ELEKTRO MARIBOR | Annual report 2024

CONNECTED WITH ENERGY.
In contact with people.

Annual report 2024

Powered by future.

The year 2024 is the year of surplus energy – the energy that flows not only through power lines, but also between people. With the largest investment cycle in our history – EUR 53 million – we are not only building infrastructure, but we are weaving a new web of trust, resilience and future. Every meter, every power line, every connection is part of a story that we are writing together – with our employees, partners and customers. Not because we have to, but because we believe: in the power of community, in the importance of cooperation, in the energy that connects.

We're creating a network that thinks. That feels. That's responsive. The network that understands tomorrow's needs and invests today in solutions for tomorrow – digital, sustainable, inclusive. We believe in the energy between us. In what drives the light and what drives people.

Contents

A | BUSINESS REPORT

NETWORK THAT GROWS WITH PEOPLE

Each kilowatt carries a story about a home that lights up, a society that sparkles to life, a community that breathes together. In 2024, our network had 227,360 users connected – and our network grows with the life that surrounds it.

The historically high connectivity capacity and low loss rate confirm that we are investing in a future that is smart, responsive and sustainable. Our network is not just infrastructure – it is energy that flows between people.

227,360
satisfied users

I. INTRODUCTION

SUCCESS BASED ON RESPONSIBILITY

Each number tells an important story – about trust, professionalism and sustainable action. In Elektro Maribor, the year 2024 ended with a profit of EUR 9.1 million.

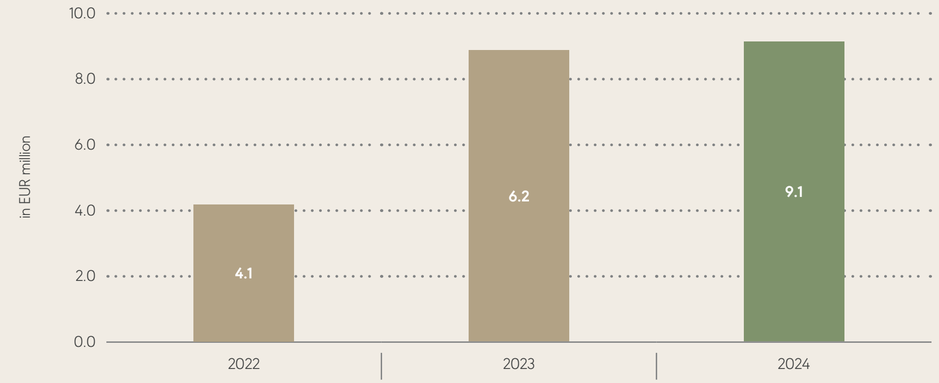
This is 46% more than the year before – a result that speaks not only of success but of responsible management and of a clear vision and thoughtful investments in the network that is developing together with the region.

Net profit or loss in 2024

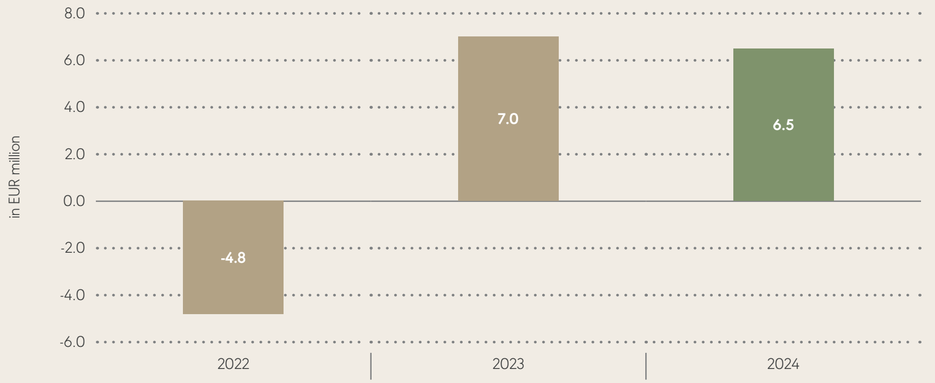
9.1 M€

1 Business Highlights in 2024

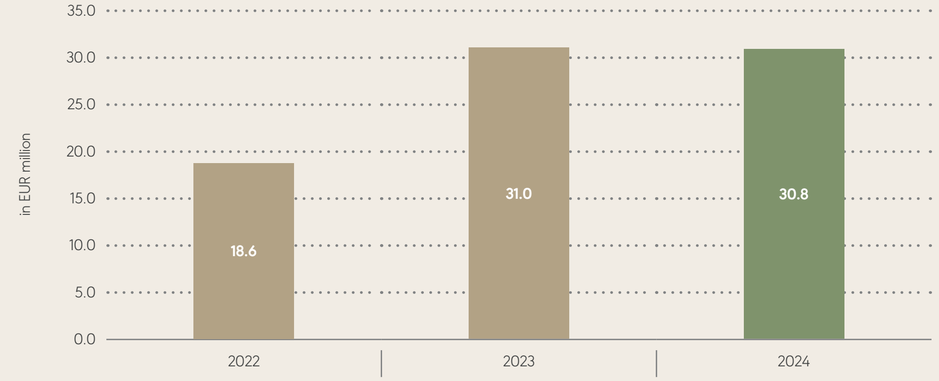
Net profit or loss



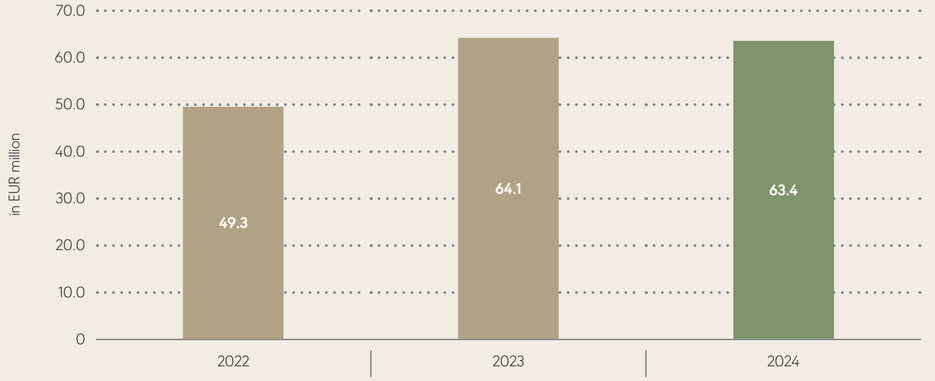
EBIT



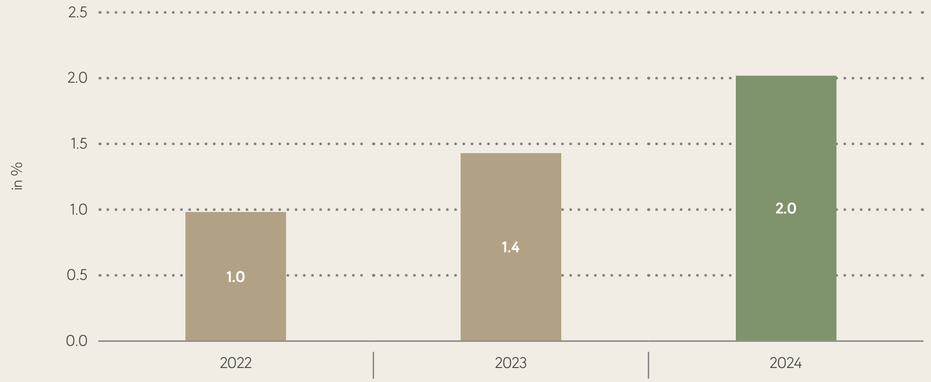
EBITDA



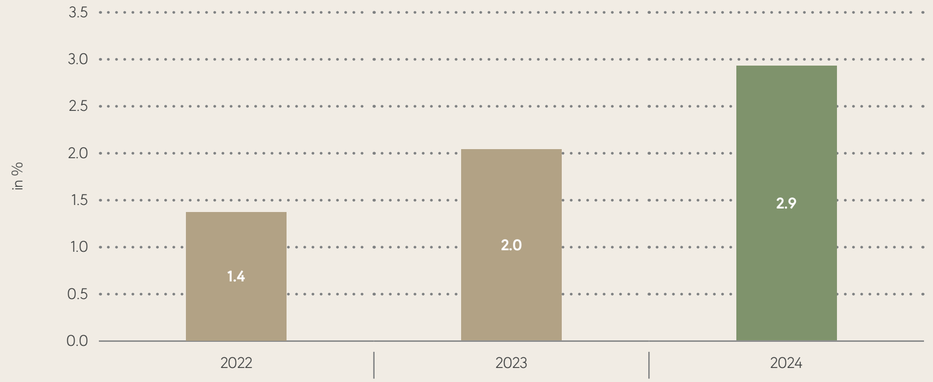
Net revenue from sales



ROA


2.5
2.0
1.5
1.0
0.5
0.0
in %
1.0
1.4
2.0
2022
2023
2024

ROE


3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
in %
1.4
2.0
2.9
2022
2023
2024

Performance indicators of Elektro Maribor d. d.

	2024	2023	2022
Financial indicators			
Net operating result in EUR	9,094,918	6,232,740	4,122,346
Return on assets (ROA) in %	2.05	1.45	0.98
Return on equity (ROE) in %	2.93	2.03	1.35
EBIT (Earnings from operations) in EUR	6,454,755	6,965,316	-4,812,087
EBIT margin (EBIT/operating income) in %	6.73	7.85	-6.88
EBITDA (EBIT + depreciation) in EUR	30,836,832	30,988,621	18,641,647
EBITDA margin (EBITDA/operating income) in %	32.14	34.92	26.64
Total revenue in EUR	101,055,921	89,334,924	79,912,718
Operating income (gross operating income) in EUR	95,951,040	88,738,588	69,974,196
Net turnover in EUR	63,408,218	64,085,345	49,307,919
Value added in EUR[1]	68,015,564	64,518,816	49,382,650
Value added per employee in hours in EUR	85,875	82,638	63,483
Total costs and expenditure in EUR	91,539,238	82,969,532	76,180,248
Operating costs and expenses in EUR	89,496,285	81,773,272	74,786,283
Assets as at 31 December in EUR	462,891,609	435,276,168	423,257,525
Capital as at 31 December in EUR	315,060,181	308,062,518	305,456,722
Own resources as % of liabilities to own resources	68.06	70.77	72.17
Financial liabilities / EBITDA	2.56	2.23	3.26
Net financial debt in EUR[2]	62,266,540	57,052,209	46,005,240
Net financial debt / EBITDA	2.02	1.84	2.47
Staff			
Number of employees as at 31 December	775	767	765
Average number of total employees based on hours[3]	792.03	780.74	777.89

[1] Value added = operating revenue – cost of goods, materials and services – other operating expenses
[2] Net financial debt = non-current financial liabilities + current financial liabilities – current financial investments – cash.
[3] Number of hours worked / annual quota of total hours

Core activity indicators of Elektro Maribor d. d.

	2024	2023	2022
Core activity indicators			
Investment in EUR	53,086,311	37,187,580	28,800,899
CAPEX[4] as % of net sales	83.72	58.03	58.41
Distributed electricity in MWh	2,164,699	2,177,161	2,282,042
Number of users (consumers and producers)	227,360	225,955	224,450
Mwh distributed per number of customers	9.52	9.64	10.17
SAIDI (own causes)	81.08	152.94	26.31
SAIFI (own causes)	1.52	2.29	0.87
MAIFI	9.72	14.47	7.88
% of distributed energy losses*	4.50	4.69	4.52
OPEX[5] regulated activity per energy distributed (EUR/MWh)*	26.60	25.69	22.47

[4] CAPEX = capital expenditure.
[5] OPEX = operating costs and expenses (cost of goods, materials and services, labour costs, write-downs, other operating expenses).

Tatjana Vogrinec Burgar,
Univ. Dipl. in Law

2 Address by the President of the Management Board

"In 2024, Elektro Maribor ended the year with a profit of EUR 9.1 million, which is 46% more than in 2023. In 2024, thanks to the hard work of all our employees, we achieved the highest investment in the company's history of EUR 53.1 million, which is 43% more than in 2023 and 4% more than planned. In the face of increasingly intense and frequent extreme weather conditions, we are constantly working to systematically increase the resilience of the medium- and low-voltage network by laying underground medium- and low-voltage lines and by insulating overhead medium- and low-voltage lines", said Tatjana Vogrinec Burgar, President of the Management Board.

Electricity is the energy of the 21st century, which drives our daily lives and our economy.

For Elektro Maribor d.d. the year 2024 was full of turning points and important achievements, which strengthen us on our way to the realisation of our long -term goals. In this way, we have, among other things, deepened our cooperation with the University of Maribor, thereby further strengthening our presence and important, visible work in Maribor, which marks 141 years since the city's first electric light was lit, in the region we take care of with a quality, reliable and safe supply of electricity that drives our daily lives and our economy.

In addition, as a key institution in our environment, we have been actively introducing new technologies this year, which enable even better network monitoring and management. In doing so, we lay the foundations for the expansion of our services in the field of renewable energy sources, which directs us towards a sustainable future.

Our employees are the most important building block of success

On the way to the today's success, Elektro Maribor d.d. has been built by many generations of dedicated and committed employees. Their enthusiasm and affiliation fostered company's sustainability and development over the decades.

Our strategic goal is to make Elektro Maribor d.d. by 2029 one of the most modern distribution companies in Slovenia. This is not just a vision, but a commitment to create the conditions for sustainable energy development through innovation, expertise and integration. In doing so, we strive to improve efficiency, optimise processes and involve employees even more closely in shaping the future of Elektro Maribor d.d.

In 2024, we initiated the processes of reorganization, systemization, creation of a competency model and renewal of work processes. We realize all this in cooperation with the social partners - the representative trade unions and the workers' council - and of course with all employees. We are entering the new financial year renewed and ready for the challenges of the future.

Our vision is to establish a flexible, competent and modern organization that will successfully keep pace with rapid changes in the energy sector. It is important that every stakeholder of our company recognizes their role in this story, because only with the shared strength and connection will we achieve the goals we have set.

Providing operation, maintenance and development of the electricity distribution system

We manage operation, maintenance, development, upgrade and modernization of the electricity distribution system in the territory which includes the majority of northeastern Slovenia. Our priorities are reliability, safety and quality of electricity supply, which is achieved by constantly investing in the upgrade of infrastructure and introduction of advanced technological solutions. By systematically increasing network resilience and optimizing management, we strive to effectively face the challenges of modern energy and to provide sustainable development for the future.

High volume of investment in the upgrade and modernization of the network

In 2024, we achieved significant investment success, realising investments worth EUR 53 million, which exceeds the planned value by 4% and is 43% higher than in the previous year. Although investments in 110 kV facilities were lower than planned, we successfully replaced the deficit with higher investments in the medium voltage (MV) and low voltage (LV) segment.

We are systematically increasing the resilience of the medium- and low-voltage network by laying underground low- and medium-voltage cables and insulating overhead low- and medium-voltage cables. In 2024, as much as 59% of all investments were earmarked to improve network resilience, in order to provide a more reliable and safer electricity supply in the future.

In 2024, as part of the network upgrade, we carried out numerous investment projects to significantly strengthen the resilience and capacity of the distribution system. We laid 69.3 km of medium-voltage (MV) cable lines and restored or reconstructed 58.9 km of overhead MV cables. Further, we laid 204.3 km of low-voltage (LV) cable lines and restored or reconstructed 43.7 km of overhead LV cables.

In concern of the network stability, replacement or restoration of 5418 towers - 1393 on MV nework and 4025 on LV network - was also carried out. By constructing new MV/LV transformer stations and establishing new 110 kV connections, we strive to increase network strength and improve voltage conditions, which enables more efficient fulfilment of increased electricity use. In this context, we built 48 new transformer stations.

These achievements are an important step towards the modernization of the distribution system and the greater reliability of supply.

Successful realisations of infrastructure projects

The year 2024 was extremely successful for Elektro Maribor d.d. in the field of infrastructure projects, which significantly contribute to improving the resilience and reliability of the network. Our efforts to modernize the distribution system are reflected in many infrastructure achievements, including four major projects.

One of them is the reconstruction of substation 110/20 kV Ormož and substation 110/20 kV Rače, where the renovation is already successfully completed. We also started preparing for renewal of substation 110/20 kV Lenart and substation 110/20 kV Ljutomer. We have obtained all key contracts for both structures, some of the secondary equipment has already been delivered, and we are currently preparing timetables to commence works in 2025.

In addition to these important projects, we have significantly increased the number of new transformer stations (TS) and reconstructions. In 2024, we put up 48 new transformer stations and reconstructed as many as 177 existing ones, which represents significant progress in providing stable and quality electricity supply.

We also focus on the restoration of low voltage (LV) networks and medium voltage (MV) cables throughout the supply area, with a significantly more renovation work than in the previous year. Particular attention is paid to sections where downtime occurs, systematically looking for optimal solutions according to priorities.

Successfully completed sale of the property share of the market activity or Energy plus d.o.o.

In accordance with the expectations of the Slovenian Sovereign Holding (SSH) regarding the disinvestment of assets and activities that are not directly related to the provision of public utility services (PUS) of the electricity distribution operator, Elektro Maribor has successfully implemented the sales of a business share in the subsidiary Energija Plus d. o. o. The sale of the remaining 49% of the business interest was successfully completed on 18 December 2024, when a contract for the sale and purchase between Elektro Maribor d. d. as the seller and the company Holding slovenske elektrarne d. o. o. as the buyer. Thereby, Holding slovenske elektrarne d. o. o. became the sole shareholder of Energija plus d. o. o.

With all these processes, however, we must never forget our core values: responsibility, quality and connection. A good working climate and a sense of belonging are the ones that lead us through the challenges and bring pleasure in successful work. Our strength is not only in technology, but above all in people - in their expertise, determination and commitment to a common goal. We will continue to build on the foundations laid in the past, and eliminate challenges on the joint path, carrying out the necessary improvements and renovations.

President of the Management Board
Tatjana Vogrinec Burgar, Univ. Dipl. in Law

3 Important Events

3.1 IMPORTANT EVENTS IN 2024

The importance of sustainability and progress in 2024 for Elektro Maribor d.d.

The year 2024 was a year of exceptional progress and innovation for Elektro Maribor d.d.. At a time when the energy sector is globally exposed to significant challenges, the company has put the sustainability and reliability of energy supply at the center of its operations. The adoption of the sustainable development strategy for the 2024 - 2028 period is not only a step towards better resource management, but also a commitment to creating a sustainable future based on responsible energy, environment and human resources management.

An important milestone is represented by investments in electricity infrastructure, with key projects such as substation Ormož, Rače, Lenart and Ljutomer, strenghtening the network and providing greater capacity. The total value of the investments exceeded expectations, which clearly indicates the commitment of the company to the long-term development of the network and the involvement of green technologies. Increased network capacity with an additional 94.6 km of underground lines and construction of 48 new transformer stations are proofs of our progress.

In 2024, Elektro Maribor d.d. also succeeded in obtaining significant funding from the Recovery and Resilience Plan (RRP). The grant of EUR 17.4 million will continue to enable further expansion and upgrade of the electricity distribution network, which is crucial for supporting the green passage of Slovenia. These funds are the result of firm cooperation with various stakeholders, including the state sector, and strategic guidelines of the company.

In 2024, we focused on improving energy efficiency and reducing network losses. Further reduction of the proportion of electricity losses to 4.5% indicates how effectively the company controls its systems and processes. What was important in this context was the introduction of a new tariff system, which contributes to greater transparency and fairness in the use of the network.

The key/most important events of the company are:

- **Adoption of the Sustainable Development Strategy**
- **Acquisition of financial resources to finance investments (long-term loan, RRP grants) and realisation of record investments**
- **The sale of the share in Energija plus d.o.o.**
- **Elimination of delays in issuing connection consents**
- **Successful implementation of the new network charge based on the new tariff system**
- **Start of the reorganisation activities**

"Today is an important day for the Slovenian energy industry, as Elektro Maribor is embarking on a common development path with the University of Maribor and its members. Together, we will contribute to the future development of energy in the wider region and thus be able to cope with the most challenging development projects that lie ahead. All in the name of providing our customers with a reliable and modern supply of electricity and a better quality of life," emphasised the President of the Management Board of Elektro Maribor, Ms. Tatjana Vogrinec Burgar.

Partnerships also play an important role in progress, especially with the University of Maribor, with having strengthened connections in the field of green passage and lifelong learning. These collaborations enable new knowledge and enhance the innovation needed to face future energy challenges.

Among the key events in 2024, we should not overlook the ISO assessment, which the company has successfully passed without any inconsistencies, which confirms the high standards that Elektro Maribor d.d. Has been maintaining in terms of business quality. In addition, a number of technological upgrades have been carried out, such as the expansion of digital infrastructure, which contributes to greater operational efficiency and network reliability.

The success of all these initiatives and projects is closely linked to the involvement of stakeholders who have made a key contribution to the achievement of the goals of the company. Sustainable business, network reliability and involvement of modern technologies are the result of cooperation between employees, partners, local communities, the state and end users.

Therefore, 2024 was a year of breakthroughs and important achievements for Elektro Maribor d.d. Key movements in investing in sustainable technologies, improvements to energy efficiency and the introduction of advanced digital solutions have laid solid foundations for the future based on green energy and technological innovation.

In this respect, the role of stakeholders was crucial. Without coordinated cooperation between employees, local communities, state institutions and business partners, successes in 2024 would not be possible. Successful involvement of different interest groups in the process of transforming the company and achieving sustainable goals is a proof that Elektro Maribor d.d. is a company that operates transparently, inclusive and with the vision of the future.

Improvements in the field of information security and the introduction of new measuring systems for better network management are just additional evidence of how the company follows the latest trends and technologies, providing the safety, stability and efficiency of the electricity system.

Performance excellence was also confirmed by a platinum credit rating, which we received for the third year in a row, which ranks Elektro Maribor d.d. as one of the most reliable business entities in Slovenia. This recognition reflects the commitment of our company to high business standards, responsible financial operations and long-term performance.

This makes 2024 a year for Elektro Maribor d.d. that will mark the future of energy in Slovenia. By integrating new technologies, innovative partnerships and a firm commitment to sustainable development, the company is opening the door to new opportunities that will ensure energy stability, sustainability and performance for the coming decades.

3.2 REVIEW OF EVENTS BY MONTHS

In this chapter, we present highlights in 2024 by months. We are extremely proud of the things we have achieved, everything we have created with our partners, employees, owners, our customers and the environment in which we function.

JANUARY

The new Slovenian Accounting Standards (2024)

In 2024, we started applying the new Slovenian Accounting Standards (2024) adopted by the Expert Council of the Slovenian Institute of Auditors on 15 November 2023 and are in force since 1 January 2024.

The achievement of key strategic objectives in the field of green transition depends on the modernisation and adaptation of the electricity distribution network to the needs of users and the effective integration of modern energy solutions. The new Sustainable Development Strategy of Elektro Maribor 2024-2028 lays the foundations for realising investments in the upgrade and modernisation of the network.

FEBRUARY

Sustainable Development Strategy

In 2024, Elektro Maribor d.d. embarked on a path of an amazing breakthrough with clear goals that pursue a vision of a sustainable future. With the new strategy for sustainable development for the 2024-2028 period, we have put key pillars at the forefront in order to guide is to build an advanced electricity distribution system. We are not only focused on infrastructure, but also on the development of people - we know that without motivated, healthy and competent employees, such ambitious goals cannot be achieved. We have adopted all the necessary steps in order to transparently and effectively manage a safe, reliable and sustainable distribution system that will be able to cope with future challenges. Our commitment is clear - not only successful business, but also the development of a wider social environment, which we co-create with our stakeholders.

We are proud of the successful tender for co-financing distribution transformer stations in cooperation with the Ministry of the Environment, Climate and Energy, which was completed in February, and the construction of distribution networks, which enables us to further expand the network in the coming years.

MARCH

ISO audit

We have continued to improve our standards. An external review of the Slovenian Institute of Quality and Metrology (SIQ) has confirmed the flawlessness of our integrated management systems, which further strengthened our commitment to continuous improvements.

The beginning of reorganisation

We have also taken an important step in the field of reorganization – with the activities regarding the renovation of the systemization, in line with the business plan of our activities, we have laid the foundations for faster development and greater competitiveness of the company in the labour market. Our commitment to constant improvement is the foundation of our success.

Provision of financial resources

Financial stability and long-term development of the company are extremely important to us. To this end, we have signed a loan agreement of EUR 36 million, which will enable the financing of key investments. We also concluded an extraordinary loan contract of EUR 3 million for additional maintenance of liquidity.

APRIL

The Recovery and Resilience Plan (RRP)

NAČRT ZA OKREVANJE IN ODPORNOST | Financira Evropska unija NextGenerationEU

We reached an important milestone in April when we signed a contract with the Ministry of the Environment, Climate and Energy for a grant of up to EUR 4.8 million under the Recovery and Resilience Plan (RRP). These investments will allow the realization of projects planned by 2026 and ensure further expansion of our infrastructure.

8th Strategic Electricity Distribution Conference

In April, representatives of the five Slovenian electricity distribution companies organized the 8th strategic electricity distribution conference of Slovenia, where domestic and foreign experts highlighted the challenges of sustainability and technological development we have to cope with in achieving the green transition. Together, we built a vision of a more sustainable future in which the energy industry plays a key role.

Representatives of the five Slovenian electricity distribution companies have joined forces again and organised the eighth Strategic Electricity Distribution Conference in Slovenia. At this year's conference entitled 'Distribution for environmental sustainability and technological development', foreign and Slovenian guests focused on sustainability and the related challenges facing in achieving our green transition objectives.

