

Annual Report
2025





**Annual Report for 2025
of ISKRAEMECO, d.d.
and ISKRAEMECO Group**

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Table of Contents

01. ESG REPORT	3
1.1. A year of progress	5
1.2. Environmental responsibility	36
1.3. Social responsibility	44
1.4. Governance	54
1.5. Climate-conscious products and solutions	62
	66



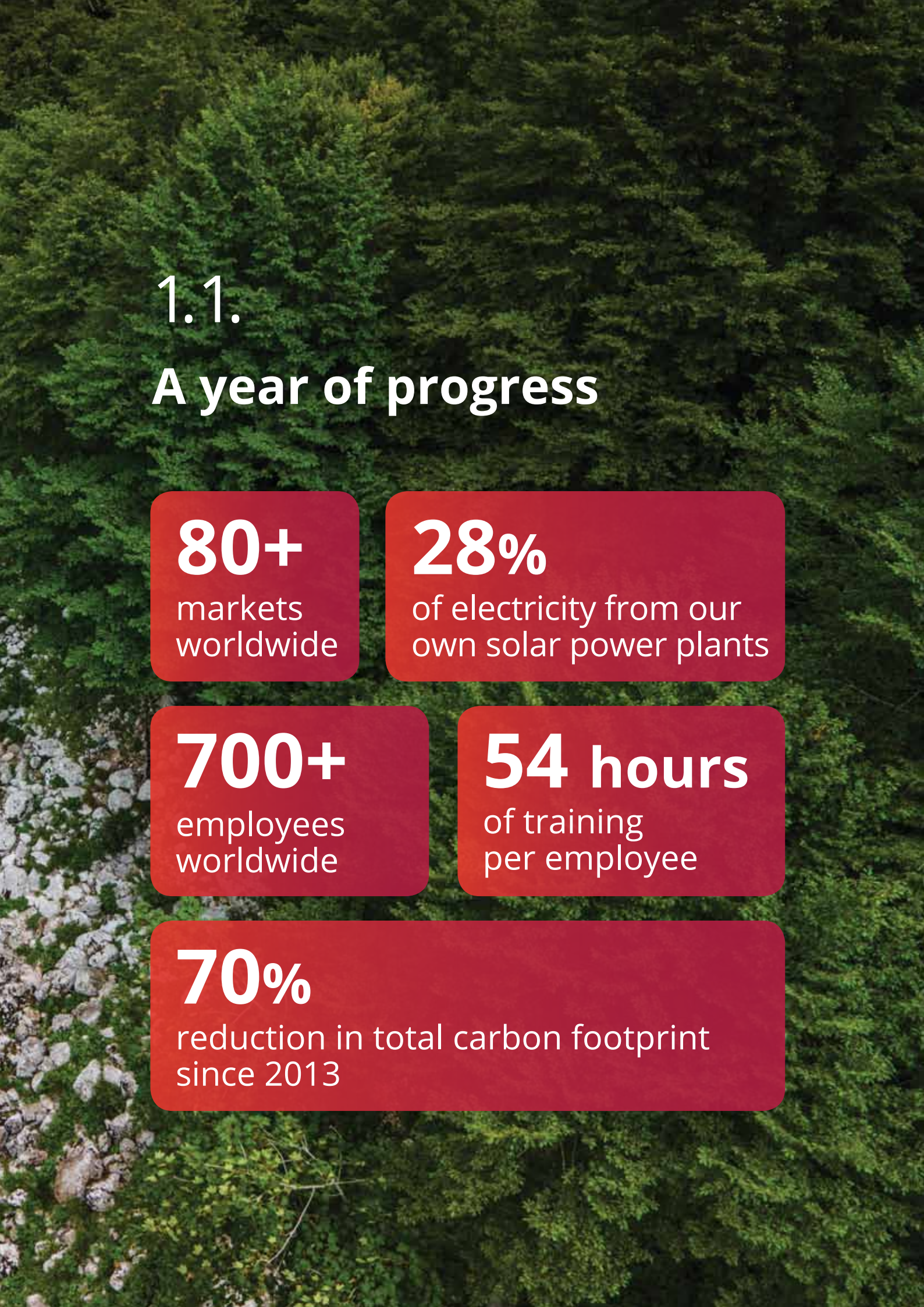


01

Business
Report

2025





1.1.

A year of progress

80+

markets
worldwide

28%

of electricity from our
own solar power plants

700+

employees
worldwide

54 hours

of training
per employee

70%

reduction in total carbon footprint
since 2013

Message from Executive Directors

Dear employees, partners, and supporters of Iskraemeco,

2025 was a defining year for Iskraemeco – one that united tradition and history with momentum. As we marked 80 years since our founding in 1945, we also accelerated our transformation from a metering manufacturer into a technology company delivering end-to-end solutions across three business streams: **Electricity**, **Water**, and **Digital Platforms**.

These streams are not separate stories; they form one strategy. By combining trusted smart metering devices, secure connectivity, and advanced software, we help utilities and cities manage resources more efficiently, integrate renewables, reduce losses, enhance service quality, and strengthen resilience.

Our 80-year milestone was both a celebration of longevity and a reminder that endurance is built on engineering excellence, long-term partnerships, and the courage to evolve. From electromechanical beginnings to digital innovation, from local roots to an international footprint, Iskraemeco has continuously adapted to technological and societal change. Our relevance has always depended on transformation, and 2025 reaffirmed this statement.

This year was also marked by several major European project wins that demonstrate the strength of our technology and delivery capabilities. In Greece we secured a major share of the HEDNO national rollout. In Poland, we became one of the key partners in Enea Operator's large-scale deployment program and were awarded one of Europe's most significant AMI software projects, delivering our Symbiot Head-End System to TAURON Dystrybucja. In Croatia, we won the majority share of a national tender, with deliveries already underway. Beyond Europe,

we also secured a significant large-scale smart metering project in Iraq, further strengthening our international footprint through the delivery of multiple meter models alongside comprehensive network mapping and installation supervision services.

These projects involve complex system integration, national-scale modernization, and the growing centrality of software in the energy transition. Above all, they reflect trust – earned through disciplined execution, consistent quality, cybersecurity maturity, and a partnership mindset. Through these efforts we're shaping the future of Europe.

At the same time, we accelerated product innovation, advancing LEAN NP and IE.7 CT, developing the first prototypes for hybrid technology, and introduced our first ultrasonic meters, thereby strengthening our technology foundation across segments.

Our **Electricity** stream delivers reliable, future-ready infrastructure across the full lifecycle. Our **Water** stream supports utilities in reducing non-revenue water and improving operational efficiency. Our **Digital Platforms** transform data into actionable insights through secure, advanced analytics, and we are actively exploring partnerships with Grid flexibility and AI data analytics start-ups to further enrich our Digital Platforms offering.

We are also adopting Agile project management, enabling us to break work into smaller increments, respond faster to change, and deliver improvements with greater reliability and transparency.



Sustainable development remains central to our growth. In our industry, it is practical and measurable. Every smart meter deployed improves visibility and resource management. Every digital enhancement reduces waste and optimizes operations. In 2025, we embedded sustainability further into our solutions and operations, guided by responsible practices, operational excellence, supply chain transparency and long-term collaboration. Our responsibility is global, but it begins locally – through investment in skills, communities, and future generations. This commitment is confirmed by our EcoVadis Gold rating, placing Iskraemeco among the top-performing companies in ESG management.

None of this progress would be possible without sustained investment in our people and capabilities. We expanded our production capacity through investment in a new SMT/THT line and automated assembly lines in Kranj, as well as a new building in Cairo, reinforcing our ability to support increasingly complex programs. At the same time, we strengthened project discipline, supply chain resilience, and cybersecurity standards to meet growing market demands. Our competitiveness depends on talent – engineers, software specialists, field experts, and project leaders – and on a culture where integrity, collaboration, and innovation are everyday expectations. Through our employee engagement

program, we achieved a six-percentage point increase in engagement in 2025, with the goal to further improve by another six points in 2026.

Looking ahead, our ambition is clear: to be the technology partner of choice for utilities and cities navigating the green and digital transition. Demand for grid observability, automation, cybersecurity compliance, and integration of distributed energy resources will only intensify. The steps taken in 2025 – strategic wins, operational investments, and organizational evolution – are the foundations for long-term competitiveness.

This report reflects our commitment to transparency and continuous improvement. Trust remains the foundation of our business.

To our customers, thank you for your confidence and for holding us to the highest standards. To our partners and suppliers, thank you for building with us. To our communities, thank you for your support. And to every Iskraemeco employee, thank you for your dedication and professionalism.

Eighty years is an important milestone – but it is not a finish line. It is the beginning of a new chapter defined by ambition, responsibility, and innovation.

Sincerely,

Maks Prokop
Executive Director



Maged Hassan
Executive Director





Industry trends and challenges

Iskraemeco is shaping the energy system of today

The ongoing energy transition calls for systems that can adapt quickly, stay stable under pressure, and make better use of limited resources. Our technology helps move the sector in that direction by giving utilities a clearer view of how their networks behave – where energy is lost, where the grid is unstable, and where consumption patterns strain already scarce resources. With better insight comes greater flexibility: operators can balance the grid more intelligently, prevent disruptions, and plan investments that reduce both carbon emissions and long-term operational costs.

These improvements support both efficiency and fairness, helping address the unjust distribution of resources and the unequal access to reliable energy that still affects many communities. For end users and cities, the climate benefits are tangible. Smarter devices and digital platforms lead to lower consumption, fewer losses, and cleaner overall system performance. As we continue to develop new products, our focus will remain on solutions that support a resilient, low-carbon future – one where energy is not only managed better but shared more fairly.

