2023, AROBS shares are traded on the Regulated Market of the Bucharest Stock Exchange.

INFORMATION ON THE FREE ALLOTMENT OF SHARES TO EMPLOYEES

On 26 September 2023, the Company informed the market about the free allotment of 10,979,553 shares to employees and members of the management bodies of the Company and affiliated companies, in which sense it published the Information Document drawn up in accordance with art. 1 para. (4) lit. i) of Regulation 1129/2017 on the prospectus to be published when securities are offered

to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC. More details are available [HERE](#).

INVESTOR DAY AROBS

On 19 October 2023, the Company organized the first AROBS Investor Day. The event was broadcast live, and a recording is available [HERE](#).

5. Scope of the Report

The main objective of this report is to transparently communicate our sustainability orientation and results to the interested parties. By sharing our achievements, challenges, and future goals, we aim to promote trust, accountability and understanding between stakeholders, including employees, customers, investors, suppliers, government bodies and local communities.

5.1. Departments involved and methodology

In preparing this report, we involved in all the departments within **AROBS TRANSILVANIA SOFTWARE**. Also, all the companies that are now part of AROBS GROUP were involved and responded in a very prompt and aware way. Experts in management, logistics, production processes, human resources, marketing, and finance teamed up and collaborated closely to collect, analyze, and present the data in accordance with the relevant methodology for the standards of sustainability.

We have used internationally recognized sustainability reporting frameworks and methodologies to ensure the credibility and reliability of the information presented in the report.

6. ESG Materiality

AROBS has conducted an ESG materiality assessment process as a collaborative, multifunctional process approach involving most of the C-suite executives and the board of directors. Through the implementation of such process the following steps have been processed:

6.1. Identification of Key Stakeholders

At AROBS, we regularly engage with our internal and external stakeholders on various topics. Listening to and interacting with diverse stakeholder groups allows



us to shape our ESG strategy and understand critical issues that may impact our stakeholders and business.

Our internal stakeholders include:

- employees and
- shareholders.
- Executive Directors.
- Members of the Board of Directors

Our external stakeholders encompass:

- Clients,

Business Partners - contractors; Suppliers; Collaborators,

- investors / analysts
- the Bucharest Stock Exchange,
- organizations involved in the stock markets,
- nongovernmental organizations (NGOs),
- universities,
- industry organizations, clusters, and similar Media representatives
- local and National government
- international organizations, and
- regulators.

6.2. Stakeholders' engagement

Each stakeholder group has specific needs and priorities; we engage them customized based on their distinctive viewpoints and necessities. We can build stronger relationships and drive positive outcomes for all parties by fostering open communication and collaboration with diverse stakeholders.



Our commitment to transparency and accountability is reflected in our ongoing efforts to incorporate stakeholder feedback into our decision-making processes, ensuring that we are aligned



with the values and expectations of those we engage with.

We work to pursue an open and ongoing dialogue with key stakeholders, gathering insight into their changing views and perspectives and continually assessing our ESG strategy and efforts.

Our employees connect to our ESG strategy and actions for a broader purpose through our corporate responsibility activities, internal and external. Furthermore, the Stock Options Program that reached the 3rd edition in 2023 transformed our employees into shareholders in the company, and they have shared our joint success.

We work with national and local universities, clusters, ecosystems, and authorities to drive innovation, creativity, and technological advancements in education and inclusive economic growth.



6.3. Determination of then risks, opportunities, and objectives

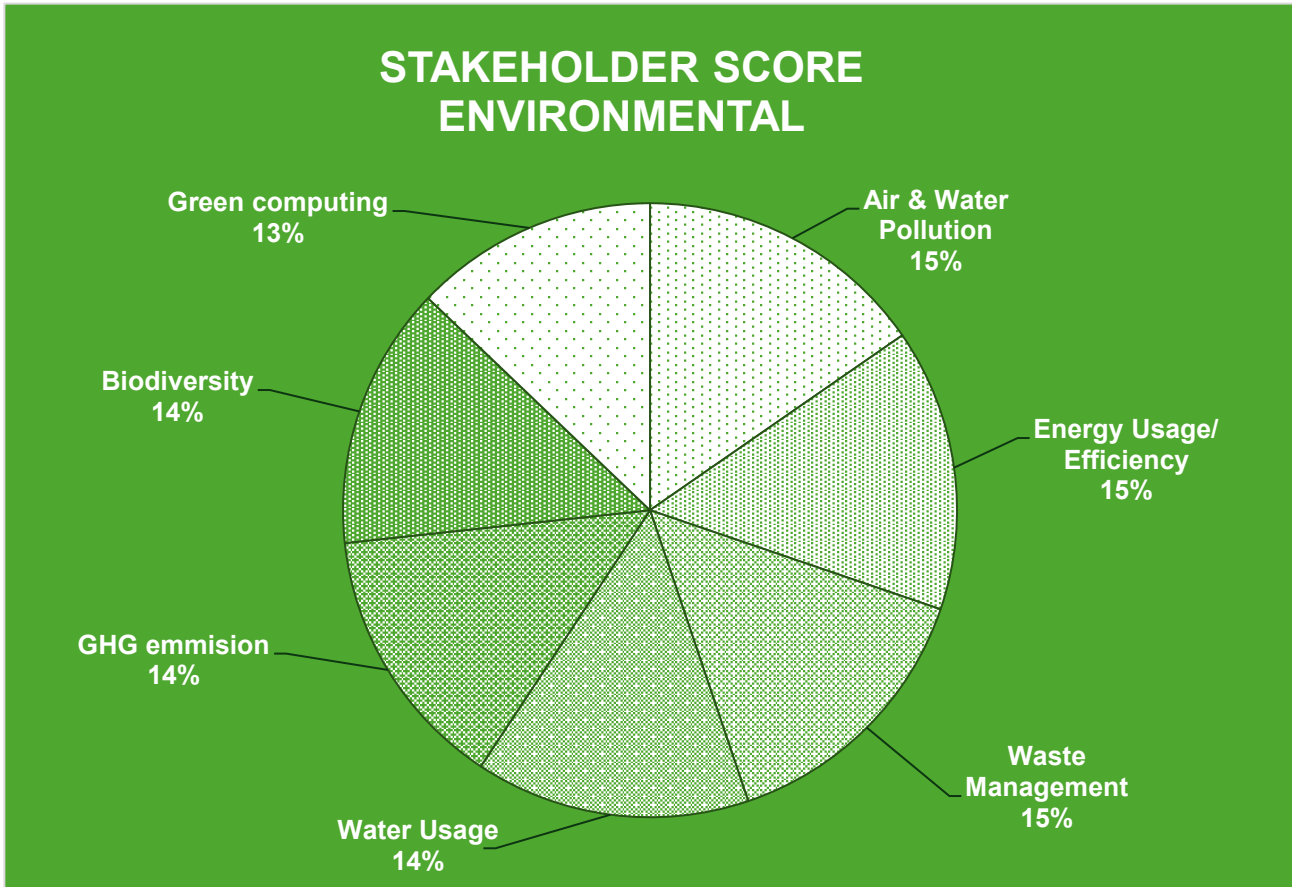
AROBS Materiality Matrix presents the ESG issues based on a combination of their importance to the organization's business success and its various stakeholders.

	ENVIRONMENTAL	SOCIAL	GOVERNANCE
IMPORTANCE TO INTERNAL AND EXTERNAL STAKEHOLDERS	<ul style="list-style-type: none"> Social Advocacy Charitable contributions Water usage Air and water pollution 	<ul style="list-style-type: none"> Ethical business practices Fair pay/living wages Energy usage/efficiency Greenhouse gas emissions Community engagement 	<ul style="list-style-type: none"> Corporate governance Workplace health and safety Climate strategy Fair treatment of customers and suppliers Data privacy and protection
	<ul style="list-style-type: none"> Waste management Biodiversity Rules on corruption, bribery and conflicts of interest 	<ul style="list-style-type: none"> Responsible supply chain partnerships Financial transparency Executive compensation Board composition 	<ul style="list-style-type: none"> Cybersecurity Risk management Diversity, equity, and inclusion Employee experience and engagement
	<ul style="list-style-type: none"> Responsible use of new technology Corporate whistleblower program 	<ul style="list-style-type: none"> Green computing Political lobbying and public policy engagement 	<ul style="list-style-type: none"> Regulatory compliance Hiring and employee retention