Commemorating the beginning of electrification in Slovenia

It is with a distinct pride that we celebrated the 141st anniversary of the first electric light in Maribor. This turning point in the history of electrification in Slovenia reminds us of the pioneering spirit that we still carry in ourselves today. Only four years after Edison's invention of the bulb, the Maribor entrepreneur Karl Scherbaum, the owner of a large steam mill, in his business and residential premises and at the Castle square in Maribor, added a Siemens dynamo and electrical wiring with 36 Edison filament lamps. Thus, this was the first time that an electric light bulb brought light to Maribor, Slovenia and this part of Europe.

MAY

Employee Day

In addition to these historical turning points, we especially focus on our colleagues. In Ptuj we organized an employee day, which was attended by the largest number of employees so far (almost 500). They participated in various sports activities and further strengthened their connection as a team. We are a company that believes that employees are our greatest power.

Aid to humanitarian organisations

In May, Elektro Maribor d.d. awarded donations to three local humanitarian organizations in Murska Sobota. It is the first in a series of donations the company has been awarding in its supply area for thirteen years, by helping the most vulnerable individuals and families, in cooperation with local humanitarian organizations.

JUNE

Connection consent

We have resolved all the delays in issuing consents for connection of individual and community self-sufficiency, thereby contributing to the country's greater energy self-sufficiency.

Renewal of network charges

The Energy Agency council has decided to postpone the application of the renewed network charge from 1 July 2024 to 1 October 2024. The methodology and tariff items for all user groups remained unchanged.

Payment of dividends

We are also aware of the importance of financial transparency, so we paid the shareholders the rest of the balance sheet profit in 2021 in the amount of EUR 1.7 million, thus continuing our commitment to responsible business.

31st Ordinary General Meeting of the company Elektro Maribor d. d. 28 June

On 28 June 2024, the shareholders of Elektro Maribor d.d. met at the 30th Ordinary General Meeting of the company, where 85.46% of the share capital was represented.

The General Meeting took note of the audited annual report and the audited consolidated annual report of the company and the Group for 2023, together with the auditor's opinion and the written report of the Supervisory Board on the verification and approval of the audited annual report of Elektro Maribor d. d. and the Elektro Maribor Group for the financial year 2023, as well as the remuneration of the members of the Management and Supervisory Board received for their performance of their duties in the company in 2023. The General Meeting voted for the proposal to use the balance sheet profit of EUR 2 million to pay dividends. The General Meeting granted a discharge for the financial year 2023 to the President of the Management Board and members of the Supervisory Board of the company, and took note of the Remuneration Policy for management bodies in the company and in a Elektro Maribor Group subsidiary.

JULY

Platinum Creditworthiness Rating of Excellence

Our responsibility to all stakeholders is always at the forefront, which is also confirmed by our platinum creditworthiness rating. The Platinum certificate is only awarded to companies that achieved the Gold AAA creditworthiness rating for three consecutive years. Certificate holders deliver exceptional business performance, representing the most reliable, credible and low-risk business entity to cooperate with all business partners.

110 years of public electricity distribution service in Maribor

In 2024 we have been celebrating 110 years, since we have been striving to provide continuous electricity supply in Maribor. The Maribor City Council adopted a contract on the supply of electricity with the Styrian electric company in Graz on 15 July 1914. The contract envisaged that the municipality would build an electric distribution line in the city and take care of the sale of electricity. Therefore, the same year they organized a special urban service that began to build an alternating electrical distribution network in and its surroundings.

SEPTEMBER

Agreement on cooperation between Elektro Maribor d.d. and the University of Maribor

We signed an agreement on cooperation between Elektro Maribor d.d. and the University of Maribor. In doing so, we have further strengthened our role in the process of green passage and lifelong learning because we are building a sustainable future with you and for you.

The Recovery and Resilience Plan (RRP 2)

The Ministry of the Environment, Climate and Energy has published another public tender for co-financing distribution transformer stations and the construction of a low-voltage distribution network for the period 2023 to 2026 (hereinafter also RRP 2).

Payment of dividends

On the basis of the Decision of the 31st General Meetings of Shareholders of Elektro Maribor d.d., on 27 September 2024 we paid dividends for 2023 in the amount of EUR 2 million or EUR 0.05 gross per share.

OCTOBER

A new method of network charge

As of 1 October, we introduced a new tariff system that represents a turning point in the network charge. Our services thus become even more transparent, just and tailored to the needs of modern users. This step means that through careful planning and flexibility we strive to ensure financial stability while maintaining access to key energy infrastructure. The introduction of new methodologies and tariffs is a reflection of commitment to ensuring justice and efficiency in energy distribution, which represents significant progress for all users of our system.

Annual Business Plan of Elektro Maribor d.d. for 2025 with performance projection for 2026 and 2027

On 10 October, the Supervisory Board of Elektro Maribor d.d. gave its consent to the annual business plan for 2025, which also includes performance projection for 2026 and 2027. This has set clear goals and guidelines for further growth, development and optimization of our services and processes in the coming years. Our vision encompasses the continuous improvement of efficiency, investments in sustainability and innovation, and further strengthening of our role in the energy sector.

NOVEMBER

The Recovery and Resilience Plan (RRP 2)

November was a period of major shifts, because we timely sent an application for obtaining EUR 11.4 million from RRP 2. With this application to the Ministry of the Environment, Climate and Energy, we made another important step towards providing funds to support our strategic goals. These funds will allow the infrastructure upgrade and even better support to our role as one of the key players in the green passage of Slovenia.

DECEMBER

Job reorganization and job systemisation

December was dedicated to significant internal changes. With 1 January 2025, two key new rules are entered into force - organization policy and job systematization policy. With these changes, we have laid a solid foundation for a more efficient, transparent and targeted work organization. Our reorganization is aimed at faster adapting to market changes, even more effectively fulfilling the needs of our stakeholders - especially users and employees - thus building a company that is ready for the challenges of the future.

Tatjana Vogrinec Burgar: Moreover, we are entering the new year with a newly organized company, having carried out the reorganization of the company in recent months with a new systematization, the establishment of a competence model, in which both social partners, the representative union and the workers' council were intensively involved. It is because we want our employees, who are the highest value of Elektro Maribor, to be motivated and ambitious. We want them to be part of the environment in which they operate and friendly and accessible to people. They are the most important building blocks of our reputation in the society.

Sale of the business share in the company Energija plus d. o. o.

In 2024, Elektro Maribor d. d. was intensively implementing activities for the sale of the remaining 49% stake in the subsidiary Energija plus d.o.o. The sale was successfully completed on 18 December 2024, when a contract for the sale and purchase of shares in Energija plus d. o. o. was signed in Maribor between Elektro Maribor d. d. as the seller and Holding Slovenske elektrarne d. o. o. as the buyer, thereby also becoming the sole shareholder of Energija plus d. o. o..

3.3 SIGNIFICANT BUSINESS EVENTS AFTER THE END OF THE FINANCIAL YEAR

Company organisation

As of 1 January 2025, the new organisation of Elektro Maribor d.d. and the new job systemisation came into force. This helps us better achieve the strategic objectives of the company and contribute to its development.

The Recovery and Resilience Plan

In February 2025, the Ministry of the Environment, Climate and Energy issued a decision on the allocation of grants under RRP 2 for the project construction of distribution transformer stations and LVN in the 2023-2026 period, thereby receiving up to EUR 11.4 million.

4 Presentation of Elektro Maribor d. d.

4.1 BASIC COMPANY INFORMATION

We are part of the electricity system of the Republic of Slovenia and one of the five key companies for electricity distribution. We are aware of our responsibilities, sustainably managing, maintaining and developing a distribution system, which is the heart of our activity. In our role of an operator, we provide a reliable and quality electricity supply, in a way that is environmentally friendly and safe for all our users. Our concern is directed to realizing the needs of users as well as to meeting the expectations of shareholders, other stakeholders and the wider society. We take into account social and environmental aspects of business. We believe in the power of people, so we create a work environment that enables employees to develop and realize their abilities.

Identity card of Elektro Maribor d. d.

Name:	ELEKTRO MARIBOR, podjetje za distribucijo električne energije, d. d.
Short name:	Elektro Maribor d. d.
Headquarters:	Vetrinjska ulica 2, 2000 Maribor
Registration number:	5231698
Tax number:	46419853
Share capital:	EUR 203,932,512
Entry in the court register:	District Court in Maribor, insert 1/00847/00
Main activity code:	D 35.140 Distribution of electricity
Supply are:	North-eastern Slovenia
Size of the company according to ZGD-1:	Large company
President of the Management Board:	Tatjana Vogrinec Burgar
Call centre toll-free numbers:	080 21 05 (24-hour service for reporting network faults and disruptions) 080 21 01 (general information)
General email address:	*info@elektro-maribor.si*
Website:	*www.elektro-maribor.si*
Web portal for network users:	*mojelektro.si*

4.2 ACTIVITIES OF THE COMPANY

Our main activity is the distribution of electricity to business and household customers in the north-eastern part of Slovenia, where we cover the area of 3,992 km^2, which represents about a fifth of the country's surface area. This area is our home where we are committed to providing reliable energy supply.

In addition to the regulated activity, we also carry out other services that are necessary for the existence and for the exercise our core activity. We are the leading providers of electrical installation work in the region, with the demand for our services proportional to the investments in the economy and the development of infrastructure. Our work is the foundation of any progress in the region, as we use energy to revive infrastructure and enable development.

4.3 COMPANY ORGANISATION

In 2024, the company Elektro Maribor d. d. was organised in three areas:

- distribution,
- service,
- finance, economics and procurement.

Within the distribution and service areas, the regional and service units have been organised and coordinated in such a way that the areas are jointly managed by a single director for the distribution and service areas.

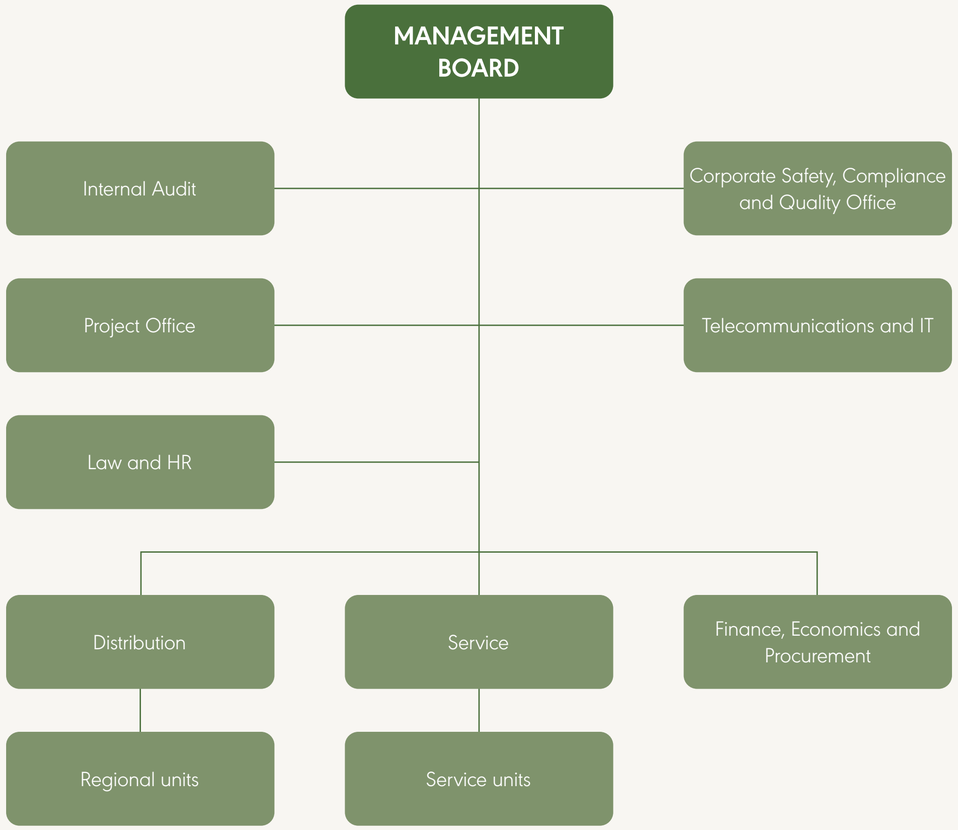
Reorganisation

The year 2024 was groundbreaking, as we started implementing a strategic project of reorganization of the company. Our goal is clear: to set the optimal organization of the company that enables the smooth implementation of the public economic service in the area of electricity distribution, to increase competitiveness according to changes in the labour market, and to effectively coordinate the needs of the company with the potential of employees. We put our people at the forefront, as they are the ones that allow our success.

The reorganisation process continued throughout 2024. We started with the conceptual design of the reorganisation, followed by a description of the jobs and the necessary competences for each role. The cooperation with the external contractor and the social partners – the trade union and the workers' council – was challenging but successful. Together, we have transformed the system, which now allows for greater transparency, efficiency and, above all, long-term performance.

The result of this extensive work was achieved on 6 December 2024, when we adopted new regulations: the Rules on job organisation and job systematisation, the Guide for the Use of the Competence Model and the update of the Corporate Collective Agreement. These rules entered into force on 1 January 2025, when all employees received new employment contracts. Our new organisational structure reflects progress, readiness for the future and a commitment to continuous improvement.

Organisational structure of the company Elektro Maribor d. d. as at 31 December 2024



4.4 CORPORATE GOVERNANCE OF ELEKTRO MARIBOR D.D.

Our management is based on a two-tier system of governance, consisting of a six-member supervisory board and a one-member management board. The Supervisory Board is composed of four shareholder representatives and two employee representatives, which ensures balance between the interests of various stakeholders.

The Management Board, headed by the President Tatjana Vogrinec Burgar, has a four-year term of office with the possibility of reappointment. Her mandate is marked by decisive leadership and strategic direction of the company.

As the President of the Management Board, Tatjana Vogrinec Burgar and her team set up an ambitious vision in 2024 for the transformation of Elektro Maribor d.d. into one of the most modern energy companies in Slovenia. Its guiding principle is sustainable development, which is also confirmed by the adopted strategy for sustainable development by 2029. Its impact on the company's development did not remain unnoticed – in 2025, the Managers' Association of Slovenia presented her with the prestigious ARTEMIDA award for excellent and efficient management of the company. Her vision, strategic cooperation and perseverance have allowed the company to stand today as a model of sustainable business and the involvement of stakeholders in development.

The Artemida award received by the President Tatjana Vogrinec Burgar, symbolizes our collective success, as it is based on the efforts of the entire team. Its emphasis on ethics, teamwork and expertise is a guideline that we will continue to follow on the way to the energy future.

4.5 OWNERSHIP STRUCTURE

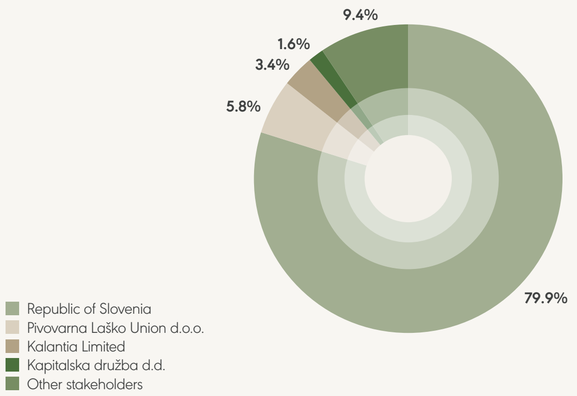
At the end of 2024, we recorded a slightly smaller number of shareholders, because the number of shareholders decreased by 6 in the share register, which represents 1.1% less than at the end of 2023. Nevertheless, the structure of our shareholders did not change – the Republic of Slovenia remains our largest shareholder. We should note, though, that as at December 2024 the Management Board and members of the Supervisory Board of Elektro Maribor d.d. did not own any shares of the company. This further emphasizes our commitment to transparent and responsible management of assets.

The share capital of Elektro Maribor d. d., amounting to EUR 203,932,512, is divided into 33,345,302 ordinary registered bulk shares EMAG. Elektro Maribor d. d.'s shares have been listed on the SI ENTER market since 2017, in the Enter Basic segment of the stock market.

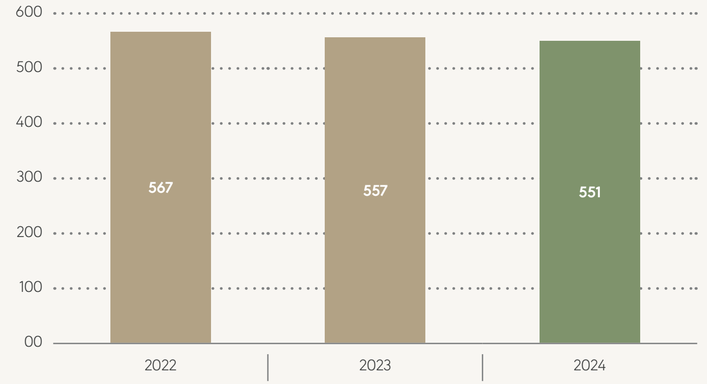
Management Board of Elektro Maribor d. d.

Name and surname	Function	First appointment	Termination of office/term of office
Tatjana Vogrinec Burgar	President of the MB	1 Aug 2023	1 Aug 2027

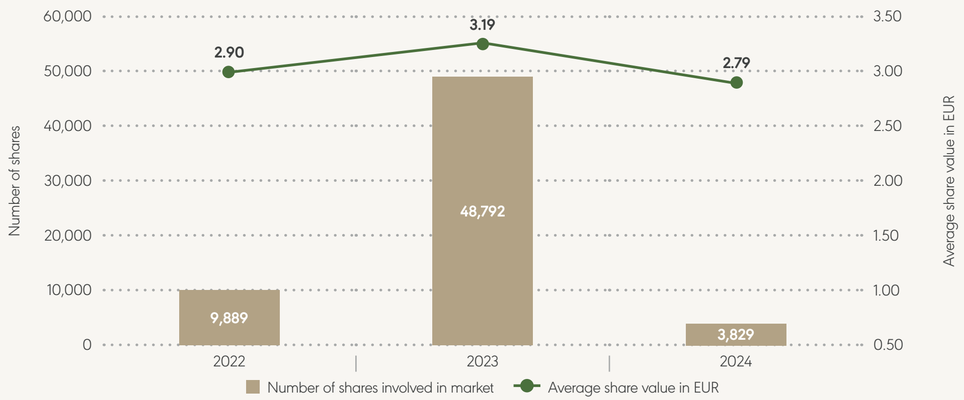
Shareholder structure of Elektro Maribor d. d. as at 31 December 2024



Movement in the number of shareholders of Elektro Maribor d. d. (year end)



Trading in shares of Elektro Maribor d. d.



4.6 ASSOCIATED COMPANIES

The subsidiary OVEN Elektro Maribor d.o.o. and the jointly controlled company Eldom d.o.o. are classified as small companies according to the criteria of the Companies Act (ZGD-1). Because of their size and influence, they are not material to the presentation of the financial position of the parent company. Therefore, in accordance with the legal provisions and the decision of the company's management, we no longer draw up consolidated accounts. Our business remains focused on our core mission – reliable electricity distribution.

Associated companies (year end 2024)

Company	Activity	Shareholding of Elektro Maribor d. d.
OVEN Elektro Maribor d. o. o., Vetrinjska ulica 2, Maribor	Electricity production	100.00%
Eldom d. o. o., Obrežna ulica 170, Maribor	Management services of real estate on a fee or contract basis	50.00%
Moja energija d. o. o., Jadranska cesta 28, Maribor	Electricity production	33.33%
Informatika d. o. o, Vetrinjska ulica 2, Maribor	Data processing, hosting and related activities	24.10%

5 Corporate Governance Statement

In accordance with the provisions of Article 70, paragraph 5 of the Companies Act (ZGD-1), Elektro Maribor d.d. hereby submits a corporate governance statement, which forms an integral part of this financial report and is available on the Company's website www.elektro-maribor.si. The Corporate Governance Statement covers the period from 1 January 2024 to 31 December 2024.

5.1 CORPORATE GOVERNANCE CODES – STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE CODES

In 2024, Elektro Maribor d.d. used the Corporate Governance Code for State Invested Enterprises adopted by Slovenski državni holding d. d. (date of revision: December 2023, entry into force: 1 January 2024) as a reference governance code[6]. In 2024, the company observed the provisions of the code it its management, but it deviated from the following recommendations:

- Principle 3.8.3 and principle 3.8.4: it is partially observed. The company has a Diversity Policy in place, which is taken into account in nomination procedures. However, the Diversity Policy does not specify criteria related to diversity aspects, and there are no clearly defined criteria for the preference of a more qualified candidate of the opposite gender for new appointments to management or supervisory bodies. The policy will be renewed in 2025.
- Principle 4.2.5: it is partially observed. Two members of the Supervisory Board were present and available for questions from shareholder's at the General Meeting.

Elektro Maribor d.d. also follows the Code of Corporate Governance for Non-Public Companies – Advanced Level, prepared in May 2016 by the Ministry of Economic Development and Technology of the Republic of Slovenia, the Chamber of Commerce and Industry of Slovenia and the Association of Supervisors of Slovenia, as a reference.[7] In 2024, the company observed the provisions of the code it its management, but it deviated from the following recommendations:

- Principle 6.5: it is observed partially. According to the Company's Articles of Association, adopted at the Company's General Meeting, the management board has one member only.

The Management Board and the Supervisory Board of Elektro Maribor d.d. take into account the Recommendations and Expectations of the Slovenian State Holding Company in the management of the Company (date of revision: December 2023)[8]. In 2024, the Company observed the Recommendations and expectations of the Slovenian State Holding in its management, but deviated from the following recommendations:

- Principle 4.4: it is observed partially. Payments to employees are made in accordance with the provisions of the entrepreneurial and industry collective agreement published on the company website.
- Principle 14.1: it is observed partially. In 2025, the Compliance and Integrity Officer will report directly to the management board.

In its business activities, Elektro Maribor d.d. constantly strives to improve its corporate governance practices, including proactive communication with various stakeholders.

[6] The Code of Corporate Governance for Companies with State Capital Investment is available on the website of the Slovenian Sovereign Holding *www.sdh.si.*
[7] The Corporate Governance Code for Non-Public Companies is available on the website of the Slovenian Chamber of Commerce and Industry *www.gzs.si.*
[8] The recommendations and expectations of Slovenian Sovereign Holding are published on the website of Slovenian Sovereign Holding (SDH d. d.) *www.sdh.si.*

5.2 DESCRIPTION OF THE MAIN FEATURES OF THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

Elektro Maribor d.d. manages risks and implements internal control procedures at all levels. The risk management system ensures the identification and assessment of significant risks, the definition of risk management measures and risk reporting. The internal control system provides reasonable assurance that objectives are being achieved and that key risks are being managed. The responsibility for establishing the operation of the internal control system rests with the Company's management, and the controls are embedded in business processes and systems.

The objectives of internal control are to ensure compliance with legislation and other regulations, standards, contracts and the Company's internal rules, to provide reliable and integrity accounting information, to safeguard assets, to achieve efficiency and effectiveness of operations and to achieve the set strategic objectives.

Internal controls are monitored through management supervision, internal audit reviews, external audit of the financial statements and other independent assessments. The Risks section of this Annual Report details the risk management and control mechanisms in relation to the assessment of each type of risk.

The Management Board and the Supervisory Board are of the opinion that the current system of internal controls at Elektro Maribor d.d. in 2023 ensures the effective and efficient achievement of business objectives, compliance with legal provisions and fair and transparent reporting in all material respects. The Supervisory Board and the Management Board are committed to continuous improvement of the Company's internal control system.

The Company's management is responsible for keeping proper accounting records and for establishing and ensuring the functioning of internal control and internal accounting controls, selecting and applying accounting policies and safeguarding the Company's assets. In connection with the financial reporting process, Elektro Maribor d.d. applies the COSO[9] risk management model and internal control system in a meaningful way. In setting up the internal control system according to the principle of the three lines of defence[10], it pursues three main objectives:

- the accuracy, reliability and completeness of accounting records and the truth and fairness of financial reporting;
- compliance with legislation and other regulations; and
- efficiency and effectiveness of operations.

The Company's management strives for a control system that is, on the one hand, the most effective in limiting the occurrence of negative events and, on the other hand, cost-effective. The Company's management recognises that any system of internal control, however well it may work, has its limitations and cannot completely prevent errors or fraud, but it must be designed to give early warning of such errors and to provide the management with reasonable assurance that it will achieve its objectives.

Elektro Maribor d.d. ensures internal controls over the accuracy of accounting data, the completeness of data capture, the delineation of duties and responsibilities, the restriction of access to data and supervisory control. These internal controls are also linked to controls embedded in the information system and include controls over data or application access restrictions as well as controls over the accuracy and completeness of data capture and processing.

To this end, Elektro Maribor d. d. maintains and improves:

- a transparent organisational chart of Elektro Maribor d. d.;
- clear accounting policies and their consistent application in Elektro Maribor d. d.;
- efficient organisation of the accounting function (functional responsibility) in Elektro Maribor d. d.;
- reporting for Elektro Maribor d. d. in accordance with the Slovenian Accounting Standards, including all disclosure requirements and explanatory notes;
- regular internal and external audit reviews of business processes.

5.3 EXPLANATORY NOTES PURSUANT TO ARTICLE 70 (6) OF THE COMPANIES ACT ZGD-1

In accordance with Article 70(6) of the Companies Act (ZGD-1), Elektro Maribor d.d. provides information as at the last day of the financial year and all necessary explanatory notes.

Structure of the share capital of Elektro Maribor d. d.

All shares are ordinary registered bulk shares, giving the holder the right to manage the Company, the right to receive dividends and the right to receive the residual value of the assets in the event of liquidation. All shares are of one class and are issued in dematerialised form.