Digital platforms

In 2025, digital platforms became a crucial enabler of transformation across both energy and water sectors. The industry moved beyond isolated systems toward integrated digital ecosystems capable of managing millions of devices, vast data volumes, and complex operational processes. Utilities invested in scalable systems capable of handling large device fleets, high data volumes, and complex operational tasks. Interoperability, security, and longterm reliability became top priorities. The shift made it clear that value now comes not only from devices but from the ability to combine hardware, communications, and software into one coherent system.

Energy and water sectors

In 2025, national rollouts, modernization programs, and new regulatory expectations pushed utilities to strengthen resilience while keeping services affordable. Climate pressure exposed weak points in aging infrastructure, and geopolitical uncertainty reinforced the need for reliable local systems. Digitalization became a standard part of operations, and cybersecurity grew into a core requirement as even more critical infrastructure moved online.

Renewables and electrification kept expanding, increasing the need for better visibility and control at distribution level. Utilities invested in advanced metering, communication technologies, and digital platforms that support continuous data use instead of periodic measurements. High-quality data became essential for loss reduction, outage response, customer engagement, and regulatory reporting.

Water utilities faced rising pressure from extreme weather, higher consumption, and aging networks. Leakage, scarcity, and service disruptions drove faster adoption of smart water metering, remote reading, and leak-detection tools. Realtime data helped reduce losses and improve operational planning.

 **iskraemeco**
BY ELSEWEDY ELECTRIC



About the company

Innovation has been shaping Iskraemeco for more than eighty years. From its early beginnings as a meter manufacturer, the company has evolved into a global provider of smart, end-to-end solutions for energy and water management. Today, Iskraemeco is progressing from a hardware-centric portfolio toward a broader offering that combines hardware, software, data analytics, and services, supporting utilities across the full value chain. Building on strong in-house manufacturing, global and local partnerships, and a more diverse, innovation-driven talent base, the company is strengthening its presence in core and emerging markets with a clear ambition to grow its leadership position.

Operating within the Elswedy Electric Group, Iskraemeco continues to focus on technologies that help utilities operate more efficiently, understand their networks better, and support a just transition to a digital and green future.

Vision

To be one of the most advanced technology companies in solving electricity, water and energy transition challenges while advancing sustainable living.

Mission

We support our customers in mastering their digital transformation journey toward a more sustainable and efficient future.

Our solutions

Built on modular hardware and advanced digital platforms, Iskraemeco's electricity and water meters transform metering data into actionable insights that support stable and flexible grid and utility operations amid increasing volatility and peak loads.

Iskraemeco's portfolio combines smart electricity meters, smart water meters, and digital

platforms that process and translate data into practical insights. These products support near realtime monitoring and responsible resource use. Modern communication technologies and IoT features ensure that systems can adapt to changing grid conditions, helping utilities maintain reliability and plan their networks with greater accuracy.



Global presence and memberships

Iskraemeco is present in more than eighty markets, serving its customers through regional teams, development hubs, and production sites. This global network helps the company understand different market needs and maintain strong connections with local partners. Internal-

ly, innovation, agility and sustainability principles are integral to strategic decision-making and everyday operations, supporting the company's ability to adapt to technological progress and changing market trends.



We are actively involved in a range of international and national initiatives and professional networks that support responsible business conduct, standardization, sustainability, and long-term development.

As signatories of the United Nations Global Compact, the Diversity Charter, and the Mission 100 Climate Commitment, we align our operations with widely recognized principles and collaborative frameworks.

In parallel, we actively contribute to key industry, technology, and standardization bodies shaping the future of metering, energy systems, and digital infrastructure, including ESMIG, DLMS, OMS, G3-PLC, the LoRa Alliance, CEN-CENELEC, CIGRE-CIRED, and the Slovenian Institute for Standardization (SIST).

The company plays an active role in leading business and sustainability networks such as the Slovenian Chamber of Commerce and Industry (GZS), where we participate in sectoral dialogue and collective bargaining processes within the electrical industry, AmCham Slovenia, contributing to policy dialogue on competitiveness, regulation, and responsible business, and CER – Sustainable Business Network, which focuses on climate targets, decarbonization pathways, and ESG implementation.

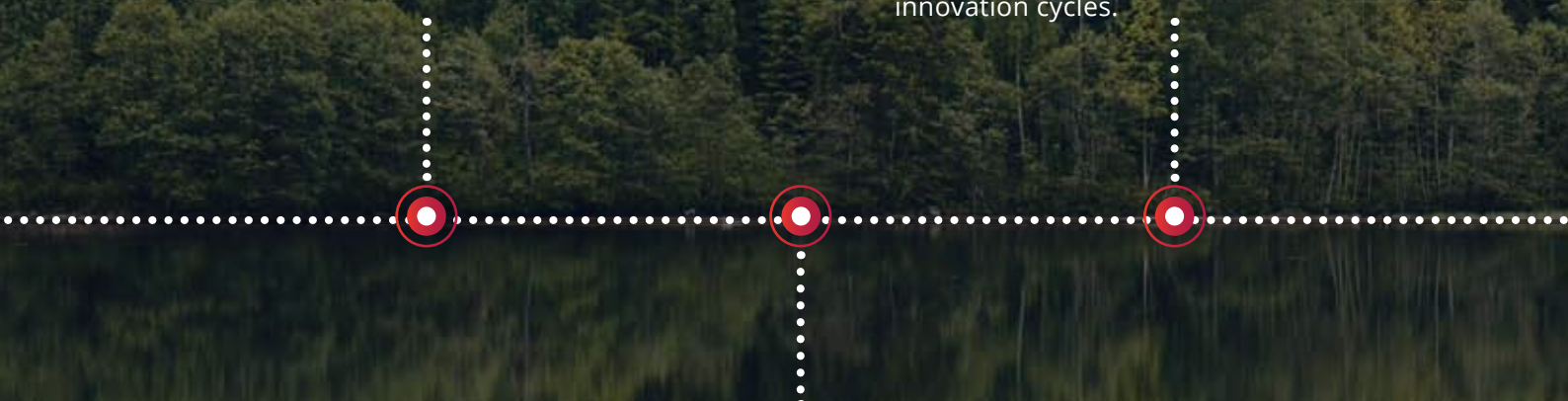




Department highlights 2025

Throughout 2025, focused efforts across key functions contributed to the continued modernization of the company's operations and development capabilities. **The information technology department** played a central role in integrating new production capacities with the core ERP system. Additionally, in 2025 we initiated the introduction of artificial intelligence in selected business areas, with the long-term objective of enhancing decision support and improving operational efficiency.

Research and development activities in 2025 were marked by the advancement of several strategic projects, including IE.5 integrated, the development of a new platform for the German market (MT631NP and MT691NP), and the gradual transition to the new Symbiot platform across versions 3.24, 3.26, and 4.0. In addition, the year saw the initial introduction of the Agile methodology into the development process, which laid the foundation for more flexible and responsive innovation cycles.



Significant progress was also achieved in **production and engineering** through the introduction of highly-automated equipment for printed circuit board assembly. A new automated assembly line for single-phase smart meters was established, powered by its own software that enables automatic configuration based on order data. Production digitalization advanced further with the implementation of real-time data visualization for each machine on the shop floor. In parallel, material handling was optimized through the deployment of Autonomous Mobile Robots (AMR), alongside the introduction of order picking processes designed in accordance with ergonomic principles.



In response to workforce planning needs and increased demand in production, a comprehensive recruitment process was successfully carried out. In 2025, more than 100 new employees joined the company, which was an important step toward ensuring a stable and efficient production process. All **HR procedures** and onboarding activities were conducted in languages understood by new employees. During the year, a total of 45,599 training hours were delivered, and the company obtained the Top Investor in Education **certificate**.

In the area of human resources, several important milestones were achieved in 2025, contributing to an improved working environment, stronger employee support, and enhanced cooperation with the local community. Among the most notable achievements was the acquisition of the **Family-Friendly Company certificate**, through which the company committed to implementing 28 measures aimed at improving work-life balance. One of the key initiatives enabled by the certification was the introduction of psychological counselling, which further strengthened the company's focus on employee well-being and mental health.

The company also actively strengthened its **ties with the local community** and its external presence. By participating in local professional conferences and sharing best practices in human resource management, Iskraemeco increased its visibility and contributed to the development of a strong professional network within the region.

Awards and initiatives

In 2025, leading institutions in Slovenia and abroad recognized Iskraemeco's approach to innovation, customer focus, and sustainability.

Their acknowledgments reflect the consistent quality of our work and the impact we aim to create across our markets.



1. **Customer's Friend 2025, ICERTIAS** – recognition of the company's strong customer orientation and trust.



5. **PPC-connect Award, PPC** – recognition for advanced metering systems MT631 and MT691.



2. **EcoVadis Gold Rating 2025¹** – places Iskraemeco among the top-rated companies globally for sustainability and responsible business practices.



6. **Top Investor in Education 2025** – recognition of outstanding investment in employee training and development.



3. **Regional Golden Innovation Award 2025, Slovenian Chamber of Commerce** – awarded to Iskraemeco for its IE.7 RC smart meter.



7. **Finalist for the ESG Champion Slovenia 2025 Award**



4. **CCIS Silver Innovation Award 2025, Slovenian Chamber of Commerce** – awarded to Iskraemeco for its IE.7 RC smart meter.



8. **Finalist for the Factory of the Year 2025 Award**

1 Link to Iskraemeco's EcoVadis Recognition page: <https://recognition.ecovadis.com/sQeH13peMk2V-1sz6qUYSQ>

Company structure

On 31 December 2025, the following organizational scheme was in place:



Iskraemeco Group

As at 31 December 2025, the Iskraemeco Group included, in addition to the parent company, 20 associated companies, of which 15 were subsidiaries and 5 associated companies. Below is a

list of companies under the direct ownership of Iskraemeco, d.d. that were included in the consolidated financial statements for the year 2025.