IMPORTANCE TO BUSINESS PERFORMANCE

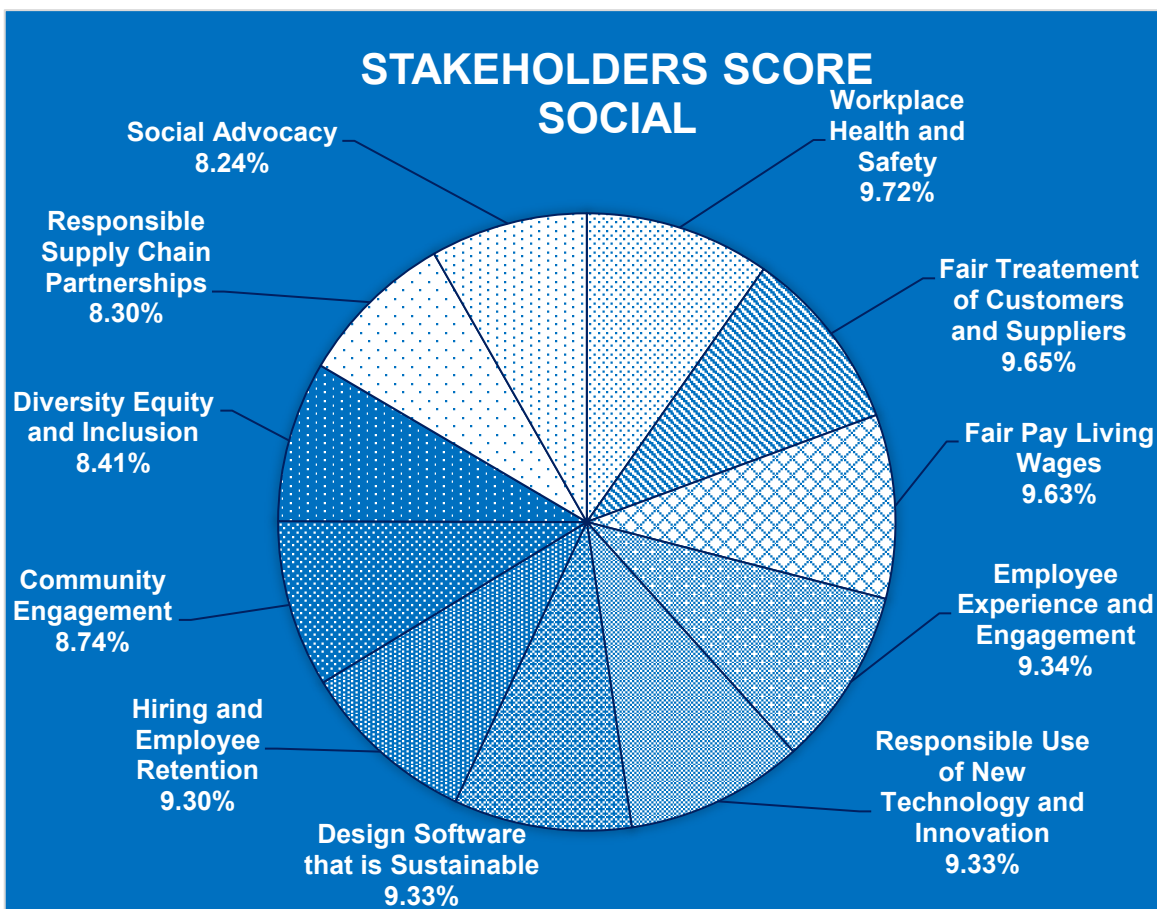
Following the stakeholders' analysis, the most relevant ESG scores* are highlighted below:

ENVIRONMENTAL	STKH Score
Air & Water Pollution	1068
Energy usage/Efficiency	1035
Waste Management	1015
Water Usage	1007
GHG emissions	974
Biodiversity	963
Green computing	895





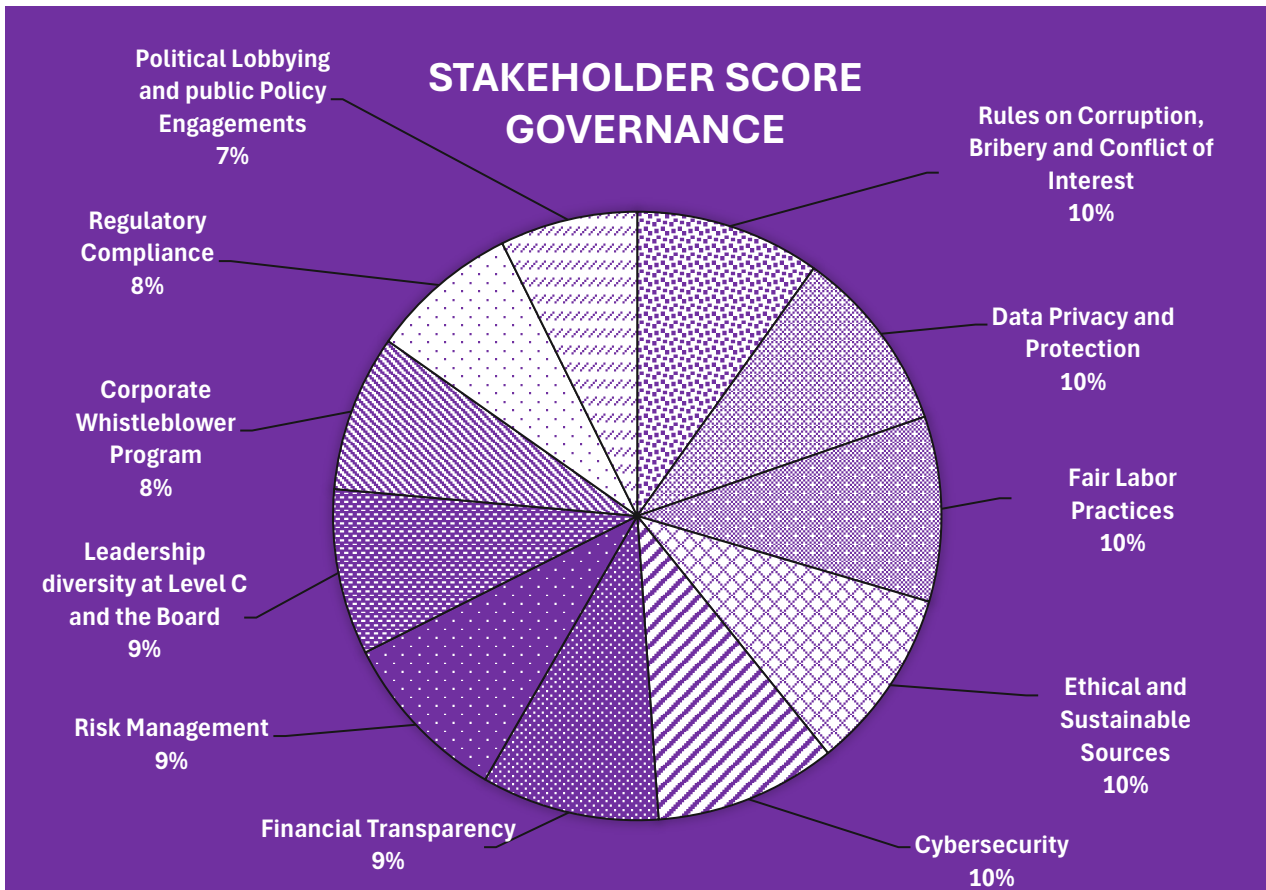
SOCIAL	STKH Score
Workplace Health and Safety	1148
Fair Treatment of Customers and Suppliers	1140
Fair Pay Living Wages	1138
Employee Experience and Engagement	1103
Responsible Use of New Technology and Innovation	1102
Design Software that is Sustainable	1102
Hiring and Employee Retention	1099
Community Engagement	1033
Diversity Equity and Inclusion	994
Responsible Supply Chain Partnerships	981
Social Advocacy	973





GOVERNANCE

	STKH Score
Rules on Corruption, Bribery and Conflict of Interest	1151
Data Privacy and Protection	1150
Fair Labor Practices	1149
Ethical and Sustainable Sources	1129
Cybersecurity	1128
Financial Transparency	1104
Risk Management	1082
Leadership diversity at Level C and the Board	1029
Corporate Whistleblower Program	973
Regulatory Compliance	927
Political Lobbying and public Policy Engagements	854





ENVIRONMENTAL DISCLOSURES

One key area to focus on is **Energy Efficiency**. The software solutions developed by AROBS can be resource-intensive, requiring significant energy consumption to run. By optimizing code, reducing server load, and using efficient algorithms, we can reduce and minimize the amount of energy required to run software, which can have a significant impact on reducing our carbon footprint.

Another way to promote environmental responsibility in software development is to **design software that is sustainable**. This means creating software that can be used for **extended periods without becoming outdated or obsolete**. By designing software with long-term sustainability in mind, we can help to **reduce the amount of waste generated and water usage** by software development.