Restrictions on transfer of shares

All shares are freely transferable.

Significant direct and indirect ownership of the Company's securities in terms of achieving a qualifying holding as defined by the law governing takeovers

We publish information on direct and indirect ownership of the Company's securities in terms of achieving a qualifying holding, as defined by the law governing takeovers, in our annual reports. As at 31 December 2024, the shareholder Republic of Slovenia held 26,628,994 shares, or 79.86%, and the shareholder Pivovarna Laško Union d.o.o. held 1,922,321 shares, or 5.76%.

[9] The Committee of Sponsoring Organisations of the Treadway Commission is the author of the corporate risk management model used under the COSO model.
[10] Three lines of defence of control: (1) operational management or risk owners, (2) control functions, including the risk coordinator function, (3) internal audit, with the independent assurance function.

Notes on the holder of securities conferring special control rights

The Company did not issue any securities that grant special control rights.

Share scheme for employees

Elektro Maribor d.d. does not have an employee share scheme.

Explanatory notes on any restrictions on voting rights

As at 31 December 2024, the shareholder KAD d.d. was the holder of 8,710 shares of Elektro Maribor d.d., which, pursuant to the provisions of Article 48b of the Act on Book-Entry Securities (ZNVP-1), do not have voting rights. As at 31 December 2024, Elektro Maribor d.d. did not hold any treasury shares as the treasury shares were withdrawn in 2019.

Arrangements between shareholders that may result in a restriction on the transfer of securities or voting rights

There are no such agreements.

Company rules on the appointment and replacement of members of management or supervisory bodies and amendments to the Articles of Association

In appointing and replacing members of management or supervisory bodies and in amending the Articles of Association, Elektro Maribor d.d. complies with applicable laws and the Articles of Association of the Company.

The members of the Supervisory Board who are representatives of the shareholders are appointed and dismissed by the General Meeting of the Company.

The Management Board is appointed and dismissed by the Supervisory Board of the Company. The General Meeting adopts the Company's Articles of Association and decides on amendments thereto.

Powers of the members of the management, in particular with regard to own shares

Powers of the members of the management, in particular with regard to own shares.

Significant arrangements that take effect are modified or terminated as a result of a change in control of the company resulting from a public takeover bid

There are no such agreements.

Agreements between Elektro Maribor d. d. and members of the management or supervisory bodies or employees providing for compensation if, as a result of an offer as defined by the law governing takeovers, they resign, are dismissed without just cause or their employment is terminated

There are no such agreements.

5.4 EXPLANATORY NOTES ON THE FUNCTIONING OF THE GENERAL MEETING OF ELEKTRO MARIBOR D. D. AND ITS KEY COMPETENCES, AS WELL AS A DESCRIPTION OF THE SHAREHOLDER'S RIGHTS AND HOW TO EXERCISES THEM

Shareholders exercise their rights at the General Meeting. The General Meeting is convened and held in accordance with the applicable regulations. The holder of shares has the right to the management of the Company, the right to a dividend and the right to the payment of the residual value of the assets in the event of liquidation.

5.5 NOTES ON THE COMPOSITION AND FUNCTIONING OF MANAGEMENT OR SUPERVISORY BODIES AND THEIR COMMITTEES

Management Board of Elektro Maribor d. d. in 2024

Name and surname	**Tatjana Vogrinec Burgar**
Function (President, member)	President of the MB
Administrative area of work	President
First appointment	1 August 2023
Termination of office / mandate	1 August 2027
Gender	F
Nationality	SLO
Education	Univ. dipl. in Law
Professional profile	law, management
Membership of supervisory bodies of non-affiliated companies	NO

Composition of the Supervisory Board and Committees in 2024

Name and surname	Ciril Pucko	Jure Boček	mag. Samo Logar	Marija Šeme	Alan Ciglarič	Miran Arnuš
Function (Chair, deputy, member of the SB)	member	member	member; chairman	member, deputy chairwoman	member	member
First appointment	8 Feb 2023	8 Feb 2023	1 Jul 2022	1 Jul 2022	1 Jul 2022	1 Jul 2022
Termination of office/term of office	existing	existing	existing	existing	existing	existing
Capital/employee representative	capital	capital	capital	capital	employees	employees
Attendance at SC meetings in relation to the total number of SC meetings (e.g. 5/7)	18 od 20	20 od 20	20 od 20	20 od 20	20 od 20	19 od 20
Gender	M	M	M	F	M	M
Nationality	SLO	SLO	SLO	SLO	SLO	SLO
Education	Univ. dipl. In Economics	Univ. dipl. In Mechanical Engineering	Master of Law	Univ. degree in Economics	Univ. dipl. in IT	Electrical Engineer
Professional profile	Economic	Management, power system	Law	Economic	Computer Science	Electricity system
Independence under Article 23 of the code (YES/NO)	YES	YES	YES	YES	YES	YES
Existence of a conflict of interest during the financial year (YES/NO)	NO	NO	NO	NO	NO	NO
Membership in supervisory bodies of other companies	NO	YES	YES	YES	NO	NO
Membership of committees (audit, HR, remuneration...)	YES	YES	YES	YES	YES	YES
Chair/member	member – Audit Committee; Investment Committee	Chair – Investment Committee / member – HR Committee	Chair – HR Committee	chairwoman – Audit Committee	member – HR Committee	member – Investment Committee
Attendance at Committee meetings in relation to the total number of Commission meetings (e.g. 5/7)	9 of 9 – Investment Committee; 10 of 10 – Audit Committee	9 of 9 – Investment Committee; 4 of 4 – Audit Committee	4 of 4	10 of 10	4 of 4	9 of 9

External members of the Committees in 2024

Name and surname	**Barbara Nose**	**dr. Maja Fesel Kamenik**
Committee	Audit Committee	HR Committee
Attendance at Committee meetings in relation to the total number of Commission meetings (e.g. 5/7)	10 of 10	4 of 4
Gender	F	F
Nationality	SLO	SLO
Education	Univ. dipl. In Economics and Specialist in Accounting Auditing	PhD in Psychology
Professional profile	Economic	HR
Membership in supervisory bodies of non-affiliated companies	da	da

5.6 COMPLIANCE AND CORPORATE INTEGRITY SYSTEM

The integrity of Elektro Maribor d.d. is essential for the fulfilment of the mission of Elektro Maribor d.d. The Company strives to achieve this both by implementing legal provisions and by enforcing the codes and rules of conduct adopted by the Management Board in order to ensure the transparent operation of Elektro Maribor d.d. This involves a commitment to act ethically, in accordance with the highest expectations and standards, all with the aim of ensuring good corporate governance practices.

An integrity system is in place to establish and implement the Company's compliance and integrity framework. A Corporate Integrity Officer (the Officer) was appointed. The Officer is free from undue influence and is assured of independence in the performance of his duties.

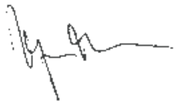
5.7 DIVERSITY POLICY

Governance for companies with state capital investment of Slovenski državni holding d.d. and the Corporate Governance Code for Non-Public Companies, the Supervisory Board of Elektro Maribor d.d. developed and adopted on 22 December 2020 the Diversity Policy of Elektro Maribor d.d., which is published on the Company's website: *https://www.elektro-maribor.si/media/4872/politika-raznolikosti-družbe.pdf*.

The Company's authorities promote diversity for the benefit of the Company. The Company embraces the benefits of diversity as a reflection of respect for human values and as an essential element in maintaining the Company's developmental and competitive advantages. In accordance with the decision of the General Meeting, the Supervisory Body is composed of representatives of one gender.

Maribor, 28 April 2025

President of the Management Board
Tatjana Vogrinec Burgar



6 Report of the Supervisory Board to the General Meeting on the Verification and Approval of the Audited Annual Report of Elektro Maribor d. d. for 2024 (article 282 of the Companies Act (ZGD-1))

In accordance with Article 282 of the Companies Act (ZGD-1), the Supervisory Board of Elektro Maribor d.d. hereby reports to the General Meeting on the verification and approval of the audited annual report of Elektro Maribor d.d. for 2024. In 2024, the Supervisory Board carried out its work in accordance with the valid legal regulations and internal acts of the company.

Composition

In 2024, the Supervisory Board of Elektro Maribor d.d. consisted of:

- mag. Samo Logar, Chairman, member of the Supervisory Board since 1 July 2022,
- Marija Šeme, Deputy Chairperson, member of the Supervisory Board since 1 July 2022,
- Jure Boček, member of the Supervisory Board since 8 February 2023, (in the period from 6 April 2023 to 31 July 2023 he was not a member of the Supervisory Board, as he was temporarily acting in a managerial capacity),
- Ciril Pucko, member of the Supervisory Board since 8 February 2023,
- Alan Ciglarič, member of the Supervisory Board since 1 July 2022,
- Miran Arnuš, member of the Supervisory Board since 1 July 2022.

Memberships in other bodies

The Supervisory Board carefully managed potential conflicts of interest.

Functioning of the Supervisory Board

In the financial year 2024, the Supervisory Board of the company Elektro Maribor d. d. was performing its work in accordance with the basic function of supervision over the management of company's operations and with a duty of a diligent and prudent management based on the powers conferred on them by the applicable regulations and company acts. The Supervisory Board has supervised the management and operations of the company Elektro Maribor d.d. based on the provisions of the Companies Act, the Articles of Association of the Elektro Maribor d.d., and the applicable laws.

The work of the Supervisory Board was organized and carried out according to the provisions of the Rules of Procedure of the Supervisory Board. The Supervisory Board prepared itself for the topics discussed, provided constructive suggestions and, based on the materials prepared by the company's Management Board, adopted its decisions in a responsible manner. In 2024, the company's Management Board was invited to all regular sessions of the Supervisory Board, which in addition to the materials submitted, provided further clarifications.

During the period under review, the Supervisory Board held eleven regular meetings, eight correspondence meetings and one strategy meeting. At its meetings, the Supervisory Board considered and adopted the following major decisions:

- gave its consent to the **company's sustainable development strategy for the 2024-2028 period**;
- monitored the process of the **sale of the strategic investment of 49% of the business in Energija plus d.o.o.** and gave its consent to the sale;
- acquainted with the current affairs of the company's operations;
- monitored the **progress of the strategic organisation and systematisation project** and of the documents relating to this project; gave its consent to the internal organisation of the company;
- took note of the draft **Annual Business Plan of the Company for 2025** and gave its consent to the Annual Business Plan of Elektro Maribor d.d. for 2025 with **business projections for 2026 and 2027**;

- took note of the **unaudited Annual Report of the Company and the Group for 2023 and reviewed the audited Annual Report of Elektro Maribor d.d. and the Group for 2023** and **gave a favourable opinion** on the Independent Auditor's Report on the financial statements of Elektro Maribor d.d. and on the Independent Auditor's Report on the consolidated financial statements of Elektro Maribor d.d. for 2023; gave its **consent to the proposed appropriation of the balance sheet profit for 2023**;
- proposed resolutions for the **General Meeting of the Company**;
- took note of the **periodic unaudited reports on the performance** of Elektro Maribor d.d, as well as the **priority of investments and commitments set out in the NEPN** and the Annual Capital Investment Management Plan for 2024;
- gave opinions to the Management Board on decisions to be taken at **general meetings of subsidiaries** and was informed about the **status of Elektro Maribor d.d.'s equity investments** in other companies
- **considered contracts to provide the necessary financial resources for the Company's operations** (guarantee contracts, credit facility agreements, drawdown of the limit, approval of a borrowing procedure);
- **took note of the report on the work** of the Audit Committee, the report on the work of the Investment Committee and the report on the work of the HR Committee;
- took note of the **selection of the auditor to provide the sustainability assurance service for the financial year 2024** and periodically took note of the sustainability reporting process;
- **with regard to internal audit**, it agreed on the Internal Audit Plan of the Elektro Maribor Group for 2025 with projections for 2026 and 2027; the company's internal audit charter and the Rebalancing plan of IA of the company; was briefed on the contents of the Internal Audit Report for 2023 of the Elektro Maribor Group; and the Report on the independent external quality assessment of the internal audit function of the company for the period from 1 January 2022 to 30 June 2024;
- gave consent to signing a **contract with MOPE for drawing funds from the NOO**;
- gave consent to the sale of electricity infrastructure;
- took note of and discussed the action plan to address issues related to the **granting of consents for the connection of self-supply facilities**;
- took note of and discussed **key strategic projects; periodic reports from all the Company's officers; issues related to some major investment projects; regularly monitored the publication of public procurement contracts; was briefed on the progress of major public procurement procedures; and examined all the letters received**;
- gave consent to deviations from the company's annual business plan;
- determine the total annual amount of sponsorships and grants and the limitation of the amount per sponsor or donor contract;
- adopted the criteria for the remuneration of the company's management for the year 2024;
- in accordance with Article 80 of the Act on Workers' Participation in Management, it took note of the **Annual Report of the Works Council to the Supervisory Board** of Elektro Maribor d.d. for 2023;
- **carried out a self-assessment for 2023; adopted a work plan for 2024**; agreed to the Rules on Risk Management in the Elektro Maribor Group; read the revised Corporate Governance Code for State-owned Enterprises and the amendment to the Recommendations and expectations of the HR; adopted the criteria for the remuneration of the company's management in 2024.

Attendance at meetings

The attendance of the members of the Supervisory Board at the meetings is shown in the Appendix to the Governance Statement.

Costs of operating the supervisory body

Costs of the Supervisory Board, Audit Committee, Human Resources Committee and Investment Committee

in EUR	2024
Meeting fees and performance of Supervisory Board duties	130,938
Meeting fees and performance of Audit Committee duties	29,075
Meeting fees and performance of HR Committee duties	19,677
Meeting fees and performance of the Investment Committee duties	20,491
Insurance premiums	17,084
Total costs	**217,265**

WORK OF THE SUPERVISORY BOARD COMMITTEES

AUDIT COMMITTEE

In accordance with the provisions of Article 17 of the Rules of Procedure of the Supervisory Board of Elektro Maribor d.d., the Audit Committee is composed of three members.

In 2024, the Audit Committee of the Supervisory Board of Elektro Maribor d.d. consisted of:

- Marija Šeme, University degree in Economics, Chairperson since 26 August 2022,
- Barbara Nose, University degree in Economics, external member since 15 September 2022,
- Ciril Pucko, University degree in Economics, member since 22 February 2023.

All of them, the Chairperson and the two members of the Audit Committee are appropriately qualified in the field of activity of the audited entity (Elektro Maribor d.d.). They assist the Supervisory Board in its activities, prepare high-quality and professional proposals for the Supervisory Board's resolutions and ensure their implementation (Article 279 of ZGD-1). In accordance with the provisions of the Code of Corporate Governance of Public Joint Stock Companies, all members of the Audit Committee have made declarations of independence, which are published on the website of Elektro Maribor d.d.

In accordance with the provisions of point 4 of Article 279 of ZGD-1, only the members of the Audit Committee, the head of internal audit of Elektro Maribor and the secretary of the Supervisory Board attended the meetings of the Audit Committee. The Head of Internal Audit of Elektro Maribor d.d. is present at every meeting of the Audit Committee. Other rapporteurs were also invited to attend the meeting to discuss the individual points (President of the Management Board, external auditor, risk management coordinator, delegates of the specific field of work, external internal audit practitioner, project expert, project manager).

During the period under review, the Audit Committee of the Supervisory Board of Elektro Maribor d.d. Held nine regular meetings and one correspondence meeting, during which it adopted 120 resolutions. as at 31 December 2024, there were no unrealized resolutions.

Based on the Recommendations for Audit Committees of the Association of Supervisors of Slovenia (point 7.9), the Audit Committee meetings were scheduled in such a way that there was time between the Audit Committee meeting and the Supervisory Board meeting to resolve all matters that were discussed at the Audit Committee meeting and required additional follow-up corrections in order to be able to report to the Supervisory Board.

Supervisory Board members who are not members of the Audit Committee had access to the Audit Committee's materials and the Audit Committee's work and findings were regularly reported to the Supervisory Board meetings by the Audit Committee Chairperson under the Audit Committee item.

In accordance with the provisions of the ZGD-1, the Rules of Procedure of the Supervisory Board of Elektro Maribor d.d. And the Rules of Procedure of the Audit Committee of Elektro Maribor d.d., and in accordance with the Recommendations for Audit Committees of the Association of Supervisors of Slovenia 2017, the Audit Committee in the period under review carried out tasks in the following areas:

1. Financial reporting:

The Audit Committee of the Supervisory Board of Elektro Maribor d.d. reviewed the following during the period under consideration before the publication or submission to the Supervisory Board:

- the annual reports of the company/group Elektro Maribor (before they are submitted to the auditor),
- Company's/Group's interim financial statements including disclosures,
- Company's/ Group's preliminary forecasts, plans and other official announcements,
- Company's/ Group's accounting policies and any amendments thereto,
- significant estimates and judgements used in the preparation of the financial statement,
- all internal accounting and management reports and information prepared for the Supervisory Board of Elektro Maribor d.d., which the Management Board of Elektro Maribor d.d. submitted to the Audit Committee for review prior to each Supervisory Board meeting in 2024.

2. Internal controls and risk management

The Supervisory Board of Elektro Maribor d.d. did not establish a special risk committee, therefore, in the period under review, the Audit Committee monitored not only the internal control system but also the risk management system. For this purpose, the Audit Committee reviewed or familiarised itself with:

- the Internal Control Systems (Recommendations, point 5.17) – The Audit Committee received periodic reports on the monitoring of the functioning of internal controls in Elektro Maribor d.d. and reports in this area from internal and external auditors.
- the Company's Risk Management Systems (Recommendations, point 5.18.) – the Audit Committee received reports from the Risk Management Coordinator of Elektro Maribor/ Group, as well as internal and external audit reports in this area. The Audit Committee is familiar with the Risk Management Code.
- Fraud detection procedures of Elektro Maribor d.d. – the Audit Committee has received periodic reports from the Commissioner for the detection, prevention and investigation of fraud in the Company/Group.

3. Internal audit

During the period under review, the Audit Committee monitored the effectiveness of the internal audit function in Elektro Maribor and performed the tasks set out in the Act on the Companies Act and the Rules of Procedure for the Audit Committee of Elektro Maribor d.d.

- It reviewed the adequacy of the definition of the purpose, competences, responsibilities and tasks of internal audit (including its responsibility to the Supervisory Board) in the Elektro Maribor Group Internal Audit Charter, prior to its approval by the Supervisory Board (last updated in May 2024);
- it reviewed the annual work plan of internal audit and proposed individual risk-based audits and submitted it to the Supervisory Board for approval or consent;
- In 2024, the Audit Committee regularly received and considered quarterly reports on the work of internal audit and report on the implementation of the recommendations of the internal audit and examined the relevance and timeliness of responsibility.
- The Audit Committee monitored the independence of the internal audit function.
- In 2024, the Audit Committee was briefed on the programme of improving the quality of the internal audit for 2024 and the self -assessment of internal audit for 2023.
- The Audit Committee was briefed on the independent external audit report of the quality of functioning of the internal audit function in the company in the period from 1 January 2022 to 30 June 2024.
- The Audit Committee was briefed on the revised IA plan.

4. External audit

In connection with the external audit of Elektro Maribor d.d., the Audit Committee performed the tasks set out in EU Regulation No 537 on specific requirements for statutory audits of public-interest entities, ZGD-1 and the Rules of Procedure for the Audit Committee of Elektro Maribor d.d. in the period under review.

- The Audit Committee met with the external auditor after the 2023 audit - reviewed with the external auditor the findings of their work, including any relevant irregularities including any significant irregularities that have emerged during the course of the audit and have been corrected during the course of the audit;
- For 2023, the Audit Committee reviewed a written management presentation; external auditor for Audit Committee; list of uncorrected audit differences; the Auditor's report.
- The Audit Committee reviewed the effectiveness of the procedures carried out for the execution of the external audit 2023 (verification of deviations from the audit execution plan; impressions of the staff involved in the audit; timeliness of the resolution of important issues; content of the management letter; response of the auditor to the Audit Committee) and ensured the monitoring of the execution of the non-audit services.
- On the basis of pre-established criteria for assessing the quality of the audit carried out for 2023, it assessed the following.
- The Audit Committee reviewed and followed up on the content and recommendations of the management letters for the financial year 2023.
- The Audit Committee met with an external auditor before the start of the audit for 2024 and reviewed and discussed the proposed audit plan (the scope of the planned work for the controlling company and subsidiaries).
- The Audit Committee reviewed the Independent External Auditor's Report on the preliminary audit of Elektro Maribor d.d. for 2024.
- The external provider gave the Audit Committee a declaration of independence from the audit firm and the external audit of Elektro Maribor for 2024.
- The Audit Committee approved the criteria and benchmarks for assessing the quality of the audit of the financial statements for 2024, and through internal and external control monitored the quality of the audit services.
- The Audit Committee was briefed on the letter to the management regarding the previous audit.
- The Audit Committee was briefed on the 2024 external audit plan.

5. Other

In 2024, the Audit Committee was briefed on:

- the sustainability reporting process;
- periodic reports of the authorising officers;
- the systematisation and organisation layout carried out in 2022;
- the condition of the systemisation and reorganisation project and the draft documents produced in the framework of this project;
- the proposal of the Management Board on the distribution of the balance sheet profit for the financial year 2023;
- periodic reports on the status of actions and provisions;
- reporting on decisions taken and controls exercised within the company;
- the revised Corporate Governance Code for State-owned Enterprises and the amendments to the Recommendations and Expectations of Slovenian Sovereign Holding.

HUMAN RESOURCES COMMITTEE

The Supervisory Board of Elektro Maribor d.d., at its sixth regular meeting of 14 September adopted resolution number 170/2022, whereby, on the basis of the provisions of the Rules of Procedure of the Supervisory Board, the Supervisory Board of Elektro Maribor d.d. appointed a permanent Human Resources Committee of the Supervisory Board of Elektro Maribor d.d., with effect from 14 September 2022. The Supervisory Board's HR Committee was appointed to provide an efficient, professional and thorough review of the materials and bases for decisions falling within the Supervisory Board's remit, in particular to provide support and expertise in the areas of appointments, personnel issues, recruitment policy, salaries and other remuneration, and cooperation with the trade union and/or works council. In accordance with the provisions of Article 18 of the Rules of Procedure of the Supervisory Board of Elektro Maribor d.d., the HR Committee is composed of three members or four members, in case the workers' council appoints its representative to the committee in accordance with Article 79 of the Worker Participation in Management Act. The powers and duties of the HR Committee are defined in the Rules of Procedure of the Supervisory Board.

In 2024, the HR Committee of the Supervisory Board consisted of:

- mag. Samo Logar, University degree in Law, Chairman from 14 September 2022,
- Jure Boček, University degree in Electrical Engineering, member since 22 February 2023, to 5 April 2023 and from 1 August 2023,
- dr. Maja Fesel Kamenik, PhD in Psychology, MSc in Management, external expert, member since 14 September 2022,
- Alan Ciglarič, University degree in Computer Science and Informatics, member since 4 July 2023.

In 2024, all members of the Committee submitted an independence statement, which are published on the website of Elektro Maribor d.d.

In 2024, the HR Committee held four regular meetings, in which it adopted 22 decisions. As at 31 December 2024, there were no unrealised resolutions. All members of the Committee, the Management Board, rapporteurs and secretary of the Supervisory Board were present at the meetings.

In accordance with the provisions of Article 18 of the Rules of Procedure of the Supervisory Board of Elektro Maribor, the HR Committee performed the tasks of promoting and reviewing procedures and advising on the sound management of human resources during the period under review.

In the framework of the Strategic Organisation and Systemisation Project, in 2024, the Human Resources Committee, with a view to modernising processes and adapting to the current needs of society:

- reviewed and submitted suggestions on the company's documents,
- considered and submitted proposals regarding the proposal of a new wage model,
- communicated with the management board regarding the diligent placement of manager,
- started discussions with the management board about a new concept of in-house training and succession to the most important functions of the company.

Furthermore, with a view to the long-term management of human resources, and in line with the strategy already established, the HR Committee instructed the company's management board to present the content for the preparation of a strategy for the development of human resources, and subsequently took stock of the situation. It encouraged the management board to ensure equality and diversity in the company.

The HR Committee examined the grounds for amending the contract of employment with the business person before the Supervisory Board considered the material. It also made suggestions as to the appropriate setting criteria for variable remuneration of the management board.

In 2024, the HR Committee was briefed on the results of the measurement of the organisational climate for 2023 and made suggestions for improving the measurement method in the future.

INVESTMENTS COMMITTEE

On 22 November 2023 at its 13th regular meeting in 2023, the Supervisory Board of Elektro Maribor d.d. adopted Resolution No 251/2023 establishing the Investment Committee.

Pursuant to Article 6 of the Rules of Procedure of the Investment Committee of the Supervisory Board of Elektro Maribor d.d., the Investment Committee is composed of three members.

In 2024, the Investment Committee of the Supervisory Board of Elektro Maribor d.d. consisted of:

- Jure Boček, University degree in Electrical Engineering, Chairman of the Committee since 22 November 2023,
- Ciril Pucko, University degree in Economics, Member of the Committee since 22 November 2023,
- Miran Arnuš, Electrical En gineer,Member of the Committee since 22 November 2023.

In 2024, all members of the Committee submitted an independence statement, which are published on the website of Elektro Maribor d.d.

The Supervisory Board Investment Committee was appointed in order to monitor investments and implement control over the implementation and restructuring of investments in Elektro Maribor d.d.

In the period under consideration, the Investment Committee of the Supervisory Board of Elektro Maribor d.d. held nine regular meetings during which it adopted 75 decisions, of which two were adopted on 31 December 2024, and the other two are in progress.