No.	Company	Country	Year of establishment	Ownership share (%)	Address
1.	Iskraemeco Energy Service GmbH	Germany	1993	100,00	Lyoner Str. 15, 60528 Frankfurt am Main
2.	Iskraemeco (UK) Ltd.	United Kingdom	1996	100,00	1st Floor Ridgeland House, 15 Carfax Horsham, West Sussex, RH12 1DY
3.	Iskraemeco Benelux NV	Belgium	2003	99,98	Legeweg 123, 8020 Oostkamp
4.	Iskraemeco (Schweiz) AG	Switzerland	2003	100,00	Alte Steinhauserstrasse 19 6330 Cham
5.	Vulcano S.A.	Liechtenstein	2000	100,00	Allgemeines Treuunternehmen, Äulestrasse 5, FL-9490 Vaduz
6.	DATA 2050, d.o.o.	Slovenia	2008	100,00	Savska loka 4, 4000 Kranj
7.	Iskraemeco Netherland B.V.	Netherland	2015	85,00	Laan vaan Brabant 32, 4701BK Roosendaal
8.	Iskraemeco Smart Metering Solutions GmbH	Austria	2021	100,00	Wildpretmarkt 2-4, 1010 Vienna
9.	Iskraemeco SP Z.O.O.	Poland	2021	100,00	Ul. Marszałkowska 126/134, kod 00-008, Warsaw
10.	Iskraemeco Greece S.A.	Greece	2025	100,00	161 Andreas Syngrou avenue 17121, Nea smyrni
11.	Iskraemeco Holosys d.o.o.	Croatia	2025	100,00	Kovinska ulica 4A, Zagreb

Subsidiaries not included in the consolidated financial statements of Group Iskraemeco in 2025 due to their immaterial impact on the financial statements

No.	Company	Country	Year of establishment	Ownership share (%)	Address
1.	Iskraemeco Kosovo	Kosovo	2009	100,00	Ul. Dr. Shpëtim Robaj BB, Priština
2.	Iskraemeco France s.a.s.	France	2003	100,00	65 Rue Jean Monnet, 68200 Mulhouse
3.	Iskraemeco TRK Ltd.	Turkey	2016	100,00	Merdivenköy Mah. Bora SK. Nida, Kule A blok 1-3/22/732CP, Kadiköy
4.	Iskraemeco Smart Energy d.o.o.	Serbia	2022	100,00	Boulevard Mihalja Pupina 10A/4/12, Beograd

As at 31 December Iskraemeco, d.d. reported financial investments in the associated companies listed in table below:

No.	Company	Country	Year of establishment	Ownership share (%)	Address
1.	Iskraemeco (M) Sdn.Bhd.	Malaysia	1997	30,00	Lot 115493, Kawasan Perindustrian Pengkalan Perak, 31500 Lahat, Ipoh
2.	Elektrokontrol HZ H-B, d.o.o.	Bosnia and Herzegovina	1997	42,86	Mate Bobana bb, 88300 Čapljina
3.	Iskraemeco Sarajevo d.o.o.*	Bosnia and Herzegovina	1999	42,49	Ul. Hifzi Bjelavca 13, 71000 Sarajevo
4.	Iskraemeco S.R.L.	Argentina	2019	5,00	Av. Santa Fe 768, 7th floor, City of Buenos Aires
5.	Iskraemeco Indija Technology Development Centre	India	2024	10,00	No. 303, Rohini Complex, Shakarpur, East Delhi, 110092 East Delhi, Delhi

* The company Iskraemeco Sarajevo, d.o.o. was consolidated using the equity method in 2025. Other companies are not consolidated in accordance with the Group accounting policies described in section 2.4.2. Investment in associated companies.

The structure of the Iskraemeco Group is presented in Figure 2.3.

Report scope and boundary

The following sustainability statement covers Iskraemeco, d.d., Kranj, and reports on sustainability-related activities and performance for the reporting period in line with the company's financial year. The report focuses on the com-

pany's own operations, governance, and value chain and is prepared in alignment with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS).



Sustainability strategy

In 2025, Iskraemeco updated its sustainability strategy, moving from a six-pillar model to a clearer and more focused four-pillar framework. The new structure brings together our key envi-

ronmental, social, governance and product-related priorities, making the strategy easier to implement across the company and better aligned with international expectations.

The Environment pillar

The **Environment** pillar focuses on managing the direct environmental impacts of our operations. It covers energy and water efficiency, increasing renewable energy use, expanding onsite solar power, reducing Scope 1 and 2 emissions, advancing Scope 3 management, strengthening waste management, and improving packaging and logistics. Our performance is monitored through ISO 14001 and ISO 50001 systems.

The Social pillar

The **Social** pillar focuses on people – within the company and throughout the value chain. It includes health and safety, employee development, diversity and inclusion, employee engagement, collective bargaining, and work-life balance. It also covers human rights, responsible labor practices and community involvement.

The Governance pillar

The **Governance** pillar ensures that responsibility, ethics, and transparency guide our decisions. It includes compliance, anti-corruption, data protection, risk management, ESG governance structures, supplier transparency, and alignment with regulatory frameworks.

The Climate-Conscious Products and Solutions pillar

The **Climate-Conscious Products and Solutions** pillar focuses on reducing the environmental and climate impact of our products across their entire life cycle. It includes ecodesign principles, material efficiency, increased use of recycled materials, reduced product weight, rare and critical material management and optimised energy efficiency of the product. Our products are part of the solution for the green transition, as they support more flexible energy systems and the integration of renewable sources. Through precise measurement and digital tools, they give customers the insight needed to adjust consumption, manage resources more efficiently, and respond to changing energy needs with lower emissions. Analyses such as Life Cycle Assessments (LCA) and Environmental Product Declarations (EPD) support this work.

Sustainability governance

Sustainability at Iskraemeco is governed through an integrated framework that guarantees ESG topics are addressed at both strategic and operational levels. Oversight is provided by the **Sustainability Steering Committee**, chaired by the Group CEO and composed of top management and relevant global directors from key functions, including Product Management, Supply Chain, Human Resources, IT, Legal & Compliance, Manufacturing & Engineering, R&D, Strategy, and Quality. The Committee is coordinated by the Sustainability Department and meets every quarter to review priorities, progress, and align ESG projects with company strategy. Sustainability is also represented at the highest deci-

sion-making level through the Global Director of Transformation and Sustainable Development, who plays a key role in embedding sustainability into the company's overall direction.

To support implementation across the organization, **Sustainability Ambassadors** are appointed in relevant departments. These ambassadors provide functional expertise, support data collection and implementation, and make sure that sustainability requirements are integrated into daily operations and decision-making.



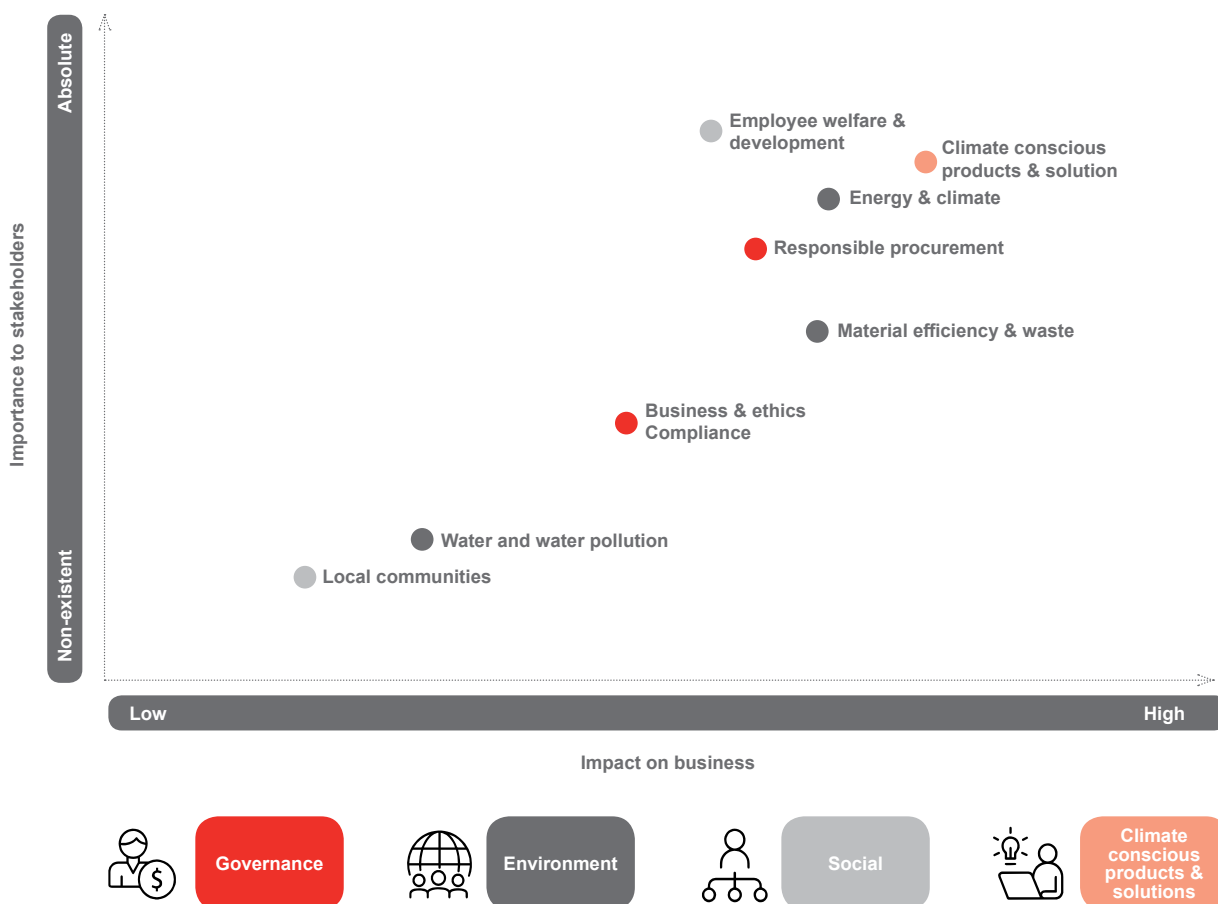
Risk management and double materiality assessment (DMA)

Iskraemeco applies a structured risk management process to identify, assess, and manage environmental, social, and governance risks that may affect operations, strategy, or stakeholders. ESG risks are integrated into the company's overall risk management and due diligence processes, supporting informed decision-making and organizational resilience.