In addition to energy efficiency and sustainability, there are other areas of environmental responsibility AROBS stakeholders identified like that ones that help reduce waste, promote recycling, and encourage conservation. Also, AROBS shall **design software that helps to monitor and mitigate environmental risks**, such as air and water pollution or deforestation.

Our software products support our clients in achieving their ESG targets. For example, TrackGPS positively impacts business by decarbonizing the fleet - CO2 reporting and supporting customers in the fleet electrification and health and safety processes- put people first by focusing on developing driving behaviour services. Optimall suite for production and distribution industries offers software for routes optimization, helping to reduce the carbon footprint of hundreds of Romanian businesses. MonePOS by AROBS is a digital payment system completely paperless, helping hundreds of Romanian companies reducing their paper use. TrueHR and dpPayrol products for human resources management help 500+ large companies reduce their paper used by using the digital signature for the HR documents.

SOCIAL DISCLOSURES

As a technology company, AROBS realizes that the technology we create has a significant impact on the world we live in. It is, therefore, AROBS' responsibility to ensure that the **software solutions they develop promote social responsibility**.

One of the ways AROBS specialists have identified to promote social responsibility in their sector is to **focus on health and safety, employees experience and engagement and not in the last accessibility and inclusivity**. We live in a **diverse world with people of all abilities, cultures, and backgrounds**, and it is crucial that we design software that caters to everyone's needs as long as we remain responsible for **use of new technology and innovation**. By **prioritizing accessibility** in our software development work, we can help to ensure that everyone can access and use the technology we create, regardless of their abilities or limitations.

Another opportunity AROBS identified with impact on social issues is to **create software that helps people learn new skills**, find employment, or access essential services such as healthcare or education. By designing software that serves a social purpose, we can help to **make a positive impact on society** and make a difference in people's lives.

As software developers, we also have a responsibility to offer a **fair treatment to customers and suppliers** and to ensure that the **software we create is ethical and sustainable**.

GOVERNANCE DISCLOSURES

The main pillar in our corporate governance is implementation and following the rules of Anti-Bribery and Anti-Corruption and Conflict of interest as continuous monitoring process.

One way to promote good governance and ethics in software development is to ensure that our code is **secure and free from vulnerabilities**. Cybersecurity threats are becoming increasingly prevalent, and it is crucial that we take steps to **protect our users' data and privacy**. By **prioritizing security in our software development work**, we can help to ensure that **our software is safe and reliable**.

Another way to promote good governance and ethics is to ensure that **our code is well-documented and adheres to industry standards**. Good documentation makes it easier for other developers to **understand our code and build on top of it**, which can help to **foster collaboration and innovation**. Adhering to industry standards can also help to ensure that our code is reliable and easy to maintain over time.



We also have a responsibility to ensure that our code is ethical and aligns with our values. At AROBS, we are aware of the consequences and impact software has on society and we take steps to mitigate any negative effects. Therefore, we ensure that **the code is inclusive and does not discriminate** against any group of people.

In addition to ensuring that our code adheres to good governance and ethical standards, we are also securing **transparency and accountability** in our development processes. This is possible only by levers of being open about how we develop our software and being willing to **accept feedback and criticism** from our users and peers.

We should be mindful of **the data we collect, use**, and ensure that it is done in a transparent and responsible manner. By taking a principled and ethical approach to software development, we can **build trust and confidence in the technology we create and make a positive impact on society**.

7. Governance

7.1. Corporate Governance

Corporate Governance and ethical business practices are critical aspects of ESG that **AROBS TRANSILVANIA SOFTWARE** identified. As a software development company, **AROBS TRANSILVANIA SOFTWARE** understands the importance of ensuring that the software product created adheres to ethical and governance standards.



Corporate governance, as a fundamental element in the management and control of an organization such as **AROBS TRANSILVANIA SOFTWARE**, involves adopting a complex set of rules, practices, and processes. This not only identifies who has the power and responsibility within the company but also the way in which decisions are made.

The foundation of good corporate governance is a set of clear principles, reviewed annually, which guarantee the success and sustainable development of the organization. The principles adopted by **AROBS TRANSILVANIA SOFTWARE** include:

a) PERFORMANCE ORIENTATION

Our company is committed to using resources in the most efficient way possible, fulfilling the obligations to the interested parties and achieving the proposed performance objectives.

Confidentiality and information security

Working with valuable information capital on the highly competitive market of software development, we make sure that every stakeholder of AROBS is guided in its activity by certified standards. This is part of the services and credibility offered to all our clients. At AROBS, we recognize the importance of information capital as a critical asset in driving our business forward in the dynamic landscape of software development. Our commitment to excellence is reflected in our adherence to internationally recognized standards and certifications, which serve as the foundation for all our operations.

Hence, we have implemented an Information Security Management System – ISMS. This system is created in accordance with some of the most rigorous international standards, ISO 9001, ISO 27001 and TISAX.

ISO 27001 Certification

ISO 27001 is an international management standard (International Organization for Standardization) that provides requirements for an Information Security Management System. Therefore, this management standard regulates how to operate in a secure way when it comes to information. This proves that AROBS operates according to the strictest international information standards.

AROBS is ISO 27001 certified since 2017. In 2020 we renewed our certification as of the direct result of the audit. Implementing, informing, monitoring and continuously improving our Information Security Management System implies objectives like securing processes, activities, data, and information belonging to every stakeholder. Furthermore, it implies identifying and regulating **information**

security through contracts, implementing good-practices, continuously assessing organizational and external risk, minimizing security incident-frequency and their impact. Also, protecting the internal and clients' intellectual property, including all informational assets. AROBS' software services are ISO 27001 certified by the Bureau Veritas Group. There are annual periodic surveillance audits conducted by certification bodies, periodic audits by our clients, and internal audits targeting the organization's projects, processes, and systems, in accordance with internal audit plans.

We continuously develop plans and campaigns for training, education, and awareness regarding information security risks for all AROBS employees, constantly enhancing our organizational culture.

ISO/IEC 27001:2013 Certification

AROBS' software services are ISO/IEC 27001:2013 certified by the Bureau Veritas Group. The information Security Management System of AROBS Transilvania Software – the Software Services Division applies to: development, implementation, support, maintenance, consulting, trade, and innovation of the software solutions; hardware design and trade.

ISO/IEC 27001:2022 Certification

For the year 2025, our objective is to transition all our certified locations to the new version of the ISO 27001:2022 standard, which includes a high level of security and addresses risks and best security practices. This transition considers the external context, technological advancements, the complexity of cyberattacks, and our customers' requirements, ensuring that we align with the new directions.

TISAX – Trusted Information Security Assessment Exchange

TISAX is the most prestigious information security standard in the automotive industry. This certification is obtained through the ENX ASSOCIATION international platform. This platform hosts and shares online information interaction of automotive tier companies, from product and service providers to international audits. AROBS' software services are **label 2** of 3 certified, according to the **TISAX Assessment** for its offices in Arad, Targu Mures, Chisinau, which are primarily automotive services locations.

Further certifications - Telematics

ORDA Certified – Certificate issued by Romanian Office for Copyright

HU-GO Certified – National Toll Payment Services Plc. – Hungary

ISO 9001:2015 – Quality management systems

ISO 45001:2018 – Occupational health and safety management systems –

TrackGPS division

ISO 14001:2015 – Environmental management systems - TrackGPS division

Our cybersecurity teams are certified in:

WS Certified Security
 AWS Certified Solutions
 CISSP Certified Information Security
 CISM - Certified Information Security Manager
 SABSA Chartered Security
 GCFA - GIAC Certified
 Offensive Security Wireless
 Certified Ethical Hacker
 Offensive Security
 SANS GIAC Web Application Security
 CompTIA Security+
 CEH – Certified Ethical Hacker
 ECPPTv2 - eLearnSecurity
 CRTP - Pen Tester Academy
 Acunetix
 Qualys - Vulnerability management

+ ZeroPoint Security
 Palo Alto ACE
 Palo Alto Networks
 Cisco - CCNA
 Cisco - CSCO
 Cisco Certified Cyber Ops
 Nozomi Networks
 eLearnSecurity
 ITIL V3 Foundation - 2016
 Comptia Security+ SY0-501
 TANIUM Threat Responder V3
 Tanium Operation and IR deep
 diver
 Cylance
 1E Tachyon EDR
 Splunk Certified
 CrowdStrike Certified
 Qualys Certified





b) BUSINESS CONDUCT

All levels of management are directed towards the interest of the organization. Recognizing and managing conflicts of interests, as well as responsible decision-making, are essential in risk management.

c) RESPONSIBILITY TO SOCIETY

AROBS TRANSILVANIA SOFTWARE top management decisions not only aim to achieve performance goals, but also account for accountability social aspect of the organization, respect for human rights, working conditions, environmental protection, community development and relationships with all stakeholders.

d) TRANSPARENCY

The company is committed to ensuring total transparency in relation to its field of activity, the strategies adopted, and the results obtained.