All members of the Committee, the Management Board, rapporteurs and secretary of the Supervisory Board were present at the meetings.

Pursuant to Rules of Procedure of the Investment Committee of the Supervisory Board of Elektro Maribor d.d., the Investment Committee performed the following tasks in the discussed period:

1. Tasks to the Management Board

In 2024, the Investment Committee tasked the Management Board to:

- provide an explanation as to whether sustainable investments are in line with the development plan;
- prepare a schedule for the reporting of quarterly plans;
- prepare a detailed report on the implementation of investments in investment groups (transformer stations, new constructions and reconstructions);
- prepare a simulation of the physical implementation in view of the increased prices of materials and services since the adoption of the plan;
- prepare a simulation of physical and financial implementation for 2024;
- to provide an explanation as to whether sustainable investments are consistent with the development plan.

2. Investments

In 2024, the Investment Commission regularly received and considered:

- quarterly reports - investment plan (planning of investments);
- monthly reports on investments made with deviations and, if necessary, instructed the Management Board the administration to supplement the report with all relevant data.

In 2024, the Investment Committee was briefed on:

- the report on investments made for 2023 and investments activated for 2023;
- the investment plan for 2024;
- the status of the Murska Sobota - Lendava transmission line project;
- the redeployment of funds - investment MS - Lendava transmission line, and proposed to the Supervisory Board to give consent to the redeployment of funds;
- the measures of the Management Board to ensure investment plans;
- activated investments;
- proposals for deviations/redeployment of funds;
- a proposal for weighting of investments, and instructed the Management Board to prepare a new weighting proposal with practical examples;
- the measures of the Management Board for the implementation of investments in 2024;
- the report on the condition of the readiness of projects for their implementation for 2024 with emphasis on the project/implementation documentation produced;
- the simulation of physical and financial implementation for 2024.

The Investments Committee has not received any comments from interested parties on the restructuring plan.

3. Adopted documents

In 2024, the Investments Committee adopted:

- Report on the work of the Investments Committee in 2023;
- Plan of work of the Investments Committee for 2024.

4. Public procurement status

- The Investments Committee was periodically informed of the status of the public procurement contracts for material, equipment, execution (the status of the critical public procurement contracts for the execution of the company's planned investments);
- The Investment Committee proposed to the Supervisory Board to conduct a correspondence session for the submission of agreements to sign contracts under the procurement “PC LV CABLES”.

5. Miscellaneous

- The Investments Committee concluded that it would also hold meetings at the company's regional units;
- The Investments Committee was briefed on the report on the industrial accident at OU Murska Sobota;
- The Investment Committee was briefed on the presentation of the unit Gornja Radgona, focusing on the condition of the network, development and investments.

Expectations of Slovenian Sovereign Holding

The Supervisory Board monitored the performance of Elektro Maribor d.d. also in relation to the expectations of Slovenian state holding company Slovenski državni holding d.d.

Self-assessment

The main focus of the Supervisory Board's work in 2024 was to monitor the Company's performance, in line with the planned results, on the basis of the adopted Company Strategy, the adopted annual report and the reports prepared by the Company's Management Board.

The Supervisory Board notes that the reports and information were prepared and produced in a timely manner and of such quality that the Supervisory Board was able to carry out its work smoothly, in accordance with the Company's Articles of Association and applicable law.

Audit of the annual report

The annual report of Elektro Maribor d.d. for 2024 was audited by BDO Revizija d.o.o, which on 30 April 2025 issued a positive opinion on the Annual Report of Elektro Maribor d.d.

Review and approval of the audited Annual Report of Elektro Maribor d.d. for the financial year 2023 and its position on the audit report with proposed conclusions for the financial year 2024

The company's Management Board provided the Supervisory Board with the audited Annual Report, including the Auditor's Report, within the statutory deadline. The Supervisory Board discussed the company's Annual Report for 2024, including the report of the audit firm BDO Revizija d.o.o.

The Supervisory Board reviewed the Corporate Governance Statement, which is drawn up in accordance with the provisions of Article 70(5) of ZGD-1, and had no objections to it.

In accordance with the provisions of Articles 270 and 294 of the Companies Act, the Supervisory Board ensured that the entire remuneration of the Management Board is in appropriate proportion to the assignments of the Management Board and the company's financial position, and in compliance with the policy concerning such remuneration, and it also noted that remuneration of members of the management and supervisory bodies was disclosed accordingly within the Annual Report.

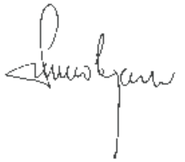
The Supervisory Board concluded that the contents of the Company's Annual Report present a fair view of the Company's operations in 2024. The Supervisory Board also took note of the opinion of BDO Revizija d.o.o., a certified public accounting firm, according to which the financial statements of Elektro Maribor d.d. are a fair presentation of the financial position of the Company.

The Supervisory Board adopted the following:

- The Supervisory Board concluded that the annual report of Elektro Maribor d.d. was prepared in accordance with the provisions of the Companies Act and International Financial Reporting Standards.
- The Supervisory Board is of the opinion that the Annual Report of Elektro Maribor d.d. and the information contained therein is a true and fair reflection of the Company's and the Group's operations during the previous financial year.
- The Supervisory Board gives a favourable opinion on the Independent Auditor's Report of the financial statements of Elektro Maribor d.d. for 2024 and the Independent Auditor's report on limited assurance of sustainability reporting for 2024, as it concludes that it has been drawn up in accordance with the law, and that it has been prepared on the basis of a careful and comprehensive review of the Annual Report and the Company's business operations.
- The Supervisory Board, after final review of the Annual Report of Elektro Maribor d.d. for the year 2024, approved the Annual Report of Elektro Maribor d.d. for the year 2024 at its meeting on 8 May 2025.
- The Supervisory Board of Elektro Maribor d.d., when adopting the Annual Report, commented on the Corporate Governance Statement and the Statement of Compliance with the Code of Reference included in the Annual Report of Elektro Maribor d.d. for the year 2024 and considered it to be a reflection of the actual state of corporate governance of Elektro Maribor d.d. and the Group in the year 2024.
- The Supervisory Board proposes to the company's General Meeting:
  - to adopt a resolution on the discharge to be granted to the Management Board for the financial year 2024;
  - to adopt a resolution on the discharge to be granted to the Supervisory Board for the financial year 2024.

Maribor, 8 May 2025

Chairman of the Supervisory Board
mag. Samo Logar

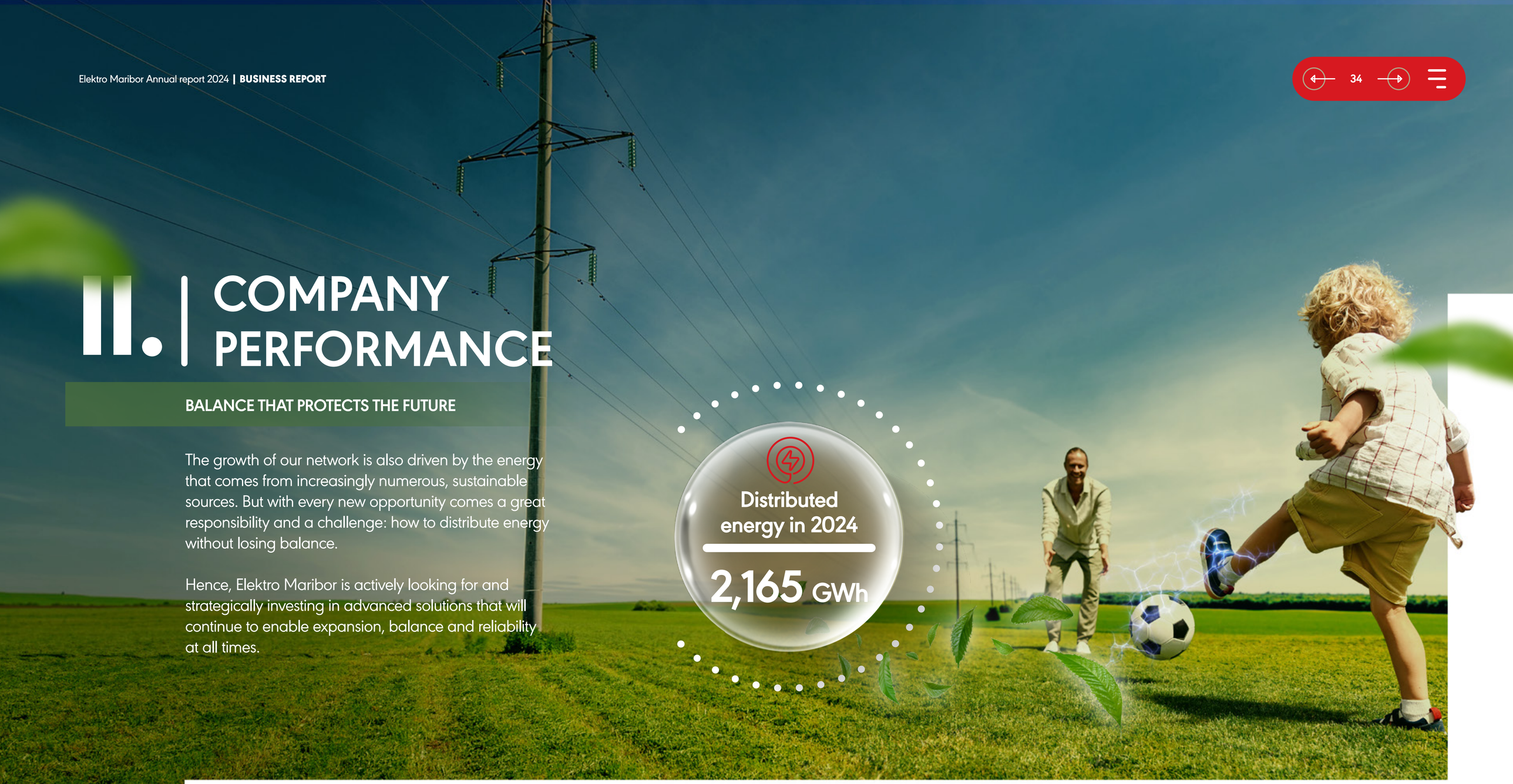


II. | COMPANY PERFORMANCE

BALANCE THAT PROTECTS THE FUTURE

The growth of our network is also driven by the energy that comes from increasingly numerous, sustainable sources. But with every new opportunity comes a great responsibility and a challenge: how to distribute energy without losing balance.

Hence, Elektro Maribor is actively looking for and strategically investing in advanced solutions that will continue to enable expansion, balance and reliability at all times.



Regulated business

On the basis of the Electricity Supply Act (ZOEE), we carry out distribution activities in cooperation with ELES d. o. o., which is the operator of the combined transmission and distribution system in Slovenia. Our role as an electricity distribution company (EDC) is crucial as we own the electricity infrastructure and carry out the distribution activity on behalf of ELES d. o. o..

ELES d.o.o. performs an public service activity as a system operator of the electricity distribution network on the basis of a concession. Elektro Maribor d.d. is the owner of the electricity infrastructure and has concluded a Contract for the lease of electricity distribution infrastructure and the provision of services for the activity of a distribution operator (contract) with ELES d.o.o. On the basis of this contract, Elektro Maribor d.d.:

- leases the electric energy infrastructure to Eles d.o.o.,
- performs and charges services in accordance with an annex to the contract,
- issues invoices for the use of the network to final users of the distribution network in the name and on behalf of ELES d. o. o.; and
- charges, in the name and on behalf of ELES d.o.o., the network fee for the connection power and other services directly relted to the provision of the public utility service.

The majority of the revenues of Elektro Maribor d. d. is generated from the rent for the electricity infrastructure and the provision of services for ELES d.o.o. The value of the services charged on behalf and for the account of ELES d.o.o. is not disclosed among the revenues of Elektro Maribor d. d.

The value of rent and service under contract is determined by the regulatory framework specified by the regulator – the Energy Agency.

It regulates the entire energy market and, among other things, lays down the conditions and rules concerning the network charge – the amount that users pay to use the electricity system. The Energy Agency determines the amount of eligible costs separately for the system and the distribution electricity system by means of the regulatory framework. The sources of eligible costs are network charges and other revenues. The Energy Agency shall, by decision, establish the value regulatory framework for the distribution operator activity carried out by ELES d.o.o. and EDC.

The methodology for setting the regulatory framework and the methodology for calculating the network charge are set out in separate acts:

- The Act on the Methodology for the Determination of the Regulatory Framework for Electricity Operators (Official Gazette of RS, no. 123/2022, 2/2023-as amended, 49/2024 and 53/2024) sets out the methodology for the regulatory framework 2023–2028.
- The Act on the methodology for the Charging of Network Fees to Electricity Operators (Official Gazette of RS, no. 146/2022, 161/2022, 50/2023, 71/2023, 117/2023, 5/2024, 30/2024, 49/2024, 107/2024) establishes a methodology for the charging of network fees for the electricity transmission and distribution system, which entered into force on 1 October 2024.

Economic situation

In 2024, the Slovenian economy experienced moderate growth in 2024. Despite a 1.6% increase in real GDP, which was the lowest growth since 2020, we have maintained stable business. The final consumption of households and the state contributed positively to economic growth, whereas the decline in investment had a negative impact on GDP growth.

In the future, we expect economic growth to strengthen, mainly due to domestic consumption and increased public investment supported by EU funds from the Recovery and Resilience mechanism. However, the impact of geopolitical risks and customs wars remains an important factor that could slow down growth. Despite these challenges, we are optimistic about future economic trends, as inflation is calming down – annual inflation in 2024 was just 1.9%,predominantly driven by higher food and soft drink prices.

On the revenue side, the operations of Elektro Maribor d.d. are largely regulated. On the other hand, it depends on its own workforce, suppliers, conditions for obtaining foreign and alternative sources of financing for investments and the related financing costs, especially for the realisation of investments and other services on the market.

Below, we summarise the key indicators of economic growth and the movement of the European Interbank Offered Rate (EURIBOR).

Economic trends in Slovenia (UMAR)[11]

Real growth rates in %	2024	2023	2022
Gross domestic product (GDP)	1.6	2.1	2.7
Employment	0.1	1.6	2.9
Gross wages per employee	4.1	2.2	-5.6
Private consumption	1.6	0.1	5.3
State consumption	8.5	2.4	-0.7
Inflation (end of year)	1.9	4.2	10.3
Investment in fixed assets	-3.7	3.9	4.2

Movements in the European Interbank Offered Rate EURIBOR[12]

EURIBOR on the last day of the year	2024	2023	2022
12-month	2.460	3.513	3.291
6-month	2.568	3.861	2.693
3-month	2.714	3.909	2.132
monthly	2.845	3.845	1.884

[11] UMAR, Spring Economic Outlook 2025, February 2025, *https://www.umar.gov.si/napoved-gospodarskih-gibanj.*
[12] Euribor (*www.euribor-rates.eu*).

1 Electricity distribution

1.1 DISTRIBUTION NETWORK

The year 2024 brought significant upgrades and improvements to Elektro Maribor d.d.'s distribution network, as compared to 2023 we increased:

- length of MV cables by 42 km or 3%;
- length of LV network by 95 km or 1%, of which the length of underground lines was increased by 219 km or 3% and reduced the length of overhead lines by 125 km or 3%;
- the number of transformer stations by 12 new units.

Quantities and physical extent of installations on the distribution system

	2024	2023	2022
HV- in MV-network (in km)			
HV overhead lines	227.5	227.5	227.5
MV overhead lines	2,752.0	2,776.3	2,792.5
HV cable ducts	8.3	8.3	8.3
MV cable ducts	1,408.6	1,366.7	1,336.8
Total HV network	**235.8**	**235.8**	**235.8**
Total MV network	**4,160.7**	**4,143.0**	**4,129.3**
LVN 1 kV + 0,4 kV + 0,2 kV (in km)			
LV overhead lines	4,500.8	4,625.3	4,699.5
LV underground lines	8,442.0	8,222.9	8,059.8
Total LV network	**12,942.7**	**12,848.1**	**12,759.3**
Total network (in km)	**17,339.2**	**17,226.9**	**17,124.4**
DTS and TS (in pcs)			
DTS 110/MV kV, DS 110 kV	20	20	20
DTS MV/MV, DS MV (with control and protection)	9	9	9
TS SN/0,4 kV, TP MV/0,95 kV, TP 0,95/0,4 kV	3,586	3,574	3,564

1.2 QUALITY OF CUSTOMER SUPPLY

In 2024, the quality of electricity supply to customers improved compared to 2023, but it should be noted that 2023 was marked by extreme weather conditions. Compared to 2022, however, the quality of supply deteriorated due to unfavourable weather conditions that the Environmental Agency of the Republic of Slovenia (ARSO) did not recognize as damaging. The negative impacts of these weather events also left their mark after their occurrence and in the wider area, which is unfortunately reflected on key indicators of continuous power supply.

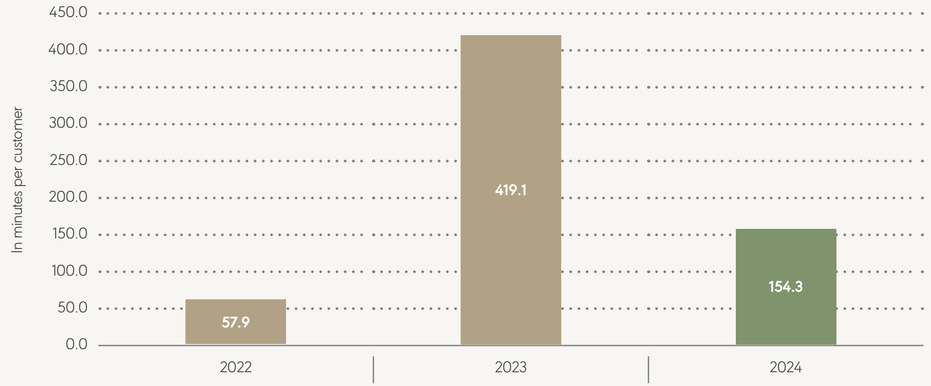
SAIDI, SAIFI and MAIFI are key indicators of power supply continuity prescribed by the Energy Agency:[13]

- **SAIDI** (System Average Interruption Duration Index) – an indicator of the average duration of interruptions in the system: it tells how long there was no electricity supply (on average per customer).
- **SAIFI** (System Average Interruption Frequency Index) – an indicator of the average frequency of interruptions in the system: it tells how many times there was no electricity supply in a year (on average per customer).
- **MAIFI** (Momentary Average Interruption Frequency Index) – an indicator of the average number of short interruptions of less than three minutes: it tells how many times in a year there was no short-term supply of electricity (on average per customer).

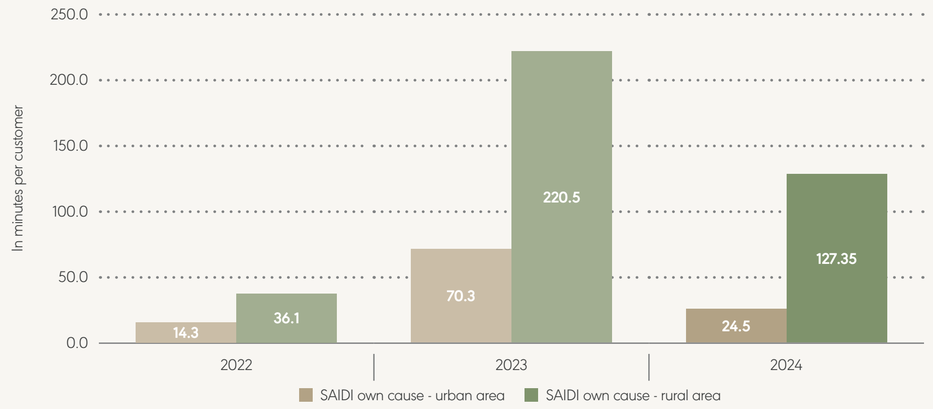
In 2024, the overall SAIDI indicator – composed of own causes, external causes and force majeure – achieved lower (better) values in 2024 as compared to 2023, but higher (worse) than in 2022.

Looking at the own-cause outages for the SAIDI factor, separately for urban and rural areas, the results in 2024 are better compared to 2023 and worse compared to 2022.

SAIDI total – average time longer than three minutes, when there was no electricity supply (average per customer)

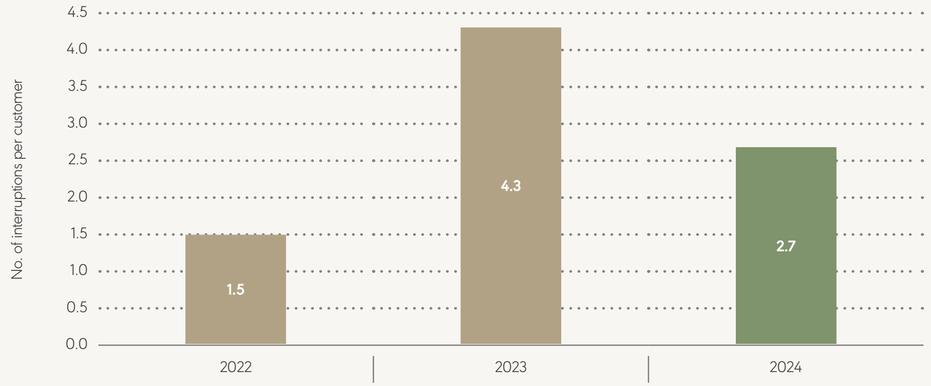


SAIDI or own cause, separately for urban and rural areas – average time of unplanned interruptions of more than three minutes when there was no electricity supply (average per customer)



[13] Taken from: Energy Agency, *https://www.agen-rs.si.*

SAIFI average number of unplanned interruptions longer than three minutes (average per customer)

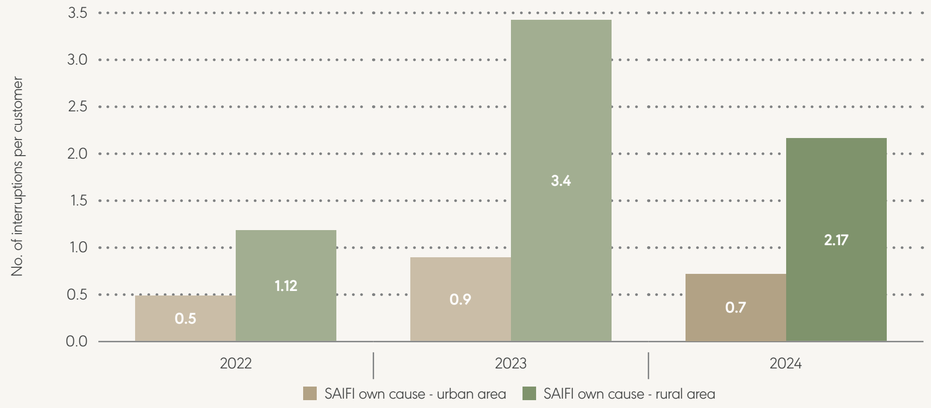


The overall SAIFI (composed of own causes, force majeure and external causes) achieved across the Elektro Maribor supply area in 2024 is better than in 2023, but worse than in 2022.

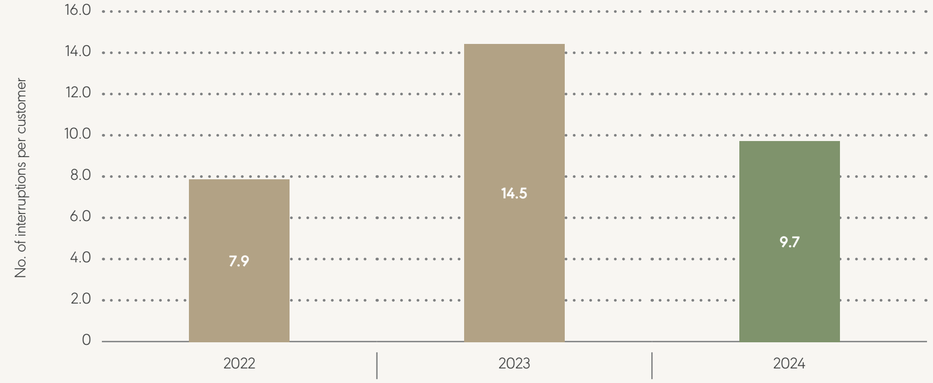
Looking at the own-cause outages for the SAIFI factor, separately for urban and rural areas, the results in 2024 are better compared to 2023 and worse compared to 2022.

Comparing the MAIFI factor from 2023 and 2024, it can be observed that the factor improved in 2024.

SAIFI for own cause, separately for urban and rural areas – average number of unplanned interruptions longer than three minutes (average per customer)



MAIFI – average number of short interruptions of less than three minutes (average per customer)



1.3 PLANNING THE DEVELOPMENT OF THE DISTRIBUTION NETWORK AND CONNECTING USERS

Development plan of the distribution network of Elektro Maribor d. d.

The year 2024 delivered significant shifts in the planning of the development network development. We have completed all five REDOS 2050 studies, which are the foundation for the future development of the electricity distribution network. These studies cover key areas where we plan long-term investments and infrastructure upgrades to provide a stable and reliable electricity supply. Our development plans include the following regions:

- Pomurje,
- Ptujsko polje, Haloze and Slovenske gorice,
- the city of Maribor,
- Slovenska Bistrica, Slovenske Konjice and Rače,
- Dravska dolina.

By completing these studies, we laid a solid foundation for long-term strategic planning and investment preparation that will provide our users with safe and sustainable energy supply.

Connection of customers to the electricity distribution network

In 2024, we achieved a significant breakthrough in resolving delays in applications for the issue of approvals for the connection of production devices. By the end of June 2024 we have eliminated all delays from 2023, which is an important step forward in our commitment to improve the efficiency and quality of services.