The company performs a double materiality assessment to identify material impacts, risks,

and opportunities from both environmental and financial perspectives. In 2025, the DMA was reviewed and calibrated to reflect updated internal data, stakeholder input, regulatory requirements, and changes in the business and risk environment. The results of the assessment guide sustainability priorities, targets, and disclosures in this report.

Double Materiality Assessment



Environmental impacts, risks and opportunities

Impact	Associated Risks	Source
Smart meters enable informed decisions on more efficient energy use for the end-user	Data security risks related to smart meter usage and potential misuse of customer energy data.	Product design, end-user interaction
Improving grid stability by managing energy loads	More renewable energy sources cause grid instability by creating unpredictable peaks	Product functionalities, customer interaction
Electronic waste from old meters, leading to pollution if not properly treated	Improper disposal could result in environmental harm and regulatory fines.	Product end-of-life, waste management
Energy consumption in manufacturing and operations contributes to carbon emissions.	Rising energy costs and carbon taxes could increase operational expenses.	Manufacturing, office operations
Dependence on raw materials like rare metals and plastics for meter production.	Geopolitical supply chain disruptions and resource depletion risks due to scarcity of materials.	Procurement, production
Enhancing employee well-being and professional growth.	Lack of career development opportunities leading to high turnover.	Manufacturing, office operations
Promoting workplace diversity in a traditionally male-dominated industry	Discrimination or unfair treatment in the workplace.	Manufacturing, office operations
Health impacts for production employees (e.g., machinery, hazardous materials).	Injuries or health issues could lead to legal liabilities and decreased productivity.	Manufacturing, operations
Impact on workers in our supply chain and customer facilities.	Non-compliance with ethical sourcing standards could lead to reputational damage.	Supplier relationships, procurement, sales
Customer & Industry influence on ESG approach	Regulatory non-compliance risks due to evolving sustainability and ESG requirements.	Corporate governance, risk management
Reputation & Stakeholder Trust	Legal penalties and reputational damage from corruption and bribery risks.	Sales, partnerships, procurement

Mitigation Measures	Opportunities
Ensure robust cybersecurity measures, transparency in data usage.	
Enhance innovation on functionalities for grid flexibility	Expand smart meters and platforms that help consumers integrate renewable energy sources, creating new revenue streams. (Mid-term)
Consider implementing take-back and recycling programs, and increased recycled materials in products.	
Invest in energy-efficient machinery and renewable energy sources (e.g., solar panels).	Invest in energy-efficient technologies in operations to reduce costs and meet green transition goals. (Mid-term) Introduce recycled plastic in our products to meet customer demands (Short-term)
Diversify supplier base, have a clear dual/multiple sourcing approach, structured manufacturer evaluation, integrate more recycled and secondary materials in production.	Introduce take back schemes as broadening our services (Mid-term)
Provide clear career progression paths and invest in employee training.	
Implement diversity, equity, and inclusion programs with clear anti-discrimination policies.	Implement initiatives to improve work-life balance, boosting employee satisfaction and retention (Short term)
Maintain high safety standards, conduct regular training, and improve working conditions.	Strengthen partnerships with local/EU-based suppliers to reduce dependency on non-compliant global supply chains.
Strengthen supplier due diligence, require adherence to labor and human rights standards for customers and suppliers.	Collaborate with supply chain partners to shift toward green logistics, reducing emissions from transportation. (Long-term)
Continuously monitor regulatory updates, improve ESG reporting, and engage with policymakers.	
Strengthen compliance training, enforce anti-bribery policies, and conduct third-party audits.	Promote Iskraemeco ethical business practices and client communications to attract ESG-focused partners and customers. (short term)

Aligning with the UN SDGs

Our sustainability approach is aligned with the United Nations Sustainable Development Goals (SDGs), reflecting the areas where we can have the most meaningful impact through our operations, products, and partnerships.

In particular, we contribute to SDG 3 (Good Health and WellBeing), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals).

and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals).



Policies

Iskraemeco governance is supported by a comprehensive set of internal policies and codes that define expectations for responsible business conduct across the organization and the value chain:

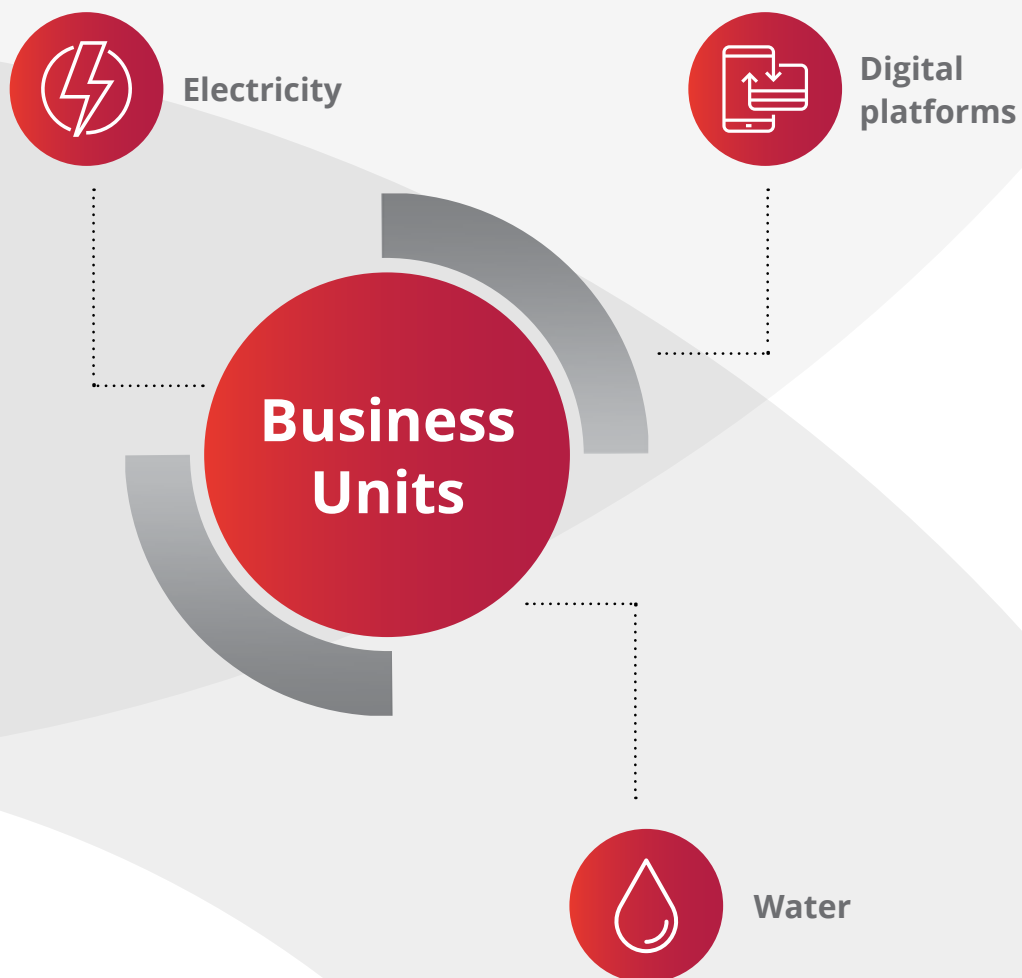


This framework is regularly reviewed and updated to reflect regulatory developments, international standards, and identified risks and impacts.

Iskraemeco Business Units

In 2025, Iskraemeco reorganized its business along three global business units to strengthen product focus, accelerate innovation, and support efficient execution. The company is now structured into three business units – Electricity, Water, and Digital Platforms – each with clear responsibility for product strategy, development,

innovation, and business performance. This structure supports closer alignment between product development, market needs, and regional execution, while providing a clear framework for longterm growth and accountability.



Electricity

In 2025, the Electricity Business Unit significantly strengthened its strategic positioning and laid the groundwork for scalable, product driven growth in advanced smart metering and grid intelligence solutions. Guided by the ambition to evolve meters into intelligent sensing and actuation nodes, the business unit sharpened its long-term direction by assuming full product lifecycle ownership. This shift ensures that future solutions are technologically robust, market driven, and aligned with utilities' growing needs for grid autonomy, stability, and flexibility.

The business unit actively prepared for large-scale rollouts and market entries across Europe, the Middle East, and selected emerging regions, which were underpinned by expanded certification activities, targeted technology upgrades such as G3PLC Hybrid, and partner enabled capabilities. In parallel, the business unit contributed to company-wide operational improvements by supporting manufacturing stabilization, managing demand peaks in key markets, and enhancing production capacity in Kranj and Egypt, thereby guaranteeing reliable delivery across a growing project pipeline.

The electricity metering portfolio was further expanded and upgraded with new product generations and advanced technologies. The IE.x family (IE.5E, IE.5T, IE.7) achieved a verified Environmental Product Declaration (EPD), reinforcing Iskraemeco's sustainability leadership. A major milestone was the continued evolution of the IE.7 platform, which introduced the first C&I variant with the aim to complete the transitioned into the C&I + Grid product family by the end of 2026 and received key functional enhancements. At the same time, the LEAN metering portfolio for the German market advanced with the introduction of a new generation of MT631 and MT691 meters built on a unified, modular architecture.