Conclusion: The sustainability strategy of **AROBS TRANSILVANIA SOFTWARE** is based on the commitment to the active involvement of interested parties, both internal and external. Through open dialogue, partnerships, and community engagement programs, the company seeks to obtain feedback, address concerns, and incorporate diverse perspectives in its decision-making processes.

This commitment to stakeholders supports the goal of promoting mutual understanding and driving positive change, oriented toward the company's sustainability objectives.

7.2. Risk Management and Compliance

Risk management is the identification, assessment, and prioritization of risks (defined in ISO 31000 and ISO 27005 as the effect of uncertainty over objectives), followed by the coordinated and economical application of resources to minimize, monitor, and control the likelihood or impact of unfortunate events or to maximize opportunity achievement.

AROBS TRANSILVANIA SOFTWARE, with its offices in 11 urban localities in Romania and other 10 in Europe, the US and Asia, shows its commitment to

environmental protection, biodiversity, and animal welfare, although the nature of its operations does not involve direct interaction with natural habitats or exotic species.

The company's focus is on reducing the impact of its activities on the environment through sustainable practices, such as efficient waste management and responsible use of resources. These actions indirectly contribute to maintaining ecosystem services and reducing pollution. Also, by promoting ecological awareness among its employees and participation in local conservation initiatives, **AROBSTransilvania Software** emphasizes its commitment to a sustainable and responsible environment.

We have established that the general purpose of managing risks and opportunities within the companies is to ensure that organizational resources and capabilities are employed in an efficient and effective manner to take advantage of opportunities and mitigate risks.

To reduce the risk, **AROBSTransilvania Software** has involved resources available to minimize, monitor and control the impact of negative events while maximizing positive events. Our company has an integrated management system for quality, environment, health & safety and information security, a system that has as a mandatory requirement: "Actions to deal with risks and opportunities".

In this sense, we have developed a Risk management process (driven by a specific procedure called "Risk management"), with the help of which the risks & opportunities are assessed and the resulting actions of treatment are planned.

The risks that may arise from outside the organization (external factor risks) and from the inside (internal factor risks) are analysed and monitored. Also, the risks from production, as well as risks related to human resources are monitored and mitigated (where applicable).

Despite the lack of direct interaction with protected areas, nature reserves, or cultural heritage sites, **AROBSTransilvania Software** aims to respect and protect these values through its actions.

With a strong focus on reducing the impact of its operations on local communities and the urban environment, **AROBSTransilvania Software** demonstrates prudent and responsible risk and compliance management. The company is committed to ensuring that any expansion or modification of its infrastructure is done with respect for the needs and rights of the local community, avoiding any negative impact, especially on vulnerable groups.



Through open dialogue and collaboration with the community, **AROBS TRANSILVANIA SOFTWARE** shows its desire to operate in a way that does not only protects the environment, but also supports the sustainable and responsible development of society. This approach reflects a deep commitment to the principles of sustainability and corporate social responsibility, thus strengthening the reputation.

AROBS TRANSILVANIA SOFTWARE is a responsible company aware of its impact on the environment and the community.

In 2023, the company demonstrated a remarkable level of compliance with the legislation in force, reflected by the lack of the total amount of fines, lack of lost litigation and/or associated costs, lack of penalties and/or other monetary penalties, or non-monetary sanctions. This positive result highlights the firm commitment of the company's compliance with legal rules and regulations, emphasizing effective risk management and an organizational culture focused on compliance and accountability.

This not only strengthens the position of **AROBS TRANSILVANIA SOFTWARE** as a responsible leader in its field, but also strengthens the trust of stakeholders – employees, suppliers, customers, investors, and the local community – in integrity and sustainability its business practices. The absence of these sanctions is clear evidence of the company's continued efforts to be updated on legislative changes and implement proactive measures to ensure adherence to the highest compliance standards and corporate ethics.

Detailed risks identified and analysed by the company are highlighted below:

A. RISKS RELATED TO THE ACTIVITY AND FIELD OF ACTIVITY:

- the company faces intense competition in the market in which it operates and may not have sufficient financial or other resources to maintain or improve its competitive position.
- the risk related to scaling the business.
- If the company does not accurately anticipate, prepare for, and promptly respond to technological and market developments and successfully manage the market introduction and transition to new services and products to meet the changing needs of end customers, its competitive position and prospects will be affected.
- If the company fails to hire, integrate, train, retain, and motivate qualified personnel and the Company's senior management, its business could suffer.
- The risk is related to the evolution of automotive industry.



- A network, data security incident or data breach could allow unauthorized access to the company's network/infrastructure or data, harm its reputation, create additional liability issues, and adversely impact financial results
- Continued global economic uncertainty could have an adverse effect on the company's business and operating results.
- The company current research and development efforts may not produce successful products or services that result in significant revenue, cost savings, or other benefits soon.
 - Intellectual Property Rights Risks
 - Liquidity risk and cash-flow risk

B. LEGAL, REGULATORY and LITIGATION RISKS:

- Changes in tax laws or interpretations, as well as unfavourable decisions by tax authorities, could have a material adverse effect on the company's results of operations and cash flows.
 - Legislative risk associated with the fleet management industry.
 - The risk associated with litigation.

C. RISKS RELATED TO INVESTMENTS IN ROMANIA:

- Political and military instability in the region may have negative consequences for the company's business.
 - The upward trend of the inflation rate could produce significant negative consequences for the company's financial performance.
 - A potential deterioration of the general economic, political, and social conditions in Romania could have negative effects on the company's activity.
 - National currency (RON) can be subject to high volatility.

7.3. Privacy, Data Responsibility and Security

We are working in IT business industry. As the digital world evolves and grows rapidly, we have committed ourselves to high standards in privacy, data responsibility and cybersecurity to stay one step ahead. We implement a set of rigorous standards and rules to ensure the protection, safety and security data within AROBS Group for our partners and our vendors.

At AROBS TRANSILVANIA SOFTWARE, the application of data protection principles (according to GDPR), including Privacy by Design & Privacy by Default, data responsibility and best-in-class cybersecurity are at the heart of our trust strategy. For ensuring the compliance with the internal, legal and regulatory requirements in the data protection field and the compliance with information security standards, we appointed a Chief Information Security Officer and a Data Protection Officer.

Data protection policies, as well as information security policies are established in AROBS Group, being the foundation of our IMS (Integrated Management System).

Our dedicated IT team of talented privacy professionals is embedded across all parts of the organization and is rapidly upskilling to meet the demands of an increasingly complex regulatory and technological environment. Our team brings together diverse talent across areas, cultures, backgrounds, and disciplines, including experts in compliance assurance, AI, cybersecurity, product design, innovative privacy engineering and government engagement.

All AROBS TRANSILVANIA SOFTWARE employees and contingent workers are required to complete privacy and data responsibility training, and completion of the course is audited.

We have added external evaluations of our security program by independent third parties to benchmark AROBS' programs against recognized global security standards: ISO 27001, and TISAX.

Our company employs a comprehensive approach to assess and manage corporate risks. Our strategy involves regular risk assessments (including risk analysis, risk matrix, risk treatment plan, continuous monitoring of inherent risks to residual risks, risk acceptance criteria, etc.), vulnerability assessments which may conclude into a risk, continuous monitoring and improvement of technical and organizational measures, and updating our security policies and practices related to risk assessment and evaluations. We conduct thorough audits (annually internal audits, covering all aspects related to information security risks in our processes, departments, and projects) to ensure compliance with these frameworks, ensuring a robust defence against various risks. Also, the risk register is properly documented and maintained for traceability and third-party audits, including cybersecurity risks, data privacy risks, and intellectual property risks at the company group level.

In the event of a major incident or disaster, physical data/documents are kept with an external service provider who ensures their archiving. Additionally, physical

data/documents are also kept in electronic format. In electronic format, the data/documents are redundantly stored through safety copies/backups (offsite backup, including documents, data, virtual infrastructure, configurations, user data). Depending on the company's needs, backups are stored either on internal servers or in the cloud, including off-site backup infrastructure.

- Within the Business Continuity Plan (BCP), all external key suppliers and partners are identified, and annexes are documented containing contact details (email / phone) about suppliers, key partners, and key clients so that communication and continuity can be managed in the event of BCP.