Our goal is for each user to get the consent as quickly as possible and get connected, where possible, because this strengthens our partnership with them while providing stable supply. Nevertheless, the total number of documents issued in 2024 dropped by 39%, which is due to the optimization of processes and the change in the system of connection costs. Instead of concluding connection contracts, we introduced an informative pro forma invoice. The latter is the basis for payment of connection costs and for connecting the user to the network. Such a system shows the connection costs and the costs for the connection power in a more transparent way.

In 2024, we issued a total of 15,099 connection approvals for electricity generation and consumption, of which 5,449 were positive approvals for production devices. Despite a slight decline in issued positive approvals for production sources (by 17% as compared to 2023), we remain focused on ensuring the connection of those resources that contribute to the network stability.

Volume of documents issued

Title	2024	2023	2022
Preparation of guidelines to spatial planning acts	41	12	102
Commenting on spatial planning acts	83	129	79
Drawing up project conditions	1,256	1,301	1,652
Issuing opinions on project solutions	1,941	1,795	2,770
Drawing up connection consents	15,099	16,606	12,781
Concluding connection contracts	529	14,595	9,951
Producing analyses for diffuse sources	5,850	6,236	8,797
Total	**24,799**	**40,674**	**36,132**

Consents for the connection of production sources

	2024	2023	2022
Consents granted for the connection of production sources	5,449	6,594	5,910
Power of connection consents issued (kW)	185,810	227,678	178,620

Challenges in the connection of production sources

When issuing approvals for the connection of production sources, we have detected a growing trend of rejections, which is solely the result of limited capacity of the existing distribution network. When production sources are unable to simultaneously produce and consume electricity at the connection location, the excess energy is generated which can have a negative impact on the operation of the network. Physical laws governing electricity flow dictate that we must prevent the undesirable effects of excess production in order to maintain the network stability.

Even before the introduction of NET metering, the distribution network of Elektro Maribor d.d. already basically connected a large number of production sources compared to other distribution companies. This trend, along with the full network capacity, is a challenge in further integration of new sources. Our priority remains to ensure a safe and stable network for all users, which sometimes means rejecting the connection of resources that could destabilize the system. The commitment to improving and optimizing the distribution network remains at the forefront of our strategic decisions, as we strive to maintain quality and stable supply for all connected users.

We carefully manage the connection processes, knowing that maintaining the distribution system within the prescribed limits is crucial for providing reliable energy supply.

Consents for the connection of self-supply installations

	2024	2023	2022
Applications received for self-supply power plants	1,501	14,044	7,901
Consents granted for self-supply power plants	4,945	4,882	5,800
Rejections of self-supply power plants	3,588	2,897	2,712
Refusal rate	42.0%	37.2%	31.9%

1.4 DEVELOPMENT OF APPLICATIONS FOR THE DISTRIBUTION SYSTEM

Low-voltage network health indicators

To facilitate decision-making on the order of investments and to determine the operational status of the network, we developed an application to calculate indicators of the health of the low-voltage network (LVN). The indicators enable assessing the technical condition of LVN, whereby test-calculated the indicators for a smaller set of LVNs.

In 2024, we started the process of data cleaning of the measurement sites across the area, which is crucial for result accuracy. We also corrected the anomalies in the network topology. We developed an app to calculate health indicators. With its help, we assessed the situation on the entire LV network of Elektro Maribor d.d. and successfully calculated the indicators for 3,341 transformer stations. For easier overview of results, we prepared a web browser where all parameters of the indicators are transparent and easily accessible.

Hosting capacity

We have developed a tool to calculate the hosting capacity for all low voltage network terminals. The results of this tool allow users to check the possibility of connecting new production sources via map. The tool is integrated into the application “Information check on the possibility of setting up a self-service centre” within the My Elektro portal.

CARVA project

We introduced the CARVA project, a platform for megadata and analytics, which was born out of the need to process crowd-sourced data and the increasing demand for its use. We carried out a market survey of service providers and software providers. We set up a test environment to test some open source solutions. The environment contains a database for storing and processing time series, and a tool for displaying data.

In 2024, we organized workshops for professional services at Elektro Maribor d.d., where we analysed all data sources in use and identified potential user cases for analytical center. For each source, we will prepare an analysis of feasibility and necessary resources for implementation. Due to the recognition of the ETL and DataLake software, together with the IT department and IBM, we prepared a POC (Proof of Concept) project for IBM Cloud Pak for Data and IBM Watsonx. The products already include some planned software tools that will be used in the CARVA project. At the same time, we evaluated machine, software and licensing requirements for the implementation and storage of intended user cases.

Project Mobile input of measurements of resistance to earth and specific soil resistivity into the Maximo information system

We started the project "Mobile input of measurements of resistance to earth and specific soil resistivity into the Maximo information system". The aim of the project is to set up a mobile application to access EAM (Asset Management) of the IBM Maximo information system, to carry out the process of entering measurements into the information system, to digitize existing measurement sheets and to upgrade the interfaces to facilitate access to the entered data. We chose the mobile application "Mobile Informer", which we installed on the IBM Maximo test environment (UAT). We tested the application with real data and checked whether the functionalities were in line with the project's needs.

Project Digitalization of investment maps

As part of the project "digitalization of Investment maps", which we started in 2024, we are developing a new information system for storing investment folder files, which will enable easier and uniform access to users.

Project of upgrade of IBM Maximo to MAS

With the project for the "Upgrade of IBM Maximo to MAS", we will upgrade the existing asset management system to the Maximo Application Suite. This will also offer us a set of advanced tools for displaying and processing company resources when extending the support of existing systems. The completion of the project– after successful testing in the test environment – is scheduled for a year after the start, i.e. in September 2025.

Upgrading the technical database with terminals

Due to the need to improve the accuracy and reliability of connections between assets and to simplify the monitoring and updating of the network, we started upgrading the IBM Maximo system by upgrading the terminals and nodes. This upgrade is important because it allows the network topology to be established directly within the application, without the use of external graphic interfaces. The upgrade will also facilitate the transition to the new geographical information system (GIS), improve operational efficiency and simplify infrastructure management processes. The upgrade also enables further adjustments and modernisation of individual terminals and nodes without changing the overall network structure. This reduces the risks and costs of minor changes, which enables more efficient maintenance and flexibility of the network. The upgrade has already been successfully deployed in the test environment UAT, to test it and prepare new and updated integration points.

1.5 DISTRIBUTION SYSTEM MAINTENANCE

Maintenance of electricity installations is carried out in accordance with the instructions for the maintenance of the electricity distribution network. The tasks we carry out to ensure the safe and reliable operation of the electricity system are:

- Carrying out any maintenance works prescribed.
- Troubleshooting, diagnostics, tests and measurements to ensure trouble-free operation of the equipment at all voltage levels.
- Providing qualified contractors to carry out inspections of DV 110 kV and rectify deficiencies on DV 110 kV for services we do not perform ourselves.
- Providing qualified contractors to carry out clearance under the electricity grid for services we do not carry out ourselves.
- Thermography of the electricity distribution network to determine the condition and identify critical points to prevent faults during operation; and
- Ensuring quality maintenance on non-energy installations.

Substation audits are carried out on transformer substations to increase the reliability and robustness of the power system. We carry out tree cuttings ourselves and with an external contractor throughout overhead power network.

In 2024, the share of direct costs for the maintenance of energy infrastructure (materials and services) was lower compared to 2023.

Physical scope of maintenance

	2024	2023	2022
Substations audits (pcs)	982	1042	750
Cuttings no HV, MV and LV networks (km)	220	236	273
Line inspections (km)	6,225	5,792	5,830
DTS and PTS checks (pcs)	333	336	336

Proportion of funding by maintenance group

	2024	2023	2022
Maintenance of energy infrastructure	50%	60%	51%
Maintenance other	50%	40%	49%
Total	**100%**	**100%**	**100%**

1.6 ACCESS TO THE DISTRIBUTION SYSTEM AND BILLING FOR NETWORK USE

New tariff system

The electricity distribution companies, joined under the Economic Interest Grouping for Electricity Distribution (GIZ DEE), together with the combined distribution and transmission system operator ELES have successfully introduced the new network use billing. The information support we carried out with the help of our subsidiary Informatika d.o.o., was one of the largest information projects to date, both in scale and complexity.

Network tariffs are very important for the energy transition itself, they have to ensure efficient use of the network and they have to be simple, transparent, understandable and acceptable to users.

As of 1 October 2024, a new tariff system came into force, with billing based on 15-minute measurements, fice time blocks and a “negotiated power” system, and with billing for “excess power” in accordance with the new methodology for network charging adopted by the Energy Agency.

When introducing such large-scale changes, it is important to realise that this is not only an economic, legislative and technological challenge, but also a societal one that will affect every user, whether a household or a business customer, and therefore requires a holistic approach to information, both for employees and the public.

In 2024, EDC, together with ELES d. o. o. and Informatika d. o. o., for the purposes of the transition to a new tariff system:

- developed a measurement data processing platform (POMP) for storing, validating and replacing measurement data;
- introduced a new network charge, which means that we have drawn up functional and technical specifications and implemented solutions;
- upgrade the Single Entry Points (SEPs), adapting them to the new legislative changes (Moj Elektro portal, CEEPS portal, B2B services).

The effects of the new network charge on the electricity distribution companies and the concessionaire (ELES) have not yet been presented. We are aware that the increased needs for network investments pose a serious challenge to the achievement of the green transition objectives, and we therefore hope for the positive effects of the modified network charge method.

Users

Our mission is to provide quality services to all users of the company's distribution system. But the power, energy and data needs of the distribution system users are constantly increasing, as evidenced by the fact that on the last day of 2024 we recorded the highest number of users and consumers ever. The number of users, comprising both consumers and producers, was as high as 227,360. Of those, 225,638 were metering points of consumption and metering points of self-supply, which represents an increase of 1,266 or 0,6% compared to 2023.

The number of grid-integrated production sources is increasing at a high growth rate, which poses a significant challenge to the distribution system. At the end of 2024, the total number of producers was 16,493, of which 14,771 were self-supply (14,680 individual and 91 community), and 1,722 other producers. Compared to 2023, the total number of producers increased by 3,788.

The growing needs of our users led us to develop additional tools on the Moj Elektro application with our own knowledge and in cooperation with the subsidiary Informatika d. o. o. The tool "Informative check of the possibility of setting up self-supply" in the My Elektro app for an individual metering point gives an automatic response to the user within a few minutes after making the request.

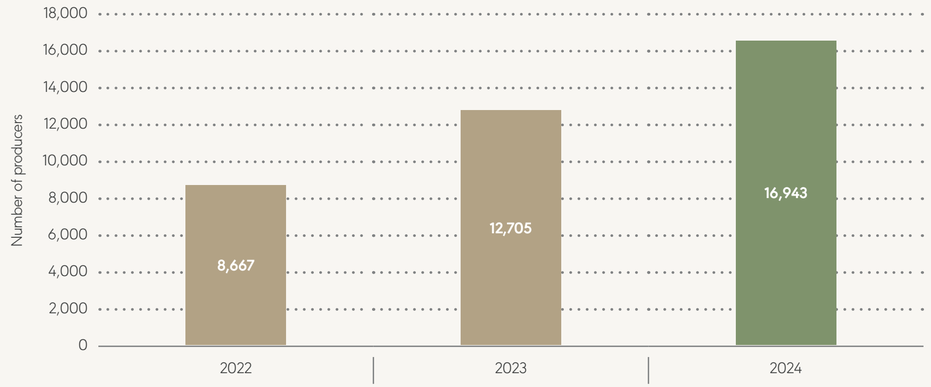
Connection capacity

The connection capacity was also the highest ever, just like in the case of the indicators presented earlier. Specifically, 3,399 MW, which means it increased by 37 MW in comparison to 2023 (9 MW on business and 28 MW on residential).

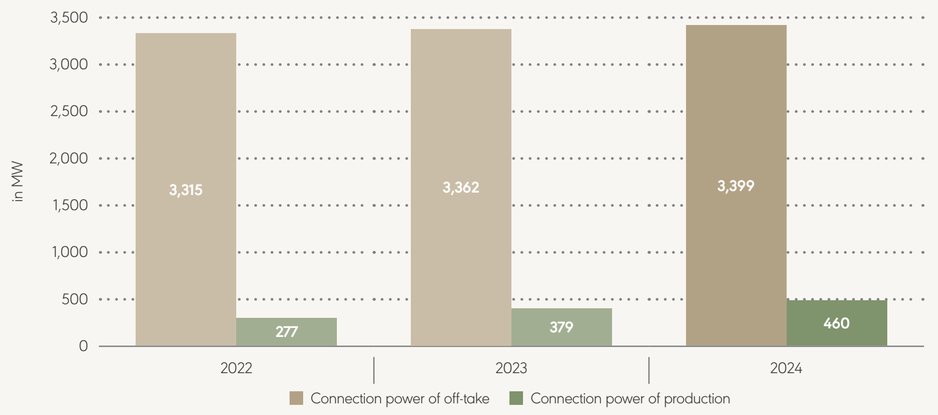
Given the trends, the connection capacity of production sources was expected to be the highest ever – 460 MW, which is 81 MW more than at the end of December 2023.

The total connection capacity of consumers and the connection capacity of producers have a significant impact on the required investments in the capacity of the electricity distribution network, which is why we dedicated further attention to investments in infrastructure in 2024 and will continue to do so in the future.

Number of producers connected to the distribution system (self-supply is also taken into account)



Connection power of consumption and production



Peak power

The system peak (quarter-hourly) power in 2024 was peaked on 22 January at 8:30 and amounted to 481 MW. In 2023, the peak was on 8 December at 8:00, i.e. 459 MW.

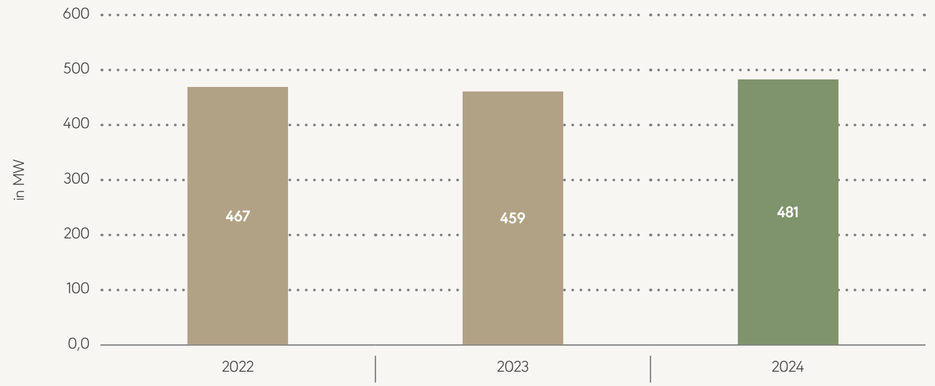
The development of peak load is influenced mainly by climatic factors, economic activity and the increasing loads of existing and new customers and producers. Peak power information is particularly important when planning the development of an electricity distribution system, which must also be sized according to peak power. If it grows, the network needs to be reinforced. The efforts of Elektro Maribor d.d. are also directed towards increasing the network's strength.

Energy off-take

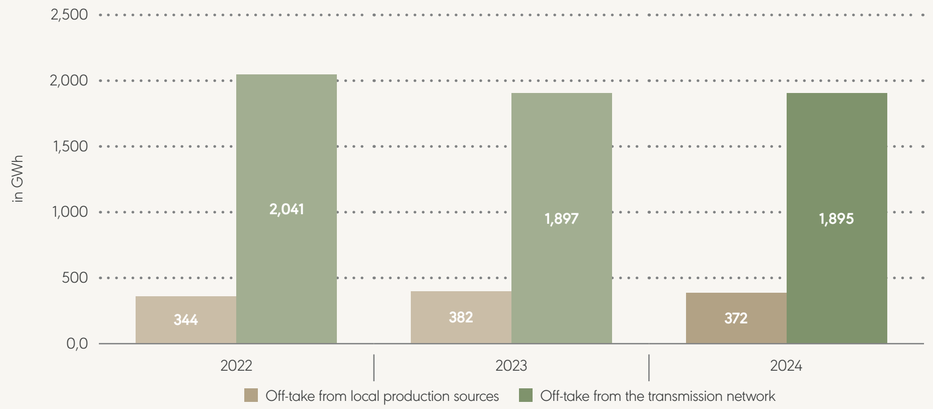
The volume of all electricity in the system, i.e. offtake from the transmission grid and production sources, was 0.54% lower than in the previous year. 1,895 GWh were taken from the transmission grid, 0.1% less than in 2023. 372 GWh were taken from local production sources (small hydro, solar, biomass and coproduction), 2.6% less than in 2023.

The ratio of energy taken from the transmission grid to production sources was 84:16, compared to 83:17 in 2023.

Maximum peak power



Electricity off-take trends



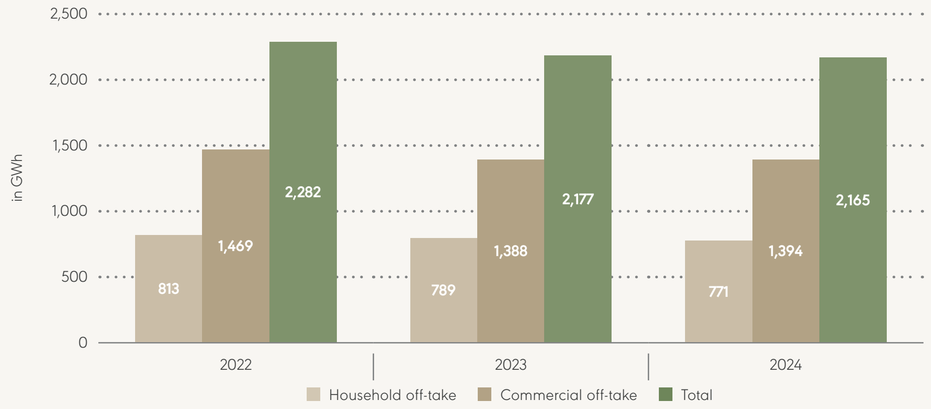
Distributed energy

We distributed 2,165 GWh of electricity throughout the network of Elektro Maribor d.d., which is 0.6% less than in 2023 and 2.9% more than planned.

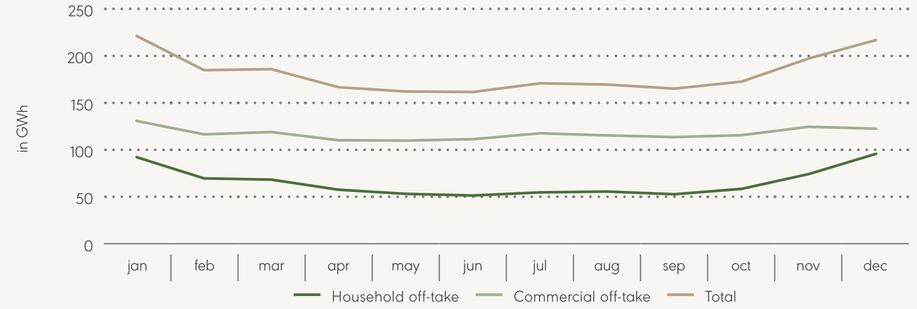
Deviation of energy distributed in 2024 as compared to 2023

	Energy
Low voltage (LV)	1.5%
Low voltage (LV) – business	-1.4%
Households	-2.3%
Total	**-0.6%**

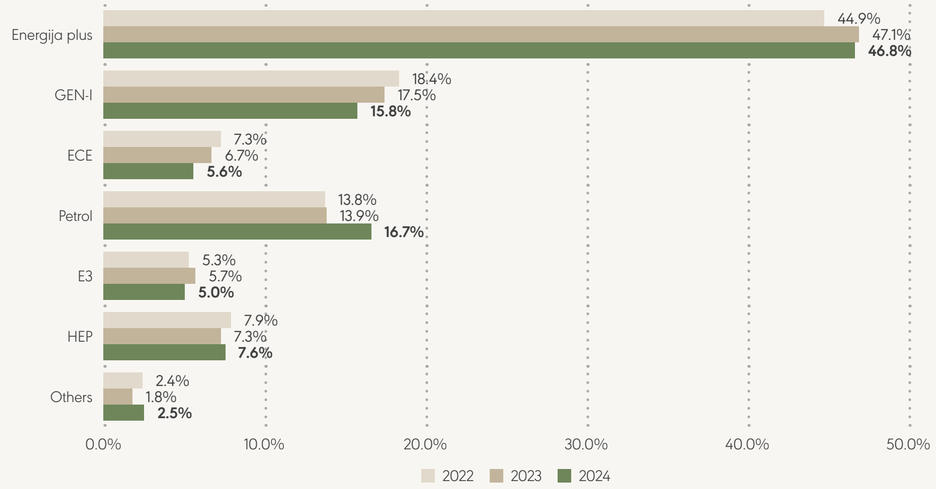
Amount of energy distributed for business and household consumption



Monthly dynamics of distributed electricity for business and household consumption



Distributed electricity of Elektro Maribor d.d. in the area of the ELES Task Operator, by supplier

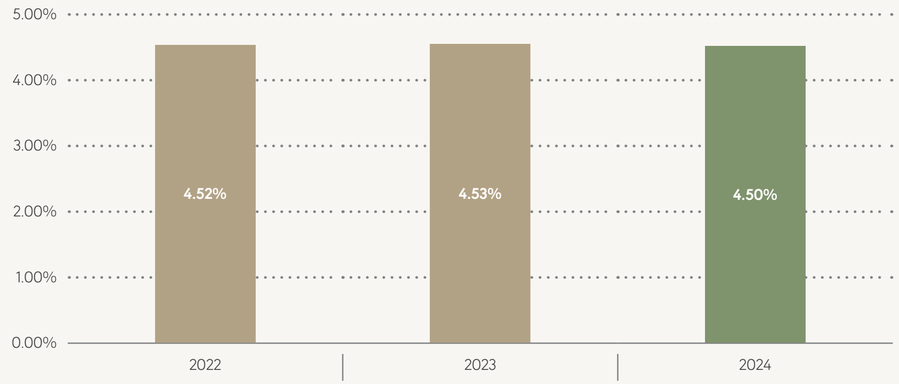


Electricity losses

Electricity losses are an important cost of operating distribution systems. They are defined as the difference between the measured quantities of electricity at the points of receipt from the transmission system to the distribution system and the production sources connected to the distribution system on the one hand, and the measured quantities of electricity at the transfer metering points of the final customers on the other. Losses are broadly divided into technical losses resulting from the transmission of energy through the distribution system and non-technical or commercial losses resulting from the misregistration of metering data, undue consumption of electricity and other causes where the source of the losses is not the flow of electricity through the network.

In 2024, the Energy Agency's recognised share of losses was 4.62%. In the area of Elektro Maribor d.d., the share of electricity losses achieved in 2024 was more favourable, both in comparison with the recognised losses for that year and in comparison with the share of losses achieved in 2023.

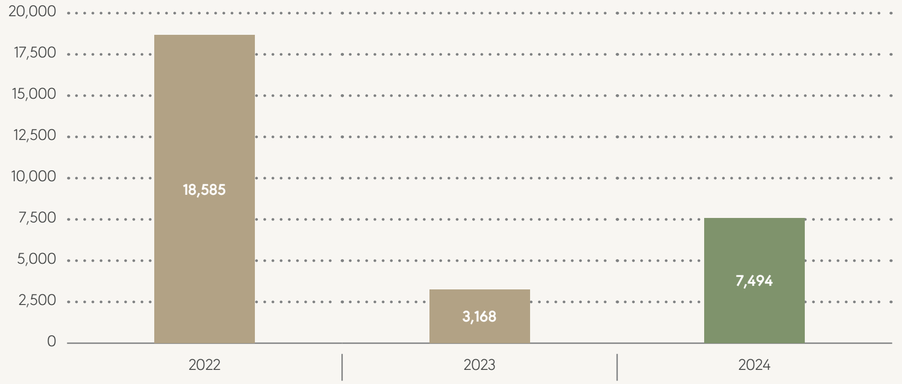
Evolution of the percentage of network losses in relation to distributed energy



Changes of suppliers

One of our tasks is to switch the electricity supplier of users of our network at their request. In 2024, 3.3 percent of all our users have opted to switch. We switched an electricity supplier for 1,203 household and 6,291 commercial customers.

Evolution of the number of changes of electricity supplier



1.7 METERING ELECTRICITY AND PROVIDING METERING DATA

99.6% of all metering points in Elektro Maribor's distribution area were included in the advanced metering system. The only remaining metering points are:

- those where the advanced meters are no longer communicatively compatible with the established remote metering system, due to the transfer of the low-voltage network from one transformer station to another,
- and those where the introduction of interfering signals into the low-voltage network cannot be efficiently and cost-effectively eliminated, and their replacement with meters with radio communication is not an option due to low radio signal. Such metering points will be integrated into the advanced measuring system when advanced meters with hybrid G3 PLC&RF communication are available.

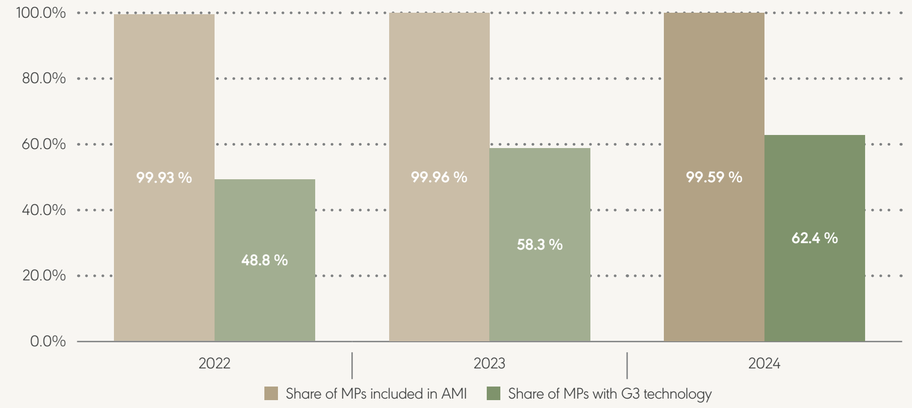
We enabled all these network users to pay for the electricity consumed according to the actual monthly metered quantities, to switch from single to dual or multi-tariff metering or vice versa at no cost for the metering equipment and to switch the circuit breaker back on in case of an overload (without the cost of replacing the main fuses).