Digital platforms

In 2025, Iskraemeco established a dedicated Digital Platforms Business Unit to accelerate the development of software, services, and innovative digital solutions. The reorganization created a clear mandate to build a modern, end-to-end portfolio that supports the company's long-term strategic direction.

The unit completed a full transition to agile ways of working, forming new scrum teams and roles to support complex product development.

The Digital Platforms portfolio expanded significantly in 2025, evolving from a standalone head-end system to a broader, integrated offering. It now includes access to meter data management through a global partnership with Oracle, with Iskraemeco as an authorized reseller, as well as collabora-

tions with WorkOnGrid and PlexiGrid, which enable smart meter operations and low-voltage observability through digital twin capabilities.

Throughout the year, the team delivered key milestones in major international projects and strengthened its development footprint by opening a new center in Serbia and enhancing software capabilities in Egypt. The business unit also grew in capacity, adding product owners, developers, and cybersecurity experts to support its expanding ambitions.



Water

In 2025, the Water Business Unit strengthened its foundation for scalable growth in smart water solutions. We defined a long-term product vision focused on interoperability and supported it with a three-year roadmap for open and future-proof solutions.

The team identified key strategic partners for product development, interoperability, and market expansion. The business unit setup was formalized to support resource growth and a broader product portfolio. Certification activities for core products progressed as planned.

These steps position the Water Business Unit for sustainable growth and ensure the delivery of reliable and connected smart water solutions.



1.2

Environmental responsibility

Iskraemeco's environmental responsibility is grounded in a comprehensive governance framework that integrates legislative requirements, internationally recognized standards and codes, which together form the foundation of our internal policies:

Sustainability Policy,

Environmental and Energy Policy,

Sustainable Procurement Policy.

Environmental & energy highlights in 2025:

Scope 1 and 2 emissions externally verified

Scope 1 and 2 emissions were externally verified in line with the GHG Protocol and ISO standards.

7% reduction in electricity consumption

Electricity consumption per 1,000 products was reduced by 7%.

Reduced water consumption

Industrial water use per 1,000 products was reduced by 4%, and water for cooling lasers use dropped by 51%, following an HVAC system upgrade.

17% less waste generated

Total waste generation was reduced by 17%.

Third solar power plant installed

A third solar plant, together with a battery system, was installed in Kranj.

Energy use

In line with our commitment to carbon neutrality, we implement measures to reduce energy consumption, which directly contribute to lower greenhouse gas emissions and a reduced environmental footprint. In support of achieving this goal, we operate an internal energy team consisting of experts from energy management, maintenance, production, equipment, environment, and sustainability. The team meets quarterly to review energy consumption, discuss ongoing and planned energy projects, address operational challenges, set priorities, and steer the company's energy strategy.

Our primary energy sources include electricity, heat, and compressed air, all supplied by external energy providers. Consumption is monitored on a monthly basis through internal metering systems, enabling accurate, data-driven energy management. Our key objective is to continuously reduce energy consumption in relation to defined activity metrics, such as energy use per product unit, per revenue, and per operational area.

We improve energy efficiency by introducing technologically advanced and energy-optimized production lines, increasing the use of renewable energy – particularly solar power – and automating

resource management. These measures support the long-term reduction of environmental impacts and the achievement of our sustainability goals.

In 2025, we implemented a series of infrastructure and technological upgrades aimed at enhancing energy efficiency and reducing overall energy consumption across our facilities. Within the scope of key activities undertaken in 2025, Iskraemeco:

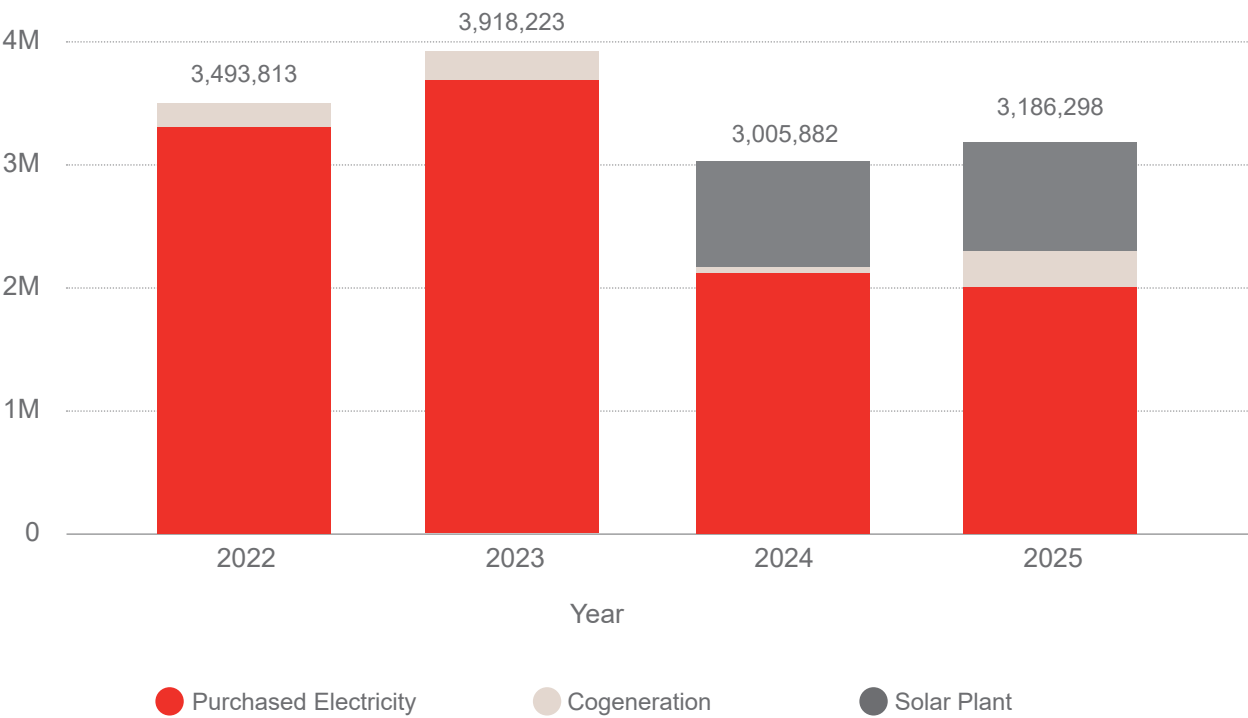
- Installed a third solar power plant on the roof of the Kranj premises;
- Continued modernization of interior lighting by replacing conventional systems with high-efficiency LED lighting;
- Integrated an energy storage system (battery) to optimize the use of renewable electricity, improve load management, and enable peak shaving;
- Renovated the roof of one building in Kranj to ensure longterm structural integrity and support energy performance improvements;
- Automated an HVAC system to improve climate control efficiency and reduce energy consumption;
- Continued implementation of the iEMSify advanced energy management system, which ensures more detailed monitoring, analysis, and control of electricity and water consumption.

Energy consumption

Energy consumption	2024	2025	Trend 2025/2024 (%)	Target 2025
Electricity consumption	3,005,882 kWh	3,186,298 kWh	6	/
Per 1000 products	1,524 kWh	1,410 kWh	-7	1,372 kWh
Per €1M revenue	20,142 kWh	21,595 kWh	7	18,128 kWh
Heat consumption	1,719 MWh	2,294.6 MWh	33	/
Per 1000 products	0.87 MWh	1.0 MWh	15	1.0 MWh
Per €1M revenue	11.5 MWh	15.6 MWh	36	10.9 MWh
Compressed air consumption	3,139,892 m³	3,340,115 m³	6	/
Per 1000 products	1,598 m³	1,484 m³	-7	1,800 m³
Per €1M revenue	21,040 m³	22,638 m³	8	

The values for 2022 and 2023 have not yet been fully calculated in accordance with the GHG methodology and are therefore presented as indicative only. For 2024, the carbon footprint calculation methodology is aligned with the requirements of the GHG Protocol and relevant ISO standards. In line with reporting requirements, emissions are reported using both the market-based and location-based methodologies. The 2024 values have been verified by SIQ (verification report OSV00039/2026). The values for 2025 are not yet final, as emission factors for 2025 are not yet available.

Electricity usage (kWh) by year



Greenhouse gas emissions

Scope 1 and Scope 2 greenhouse gas emissions for 2024 were externally verified in 2025 by SIQ Slovenia, providing independent third-party assurance of the accuracy,

completeness, and reliability of the reported emissions data, in line with the GHG Protocol and relevant ISO standards.

GHG emissions (t CO₂eq)

	2022	2023	2024	2025*	Trend 2025/2024 (%)	Target
Scope 1 emissions of which	29	23	46	31	-47	
From fuel consumption	29	23	33	31	-4	
Fugitive emissions	0	0	13	0	/	
Scope 2 emissions – market-based method of which	/	/	1,456.6	1,706.3	15	
Electricity consumption	/	/	911.0	973.4	6	
Heat consumption	/	/	545.6	732.9	26	
Scope 2 emissions - location based method of which	1,552	1,522	1,040.2	1,261.2	18	CO ₂ neutrality for scope 1 and scope 2 by 2030
Electricity consumption	938	1,050	507.2	541.9	6	
Heat consumption	613	472	533.0	719.3	26	
Total GHG emissions – market-based method	/	/	1,503	1,738	14	
Total GHG emissions - location based method	1,581	1,545	1,087	1,293	16	
Emission intensity (per €1M revenue) – market-based method	/	/	10	12	17	
Emission intensity (per €1M revenue) – location-based method	10	9	7	9	22	

*Not verified (emission factors for year 2024)

In the coming years, we will further reduce our carbon emissions through the introduction of electric company vehicles, the installation of additional energy-efficient systems, support for ex-

ternal partners in their decarbonization efforts, and a gradual transition to electricity suppliers with a lower carbon footprint.