- According to recovery of the activities described into the BCP scenarios. After a crisis, also a restauration plan is determined and documented including interested and responsible parties.

- In the case of BCP, "lessons learned" are associated with incidents that occur in confidentiality, availability, and integrity of data, in accordance with the documented business continuity scenarios. All results, including response and restoration times, are documented in the testing plans (table-top exercises or real testing), and any deviation or inadequacy can be considered and concluded into a "lesson learned" in the event of an incident involving BCP. Additionally, in incident management, the "lessons learned" can be deduced from how security incidents have been resolved through ticketing and email systems that provide traceability, documentation, and evidence for incident handling and "lessons learned."

The Software development processes are documented through Software Development Policy. This policy includes different perspectives, including information security and data protection. Risk assessment is performed from the information security perspective for software related projects. Specific GDPR Software Development Checklist, containing "Privacy by Design" and "Privacy by Default" ("Pbdd") issues, at the level of detailed checklist points, is available to all designated personnel from our company. The personnel involved in project management or the software development process itself has access to the Software Development policy and the annexes (Risk assessment templates, GDPR checklist, etc.), as a guideline for the activity within the projects.

8. Environment Impact. Carbon Footprint

8.1. Environment Impact / Climate change

Based on the results of the risk identification and following the analysis of the requirements of the interested parties, the list of relevant sustainability topics was consolidated to establish the following priority actions for the company.

The sustainability topics related to the environment have been grouped into the following categories/areas of interest that correspond to the sustainability strategy:

- Compliance with environmental requirements
- Efficient carbon management / Climate change mitigation and adaptation
- Position in the circular economy and life cycle assessment
- Interaction with protected areas, nature reserves or cultural heritage sites
- Service & product presentation company and climate risk assessment.

Compliance with environmental requirements

For the assessment of compliance with environmental protection obligations, the Company identified the applicable legal requirements and analysed how to implement and comply with them, using the matrix of applicable legal requirements and checklists (Matrix and Checklist Environment.xlsx - over 70 basic and subsequent legal requirements). The evaluation results in a high degree of compliance with the applicable environmental requirements, a fact proven by the lack of penalties from the environmental authorities.

The company's focus is on reducing the impact of its activities on the environment through sustainable practices, such as efficient waste management, responsible use of resources and by promoting ecological awareness in among its employees and participation in local conservation initiatives.





Efficient carbon management; Climate change mitigation and adaptation

The company prepared the inventory of greenhouse gas emissions and the carbon footprint calculation; this will form the basis of carbon management for reducing and neutralising greenhouse gas emissions. The company elaborates on the GHG report for the first time but will be published yearly. The company will continuously monitor the GHG inventory and get involved in green projects to ensure the prerequisites for a "Net Zero" policy. The reporting period is 01.01 - 31.12.2023.

8.2. Carbon Footprint Calculation Summary

No. crt.	Signature	GHG emissions Goal 1	GHG emissions Goal 2	Total GHG Emissions
1	AROBS TRANSILVANIA SOFTWARE S.A. CLUJ NAPOCA	527,13	121,76	648,89
2	AROBS DEVELOPMENT & ENGINEERING SRL	59,66	30,65	90,31
3	BERG COMPUTERS SRL	18,18	4,71	22,89
4	NORDLOGIC SOFTWARE SRL	13,89	4,86	18,75
5	UCMS	18,27	3,08	21,35
6	FUTURE WORKFORCE SRL	54,7	0	54,7
7	SOFTMANAGER SRL	10,78	0,75	11,53
8	SAS FLEET TRACKING SRL (SAS GRUP)	32,35	2,99	35,34
9	GPS SOFTWARE CENTRE SRL	3,53	0,96	4,49
10	AROBS TRACK GPS SRL Chisinau	16,02	0,33	16,35
11	AROBS SOFTWARE SRL Chisinau	11,54	15,53	27,07
12	CoSo by AROBS Belgium	7,60	0,23	7,83
13.	CoSo by AROBS Netherlands	9,94	0	9,94
14	AROBS Polska	18,67	13,61	32,28
15	AROBS SOLUTIONS Indonesia	0,84	2,43	3,27
16	AROBS PANNONIA Software Kft.	22,97	2,15	25,12
TOTAL		826,07	204,04	1030,11

As can be seen in the table above, approximately 80% of the carbon emissions are due to the fuel consumption necessary for the travel of staff to the beneficiary to carry out the services hired. Being a source under the control of the company, solutions can be identified and applied to make consumption more efficient, thus reducing CO₂ emissions.



The company will also include in the next reports the Scope 3 emissions calculations, being aware of the importance of the indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions.

The company will continue to monitor its carbon footprint in the future and implement actions to reduce it by:

- periodic monitoring and analysis of the sources of greenhouse gas emissions, data on the consumption of electricity, thermal energy, natural gas, and fuel.

- analyzing the approach towards GHG calculation extension to Scop 3 starting with 2024.

- periodic replacement of electrical energy-consuming equipment with more efficient ones in terms of energy consumption.

- optimization of logistic processes, related to the movement of employees.

- analysis of the possibility of continuing to replace owned vehicles with hybrid/ electric vehicles.

- optimization of the workspace to avoid non-performing energy consumption for heating/cooling.

- the identification of green projects, in which the organization participates voluntarily, to ensure the prerequisites for a "Net Zero" policy.

The company is committed to reducing its carbon footprint by:

- increasing the degree of awareness and encouraging employees for the rational use of resources and minimizing the personal carbon footprint.

- organizing the activity so that the workload is carried out in a remote and hybrid system.

- ensuring the availability of resources for improving environmental performance and reducing the carbon footprint.

3. Position in the circular economy and life cycle assessment:

- through actions that support clients in fulfilling their ESG commitments: CO2 reporting, alternative routing solutions, drivers' behaviours, etc.

- digital payment system completely paperless, and human resources modules that allow digital signing of documents, helping hundreds of Romanian companies reducing their paper use.

Interaction with protected areas, nature reserves or cultural heritage sites - Company had integrated into its policy of corporate social responsibility respect for the cultural and historical heritage of the community, supporting initiatives local cultural values and ensuring that its specific activities do not adversely affect the cultural and historical values of the urban area.

Service & product presentation and climate risk assessment.

The company helps its customers through actions such as:

- Decarbonizing the fleet - CO2 reporting, along with supporting customers in the fleet electrification process.
- Software solutions for routes optimization, paper reduction, etc, helping to reduce the carbon footprint of hundreds of Romanian businesses.
- Health and safety - put people first by focusing on developing driving behaviour services.

9. Sustainability Disclosures Topics and Metrics

AROBS sustainability disclosures and metrics related to group activity in 2023 is based on the following topics as:

- Environmental Footprint of Hardware Infrastructure
- Data Privacy & Freedom of Expression
- Data Security
- Recruiting & Managing a Global, Diverse & Skilled Workforce
- Intellectual Property Protection & Competitive Behavior
- Managing Systemic Risks from Technology Disruptions.

The specific information is presented in the annex AROBS sustainability topics and metrics (link to annex to be added).

9.1. Social Responsibility - Occupational Health & Safety

For **AROBS TRANSILVANIA SOFTWARE** employees' health and safety of a top concerns and we constantly focus to improve our performance in this area. We

are aware that, in implementing our activities along our value chain, employees can be exposed to risks that may affect their health and safety. Thus, the identification of these risks and implementing all necessary preventive measures is essential for the success of our business.

At the national level, the field of "Safety and health at work" is fully legislated, with specific and detailed requirements about how they should be understood and applied. Both obligations and responsibilities are applicable from the lowest level of the organization to the highest level, represented by the company administrator. Therefore, we treat with responsibility and with great care in this area, we respect and implement the law in all the activities carried out.

Some of our companies from the AROBS Group are certified and comply with the ISO 45001:2018 standard - which represents a working model for organizations with better control over occupational risks and is based on explicit requirements for the most effective risk management professional and creating a culture of prevention among employees. Step by step all the companies will be following the OHS international standard requirements – ISO 45001:2018.

We constantly promote actions to prevent and reduce risks for health and safety by assessing potential risks of injury and occupational diseases for each individual activity.

We regularly train our staff on compliance with prevention measures and reduction/ elimination of health and safety risks. All our employees are train on health and safety topics in accordance with the annual training plan. We carry out general introductory training for newly hired staff, visitors, contractors, and periodic training for all employed personnel.

According to Romanian legislation **AROBS TRANSILVANIA SOFTWARE** had issued Annually Report for Employees' Health and Safety at Work for 2022 and 2023. Also, at the end of each year a Report issued by Labor Medicine Doctor were sent to company, the report contains: number of periodical medical control, number of controls for new employees, number of pregnant women, classification of health problem split by disease and cause.