Due to the end of their useful life, 9,724 first-generation system meters were replaced by second-generation communication-compatible meters. In 2024, a total of 12,518 new advanced meters with G3 PLC communications and 2,618 new advanced meters with 2G/4G communication were installed (end of lifetime and new customer connections).

In the field of electricity measurement, we have set ourselves several tasks for 2024. We're presenting the results that the entire company is proud of:

- At the end of 2024, we achieved more than 94% of metering points where we provide at least a 90% completeness of detailed 15-minute measurement data. The share of metering points charged under the new tariff system on the basis of detailed 15-minute data (by one of the M1 billing modules) has already exceeded 99.5%, which is by far the highest among all electricity distribution companies in Slovenia.
- At the end of 2024, 62.4% of meters with higher-capacity G3 PLC or P2P LPWAN communication were installed at the metering points of Elektro Maribor d.d.'s network users.
- Due to the need to adapt to the new tariff reform, we successfully completed the development of additional functionalities within the MUWe platform (Mobile Measurement Support System). We have established an efficient system for the exchange of measurement and other data from this platform for higher systems. With newly developed APIs (web services) and additional information tools, we ensured a secure and fully automated data flow between the MUWe platform, both HES systems, eIS and the Metering Data Processing Platform (MDPP).
- The renovation of the two HES systems in the measurement centre is in the final design phase of the renovation or already in the takeover phase. This means that we are training our employees, running the old system in parallel and simultaneously conducting take-up tests in various scenarios, in accordance with such standards. We have also incorporated additional content into the renovation, which will, with the help of innovative solutions supported by the use of artificial intelligence, greatly increase the useful value of the measurement and other data collected in Elektro Maribor's other processes.
- Together with the other four EDCs and Informatika d.o.o., we automated the data production and exchange process for the imbalance settlement and transferred the source of data from individual EDCs to the joint MDPP.
- In all DTSs in the LV/MV, where we are renovating the metering points at the border between the transmission and distribution system, we are also actively establishing a system of operational metering points in all MV lines.

Proportion of metering points in advanced metering and share of meters with G3 technology



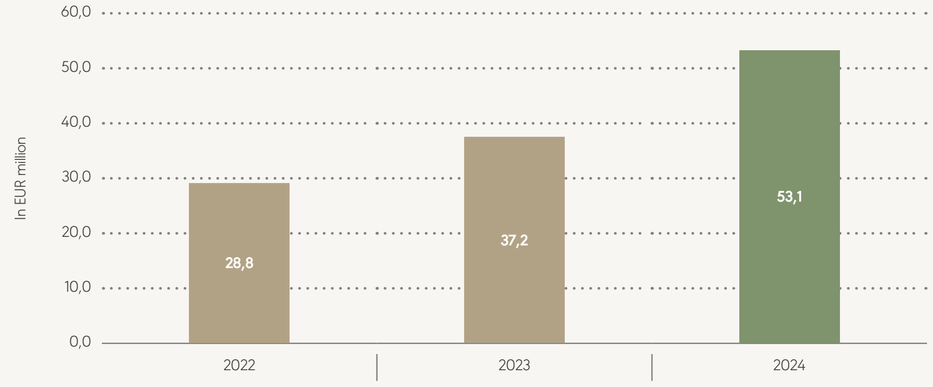
2 Investments

We are particularly pleased that we have increased our investments in 2024 by as much as 43% compared to the previous year. This is in line with our commitment of delivering excellence to our customers, and confirms our commitment to a sustainable strategy. Total investments thus amounted to EUR 53,1 million and were 43% above the capital investments in 2023 and 4% above the planned capital investments.

We are proud of the fact that we have increased the intensity of the work with our employees in the area of investments. In 2024, we made investments with Elektro Maribor d.d. employees of as much as EUR 28.9 million, which represents more than half of all investments (more specifically 55 %). We exceeded last year's results as well as the planned share of these investments for 2024.

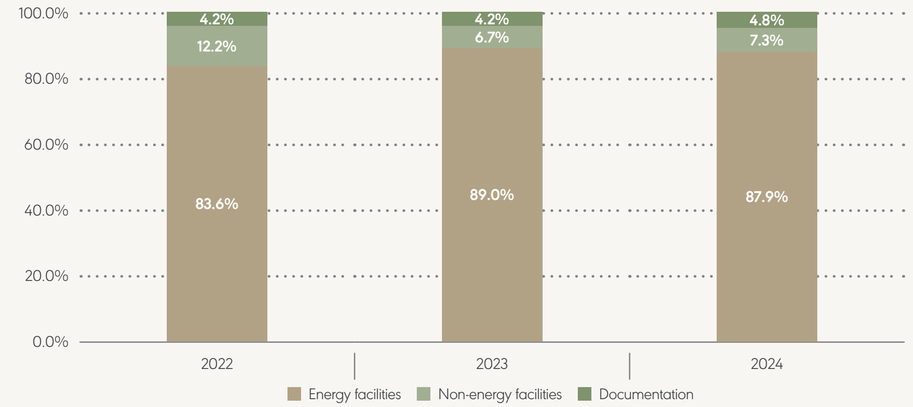
We have earmarked EUR 46.6 million for sustainable investments in 2024. Sustainable investments refers to all investments in electricity infrastructure and investments in other assets that contribute to climate change mitigation and are aligned with the taxonomy.

Investments of Elektro Maribor d. d.



Slovenia can be proud that, although small, it has a **wide range of electricity sources**, but also competent, excellent, professional employees with knowledge and experience.

Structure of investments



Investments of Elektro Maribor d. d.

	2024		2023		2022	
	Quantities	Value in EUR	Quantities	Value in EUR	Quantities	Value in EUR
Network robustness		31,348,011		21,253,120		16,661,877
- MV	128.2 km	11,772,247	62.5 km	5,515,405	74.6 km	5,624,810
- LV	248.0 km	19,575,764	230.8 km	15,737,715	161.6 km	11,037,067
Network quality		4,009,210		1,252,543		1,498,078
- HV new		14,070		17,684		79,766
- TS new	48 pcs	3,995,140	15 pcs	1,234,859	27 pcs	1,418,311
Network forwardness and deliverability		3,080,969		3,174,610		2,321,175
Telecommunications		1,044,723		556,568		492,660
Business IT		1,518,430		1,475,383		2,288,983
Other energy investments		7,170,776		6,872,993		3,107,339
Other non-energy investments		2,377,625		1,026,218		1,225,306
Documentation		2,534,897		1,576,144		1,205,481
Total		**53,084,641**		**37,187,580**		**28,800,898**

2.1 INVESTMENTS IN THE CONSTRUCTION OF TRANSFORMER STATIONS AND LOW-VOLTAGE NETWORKS

The Recovery and Resilience Plan (RRP) is a national programme of reforms and investments by which the state mitigates economic and social consequences of the COVID-19 pandemic in Slovenia. It is the basis for drawing the Recovery and Resilience Plan funds, the financially largest part of the NextGenerationEU European Recovery and Resilience Package.

We see an increasing need for flexibility and a desire among our users to accelerate the deployment of e-mobility, including charging points for electric vehicles and the integration of renewable electricity generation and storage devices. We are therefore pleased that our company has been able to obtain a co-financing decision for the period 2023-2026 of EUR 4,8 million in the first call for proposals under the RRF programme, as the funds will be used to modernise the electricity distribution network in line with the increasing consumption of electricity from renewable sources. The funds raised will be used to build 94 km of low-voltage grid, 23 transformer stations with a capacity of 250 kVA, 23 transformer stations with a capacity of 400 to 630 kVA, and 15 transformer stations with a capacity of 1,000 kVA. This will accelerate the integrated development and management of the distribution network for greater capacity, ensure immunity against disturbances and progression, and enable network connectivity and flexibility.

At the end of 2024, we submitted an application for a second call for co-financing of distribution substations and the construction of a low-voltage distribution network for the 2023-2026 period (RRF), to obtain EUR 11.4 million.

2.2 IMPORTANT INVESTMENTS

Network robustness

We are also systematically increasing the robustness of the medium-voltage (MV) and low-voltage (LV) networks by laying underground low- and medium-voltage lines and insulating overhead low- and medium-voltage lines. In 2024, more than 59% of the total capital investment budget was allocated to increasing the robustness of the network.

- Medium-voltage lines (MV): we laid 69.3km MV cable lines and reconstructed 58.9km of overhead MV lines.
- Low-voltage lines (LV): we laid 204.3km of LV cable lines and reconstructed 43.7km of overhead LV lines.

We replaced or reconstructed 5,418 parking spaces, of which 1,393 on the MV and 4025 on the LV network.

Network quality

We are working to increase the network's capacity by building MV/LV substations and new 110 kV connections. To improve voltage conditions and keep pace with increased electricity demand, we newly built 48 new substations in 2024.

Network forwardness and deliverability

In the context of grid forwardness and deliverability, we are investing in advanced metering, metering centres and remote disconnection points (RCSP). The coverage of remote controlled disconnection points is now 7.18%. Almost all metering points (NMS) in Elektro Maribor's distribution area have been integrated into the Advanced Metering System.

Telecommunications and IT

We are investing in our telecommunications and IT infrastructure to meet the needs of flexible production and off-take, or the active role of users, and of course for the smooth management of distribution network elements.

2.3 OTHER CAPITAL INVESTMENTS

Other energy investments

As part of our other energy investments in 2024:

- Reconstruction of 177 TSs, where the issue was equipment obsolescence, poor voltage conditions and construction renovations, and reconstruction due to the connection of new off-take points and/or renewable energy sources (RES);
- complete reconstruction of the DTS 110/20 kV Ormož facility and DTS 110/20 kV Rače;
- some minor reconstructions of other DTSs (lightning conductors, electrical installations, drainage);
- he operating reserve of distribution transformers was upgraded (46 units).

Documentation

In 2024, we intensively obtained investment documents for the implementation of medium- and low-voltage electricity facilities, which are planned in the 2024-2025 period.

We have put a lot of effort in the activities for obtaining all the necessary documents for the construction of transmission lines between Lendava and Murska Sobota or Lenart and Radenci. A part of these activities has already borne fruit (building permit for a 2 × 110 kV facility on the Murska Sobota – Lendava route, which is not yet fully final).

3 Business Performance Analysis

In the analysis of the business performance, the financial data and explanations of the current year are compared with the planned data of the Annual Business Plan for 2024 and 2023. Variances with respect to 2023 are explained in more detail in the accounting section of the report.

Revenue

In 2024, we generated EUR 12 million or 13% more revenue than in 2023 and EUR 9 million or 10% more than planned. In particular, growth is registered in financial revenues from the income from the shares in the companies and the sale of the subsidiary Energija plus d. o. o. and the operating revenues from the company's own products and services due to higher investments. The largest share among all revenues includes regulated revenue with a 60-percent share.

Costs and expenses

In 2024, the company discloses EUR 9 million or 10% more costs and expenses as compared to 2023 and EUR 6 million or 8% more than planned. The increase is mainly due to higher costs of material for investments and labour costs.

We are engaged in a labour-intensive activity, and consequently labour costs account for the largest share of operating costs (42%).

Prihodki

in EUR	2024	Plan for 2024	2023	Index	Index
	1	2	3	1 / 2	1 / 3
Operating revenue	95,951,040	91,856,849	88,738,588	104	108
Financial revenue	5,077,551	0	504,993	-	-
Other revenue	27,331	0	91,343	-	30
Total revenues	101,055,921	91,856,849	89,334,924	110	113

Costs and expenses

in EUR	2024	Plan for 2024	2023	Index	Index
	1	2	3	1 / 2	1 / 3
Operating costs and expenses	89,496,285	83,407,670	81,773,272	107	109
Financial expenses	1,891,626	1,556,628	1,100,943	122	172
Other expenses	151,328	99,204	95,317	153	159
Total costs and expenses	91,539,238	85,063,502	82,969,532	108	110

Net profit or loss

In 2024, the company's performance improved even further. In 2024, the Group shows a higher net profit or loss, mainly due to higher financial revenues.

Net profit or loss

in EUR	2024	Plan for 2024	2023	Index	Index
	1	2	3	1 / 2	1 / 3
Operating profit or loss	6,454,755	8,449,179	6,965,316	76	93
Net flow	3,185,925	-1,556,628	-595,950	-205	-535
Profit or loss from other operations	-123,997	-99,204	-3,974	125	3120
Taxes	-421,764	-747,268	-132,653	56	318
Net profit or loss	9,094,918	6,046,079	6,232,740	150	146

Assets

The Company's balance sheet total as at 31 December 2024 is EUR 28 million 6% higher than in 2023 and EUR 2 million or 0.4% lower than planned. In 2024, the Company's non-current assets increased by EUR 20 million or 5% compared to 2023 due to higher capital expenditure. In 2024, non-current debt of EUR 20 million was incurred to finance the capital expenditure, resulting in an increase in non-current liabilities, which are EUR 11 million or 19% higher than in 2023.

Balance sheet total of Elektro Maribor d. d.

in EUR	31 Dec 2024	Plan for 31 Dec 2024	31 Dec 2023	Index	Index
	1	2	3	1 / 2	1 / 3
Assets	**462,891,609**	**464,551,370**	**435,276,168**	**100**	**106**
Non-current assets	423,102,213	432,810,238	403,449,955	98	105
Current assets	39,429,384	31,235,593	30,790,811	126	128
Short-term deferred costs and accrued revenue	360,013	505,538	1035,401	71	35
Liabilities	**462,891,609**	**464,551,369**	**435,276,168**	**100**	**106**
Capital	315,060,181	315,244,682	308,062,518	100	102
Provisions and long-term accruals and deferred income	42,907,918	38,964,550	38,541,178	110	111
Non-current liabilities	68,817,656	68,799,668	57,790,747	100	119
Current liabilities	34,785,964	38,409,830	29,804,524	91	117
Short-term accruals and deferred income	1,319,890	3,132,639	1,077,201	42	123

The asset structure of the Company and the Group did not change significantly in 2024. Non-current assets represent the largest share. The Company's liabilities as at 31 December 2023 reflect the way in which the assets are financed. The funding equity ratio (equity/liabilities) of the Company decreased by 2.7 percentage points to 68.1% in 2024, due to an increase in non-current and current liabilities in 2024 compared to 2023.

Structure of assets and liabilities of Elektro Maribor d. d.

Item in %	31 Dec 2024	Plan for 31 Dec 2024	31 Dec 2023
Non-current assets	91.40	93.17	92.69
Current assets	8.52	6.72	7.07
Deferred costs and accrued revenue	0.08	0.11	0.24
Total assets	**100.00**	**100.00**	**100.00**
Equity	68.06	67.86	70.77
Provisions and long-term accruals and deferred income	9.27	8.39	8.85
Non-current liabilities	14.87	14.81	13.28
Current liabilities	7.51	8.27	6.85
Short-term accruals and deferred income	0.29	0.67	0.25
Total liabilities	**100.00**	**100.00**	**100.00**

Cash flow and financial performance

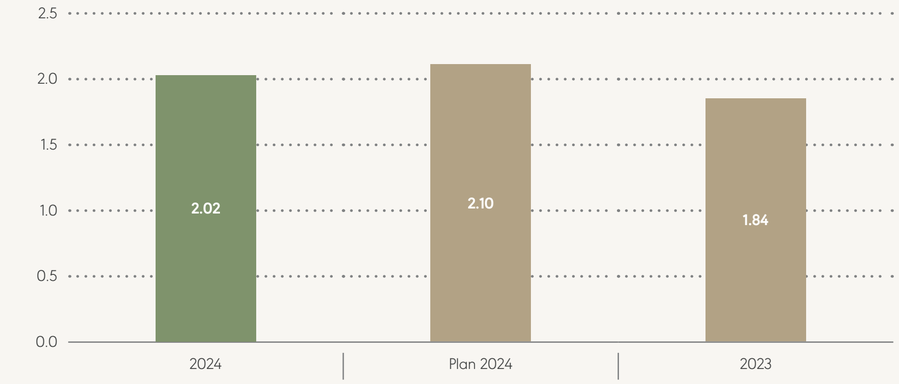
Elektro Maribor d.d. reports a cash balance of EUR 17 million at the end of 2024, an increase of EUR 5 million or 40% compared to 2023 and an increase of EUR 7 million or 70% compared to the planned cash balance for 2024.

To finance capital investments, we took out a non-current loan of EUR 20 million in 2024, in line with the 2024 plan. The Company's gearing ratio increased by 1.7 percentage points in 2024 to 16.7% of total assets.

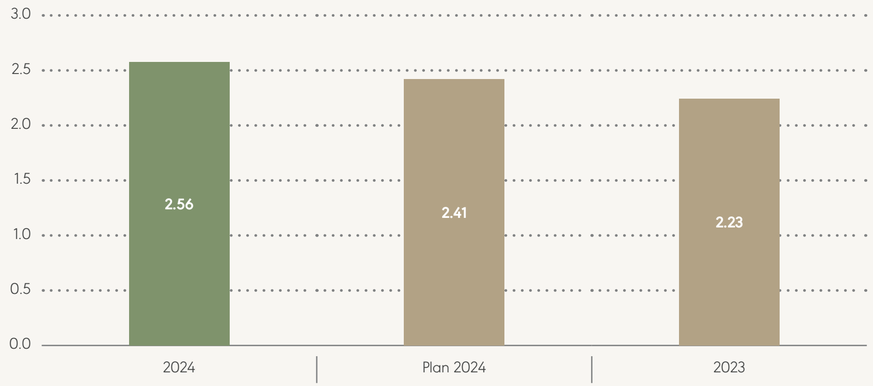
We monitor the indebtedness of the Company and the Group using the financial debt to EBITDA and net financial debt to EBITDA indicators. In 2024, the values of the two ratios increased due to higher indebtedness.

Liquidity is monitored by the current ratio, which shows the financing of current assets by current debts. The Company maintains good liquidity, because the ratio value is greater than 1, which indicates that the Company has sufficient current assets to cover its current liabilities.

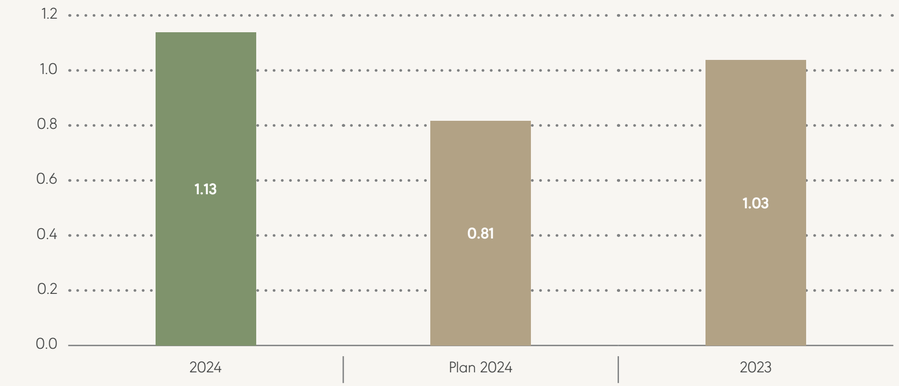
Net financial debt / EBITDA

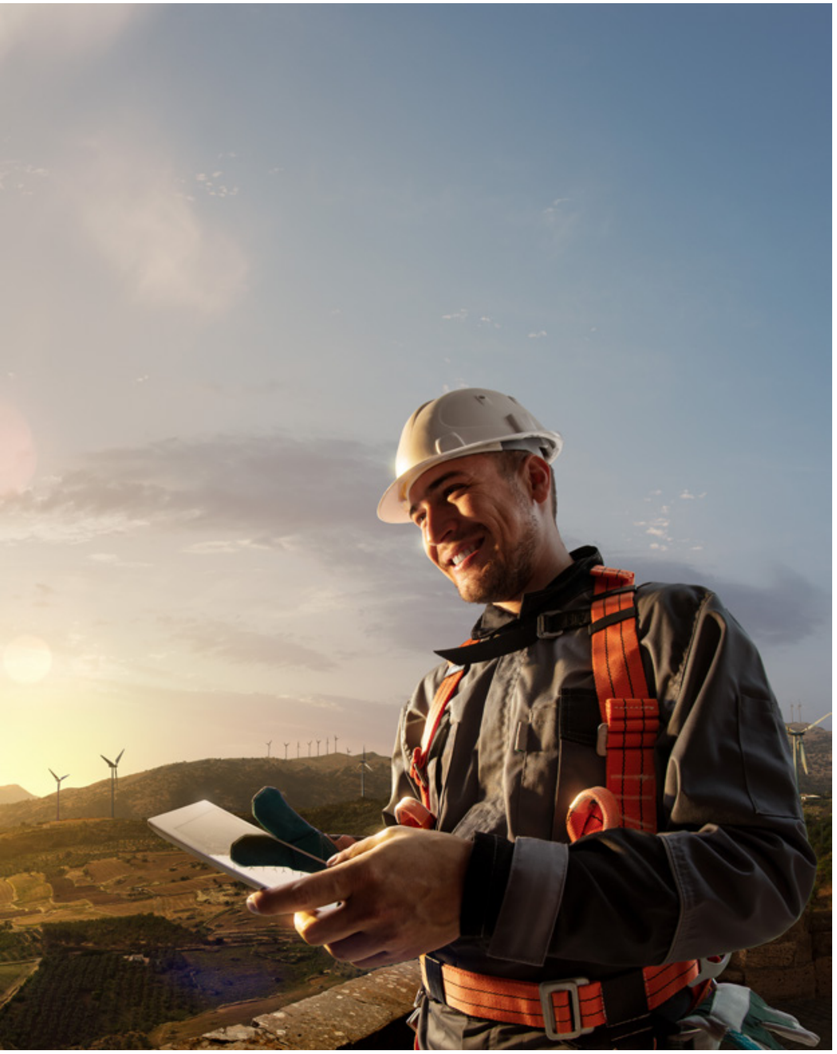


Financial debt / EBITDA



Current liquidity ratio





4 Internal Audit and Risk Management

Elektro Maribor has internal audit and risk management functions:

- The internal audit function, headed by the Head of Internal Audit, which is functionally responsible and reports to the Supervisory Board or the Audit Committee of the Supervisory Board, and administratively reports directly to the President of the Management Board.
- The risk management system is managed by the Risk Coordinator who reports to the Head of Internal Audit, the risk manager for each area, the President of the Management Board and the Supervisory Board or the Audit Committee of the Supervisory Board. This area is coordinated by the Head of the Corporate management office, who is responsible for the operation of the integrated management system in the Company.

4.1 INTERNAL AUDIT

Internal Audit has been an independent function of Elektro Maribor d.d. since 2013. The basis for its operation is the Fundamental Charter on Internal Audit of Elektro Maribor d.d., approved by the Management Board and the Supervisory Board of Elektro Maribor d.d. It is committed to the international framework for professional conduct in internal auditing. As of 1 January 2024, the new Global standards on Internal Auditing entered into force and apply since 9 January 2025.

In 2024, internal audit delivered on all key objectives, as follows:

- Ensuring the efficiency and effectiveness of internal audit in Elektro Maribor d.d. (100 recommendations or identified opportunities for improvement were issued as part of internal audit engagements in 2024);
- Transfer of knowledge and good practices between internal audit practitioners – one internal audit was carried out in collaboration with an independent expert, an IT systems auditor;
- Quality assurance of internal audit (an external audit of the internal audit function of Elektro Maribor d.d. was carried out and completed in accordance with the programme in the period from 1 January 2022 to 30 June 2024; a more detailed assessment of conformity with the standards showed that of the 51 individual standards, all 51 standards were assessed as 'consistent' with the International Standards for the Professional Practice of Internal Auditing;
- Fulfilment of the conditions for the position of Head of Internal Audit at Elektro Maribor d.d. through additional training, the Head of Internal Audit gained sufficient points for the extension of the professional title of Certified Internal Auditor according to the rules of the Slovenian Institute of Auditors.

In accordance with the annual internal audit plan, eight regular audit reviews (one in collaboration with an external independent expert), one extraordinary audit review and one consultancy session were carried out in 2024. In Elektro Maribor d.d. the implementation of nine processes was thus checked in total. In addition to the audits, the internal audit in 2024 continuously monitored the implementation of the recommendations, the functioning of the risk management system and corporate governance in the company, and attended the meetings of the Audit Committee of the Supervisory Board. In December, the Internal Audit also took part in an internal training course for the company's senior management, organised by the Distribution Academy.

4.2 RISK MANAGEMENT

The Company's risk management system defines the Company's objectives, identifies risks, assesses and prioritises risks, defines measures and determines responses to individual risks. We monitor risks and risk management and take additional measures, if necessary.

In 2024, we adopted the new Risk Management Rules, in which we have also successfully integrated information risks. Together with the owners and trustees, we reviewed the existing risks and added/ modified them.

In the company, we divide risks to strategic, operational and financial, and sustainability risks. The register and catalogue of risks is updated every quarter. In the company's risk catalogue, we identified 164 risks, of which 34 were included in the register.