Pollution

The company maintains a low level of environmental impact and carefully manages all areas where pollution may occur. Our operations generate limited water and air emissions, noise, and light pollution. Our policies cover all areas

related to pollution, including emissions control, wastewater management, responsible handling of chemicals, and compliance with regulations such as the RoHS Directive, REACH Regulation and Water Directive.

Water and wastewater

Iskraemeco water stewardship is guided by the Environmental and Energy Policy, the Sustainability Policy, and Elsewedy Group's Water Policy. These policies promote responsible water use, efficiency, and pollution prevention, and are aligned with ISO 14001, ISO 50001 and Water Directive.

The company generates municipal, cooling, and industrial wastewater. Industrial wastewater from packaging-washing processes is treated on site before being sent to the Kranj wastewater treatment plant together with municipal waste-

water. Cooling water is discharged into the Sava River. The company holds an environmental permit that requires regular monitoring of wastewater emissions.

We are committed to reducing operational water use by improving efficiency, optimizing water-based cooling systems (HVAC), and monitoring consumption through internal metering. Proactive maintenance helps us detect anomalies early and avoid unnecessary water use. Advanced energy management systems, such as our iEMSify project, help us manage and reduce water use.

Water use

Metric	2022	2023	2024	2025	Trend 2025/2024 (%)	Target 2025
Drinking water – consumption (m³)	11,270	5,156	5,102	5,283	3	/
Industrial water – consumption (m³)	151,211	162,974	122,312	118,078	-4	/
Total water consumption (m³)	162,481	168,130	127,413	123,361	-3	/
Cooling water per revenue (m³/€1M revenue)	908	922	750	759	1	950
Water for laser cooling per product (m³/1,000 products)	5	5	5	3	-51	5
Water for laser cooling per revenue (m³/€1M revenue)	60	70	70	41	-42	70
Drinking water per employee (m³)	14	6	7	7	0	6

Chemicals

Chemicals are handled under strict internal controls. Before any chemical is introduced or tested, a Material Safety Data Sheet (MSDS) must be obtained to assess environmental and human-health impacts, including disposal and emissions. Iskraemeco uses both hazardous and non-hazardous chemicals, but does not handle explosive, mutagenic, teratogenic, or highly toxic substances. Processes are optimized to minimize emissions and waste, ensuring compliance with legal requirements.

Only the required amount is used at workplaces, with maximum allowed quantities defined. Chemicals are stored securely, expiry dates are tracked, and measures are in place to prevent spills or contamination. First-aid stations are located near chemical-handling areas, and equipment using hazardous chemicals is regularly maintained to prevent leaks.

All products comply with REACH requirements, avoid SVHC substances above regulatory limits, and meet conflict-minerals requirements. Supplier audits help ensure ongoing compliance throughout the supply chain.

Waste management

We manage waste in line with relevant legislation and our environmental and sustainability policies. With a strong focus on the circular economy, we aim to reduce waste generation and maximise recycling. The company generates both non-hazardous and hazardous waste. Waste is collected separately according to clear internal instructions and managed in cooperation with qualified local companies, ensuring proper treatment and traceability.

Target: Maintain an EcoVadis Environment score above 90 points.

Waste

Metric	2022	2023	2024	2025	Trend 2025/2024 (%)	Target 2025
Total waste generated (t)	263	210	271.6	224.5	-17	/
Hazardous (t)	10	9	8.7	9.2	6	/
Non-hazardous (t)	252	200	262.9	215.3	-18	Packaging waste 70 kg/1,000 products Electronic waste 3 kg/1,000 products
Incineration (t)	0	0	8	8	/	/
Landfill (t)	76	0	0	0	/	0 by 2030
Recycling (t)	176	200	263	215	-18	99% by 2030

Employee tree planting campaign

In December 2025, our employees joined a tree-planting activity in cooperation with the City of Kranj. Together we planted young ginkgo trees in the local school district. The action supports both our company's and the City of Kranj's long-term decarbonization goals, while bringing new greenery to an area used daily by children and families.



1.3.

Social responsibility

The company's social conduct is guided by a set of key policies, agreements, and internal rules

that define standards for fair treatment, employee wellbeing, and professional development:

Collective Agreement

Social Agreement

Rules on Teleworking

Human Rights Policy

Equal Treatment and Non-Discrimination Policy

Sustainability Policy

Health and Safety at Work Policy

Learning and Development Policy

Internal regulation governing annual performance appraisals

In 2025, our human resources team focused on strengthening Iskraemeco as a stable, inclusive, and engaging workplace, with a strong emphasis on employee well-being, local and regional talent development, and long-term organizational culture.



A major part was the continued implementation of measures under the **Family-Friendly Company** certificate. In practice, this translated into concrete actions that employees could feel in everyday life, such as the introduction of gifts for newborns of employees, support measures related to work-life balance, flexible hours, and activities promoting mental health and well-being. Our **Employee Assistance program** offers free psychological counseling for employees and their families.

In 2025, HR also carried out an **employee satisfaction survey**, gathering structured feedback on engagement, working conditions, leadership, and organizational culture. Based on the results of the employee satisfaction survey, dedicated working groups were established to address the lowest-rated areas. These groups identified specific improvement actions, which were subsequently implemented during 2025 and 2026.

To support **inclusion and workplace communication**, new employees who do not speak Slovene or English are offered free language courses, while language training is also available to management in order to support effective cooperation with international employees. Iskraemeco manages migrant workers in line with the applicable labour legislation and internal policies, ensuring fair working conditions, equal treatment, and access to the same rights and protections as other employees. The company explicitly prohibits child labour, forced labour, and any form of modern slavery across its operations and supply chain. These requirements are defined in the **Human Rights Policy and Supplier Code of Conduct** and are applied through recruitment controls, supplier requirements, and due-diligence processes to prevent and address potential risks.

Employee connection and team spirit were actively encouraged through **sports and social activities**. In 2025, employees participated in organized hiking trips to Kofce and Kravavec, and took part in company-promoted sports and recreational events, including running events such as SLO10RUN, the Franja Marathon, and the Ljubljana Marathon. These activities helped strengthen informal connections across teams and supported a healthy, active lifestyle.

The onboarding process was further developed and expanded in 2025, including onboarding for students. All **new employees participate in a structured onboarding programme** consisting of a set of introductory lectures covering key areas such as the company portfolio, production, environment, quality, sustainability, marketing, information technology and information security.

Learning and development

Learning and development continued to represent one of the strongest pillars of our HR strategy. Throughout the year, employees were provided with extensive access to internal and external training programs, mentoring initiatives, and structured development opportunities tailored to support both individual growth and organizational capabilities.

We support professional development and retention of our employees through internal job rotations. This means that employees can transfer to other areas within the company and continue their career path there. Most of Iskraemeco open job positions are therefore advertised both externally and internally.

In 2025, Iskraemeco delivered a total of **45,599 hours of training**, covering a broad spectrum of technical, professional, and soft skills. Key development initiatives conducted in 2025 included training in agile transformation, artificial intelligence, ecodesign for products, G3-PLC technology, EMC, programming languages, and an extensive Six Sigma program.

We are particularly proud of the **24,440 hours of internal training**, which played a key role in enabling effective knowledge transfer across departments. These programs significantly supported seamless business operations and empowered employees to confidently navigate and contribute to the development of new technologies.

Employees also participated in conferences and fairs showcasing the latest advancements in technology and broader business practices. Additional development opportunities focused on financial literacy, pay transparency, customs regulations, leadership excellence, effective communication, public speaking, intercultural collaboration, time management, Slovenian language courses for international colleagues, and English refresher courses for our experts.



Training and development

Metric	Value
Total training hours (agency workers included)	45,599
Average training hours per employee	53.6
Allocated training budget	269,880 €
Hours of professional training	39,133
Hours of soft skills training	5,184
Percentage of employees participating in training	100%

Iskraemeco continued its commitment to equal opportunities by remaining a signatory of the Diversity Charter. In 2025, training was provided during employee appraisal periods, with a focus on preventing discrimination, particularly in employee-manager relationships.

The strategic contribution of HR was recognized externally in 2025. Iskraemeco was selected as a finalist for the **HR Team 2025** award and received a **Special Award for HR as a driving force for business growth**, which highlights the role of HR in supporting organizational transformation, growth, and long-term sustainability.



Employee’s structure

Metric	Value
Number of employees	723
Female	52%
Male	48%
Full-time	97%
Part-time	3%
Agency workers	127
Blue collars	56%
White collars	44%

Employees by age group

Age group	Share
Under 30	16.7%
30-50	38%
Over 50	45.3%

Gender distribution at top management

Gender	Share
Female	20%
Male	80%

Persons with disabilities

Metric	Value
Persons with disabilities	27
Female	70%
Male	30%
Percentage of total workforce	3.74%

Pay ratios and governance

Metric	Value
Ratio of the annual total compensation for the highest paid individual to the median annual total compensation for all employees	6.81
Average unadjusted gender pay gap	31%
Average adjusted gender pay gap	1%

Board composition

Gender	Share
Female	0%
Male	100%

Sponsorships and donations

Strong links with the local community and educational institutions were maintained throughout the year. Human resources department coordinated student scholarships, internships, holiday work programs, and cooperation with secondary schools and universities, supporting early career development and helping build a future talent pipeline.

In 2025, Iskraemeco's financial contributions focused on meaningful projects that help young people, promote knowledge, strengthen local community and culture, and improve wellbeing.