It must be noted that no occupational accidents have been recorded.

To protect the employees, AROBS Group delivered to all which need Personal Protective Equipment (PPE), according to their roles and responsibilities: helmets, safety shoes, overall.

Another strong point in our vision is the Occupational Health & Safety Policy. It is a statement which drives us to be complied with the standard, legal and other requirements. The statement establishes:

- elimination of hazards and reduction of OSH risks to prevent occupational accidents – **zero accidents!**
- ensuring safe and healthy working conditions to prevent injuries, deterioration of condition of health and work-related diseases.
- consultation and involvement of workers and their representatives in security issues and occupational health.
- the organization's compliance with legislation, obligations regarding health and safety at work, as well as with all the requirements that the organization has adopted.

Due to our specific activities in Development, implementation, support, maintenance, consulting, trade and innovation of software solutions, Hardware design and trade we have, for several companies from the group, contracts with OHS External Service. The external OHS service (external provider) consists of dedicated personnel, trained in accordance with legal requirements. As part of the daily activity, they together with a team made up of representative's employees and employers identify occupational risks in the field of OSH, develop the Prevention and Protection Plan by which is propose measures to reduce or eliminate these risks. Within the AROBS TRANSILVANIA SOFTWARE the confidentiality of the employees' health data is ensured following the medical visit in accordance with the legal provisions. Medical data are not used for purposes other than those provided by law.

Employee's representatives can receive notifications from their colleagues regarding the health activity and job security. These are analysed during the OHS Committee meetings, organized quarterly or occasionally, as many times as necessary to identify solutions and establish action plans.

For existing contracts between **AROBSTransilvania Software** and its contractors/subcontractors, we do not monitor in this moment information related to aspects of safety and health at work, but we intend to we do this in proximity as part of our OSH strategy. For those who deploy the activity in the organization's headquarters, the company has regulated the responsibilities on the line of security and occupational health of its contractors (e.g. personnel leasing services, fleet

operation services cars, cleaning services and security services) through the OSH-Environmental and ES conventions, appendices to the contracts drawn up with them.

9.2. Social Responsibility - Human Resources

Based on the objectives approved by the company's management, to increase competitiveness in the field of human resources, our strategy is oriented towards covering the present and future personnel requirements, both qualitatively, as well as quantitatively.

The starting point in the adoption of the Human Resources Development Strategy was the clear outline of the role **that the employees** have in the unit,



the acceptance of the fact that they are the ones who give life to the company, maintain the operation, **being the most important business resource**. Our entire activity is based on a qualified and competent staff, and in this meaning, we make every effort to recruit the best candidates for open positions and to retain employees valuable and talented in the organization.

According to our strategy and for increasing competitiveness in the field of human resources we are driven by the following steps:

1. Recruitment and Selection.

We succeed in attracting and selecting the best candidates for the vacant positions, by using recruitment tools effective, such as: social networks, career sites, partnerships with universities and other means of advertising.

2. Development and Training



Increasing the skills and abilities of our employees is achieved through training and development programs, programs that can be customized according to individual needs and long-term career development.

3. Employee Retention

By providing a positive work environment, fair remuneration and career advancement opportunities, as well as by developing policies and programs that support the balance between the professional and personal life of employees, we retain valuable and talented employees in the organization.

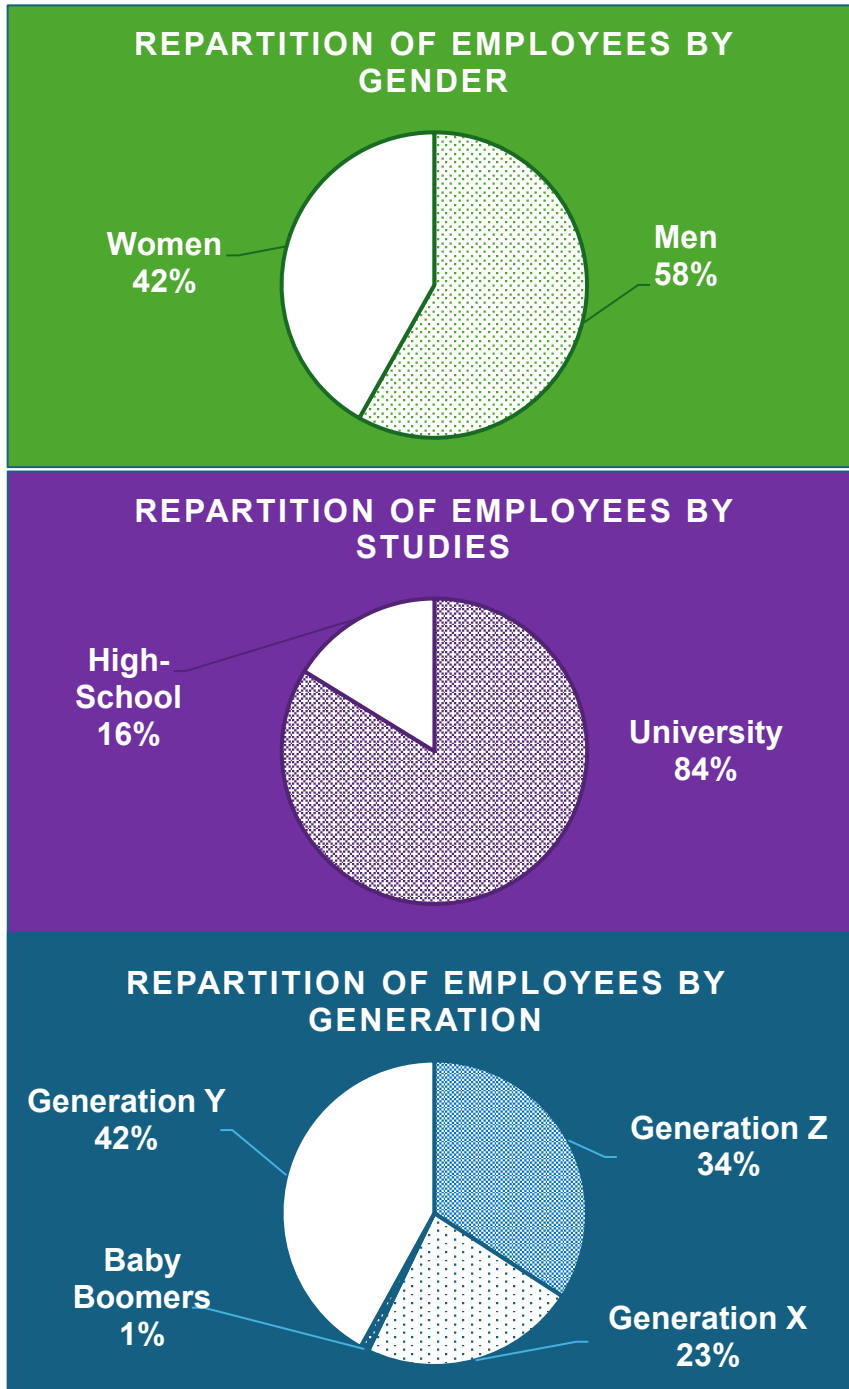
4. Social responsibility

Identification of areas of activity which can present a potential risk of human rights violations and/or business code of ethics (within the activities of the company, the supply chain and in relations with affiliated companies and business partners).

The elements presented above are detailed within Internal Regulation (RI), April, 2023, document approved by C.E.O.

Beyond these regulations, **AROBS** issued and implemented an Anti-Corruption Code of Conduct and Internal Guidelines on preventing and combating gender-based harassment and bullying at work, which applies directly to all employees of the AROBS Group, regardless of their position within the Company and, in general, to any person who may employ or represent the Company and regardless of the environment or country in which they operate.

The distribution of **AROBS** employees, according to gender, studies, and generations, is depicted below.



BENEFITS GRANTED TO EMPLOYEES

In accordance with the strategy of retaining employees and increasing confidence that **AROBS'** employees work in a safe and stable environment, the company grants the following benefits:

- Employees Stock Options Plan Programs – started in 2021.
- meal vouchers – according to legal requirements,
- occupational medicine controls - according to legal requirements,
- private health insurance,
- additional vacation days depending on seniority,
- material aid on certain events in the employee's life,
- periodic rewards and appreciations,
- periodic participation in training and other specialized courses,
- participation in team buildings.



Through the listing memorandum at the Bucharest Stock Exchange, AROBS has undertaken as one of the company's strategic directions to focus on motivating and retaining employees, by adopting several actions, among which the co-interest of employees in the company's superior performance through the "stock option plan" financial mechanism being extremely important. This approach is a natural step in building within AROBS an open culture to communication and innovation, with a community spirit, which encourages professional and personal growth, creates a space for involvement and, at the same time, partnership.