The most significant risks in the key areas of Elektro Maribor d.d. are:

- **Failure to meet the requirements of the company strategy**
  Elektro Maribor d.d. has adopted a new corporate strategy based on three sustainable business aspects: environment, company and governance. Failure to comply with the strategy means that processes are not proceeding in line with the adopted business sustainability plans and that the distribution activity is not fulfilling its purpose. Investments do not provide sustainable solutions. Regular reporting to the company's management and the supervisory body has been introduced, as well as interim reporting and verification of coordination with the company's objectives.

  Interruption of electricity supply due to weather conditions – Heavy rain, wind, snow are causing a lot of damage to the power system. Alertness and optimum response to emergency situations are required.

  Weak staff capacitiy – There is a general shortage of personnel on the market, at the operational level (installers) and as regards highly qualified technical staff (mid-level managers).

- **Sustainable business and the Sustainability Report**
  In 2024, we have been actively preparing the relevant sustainability report for 2024 as required by the Corporate Sustainability Reporting Directive and other delegated acts for the preparation of the sustainability report. Elektro Maribor's project is to draw up an appropriate sustainability report in accordance with the requirements of the Corporate Sustainability Reporting Directive and other delegated acts for the preparation of a sustainability report. The company appointed a narrow and a broad project team. At present, the group is mainly concerned with the correct definition of data points, of which there are just over 1000, and there is a risk of missing some, so we have carried out several workshops and have actively participated in the GIZ project group and in all the workshops organised by SDH.

  Insufficient and unclear rules, guidelines, examples, instructions for drawing up a sustainable report of Elektro Maribor – On the basis of the European Directive on direct issuing of sustainability standards and the delegated acts, Elektro Maribor must draw up a business report for 2024. in this context, the description of the sustainability content of the reports and the disclosure of the data shall be given at the descriptive and general content level. Industry standards and sustainability acts do not yet exist.

- **Regulator's policy and guidelines of the state capital investment manager**
  This area has been assessed as a strategic area also in the company's strategy for the period 2024-2028. At present, there are no significant changes in the regulatory environment, but this may change in the future due to the general energy crisis in the market. Therefore, the monitoring of the acts or decisions issued by the regulator is carried out.

  Regulatory changes – Legislative changes that have questionable added value (lack of cost-benefit analysis) and are difficult to implement are also expected to have an unfavourable public response; additional legislative changes make it impossible to adapt in a timely manner. There are also inconsistencies with other legislative and regulatory acts. It is also time-consuming to obtain clarifications from the regulator. The proposed system will also not reflect the actual costs of the network. Change of the tariff system.

  Lawsuits – stakeholders – As a result of decisions taken in the form of resolutions at the general meeting of stakeholders, there is always a likelihood of an action for annulment being brought by the stakeholder who announced such an action.

- **Management of investments**
  The location of distribution facilities is one of the key factors that has a major impact on the fulfilment of network robustness standards and of the defined sustainability requirements. Risks in this area have been identified in the past in the process of Siting of Power Facilities that largely depends on stakeholders such as: state authorities, local communities and civil society.

  Failure to meet the annual investment plan due to difficulties in supplying material – In the event of untimely introduction of a new public procurement procedure for the supply of material, the new ND is not concluded in time or before the expiry/exhaustion of the old ND. The situation without a valid ND requires changes in the schedule and a slowdown and delay in the implementation of the planned investments.

  Failure to meet the annual investment plan due to poor planning of the works – In the case of incomplete or inaccurate schedules, the implementation of planned investments may be slowed down and delayed.

  Unexpected deviations from the planned investments due to untimely communication with other stakeholders (municipalities, Ministry of Infrastructure, ...) – The risk of untimely coordination of the start of planning, design, implementation of PC procedures and simultaneous construction of an EEE and municipal utilities. Consequently, higher investment costs.

  Inadequate supply of equipment, materials, services – The risk that suppliers will not deliver according to the agreed order in terms of time, quantity, quality and price.

  Errors in book entries – Incorrect recording of invoices received and invoices issued in terms of each investment, account and VAT accounts.

- **Renewable integration**
  The integration of renewables has continued to grow steadily in recent years. There are a number of identified risks to manage, both in terms of the number of consents granted and the ability to integrate them into the electricity grid, and the number of any penalties and lawsuits.

  Failure to meet the regulator's requirements for the connection of renewable sources – The company cannot implement the connection requirements for renewable energy such as heat pumps, fast chargers for electric vehicles, etc. fast enough. The company is unable to connect at the rate required by the regulator because it does not have a sufficiently robust network and personnel resources.

  Error in issuing consents – Lawsuit for issuing a negative decision – Possibility of claiming damages for negative consents and deadlines exceeded.

- **Information security - business continuity**
  Information or cybersecurity risks are threats and vulnerabilities to information assets which, if realised, may result in the loss or misuse of information, failure of an information system or impact on the provision of essential services of the company and ensuring the functioning of infrastructure. Financial losses, loss of reputation and loss of trust in the company are also common indirect consequences of the implementation of information cyber risks.

  Inaccessibility of the SCADA system in the event of a failure of ICT infrastructure at the primary location (cyber invasion, defect, natural disasters ...) – If, due to various reasons (cyber invasion, outage/failure, natural disasters), the ICT infrastructure at the primary site (Vetrinjska 2, Maribor, 3rd floor) fails, the DCV cannot carry out its activities because there is no SCADA redundancy at the secondary site.

  Outdated SCADA system with no possibility of issuing corrections of identified vulnerabilities – The manufacturer of the existing SCADA no longer provides maintenance and emergency upgrades of the SCADA and OS on the hardware, as the company no longer exists. As a result, the system is no longer upgraded (nor the necessary security fixes), so there may be vulnerabilities that have not been addressed and through which an attacker can break into the system. Difficult to restore in the event of a malfunction, outage.

  Incomplete or unavailable data for DEES management after SCADA reset in the event of a failure or cyberattack – In the case of SCADA recovery after a failure (cyber intrusion, ICT infrastructure outage), the data recovered shall be from a backup made 24 hours before the outage. The data on the operation of DEES are incomplete, we do not have information on the activities in the last 24 hours on the EES, which may also affect the safety of people and prevent the process in the DCV.

  Incorrect provision of data services on electricity meters by users – Covert errors, discovered after a prolonged period of operation, when there are no more warranty obligations by the provider.

- **Areas of risk where the management has zero tolerance for risk taking**
  The Management Board has no tolerance for taking risks in the areas of safety and health at work, risks to life, information and cyber threats, regulatory risks, unethical practices. These kinds of risks are most commonly recorded in the risk register and will be dealt with by the company on a daily basis. Therefore, in September 2024, the Management Board adopted the “Risk Appetite” Policy.

  Risk to life and property – Every accident at work has the effect of disrupting the work process, potentially harming the health of employees and requiring the introduction of appropriate corrective measures. The average age of electrical energy installations is increasing. As a result, electricity supply is unreliable and dangerous (network demolitions, TS failure,...).

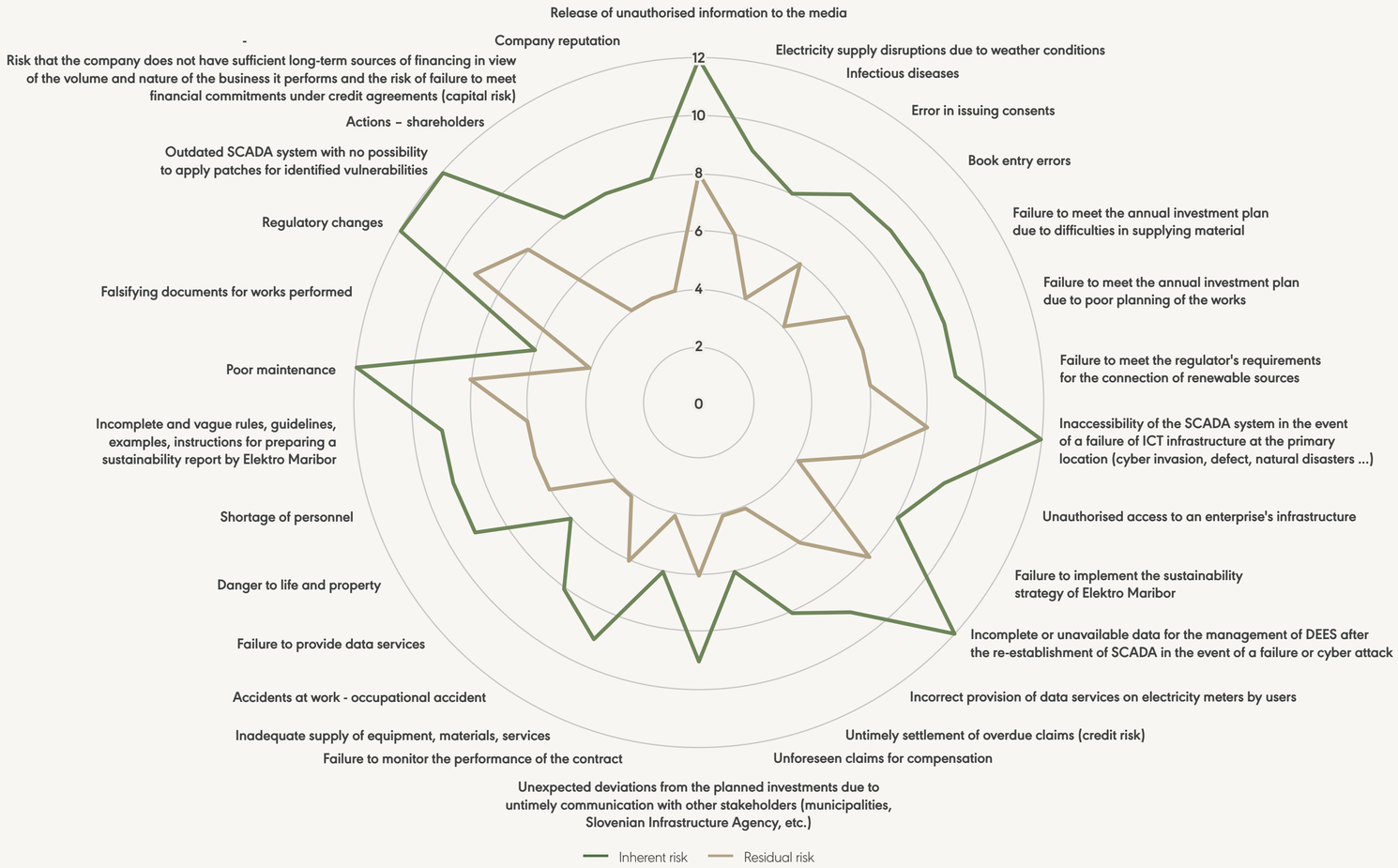
Unauthorised access and access to the company's infrastructure – Unauthorised access and approach to the company's infrastructure covers all forms of threats that may jeopardise the security of the company's assets - infrastructure, equipment, data and employees. This includes physical access as well as, in the case of unauthorised access to the computer equipment, cyber threats, unauthorised access to the equipment resulting in damage to critical infrastructure, disruption of business, financial loss, loss of data and damage to the reputation of the company. In the case of unauthorised entry, this may also involve the alienation of company assets and data.

Release of unauthorised information to the media – Release of unauthorised and incorrect information to the media. Persons who are not identified (or specifically authorised) as being able to communicate with the media could respond to questions from journalists/media outlets. The media may be contacted by the President of the Management Board: and by the department or person responsible for corporate communication who is associated with the Management Board. The media obtains information/data from competent professional departments and forms it accordingly. Before the statement is sent/delivered, its contents shall be approved by the President of the Management Board.

Identified risks

The chart below shows the risks from the hazard register (greater than or equal to 4) that occur in the areas described above. The diagram shows the estimates of individual risks of the inherent and residual risk.

Risk register according to the assessment

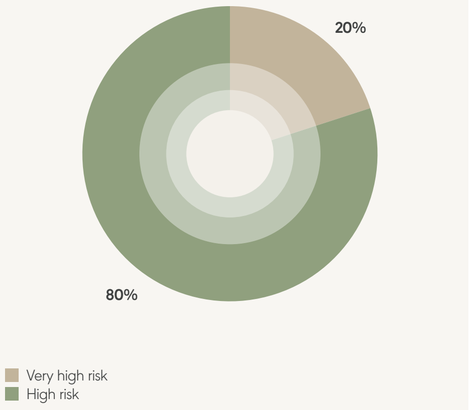


The following graphs show the distribution of risks in the risk register by risk size.

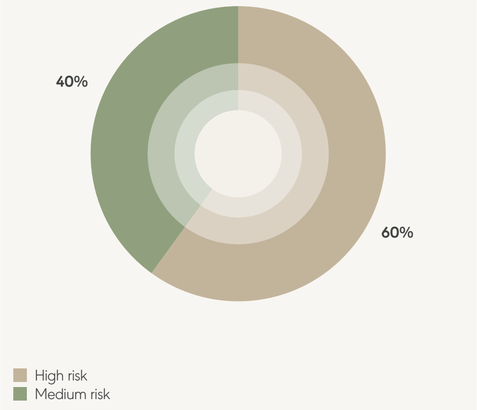
The following graph for the 2022-2024 period shows the increasing number of large and very large risks. In this case, a high and very high risk is a risk in accordance with Annex 4 to the Risk Management Rules of Elektro Maribor d.d. (of 1 August 2024), with an assessment of 6 or higher (of residual risks).

The graph shows that the number of large and very large risks in the company is increasing, as a result of the reassessment and awareness of the importance of risk management. The number of such risks is increasing and the number of risks in the Risk Register is decreasing.

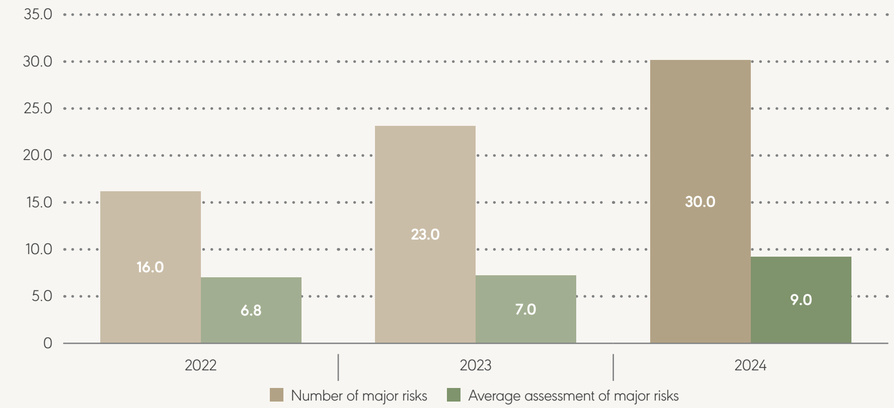
Extent of inherent risk in 2024



Extent of residual risk in 2024



Number and average rating of major risks



Major risk events in 2024

RISK MANAGEMENT RULES IN ELEKTRO MARIBOR

By adopting the new Risk Management Rules in the Elektro Maribor Group, we have coordinated all the belonging annexes. These annexes further specify the risk assessment criteria and include an assessment of the information risks, consistent with the aspects of confidentiality, integrity and availability.

RISK CATALOGUE AND REGISTER

The transparency of the Risk Catalogue has been updated so that it can effectively assist the management in managing individual risks in the company. In this way, we create a higher level of awareness and focus on important risks and establish an appropriate internal risk management environment.

RISK ACCEPTANCE POLICY - RISK APPETITE

On the basis of the newly created risk catalogue and register, the management board adopted a Risk Appetite Policy. In this way, we have established a higher level of awareness in the company of the importance of risk. This presents an opportunity for a risk management culture to be sustainable while implementing the strategy. The Management Board has no tolerance for taking risks in the areas of safety and health at work, risks to life, thefts, cyber threats, regulatory risks, unethical practices and leakage of information.

REVIEW OF KEY PROCESS FROM THE ASPECT OF RISK MANAGEMENT

We started a review of the key processes, where we re-examined with owners and risk managers all the risks identified so far and looked for a process activity to which we could tie the identified risk. In the DNA application, which is used by the company to control processes, we looked for a process activity and assigned a known risk to it. This way we fully adhere to the COSO ERM methodology, which implies that risks exist in all processes and activities.

INFORMATION RISK MANAGEMENT

All identified information risks will be assessed and addressed in addition to the identified probability and severity criteria (Annex 4 to the Rules) by the criteria of maintaining Confidentiality, Completeness and Availability of Information. All of this represents a major breakthrough in information risk management. These will be included in the common risk catalogue and the common risk register and will therefore be supplemented by the legally required data.

III. | SUSTAINABILITY STATEMENT

ENERGY THAT FLOWS BETWEEN PEOPLE

In our sustainability strategy, our team is acknowledged as crucial. Our network may be advanced, but its real power comes from within. From people who co-create it with dedication, knowledge and heart.

Therefore, we actively create a working environment where safe processes are prioritized, where everyone has room for professional and personal growth and motivation for innovation.

At Elektro Maribor d.d. we focus on sustainability as a key element in the way we run our business and strive for a better future. The sustainability strategy is designed to mitigate our most important sustainability risks, adverse impacts and increase our positive impacts on the company. In doing so, we emphasise sustainable business, building a sustainable relationship with users and taking care of employees to create an innovative and motivated working environment.

In today's society, we are all responsible for our own actions, which create coexistence with nature and society. We walk and seek the path of civilizational development, where the first is to preserve the planet in ensuring the dignity and equality to all people. We're not just talking about our generation, we're talking about the future. In Elektro Maribor d.d. we are actively taking responsibility for all aspects of our sustainable development, therefore our annual report discloses our sustainable practices, in particular. In the sustainability context of the business report, we detail our strategic orientations, management methods, risks and opportunities, objectives, indicators and actions in the field of sustainable development.

The sustainability statement provides a comprehensive overview of the company's commitment to environmental performance, social responsibility and sustainable management practices. The sustainability report and disclosures are based on the identified impacts, risks and opportunities that we have identified in the course of the double materiality assessment process. The report is divided into four sets and seven theme sections:

- General information (ESRS 2),
- Environmental information (E1, E5),
- Social information (S1, S2, S4),
- Governance information (G1).

In the face of many challenges, we are upgrading our methods to identify our significant environmental, social and governance impacts and to manage the risks and opportunities of climate change and other sustainable impacts of the external environment on our company. In doing so, we strive for climate-neutral business practices, the integration of new technologies into the distribution network, and active inclusion and investment in the training of our employees. We provide a safe and supportive environment where we promote equality between people - in all dimensions of diversity - and strive to create a digital company, based on fundamental democratic values, in which all people can participate in a safe, competent and autonomous way. With our sustainable activities, we bridge the digital gap, thus providing a digital world that is a tolerant and safe space for all.

1 Independent Auditor's Report

Phone: +386 1 53 00 920
@: info@bdo.si
www.bdo.si

BDO Revizija d.o.o.
Cesta v Mestni log 1
1000 Ljubljana, Slovenia

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY STATEMENT

To the stakeholders of Elektro Maribor d.d.

We have conducted a limited assurance engagement on the Sustainability Statement of Elektro Maribor d.d. (also: "the Company"), included in the Annual Report of the Company for the financial year that ended on 31 December 2024 and for the period from 1 January 2024 to 31 December 2024 (also: Sustainability statement).

Identification of applicable criteria

The Sustainability Report was prepared by the Company's Management Board to meet the requirements of Articles 70c and 70č of the Companies Act (ZGD-1), implementing the article 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (SRS), including that the process carried out by the Company to identify the information reported pursuant to the Sustainability Statement ("Process") is in accordance with the description set out in the section Management of impacts, risk, and opportunities;
- compliance of disclosures included in the section Taxonomy of the Sustainability Statement with Article 8 of the Regulation (EU) 2020/852 (the Taxonomy regulation); and
- Compliance with the requirements for the preparation of the Sustainability Statement in accordance with Article 58 of the Companies Act (ZGD-1), which requires the company to prepare a Sustainability Statement in a single electronic reporting format, as laid down in Article 3 of the Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing the Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the ESEF Regulation).

Management's responsibilities for the sustainability statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in the "Management of impacts, risk, and opportunities" section of the Sustainability Statement. The responsibility includes:

- understanding the context in which the Company's activities and business relationships take place, and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Company's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with Article 70 c and 70 č of the Companies Act, implementing Article 29(a) of the Directive (EU) 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures included in the "Taxonomy" section of the Sustainability Statement in accordance with the provisions of Article 8 of Regulation (EU) 2020/852;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that are free from material misstatement, whether due to fraud or error; an
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The management of the Company is also responsible for the preparation of the Sustainability Statement in accordance with the technical requirements related to single electronic reporting format as laid down in Article 58 of the Companies Act and Article 3 of the ESEF Regulation. This responsibility includes the design, establishment and maintenance of such internal controls as to enable the preparation of a sustainability statement that is not materially inconsistent with the requirements of Article 58 of the Companies act and Article 3 of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Auditor's responsibilities for the limited assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the process include:

- Obtaining an understanding of the process but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, as disclosed in the Management of impacts, risk, and opportunities section.

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- The assessment as to whether the sustainability statement is, in all relevant respects, prepared in the format laid down by Article 58 of the Companies Act (ZGD-1) and Article 3 of the ESEF Regulation.

Our Independence and Quality Management

We have acted in accordance with the independence and ethical requirements of EU Regulation No 537/2014 and the International Code of Ethics for Accounting Professionals (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants. The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations in preparing the sustainability statememt

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, the management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future, and possible future actions by the Company. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, the management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

The references to external sources or websites in the Sustainability Statement are not part of the Sustainability Statement and therefore are not within the scope of our limited assurance engagement.

We point out the following specific limitations:

- Environmental reporting as applied by all companies includes information based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future physical and transitional climate-related impacts. For the avoidance of doubt, the scope of our engagement and our responsibilities will not include performing work necessary for any assurance on the reliability, proper compilation, or accuracy of the prospective information.
- Any supply chain emissions metrics listed in the Sustainability Statement may include information provided by suppliers and third-party sources. Our procedures will not include obtaining assurance over the information provided by suppliers or third parties.
- The Sustainability Statement may include metrics that are derived from reported events relating to employees and subcontractors. As such, our testing may not identify misstatements relating to completeness, for example in instances where events may have occurred but have not been reported.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and
- evaluated whether the evidence obtained from our procedures about the Process implemented by the Company was consistent with the description of the process set out in the Management of impacts, risk, and opportunities section.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- obtained an understanding of the Company's reporting processes relevant to the preparation of its Sustainability Statement by obtaining an understanding of the Company's control environment, processes and information systems relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control;
- evaluated whether the information identified by the Process is included in the Sustainability Statement;
- evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- performed inquires of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- performed substantive assurance procedures on selected information in the Sustainability Statement;
- where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the Financial Statements;
- obtained evidence on the methods and processes for developing material estimates and forward-looking information and on how these methods were applied;
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.
- obtained information and bases for the amounts revealed in the Taxonomy section of the Sustainability Statement;
- assessed whether the Sustainability Statement was prepared in the format laid down by Article 58 of the Companies Act and Article 3 of the ESEF Regulation.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (**ISAE 3000 (Revised«), issued by the International Auditing and Assurance Standards Board.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are further described in the *Auditor's responsibilities for the assurance engagement* section of our report.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion of limited assurance

Based on the procedures we have performed and on the evidence we have gathered, no situation has been brought to call our attention that leads us to believe that the Sustainability statement is not, in all relevant aspects, prepared in accordance with Articles 70 (c) and 70 (č) of the Companies Act, which transposes Article 29 (a) of the EU Directive 2013/34/EU into the Slovenian legislation, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported pursuant to the Sustainability Statement ("Process") is in accordance with the description set out in the section Management of impacts, risk, and opportunities;
- compliance of disclosures included in the section Taxonomy of the Sustainability Statement with Article 8 of the Regulation (EU) 2020/852 (the Taxonomy regulation); and
- compliance with the requirements for preparing a sustainability statement in electronic format XTML, as laid down in Article 58 of the Companies Act and the Commission Delegated Regulation (EU) 2018/815.

Other matter

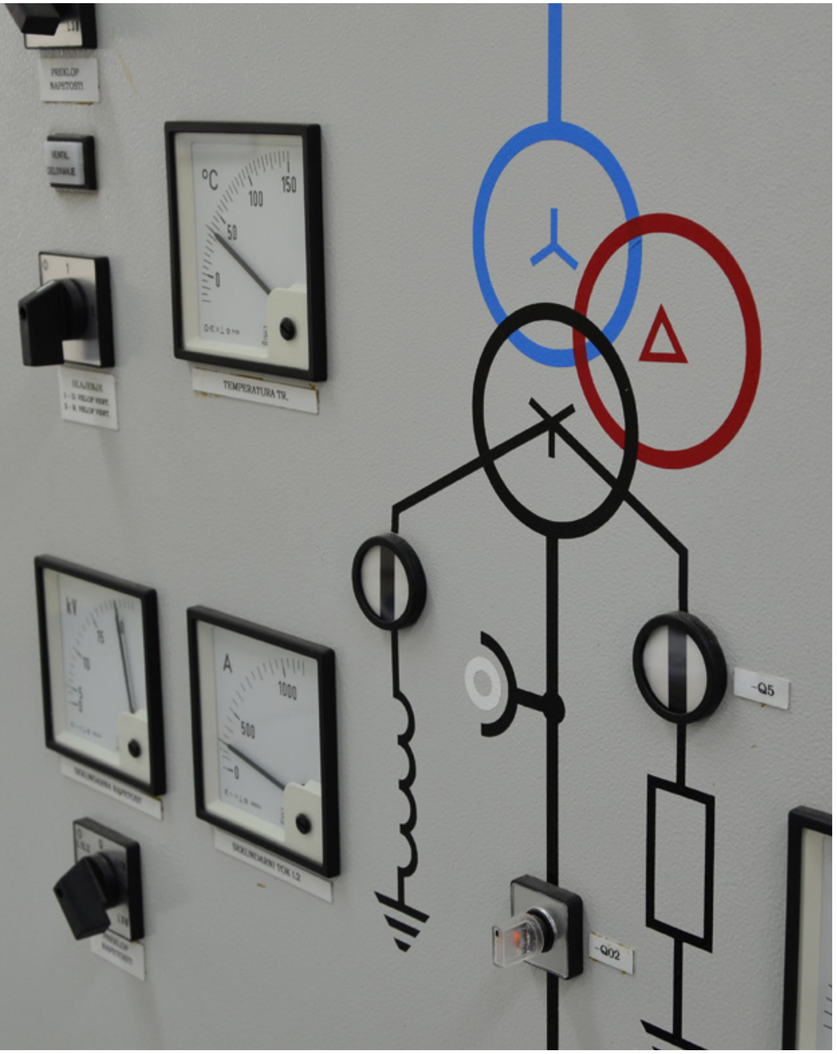
Our assurance engagement does not extend to comparative information in respect of earlier periods.