1

Support for local education

We donated to Elementary School Janeza Puharja Kranj to support school activities and the purchase of learning materials.

2

Support for vulnerable children

We supported the "Ustanova Pustimo jim sanje" – Danilo Türk Foundation, which works to protect children and address the consequences of violence. The donation was used exclusively for humanitarian and preventive programmes.

3

Promotion of renewable energy knowledge

We sponsored the 11th Slovenian Photovoltaic Conference, organised by the Faculty of Electrical Engineering, University of Ljubljana.

4

Cultural cooperation and international representation

We supported the Iskraemeco folk dance group and the Tourism and Culture Board Kranj for their participation in the International Istanbul-Büyükçekmece Culture and Art Festival 2025.

5

Sports and employee wellbeing

We sponsored the Sports Association Elektro Primorska at the 2025 Winter Sports Games of Slovenian energy distribution companies.

Collective bargaining

The company ensures and protects workers' rights to freedom of association and collective bargaining.

SKEI at Iskraemeco

At Iskraemeco, the SKEI union represents about 30% of employees. The collective agreement negotiated between the union and company management applies to all employees. The union is part of SKEI Slovenia and helps shape industry-level agreements for the metal and electrical sectors.

Its main role is to represent employees' interests and monitor compliance with labour laws and collective agreements. The union meets regularly with Iskraemeco's management, including the CEO, as well as Head of Production and HR with more than 30 meetings held annually.

The union participates in internal agreements related to employment, salaries, leave, and benefits. It also provides legal assistance, financial support for socially disadvantaged members, and organizes recreational and cultural activities.

Workers' Council

The Workers' Council consists of 13 elected members from different organizational units. It works in line with the Workers' Participation in Management Act (ZSDU), internal rules, and a participation agreement with the employer.

It has four committees: occupational safety, legal and HR matters, business monitoring, and innovation. Company representatives also participate in these committees. Meeting minutes are shared with the board and presented at council meetings.

The president of the Workers' Council represents employees in the company's governing bodies and participates in board meetings. The council meets at least once per quarter, typically with the CEO and CFO present to share information concerning business performance, financial results, and strategic plans. The Head of HR joins meetings when HR-related topics or activities are discussed.

Meeting minutes are available to all employees on the intranet and bulletin boards. The council can propose improvements, request action from management, and monitor the implementation of agreed decisions. The president also informs the Board of Directors of the council's key resolutions.

Health & Safety

In 2025, we continued **activities to ensure a safe, healthy, and supportive work environment**. We regularly carried out risk assessments, equipment checks, ergonomic improvements, and workplace inspections, while ensuring full compliance with occupational health and fire-safety requirements under ISO 45001, which was recertified in October 2025.

In 2025, responsible employees across the entire company were **trained in first aid, evacuation procedures, and fire-fighting**, in line with periodic training requirements.

In October 2025, a **company-wide fire drill was conducted to test evacuation procedures and employee readiness**, followed by updates to emergency plans based on the results.

To strengthen safety awareness, health and safety and fire-safety signage and posters were installed across production areas. We also implemented **the Green Cross – Annual Safety Review**, helping identify safety trends, assess risks, and plan further improvements to the work environment.

We continued to promote employee health by encouraging safe work practices, improved ergonomics, physical activity, healthy lifestyle choices, stress management, and preventive medical examinations. We also monitor electromagnetic radiation to ensure safe levels. All **new employees complete mandatory occupational health and safety and fire-safety training**.

Health & Safety Metrics 2025

Metric	Value
Percentage of employees covered by H&S management system	100%
Number of hours worked	1,210,673
Number of accidents at work	1
Rate of reportable accidents	100%
Number of work-related illnesses	0
Number of lost days due to injuries and illness	18

1.4

Governance

Strong governance is the backbone of responsible and sustainable business at Iskraemeco. Clear structures, defined responsibilities and transparent processes support effective decision making and ethical conduct across all markets where we operate.

The company's business conduct and corporate culture are based on internal policies, which include:

- | | |
|---|-----------------------------------|
| Code of Business Ethics | Company Security Policy |
| Whistleblower Protection Policy | Security Policy for Employees |
| Anti-Corruption and Anti-Bribery Policy | Sectional Security Policy |
| Human Rights Policy | Rules on Protecting Trade Secrets |
| Equal Treatment and Non-Discrimination Policy | AI Guidelines |
| | Rules on Personal Data Protection |



Supply chain management and responsible sourcing

Iskraemeco manages all supplier and manufacturer approvals through a centralized procurement team in Slovenia. Every new partner follows a structured approval process, including on-site audits, financial checks, risk assessments, and trial batches prior to regular production. All key terms are defined in a standardized Global Supply

Agreement (GSA), applicable across the Iskraemeco Group.

Supplier relationships are also guided by the Supplier Code of Conduct and the Sustainable Procurement Policy, which define ethical, social, and environmental requirements throughout the entire cooperation period.

Sustainability criteria and risk management

Environmental and social criteria are integrated into the supplier selection process. The required certifications, including quality, environmental, labour, and safety documentation, are defined in the GSA. Manufacturer and component data is collected through the PLM system, which is also used to track certifications and ESG-related information. Information on rare and critical minerals is collected using the Conflict Minerals Reporting Template (CMRT).

Suppliers and countries are classified based on labour, human rights, environmental, and geopolitical risks. Suppliers that do not meet mandatory requirements or show unsafe or inappropriate working conditions are not approved. Our Human Rights Policy, aligned with international standards, supports these processes, with a focus on regions at higher risk of child or forced labour. During audits, working hours, wages,

protective equipment, and workplace safety are verified, and approvals are stopped immediately in case of non-compliance.

In 2025, supply chain resilience was further strengthened by working in line with internal policies for minimizing geopolitical risks, which was supported by the use of global teams, dual-sourcing strategies, and tracking global component presence. Planned activities also included AI integration for shipment route optimization and CO₂ reduction. Energy supply was secured to ensure stable and uninterrupted delivery at the lowest possible cost, while increasing the share of green electricity.

Key initiatives in 2025

1

Held our first supplier ESG webinar in October 2025. Topics included ESG initiatives, critical raw material management, standards, and expectations. This will become an annual activity.

2

Introduced annual ESG questionnaires for our top 20 suppliers.

3

Performed four on-site ESG audits, with no nonconformities identified.

4

In 2025, we obtained the ISO 28000 certification for Supply Chain Security Management.

Targets

We aim to achieve full traceability of manufacturers through our PLM system by 2050. We also aim for zero human rights incidents in our value chain, supported by strong policies and continuous risk monitoring.

Excellence in quality

The company maintains an integrated management system certified according to the leading international standards. These certifications form the basis for consistent quality, environmental protection, occupational health and safety, information security, and energy management. As we

are a highly technological and customer-focused company, quality in our processes and products is essential, particularly since we develop innovative and intelligent solutions where reliability and performance are critical.

Two new ISO certifications obtained in 2025

ISO 28000

ISO 28000 – Supply Chain Security Management. Improves control of security risks across the supply chain and strengthens business continuity in global logistics.



ISO 22301

ISO 22301 – Business Continuity Management. Ensures structured preparedness for disruptions, enabling faster recovery and greater operational resilience.



Core system certifications

- ISO 9001:2015 – Quality management
- ISO 14001:2015 – Environmental management
- ISO 45001:2018 – Occupational health and safety
- ISO 27001:2022 – Information security
- ISO 27017:2015 – Cloud information security
- ISO 27018:2019 – Public cloud data protection
- ISO 50001:2018 – Energy management
- ISO 33061:2021 – Software lifecycle process management
- MID Annex H1, Chapter MI-003
- MID Annex B+D, Chapter MI-003

Laboratory accreditations

- ISO 17025:2017 – Competence of testing and calibration laboratories
- ISO 17020:2012 – Requirements for inspection bodies

In 2025 a total of seven internal audits, eight certification body audits and one customer audit were conducted. None of these audits revealed any major non-conformities.

Information security

In 2025, information security remained a core part of how the company manages risks, protects data, and ensures reliable operations. Certified information security management in line with ISO 27001:2022 was maintained, as were the cloud and data protection standards ISO 27017:2015 and ISO 27018:2019, covering customer and personal data. To strengthen our overall security posture, the company also achieved certification in two additional standards, ISO 22301 and ISO 28000, enhancing our resilience and the robustness of our supply-chain management.

In 2025, a new national Information Security Act (ZinfV-1) was adopted in Slovenia, which prompted improvements in supply chain security, vulnerability management, and incident management. Security policies were updated in line with the recommendations from the ISO 27001 audit.

During the year, information security governance and risk management processes were updated, with a stronger focus on risk assessment, monitoring and clear ownership of controls.

In 2025, we defined five key information security goals and successfully achieved over 90% of the target outcomes. Four internal and two external audits were carried out to validate compliance, effectiveness and alignment with security standards, regulatory and customer requirements.

In 2025, internal rules governing the use of AI tools were adopted to reduce the risk of corporate data breaches, including clear guidance on the use of Microsoft Copilot for all employees.

Employee awareness continued to be a key focus. Ninety-eight percent of employees completed mandatory information security training, and two phishing simulation campaigns were used to strengthen everyday awareness and response to cyber threats.

Technical and organizational security measures were continuously applied across systems, suppliers and internal processes, supporting secure access, data protection, and incident monitoring. Security and privacy by design remained an integral part of product development activities.

A total of 30 information security incidents were recorded during the reporting year, without any significant impact on the organization's operations.

Compliance

Compliance at Iskraemeco supports transparent governance and responsible business conduct by ensuring clear roles, effective controls, and alignment with legal and ethical requirements.