At the same time, the implementation of such a program represents a differentiator in the technology job market, where recruiting highly qualified staff is an increasing challenge. Participation in the company's performances is an element that distinguishes AROBS in the market, and can attract talents with vast expertise, of various seniority; the quality of human resources and team expertise being a vital element in the company's field of activity, both in the business line of software



services for the global market and in the development of software products for the domestic market and beyond.

The general allocation criteria are as follows:

- Employee/management status.
- Continuous seniority in the company of more than 1 year.
- Outstanding results in current activity.
- Actively and effectively involvement in promoting the interests of the

company, related to the field of activity.

In 2023, the company implemented two stages of the SOP Program, in September – more details here

<https://m.bvb.ro/FinancialInstruments/SelectedData/NewsItem/AROBS-Information-document-regarding-the-free-assignment-of-shares-under-SOP/1995D> and in

November, more details here

<https://m.bvb.ro/FinancialInstruments/SelectedData/NewsItem/AROBS-Information-document-regarding-the-free-assignment-of-shares-under-SOP/1995D> .

HUMAN RIGHTS

Respect for human rights and freedoms is essential to ensure a fair, safe, and respectful work environment.

By adopting policies and practices that protect and promote the fundamental rights of people involved in the activity of **AROBS TRANSILVANIA SOFTWARE**, we are committed to respecting the Universal Declaration of Human Rights as well as the standards international human rights. Beyond the above committed:

We, AROBS TRANSILVANIA SOFTWARE are dedicated to respect human rights and freedoms, as follows:

- The right to life.
- The right to human dignity: our employees are treated equally without discrimination based on a protected attribute such as: race, ethnicity, gender, religion, sexual orientation, age or any other characteristic protected by law.

- Right to safe and healthy working conditions: We ensure a safe and healthy working environment by responding appropriately for the prevention of work accidents, occupational diseases and for the promotion of employees' well-being.
- The right to freedom of association and collective bargaining: Our employees have the right to associate and bargain collectively to promote their interests and rights at work.
- Right to fair pay: Our employees receive fair pay in relation to their work and responsibilities assumed.
- The right to protection against harassment and violence: our employees carry out their work in a safe environment, without being exposed to harassment, violence, or abusive treatment.
- The right to training and professional development: we ensure continuous training of our employees.
- The right to privacy and protection of personal data: we ensure the confidentiality and security of personal data of employees by complying with the GDPR.
- Right to freedom of expression: employees have the right to freely express their opinions and concerns in a responsible manner and respectful, without fear of reprisal.
- The right to vacation, maternity, and paternity leave: employees have the right to annual vacation, maternity, or paternity leave, as well as other forms of leave in accordance with the legislation in force.

EVENTS AND SOCIAL INVOLVEMENT

In 2023, we teamed up with **'Plantează în România'** to support green initiatives. Our first afforestation event took place on November 18th in Cernica, close to Bucharest, Romania. This collaboration shows our commitment to environmental initiatives and sustainability.

In 2023, we also partnered with **CERT Transilvania** for an



afforestation event. The action took place in Jucu, close to Cluj-Napoca, Romania, where we planted approximately 10.000 seedlings with the help of 350 volunteers.

In 2023, we also saw how the winning projects of the Fight for Your Green Cause 2022 competition benefited from our sponsorship.

1. Teen Challenge – 1st place

Coordinated by Cătălin D., the project was organized in collaboration with Teen Challenges NGO. The project’s main objective is to teach young people from the center how to manage their resources better.

What is the worst type of waste? Human waste. The Teen Challenge is trying to help young people with addictions to get back in touch with their life. Very often, drug or gambling addiction makes people lose their sense of reality and degrade to critical conditions. In the rehabilitation program, “Banca de Alimente” is a partner, and the participants learn how to optimize their resources better, learning to reduce and combat food waste.

2. Craft the Waste - 2nd place.

The project was organized with the NGO Cercetașii Bistrițeni, coordinated by Sorina I., and its primary objective was raising awareness for recycling among the youngest and to increase responsible adults. Craft the waste organized over 20 workshops for children from Bistrița County, teaching them How to recycle paper. Even though the project’s initial goal was to have 100 participants, 200 participants registered, both kids and adults. Another valuable achievement of the project is that children learned to express themselves and create art even from waste. Their 400 masterpieces crafted by them were called eco-mARTișor and were exposed to Târgul de Mărțișor organized by Complexul Muzeal Bistrița-Năsăud.

3. Afforestation at Bobâlna Cluj – 3rd place

Coordinated by Daria P. and in collaboration with the Bear Brothers Association, a remarkable achievement was reached in Bobâlna, a commune in Romania near Cluj-Napoca, where 3,500 oak seedlings found their new home. Through the restoration of previously affected areas, we foster a sense of responsibility among citizens, raising awareness regarding the environment’s need for help to restore the ecosystem. Afforestation initiatives are an initiative-taking way of engagement for the participants, and they shape responsible citizens necessary for a sustainable future. In this initiative, 115 participants came together with enthusiasm to secure a healthier, greener, and more sustainable environment.

Sport and Health initiatives

Over the years, AROBS has supported sport in various contexts. From fellow enthusiasts of swimming, running, marathons and triathlons, to football teams and sports competitions.



- Barbu Racing Team Sports Club Association

Collaborator of the Romanian Ski Federation, the association has been supported by the company in actions dedicated to promoting skiing among children.

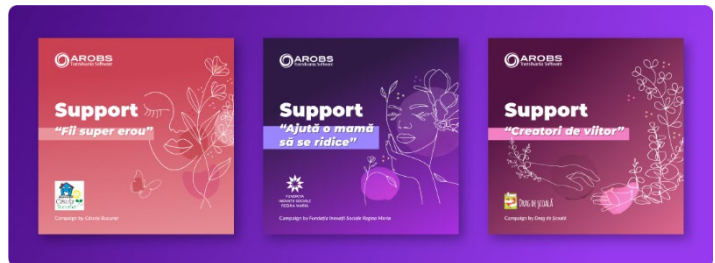
- X-Man Romania

One of the strongest triathlon competitions in the country dedicated to endurance athletes. We have been partners for several years now and we can say that each edition is made with a lot of effort and organization.

- Antoanela Manac - athlete in the Romanian Triathlon Federation and member of the Romanian National Olympic Team.

Social causes

- "Be a superhero" is a campaign organised by Căsuța Bucuriei, a home for children from families in need who need education and guidance.



- "Help a Mother Rise" is a campaign organised by the Regina Maria Social Innovations Foundation. Thanks to this program, thousands of disadvantaged and sick women regain their health every year.

- "Creators of the Future," a campaign organized by Drag de Scoala - a systemic model implemented in schools designed to be flexible and inclusive for teachers, students, and their families, as well as community partners working together to unlock the potential of children and teens from disadvantaged families through counseling and mentoring.

10. Objectives of Sustainable Development

10.1. Our commitment to ESG

Our vision for future:

We want to help build an innovative, connected, equitable, and sustainable community by focusing on actions that support the following:

- Innovation and creativity
- Education
- Sports and health
- Sustainability
- Corporate Social Responsibility
- Involvement in the community

10.2. Our progress in 2023

Actions we proudly implemented in 2023.

Reducing carbon footprint – at least one AROBS Forest each year and at least three green community projects supported by our internal Fight for Your Cause Program. Since 2021, AROBS employees pick a green charitable cause and bring it to their colleagues’ attention for the chance to win a sponsorship the company offers. More details here: <https://arobs.com/arobs-green/>

Energy efficiency – making strong progress toward lower environmental impact buildings and fleets.

Waste Management - the fleet management division collects the devices at the end of their life cycle. We believe in the role of education in raising awareness towards sustainability and environmental issues, so we invest in continuous education and anti-waste internal communication campaigns.

Ethical and sustainable sourcing - we prioritize ethical sourcing in our supply chain. We prioritize locally sourced products for gifts and recycled





materials, marketing giveaways for events, and for office use – RPET bottles, pens, 100% recyclable paper stone agendas.

Software products by AROBS - supporting companies for sustainable practices.

TrackGPS Platform supports our customers toward their ESG commitments - CO2 reporting, alternative mobility solutions, information about right-sizing your fleet to change or source efficiently. We build a safe and secure environment through driving behaviour solutions to help and educate stakeholders.

Business Optimization products & sustainability

Optimall suite for production and distribution industries offers software for routes optimization, helping to reduce the carbon footprint of hundreds of Romanian businesses.