During the reporting period, the Authority Matrix was updated to improve clarity, strengthen governance, and ensure consistent understanding across the organization. The revised framework clearly defines roles, responsibilities, and approval levels for financial and operational decisions.

It supports strong internal controls by ensuring that all significant decisions are approved at the appropriate management level and reviewed by at least two approvers in line with the four-eyes principle. The matrix outlines approval thresholds for the board of the Iskraemeco Group, the board of Iskraemeco, d.d., Executive Directors, the Global Leadership Team, Area Directors, Heads of Sectors and Departments, as well as key functional divisions and business units.

Compliance and integrity are reinforced through mandatory annual trainings, which help employees understand relevant regulations, internal policies and ethical expectations.

In 2025, 97% of employees completed the annual compliance training. This year's training covered four areas: business compliance in general, anti-corruption and anti-bribery activities, human rights protection, equal treatment and non-discrimination.

Specialized trainings on anti-corruption and competition law were delivered to functions identified as having higher exposure to bribery and corruption risks.

Active participation in professional and industry associations is an important part of how we shape and follow best practices. Through memberships and engagement in organizations such as the GZS, ESMIG, DLMS, OMS, G3-PLC, LoRa Alliance, SIST, CIGRE-CIRED, CEN-CENELEC, AmCham, CER and other relevant networks, Iskraemeco contributes to industry dialogue, standardization efforts and sustainability related initiatives. This collaboration allows us to stay closely connected to regulatory developments and future trends in the energy and metering sectors.



Whistleblowing channels and protection

The company follows both the Elsewedy Electric Group whistleblowing policy and its own internal whistleblowing rules. It has established internal mechanisms for reporting and addressing breaches of the Code of Business Ethics and other internal policies. Reports can be submitted anonymously by internal and external stakeholders and are handled by an authorized inter-

nal officer in line with internal regulations and applicable legislation. Confirmed violations are investigated by an internal expert team, and serious cases are reported to the competent authorities where required.

Anonymous channel to raise concerns:
prijavakodeks@iskraemeco.com

Information security and compliance metrics

Metric	Value
Discrimination and harassment incidents	0
Financial fines from public authorities	0
Human rights incidents	0
Corruption incidents	0
Whistleblower reports	0
Percentage of functions identified as being at risk of corruption	8.4%
Information security incidents	30

Trainings – compliance and security

Metric	Value
Number of internal and external security audits	6 (4 internal, 2 external)
Percentage of employees who have completed information security training	98%
Percentage of employees who have completed annual compliance training	97%
Percentage of employees who have completed competition law training and anti-corruption training	100% (61 participants)

1.5

Climate-conscious products and solutions

Through our strategy pillar that focuses on climate-conscious products and solutions, we work to minimize the climate and environmental footprint of our products across their life cycle, while steering innovation toward the green transition of energy systems. Our products and solutions are developed as part of the solution for the evolving

grid, supporting greater flexibility, better integration of renewable energy sources, and more efficient energy management for end users. By providing reliable data, transparency, and practical insights, they help customers better understand and optimize energy use, contributing to lower emissions over time and a more stable grid.

Ecodesign

With each new generation of our products, we systematically integrate ecodesign principles and responsible use of materials.

In 2025, we provided ESG training to all employees and delivered targeted ecodesign trainings for product development and product management teams.

LEAN improvements

In 2025, a new generation of LEAN electricity meters, MT631 and MT691, was developed incorporating ecodesign principles. Design improvements targeted reduced material use, fewer components, simplified assembly, and lower operational energy consumption, while maintain-

ing full functionality and product lifespan. These improvements contribute to resource efficiency and reduced environmental footprint across the product lifecycle.

Ecodesign improvements on the new generation of LEAN meters resulted in up to 38% fewer components, 24% lower product weight, up to 14% less plastics, up to 34% less copper, and 41% lower self-consumption of the meter, while also simplifying assembly and reducing material intensity.

MT691**MT631**

Parameter	MT691	MT631
Product weight	-24%	/
Number of components	-38%	-25%
Plastics in product	-14%	-8%
Copper content	-34%	-19% to -21%
Number of screws	-100%	-40%
Meter self-consumption	-41%	-41%

Product packaging

All Iskraemeco meters are packaged in cardboard packaging that is 100% recyclable and made from recycled material. The cardboard used is FSC Rainforest Alliance certified.

For logistics, reusable wooden Euro pallets and reusable gitter boxes (steel pallets) are used and

returned after delivery, supporting circularity in packaging and transport. In addition, product dimensions are optimized to fit pallets efficiently, allowing maximum use of available transport space and improved logistics efficiency.



Improved packaging procedures

In 2025, new packaging procedures were introduced for LEAN meters, eliminating the need for individual meter packaging. These changes were designed to reduce the use of packaging material and transport-related CO₂ emissions.

For MT631, the new packaging procedures enable a potential reduction of packaging material weight of up to 30 tonnes per year, depending on the applied packaging method. The corresponding potential CO₂-equivalent savings reach up to 20 tonnes CO₂e annually.*

* The figures represent potential savings

4.56 million tonnes of avoided emissions

Products sold in 2025 are expected to avoid 4.56 million tonnes of CO₂e over their lifetime. These savings result from lower electricity use during everyday operation of our smart meters over

their lifetime. In simple terms, once installed, our products help customers use less energy, and that adds up to a meaningful climate benefit well beyond our own footprint.



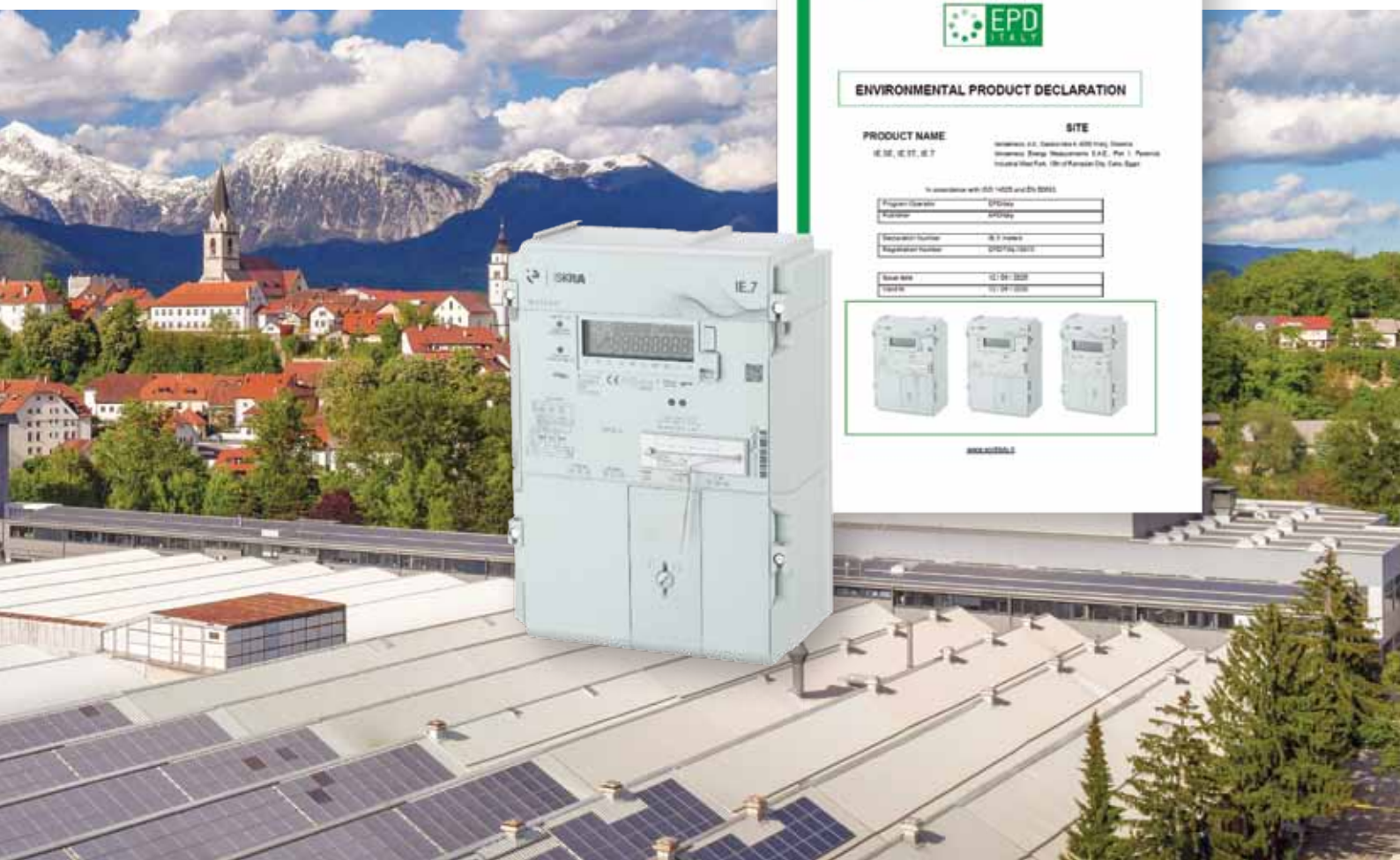
Life cycle assessments and environmental product declarations

In 2025, the company continued assessing the environmental and climate impacts of its products through life cycle assessments (LCAs) and their external verification via environmental product declarations (EPDs).

The EPD was developed in accordance with ISO 14025, based on life cycle assessment methodology defined in ISO 14040 and ISO 14044.

In August 2025, an EPD was obtained for the IE.x family of electricity meters, covering IE.5 single-phase, IE.5 three-phase, and IE.7 meters. The EPD quantifies the products' environmental and climate impacts across their entire life cycle and is used to transparently demonstrate the product carbon footprint.

Target 2026: obtain two additional LCAs for the electricity meter portfolio.







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