MonePOS by AROBS is a digital payment system completely paperless, helping hundreds of Romanian companies reducing their paper use.

TrueHR and dpPayrol products for human resources management help 500+ large companies reduce their paper used by using the digital signature for the HR documents.

Social responsibility:

- Inclusion – we were born in Europe, but our culture is inclusive and international. We have offices in Europe, Northern America, and Asia
- Fair labour practices - remote and hybrid work options, special programs for families and children
- Community involvement: donation for social and health projects

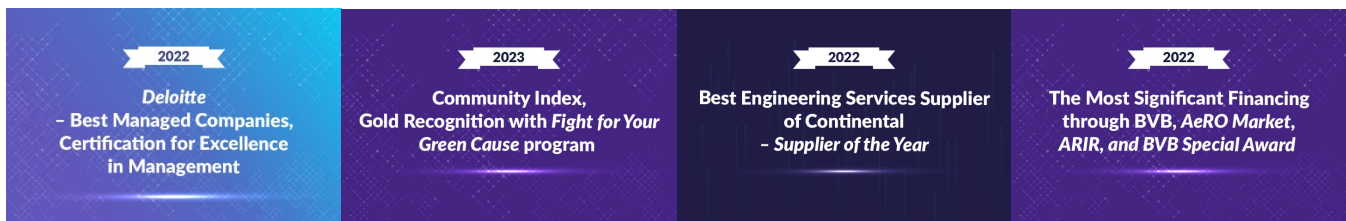
Governance:

- Ensuring ethical business conduct.
- Setting high standards in business for subcontractors.
- Implementing strong anti-corruption rules.
- Educating and enabling our stakeholders to achieve our sustainability goals.
- Allowing all shareholders to participate remotely in GSMs.
- Low-risk assessment to be provided by the ESG-rating agency.
- Measuring and transparently disclosing our sustainability performance.
- IFRS standards reporting, and Investor Relations procedures as requested for the public listed companies on the Bucharest Stock Exchange

- SOP program, launched in 2021, now at the third edition– colleagues become partners for the company's success.
- **Deloitte Romania Best Managed Company 2022** certified
- Community Index, Silver Recognition with Fight for Your Green Cause program – 2022

Other awards:

- The new wave of entrepreneurship – Ziarul Financiar – 2023
- Excellence Award for our debut on the Bucharest Stock Exchange's Main Market – Ziarul Bursa – 2023
- Employer Branding Awards, Best Benefits Strategy category – 1st place with Employee Stock Option Plan - 2023
- Community Index – Gold Recognition with Fight for Your Green Cause Program – 2023
- Best Engineering Services Supplier of Continental – Supplier of the year - 2022
- The Most Significant Financing through BVB, AeRO Market, ARIR, and BVB Special Award – 2022
- Best Company in Investor Relations on AeRO, Public Vote, offered by ARIR – 2022



10.3. AROBS ESG Governance

The ESG strategy is driven from the top by our Board of Directors and CEO and is embedded at every level of our organization. The first ESG report is a collaborative project that benefits from the involvement and expertise of several departments and functions as: Marketing, Financial, CISO, DPO, Legal, Administrative, etc.



11. ESG Business Plan- Incorporating Actions and Integrating ESG Risks and Opportunities (2024-2027)

1. Executive Summary

AROBS' ESG business plan integrates the specified actions, ESG (Environmental, Social, and Governance) risks, and opportunities into the operations of AROBS from 2024 to 2027. The objectives are designed to support innovation, creativity, education, sports and health, community involvement, sustainability, governance, mitigate risks, leverage opportunities, and enhance overall business performance through measurable KPIs.

2. Objectives

- Foster innovation, creativity, and education among youth and employees.
- Enhance involvement in sports, health, and community support.
- Promote sustainability and reduce carbon footprint.
- Ensure governance through adherence to regulations and standards.
- Mitigate identified ESG risks.
- Leverage ESG opportunities to drive innovation and sustainability.
- Monitor and evaluate performance through measurable KPIs from 2024 to 2027.

3. Action Plan

a. Innovation, Creativity, and Education

Objective: Support youth and employees in gaining knowledge in technology, entrepreneurship, and healthy lifestyles.

➤ **Actions:**

- Partner with universities, clusters, and NGOs.
- Participate in educational innovation programs.

- Implement continuous learning and internal education programs.
 - **KPIs:**
- Number of partnerships actions with educational institutions (Target: 5 new partnerships actions per year).
- Participation rate in internal education programs (Target: 50% employee participation).

Responsible Departments: Marketing Department, HR Development Team
 Timeline: Ongoing from 2024 to 2027

b. Sports, Health, and Community Involvement

Objective: Support marginalized communities and healthcare institutions.

- **Actions:**
- Organize social causes and support for marginalized communities (single parents, isolated families).
- Provide donations for specific events (Easter, Christmas, First Day of School).
- Support healthcare and first response institutions.
- **KPIs:**
- Number of social cause events organized (Target: 3 events per year).
- Total donations made (Target: Increase by 5% annually).
- Responsible Departments: Marketing Department, HR Development Team

Timeline: Ongoing from 2024 to 2027

c. Sustainability

Objective: Monitor and reduce the company’s carbon footprint.

- **Actions:**
- Monitor greenhouse gas emissions and energy consumption.
- Replace old equipment with energy-efficient alternatives.
- Optimize logistic processes and workspace energy consumption.
- Analyze the opportunity of increasing the energy consumption volume from traceable renewable sources.



- Analyze the possibility of gradual transition to hybrid/electric fleet.
- Engage in green projects and increase employee awareness of fair resources use.
- Participate in afforestation and green public space projects.
- **KPIs:**
 - Reduction in energy consumption proportionately with employees' number and office surfaces (Target: 5% reduction by 2027).
 - Number of hybrid/electric vehicles in fleet (Target: 15% of fleet by 2027).
 - Number of afforestation projects completed (Target: 5 projects by 2027).
 - Responsible Departments: Operations Department, The carbon footprint calculation team

Timeline: Ongoing from 2024 to 2027

d. Governance

Objective: Strengthen governance to manage business impacts and legal consequences.

- **Risks:**
 - Business impact due to software errors.
 - Software unauthorized modification.
 - Legal consequences from inadequate protection measures.
- **Opportunities:**
 - Implement robust software verification processes.
 - Enhance cybersecurity measures.
 - Adopt comprehensive legal compliance frameworks.
- **Actions:**
 - Continue building strong software quality assurance teams..
 - Implement multi-factor authentication and regular security audits.
 - Conduct regular legal compliance training for employees.
- **KPIs:**



- Number of software errors detected and resolved (Target: 100% resolution within 30 days).
- Frequency of security audits (Target: Quarterly audits).
- Legal compliance incidents (Target: Zero incidents per year).
- Responsible Departments: IT Department, Legal Department, HR Department
- Timeline: Ongoing from 2024 to 2027

e. Ecosystem Projects

Objective: Support clients in fulfilling their ESG commitments.

Actions:

- Continuously developing telematics solutions to support our clients' need for fuel consumption and carbon footprint reduction.
- Provide software solutions for route optimization to reduce carbon footprint.
- Developing solutions that support digitalization of the public and private sector, leading to less paper consumption.

➤ KPIs:

- Number of clients using the telematics solutions as support for their ESG commitments (Target: minimum 50 clients by 2027).
- Number of route optimization solutions implemented for clients (Target: 50 implementations by 2027).
- Implementation of solutions supporting clients' processes digitalization (Target: 50 implementations by 2027).

Responsible Departments: Marketing Department, Business Groups and Units.

Timeline: Ongoing from 2024 to 2027

4. Implementation Timeline

The actions outlined in this plan will be implemented continuously, with annual reviews to ensure progress and alignment with objectives. Key milestones include:

2024: Establish foundational initiatives and begin implementation.

2025: First full-year review and adjustments based on initial KPI data.

2026: Mid-term evaluation and scaling of successful programs.

2027: Final evaluation and setting of new goals based on achieved outcomes.

5. Financial Plan

Resources will be allocated from respective departments to support the actions. Regular financial reviews will be conducted to ensure budget adherence and effective use of funds.

6. Monitoring and Evaluation

Regular monitoring and evaluation will be conducted to assess progress. KPIs will be tracked to measure the effectiveness of the actions, and adjustments will be made, as necessary.

7. Conclusion

The ESG business plan aims to integrate specific actions and ESG risks and opportunities into AROBS's operations from 2024 to 2027. By doing so, AROBS will enhance its sustainability, governance, and social responsibility, contributing positively to the environment and society while ensuring business resilience and compliance.



#WeWontStop

supporting the community