Ljubljana, 30 April 2025

BDO Revizija d.o.o.
Cesta v Mestni log 1, Ljubljana

BDO Revizija d.o.o.
Družba za revidiranje

Maruša Hauptman,
Key Sustainability Partner,
certified auditor



2 General Information

Elektro Maribor d.d. sees sustainable development as the core of its strategic direction, where all stakeholders have a key role in integrating sustainable values into the distribution activity. Together, the environment and the company are shaping a sustainable distribution system based on partnership, innovation and responsible conduct. To us, sustainability is not just an obligation, but an opportunity to create long-term value together with our stakeholders, in line with our social and environmental objectives. Therefore, we follow principles that promote transparency, accountability and continuous dialogue with our stakeholders.

Sustainability reporting in Elektro Maribor d.d. is a process that follows the requirements of the ESRS standards. We have identified processes in the value chain, the business model and shareeholders that influence sustainability and sustainable business in Elektro Maribor d.d.

We have identified impacts, risks and opportunities for value chain processes and stakeholder groups. Environmental, social and governance impacts/ factors have been identified for processes in a circular business model. For each impact/factor, negative or positive impacts were assessed and, where appropriate, the financial aspect was also assessed. For stakeholders in process architecture, we have identified societal and governance impacts/factors. We have also identified risks and opportunities for stakeholder processes.

Within the company, we have assessed the impacts/ factors in accordance with the ESRS methodology, both from the environmental, social and governance impact perspective and from the financial perspective. We have also assessed the risks and opportunities from an environmental, societal and governance risk perspective and from a financial perspective.

The role of management and supervisory bodies in sustainability reporting in line with the ESRS standards is crucial, as these structures ensure appropriate control, strategic direction and integration of sustainability considerations into the company's business decisions. The ESRS standards were developed under the Corporate Sustainability Reporting Directive (CSRD) and set out how a company reports on its environmental, social and governance (ESG) impact.

The key roles and tasks in sustainability reporting under the ESRS are:

- setting sustainable objectives and strategies,
- integration of sustainability factors into the business,
- monitoring compliance with ESRS,
- risk and opportunity management,
- transparency and accountability,
- communication with stakeholders and setting incentives.

Compliance with the Directive on Corporate Sustainability Due Diligence is of paramount importance for the legal regulation of Corporate Social Responsibility (CSR) . Thereby, the company Elektro Maribor d.d. carried out a sustainability due diligence on the basis of a questionnaire in order to identify the actual and potential negative impacts of its operations on the environment and society. We also conducted workshops with various stakeholders, such as partner organisations (GIZ), regulator and manager (ELES) on the subject of identifying influential sustainable topics by ESRS for distribution activity. The opinions obtained contributed to the assessment of impacts, risks and opportunities in accordance with the methodology for determining double materiality.

The procedure followed by the company to determine the information - content to be included in the sustainability report - is based on a methodology and assessment of double materiality for Elektro Maribor d.d. The assessment process followed the following steps:

- review and analysis of the existing situation in the company regarding sustainability,
- definition of a circular business model and stakeholders,
- defining sustainable topics and assessing the importance of influences, risks and opportunities,
- engagement of stakeholders,
- preparation of double materiality according to ESG topics and sub-topics,
- identification of significant impacts, risks, sources, metrics, targets and actions;
- inclusion of relevant topics in the company's strategy following the completion of the sustainability report.

The company identified eleven risks and five positive or negative sustainability impacts.

Measures to prevent, mitigate, remediate or eliminate actual or potential adverse impacts in 2024 have not yet been identified.

2.1 GENERAL DISCLOSURES (ESRS 2)

BASIS FOR PREPARATION

Sustainability is the core of business activities of Elektro Maribor d. d. Progress is reported on an annual basis, in combination with the company's joint business report, where the sustainability part has a separate chapter in the business report. The requirements for transparency in the sustainable development of enterprises are constantly increasing. In the light of the transfer of the European Directive on the reporting of sustainable corporate development (CSRD), we, as a company, have comprehensively joined the preparation of a sustainability report. The double materiality assessment was carried out in accordance with the requirements of the ESRS standards. The sustainability report is divided to “general information”, “environmental information”, “social information” and “governance information”. In the application of ESRS, the concept of “materiality” is of paramount importance and defines the content to be included in the sustainability reporting. In accordance with the principle of double materiality assessment our management of the significant impacts of our business activities on the company and the environment and the material risks and opportunities identified by Elektro Maribor d.d. in its activities.

Identified key sustainability themes covered by sustainability reporting:

- ESRS E1 – Climate change,
- ESRS E5 – Resource use and circular economy,
- ESRS S1 – Own workforce,
- ESRS S2 – Workers in the Value Chain,
- ESRS S4 – Consumers and End-users,
- ESRS G1 – Business conduct,
- information security.

2.1.1 General Basis for Preparation of Sustainability Statements (BP-1)

Elektro Maribor d.d. prepares its sustainability report in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), as set out in the framework of the Corporate Sustainability Reporting Directive (CSRD). The sustainability report is on the principles of relevance, integrity and transparency and shall include data relevant to understanding the impacts of a company on the environment, society and the economy, and to assessing the sustainability risks and opportunities facing the company.

In drawing up the sustainability report, we used the double materiality assessment method, which combines the assessment of financial and environmental/social relevance. The data included in the sustainability report are based on proven internal sources, standardized measuring methodologies and best practices in the electricity distribution sector. The company commits to regularly review and update the information to ensure its accuracy, reliability and compliance with regulatory requirements and expectations of stakeholders.

The sustainability report shall cover the upstream and downstream value chain as well as identified impacts, risks and opportunities. The selected objectives, actions, policies are extended to the whole downstream and upstream chain and are described in the areas of environment, society and business management of sustainability standards.

Metrics include information on value chains as set out in the quantitative disclosures and are subject-specific. This occurs in particular in E1 in the context of Scope 3 emissions and in E5 in the context of information on the amount of waste. In line with the approach, we intend to progressively extend disclosures in the future and complement them with quantitative information along the entire value chain.

The sustainability report was prepared for Elektro Maribor d.d. We confirm that the information for sustainability reporting are the same as the information taken into account in the accounting report of Elektro Maribor d.d., including financial statements, and are prepared in accordance with: accounting and reporting requirements of Slovenian Accounting Standards 2024 (SRS 2024), provisions of the Companies Act (ZGD-1) and the requirements of energy legislation. OVEN Elektro Maribor d. o. o. and Eldom d. o. o. are classified as small companies according to the ZGD-1 criteria and as such are not relevant for the presentation of a true and fair view of the financial situation, business outcome, cash flows and movements of the capital of the controlling company Elektro Maribor d. d. For 2024, Elektro Maribor d.d. does not compose consolidated financial statements.

In accordance with IFRS 1, Section 7.7, we confirm that **we have not omitted any information** related to intellectual property, know-how or results of innovation that would be relevant to understanding our sustainable performance.

Elektro Maribor d.d. **did not use** the exemption from the disclosure of future developments or ongoing negotiations, as permitted by the provisions of Article 19a (3) and Article 29a (3) of Directive 2013/34/EU.

2.1.2 Disclosures in relation to specific circumstances (BP-2)

Elektro Maribor d.d. revealed information on specific circumstances that influence the preparation of the sustainability report. The purpose of these disclosures is to provide a comprehensive understanding of the ways in which these specific impacts are reflected in our sustainability reporting.

The sustainability report uses metrics for the value chain related to CO_2 emissions - Scope 3 and for the waste area as described in the relevant standards E1 and E5. CO_2 emissions goals are described in the chapter "Gross greenhouse gas emissions in Scopes 1, 2, 3 and Gross Scope 1, 2, 3 and Total GHG emissions".

Value chain data estimated from indirect sources or assumptions shall be linked to the determination of the CO_2 emissions of Scope 3. The assumption relates to the transport of workers to work, where we took into account that all workers use personal vehicles, which had a negative impact on the baseline assessment of CO_2 emissions generated . Such data or assumption had a significant impact on the final CO_2 footprint assessment and the choice of the necessary measures.

We are planning actions to improve the accuracy of the carbon footprint and employee transportation segment in the coming periods.

Uncertainty assessment for assessing emissions from employee commuting

Levels of Uncertainty assessment Uncertainty assessment	Uncertainty criteria Interval (% of mean value)
High	+/- 5%
Good	+/- 15%
Acceptable	+/- 30%
Bad	above +/- 30%

The criteria for determining and calculating the uncertainty assessment are those set out in the "GHG Protocol guidance on uncertainty assessment and GHG inventories and calculating statistical parameter uncertainty". Elektro Maribor d.d. complies with the corporate standard for the assessment of greenhouse gases under the GHG Protocol.

For disclosure of assumptions for Scope 3 for determining emission from employee commutingthe information was obtained from official personnel records of the company, while a conservative approach was used for the calculation of emissions. Considering the fact that emissions are determined conservatively, the method of determining the data for calculating emissions from employee commuting is shown by the confidence assessment: **good confidence level**.

For the disclosure of assumptions for Scope 3 for the determination of emissions from collected and disposed waste, the official waste classification records of the receiving undertaking's receipt sheets are used. The quantities of residual municipal waste are not measured or reported, but the amount of such waste is very small compared to other waste, considering the number of employees. Emission factors from the UK are used for waste, as there is no such information in Slovenia. Considering that emissions are partly determined by means of foreign average data, the method of determining data for the calculation of emissions from waste shows a good level of confidence.

The report does not reveal quantitative metrics and monetary amounts subject to a high level of measuring uncertainty.. The metrics - the methodology for calculating the Scope 3 CO2 emissions used by Elektro Maribor d.d. - was developed by IJS, the Jožef Stefan Institute.

Disclosures relating to specific circumstances are sources of measurement uncertainty, which in the metrics described arise mainly from the method of data collection, the precise allocation of data.

Elektro Maribor d.d. uses its own definitions of time periods which deviate from the standard set out in the ESRS 1:

- Short-term period up to 1 year.
- Medium term Our company defines the medium term as 1-4 years, which is in accordance with the standard periods in ESRS 1.
- Long-term period: We define a long-term period as 5 or more years, as it reflects the life cycle of our infrastructure and strategic energy objectives.
- Explanations: These periods are better suited to our business model in the energy sector, where projects are oriented towards the long term and the demand for sustainable actions and innovations goes beyond the shorter periods. In the first reporting year, we will focus on short- and medium-term reporting. In the coming years, we will also focus on the long-term.

The topics of the sustainability standard that have been identified as material in the duplicate manufacturing methodology and are the subject of the report are:

- E1, E5, S1, S2, S4, G1, information security.

The first sustainability report under the guidelines of the European Sustainability Reporting Standards (ESRS) was prepared by Elektro Maribor d.d. for the year 2024. In accordance with the first error reporting compared to the previous periods, no error reporting is carried out in 2024.

EXTERNAL SUPERVISION AND CONFORMITY CHECK

- The calculation of the carbon footprint was verified by SIQ (Slovenian Institute of Quality and Metrology), which confirmed their conformity. For Scope 3 a detailed check and verification will be carried out in 2025.
- BDO Audit House d.o.o., Audit Company, verified the compliance of the entire sustainable report with the CSRD Regulation and ESRS standards.

2.2 GOVERNANCE

2.2.1 Role of the administrative, management and supervisory bodies (GOV-1)

The management and the supervisory board of Elektro Maribor d.d. cooperate closely for the benefit of the company. The Management Board coordinates strategic orientations with the Supervisory Board and acts towards the implementation of a sustainable strategy on the basis of the applicable legislation and existing business possibilities and corporate governance of the company. It regularly includes in the discussions of the company's management board and the supervisory board a discussion of the progress of the implementation of the strategy. The members of the management board also have experiences that are valuable to our company. As a whole, the Supervisory Board should have experience in particular in operational areas such as infrastructure, as well as experience in strategy, finance, supervision, innovation, ESG and the area of personnel development.

The Companies Act and the Articles of Association of Elektro Maribor d.d. define the task and role of the management and supervisory bodies. The company's core objectives also include sustainable business and ensuring the sustainable development of the company. The company's management is responsible for achieving the objectives set and for monitoring and managing the risks. The supervisory authority shall monitor, through its committees, the efficiency and effectiveness of the internal controls and risk management systems. The company has not yet adopted any other acts setting out the tasks and responsibilities of the management and control body in relation to sustainability.

The one-member management board of the company manages the company's affairs, manages and represents the company and decides on all matters of the organization and management of the company. The supervisory body shall be represented by the Supervisory Board and by the committees of the Supervisory Board. These are the Audit Committee, the Human Resources Committee and the Investment Committee. Their powers are specified in the Companies Act, the Articles of Association and the Rules of Procedure of the Supervisory Board, the Rules of Procedure of the Audit Committee, the Rules of Procedure of the Investment Committee.

The following powers of the Supervisory Board are laid down in the company's articles of association:

- It controls the management of the company's operations.
- It gives consent to the management in determining the organisation of the internal control system.
- It verifies the annual report submitted by the Management Board and confirms it and verifies the proposal for the use of the balance sheet profit submitted by the administration and draws up a written report for the general assembly.
- It proposes acts which the general assembly is competent to adopt.
- It gives its consent to the company's strategy or strategic plan and to the network development plan.

- It may inspect and examine the company's books and documents, its funds, securities and stocks of goods stored therein and other items, and may authorise individual members of the Supervisory Board, the Audit Committee or, for certain tasks, a special expert to exercise these rights, with the expert being contracted by the Chairman of the Supervisory Board.
- It determines the total remuneration of the management board in such a way that it is proportionate to the duties of the members of the management and to the financial situation of the company and in accordance with remuneration policies which follow the principle that the remuneration policy promotes the long-term sustainability of the company and ensures that it is consistent with the results achieved and the financial situation of the company, that the total remuneration may comprise a fixed and variable part, which must depend on predetermined and measurable criteria, that the severance payment may only be made in the event of early termination of the contract. However, the compensation cannot be paid if the management is dismissed for reasons specified in the law.
- It lays down rules for other rights of the management board (e.g. use of official vehicles, credit cards, preventive health checks, etc.) which are laid down in contracts with the management board. The rules must take account of the size, activity, integrity of the business and the financial position of the company or the group as a whole. Gives its opinion on the decision-making powers at general meetings of subsidiaries in the event of changes in the status and capital of the subsidiaries and on the decisions on the appointment of the supervisory boards and managers of subsidiaries;
- It gives consent to the company's internal organization.
- It gives consent to the annual business plan of the company and the group.
- It gives consent to legal transactions in accordance with this Articles of Association.
- It monitors the adequacy of procedures and the effectiveness of the internal control and the internal audit function.
- It appoints the Audit Committee and other committees.
- It gives consent to the framework annual and multi-annual work program of the internal audit function.
- It may instruct the internal audit service to review certain transactions.
- It gives consent to the appointment, recall and receipt of the head of the internal audit service.
- Reviews the annual report on the internal audit work.
- May at any time instruct the management board to report on any issue related to the operations of the company or group.
- Gives consent to the management board to confer procuration.
- Proposes to the General Meeting to recall or appoint a member of the Supervisory Board.
- Proposes to the General Meeting appointment of the auditor.
- It approves contracts between a member of the Supervisory Board and the company.
- It conforms the wording of the Articles of Association to the valid decisions of the General Meeting.
- It considers and decides on all other matters for which it is competent under the law, other regulations, the authority of the General Meeting and the Articles of Association.

2.2.1.1 COMPOSITION AND DIVERSITY OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Pursuant to the Company's Articles of Association, the Management Board consists of one member. The Supervisory Board of the company has six members. Four members are representatives of stakeholders, two are workers' representatives. The members of the Supervisory Board, who are representatives of the stakeholders, are elected by the General Meeting and the workers' representatives are elected by the company's workers' council.

In accordance with the Corporate Governance Code of the State-owned Enterprises of the Slovenski državni holding, d.d., the Supervisory Board of the company adopted the Diversity Policy of Elektro Maribor d.d. Considering the current Articles of Association stipulates that the management board is one-member, the adopted Diversity Policy may currently be implemented only for the company's supervisory body.

The composition of the Supervisory Board is diverse, since the Supervisory Board consists of members who differ from each other according to education, gender, age and personality traits.

Percentage of the management and supervisory bodies, taking into account the Supervisory Board's committee:

- The Supervisory Board of Elektro Maribor d.d. consists of six persons, 83,33% of whom are men and 16,67% of whom are women.
- The Audit Committee of Elektro Maribor d.d. Consists of three persons, 33.33% male, 66.67% female.
- The Investment Committee is made up of three people, 100% male.
- The Human Resources Committee is made up of four people, 75% male, 25% female.
- The management body of the company is one-member, which means that it is 100% female.
- The gender ratio of the members of the Supervisory Board, including all committees of the Supervisory Board and the Management Board, is 55,56% male and 44,44% female.

Another aspect of the diversity represented in the management and supervisory body is education. The ratio between the members of the Supervisory Board, including all committees of the Supervisory Board, and the Management Board is as follows: 11.11% of members have a doctorate or a level of education VIII/2; 11.11% have a master's degree or a level of education VIII/1; 66.66% have a university education or a level of education VII and 11.11% have a level of education lower than the university level of education.

More detailed information on the members of the management and supervisory body is given in the annual report, in the form of a management statement.

All members of the Supervisory Body (100%) declared themselves independent of the company and the company's management, in line with the recommendations made by the State's capital investment manager.

All members of the Supervisory Body shall regularly fulfil the declaration of independence. The completed and signed declarations of independence are publicly available on the company's website.

2.2.1.2 ROLES AND RESPONSIBILITIES IN CONTROLLING IMPACTS, RISKS AND OPPORTUNITIES

The Management Board and the Supervisory Board have their roles in directing the sustainable transformation of the company. The sustainable business of the company is a necessary part of the company's strategy, which not only represents risk management, but also offers new opportunities to create value, change the business model and innovation.

The management of the company is actively involved in the impact and risk management processes. To ensure the effective performance of these tasks, we have established reporting lines that are regularly updated. The reports are submitted to both the Management Board and the Supervisory Board, which participate in the supervision, identification of objectives and monitoring of the progress in achieving them.

2.2.1.3 EXPERTISE AND ACCESS TO SOURCES OF KNOWLEDGE

Members of the Management Board and the Supervisory Board have a broad range of expertise in the field of risk management, compliance, management and also energy industry. To improve sustainability knowledge, we regularly organise trainings and workshops, enabling authorities to stay up to date with new regulatory requirements and best practices in the energy industry. In addition to their own expertise, our bodies work closely with experts in the fields of sustainable finance, environmental management and social responsibility, providing access to specific knowledge that is essential for the successful implementation of a sustainable strategy.

Members of the Supervisory Board have appropriate expertise, experience and skills. They complement each other with their knowledge and experience, which ensures adequate control over the company's operations. The key areas of expertise are: law, finance and accounting, management, risk management, internal controls and the electricity system.

The Supervisory Board has adopted a guideline stating that the members of the Supervisory Board and its committees are obliged to undergo education and training in areas directly related to the performance of their functions throughout their term of office. The Board of Supervisors shall have at its disposal a budget for the training of supervisors.

The majority owner of the electricity distribution companies regularly organises training for the management and supervisory bodies in the areas of corporate governance and business operations of the company, as well as in the areas of sustainability operations and preparation of sustainability reports. The Supervisory Board shall annually carry out the self-assessment of the Supervisory Board, in which it also evaluates the professional profile, knowledge and skills of individual members of the Supervisory Board.

The management body and the members of the supervisory body shall be professionally qualified to carry out their work. Members receive regular training. The training also included the training of the State's capital investment manager on the Corporate Sustainability Due Diligence Directive and impact on business.

The skills and knowledge of the management and supervisory body related to sustainability help to steer the business, to check the adequacy of identified risks and internal controls and to identify opportunities for the company.

2.2.1.4 ORGANISATION OF SUSTAINABILITY MANAGEMENT AND CONTROL MECHANISMS

We regularly inform the company's management and the Supervisory Board about all activities in the area of sustainability and about the progress of strategic projects, activities and initiatives, which are written in the strategy of Elektro Maribor d.d.

The company's sustainability activities are guided by the global sustainability objectives as well as the objectives defined in current national strategy documents.

The company has adopted a five-year corporate sustainability strategy, highlighting the key challenges associated with the transition to a low-carbon society, based on the key objectives of the current National Energy and Climate Plan of the Republic of Slovenia and other national strategic documents. The vision for 2028 obliges us to manage a safe, reliable and advanced sustainable distribution system that will enable the successful business and development of the broader society. Sustainable business and sustainable development of distribution means putting the environment, stakeholders, users, employees and the green transition with a reliable, sustainable network first.

The strategic development of the company is based on three guidelines and also includes a strategy of sustainable development and social responsibility. Within the latter, the company is implementing four strategic projects. Project realization reporting is carried out on a quarterly basis. Once a year, we organize a development conference aimed at analysing strategic projects, implementing a sustainable strategy and analysing strategic orientations and goals, business and financial analysis. At the development conference, we make sure that the implementation of the strategy is in line with the original plan.

Elektro Maribor d.d. applies a structured approach to sustainability management, which includes formalised procedures for assessing and managing environmental, social and governance aspects. Our approach involves the following steps: reviewing sustainability factors, analysing the external environment and business model, identifying sustainability themes, assessing the relevance of impacts, risks, opportunities, setting targets, implementing policies, monitoring and reporting. The company's management and the supervisory board are organised in such a way as to ensure effective control and at the same time to promote transparency in order to establish sustainability through regular reporting. The company used an external consultant to identify relevant sustainability topics and processes and a methodology for preparing the sustainability report, statements. To prepare the sustainability report, we use the DNA module as computer support.

The supervisory mechanism is the regular notification of the Supervisory Board and the Audit Committee about the sustainability system. These supervisory structures allow the management board to effectively monitor and manage the goals of the company and evaluate progress. Controls and supervisory mechanism from the Risk Register are:

- Several times a year the company reviews the content of the strategy and assesses the relevance of the content and the alignment with the objectives (strategy monitoring plan).
- The company adopts a strategy monitoring and implementation plan and reports periodically to the Supervisory Board.
- Regular reporting to the Supervisory Board on the progress of the strategic projects contained in the strategy is also required.

Elektro Maribor d.d. has adopted a business strategy in which it has adopted monitoring indicators, the implementation of which is reported by the responsible persons to both the management and the supervisory body. The company reported the establishment of the sustainability report to the supervisory authority.

The company has a reporting scheme in place, outlining the reporting lines and processes. The project manager shall report to the management and control body on the establishment of the sustainability reports. Reports of the Management Board to the Supervisory Board are in line with the expectations of the Supervisory Board, the statutory provisions, legal provisions and expectation of the capital investment manager. The Internal Audit shall report to the Supervisory Board and the Supervisory Board Committee in accordance with the provisions of the law, the Statute, the Rules of Procedure of the Audit Board and the Articles of Association. Representatives (business compliance, integrity, code, human rights, protection of personal data, information security, risks) also report to the supervisory body, in accordance with the statutory provisions, expressing the expectation of the supervisory body and the rules of procedure on the work of the supervisory body.

Controls in the company's operations are carried out in accordance with the plan of implementing internal audits and a quarterly review of the identified risks and the establishment of risk management mechanisms. Periodic controls are also carried out in the context of legal requirements and external controls within the framework of maintaining standards. Regular and periodic controls of all sustainability information are not yet carried out.

2.2.2 Notifying administrative, management and supervisory bodies of the company about sustainability issues and how these matters are dealt with (GOV-2)

In the financial year 2024, the Management Board and the Supervisory Board were aware of the process of preparing double materiality and identifying the impacts, risks and opportunities related to successful sustainable operations of the distribution activity. They also regularly follow the implementation of a sustainable strategy. The company uses a business monitoring system, including risks, recognized in the process of preparing a sustainability report in accordance with ESRS standards. The company's strategies and decisions on major transactions are always accompanied by the risk management process. Compromises regarding our influences, risks and opportunities are only accepted if there is no violation of the legislation, and at the same time all relevant legislation, social responsibility and strategic sustainable goals in the company are taken into account. The fact remains that the company takes appropriate action to mitigate our negative impacts on society and the environment. A list of significant impacts, risks and opportunities is provided in the SBM-3 disclosure requirements in the relevant standard topic or sub-topic.

2.2.2.1 THE METHOD OF INFORMING ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF SUSTAINABILITY ISSUES

Elektro Maribor d.d. endeavours to proactively and comprehensively inform the management and supervisory bodies of important sustainability issues. Hence, the company has adopted a document "Monitoring plan for the sustainability strategy and sustainable development of Elektro Maribor d.d. for the 2024–2028 period". The aim is to monitor the introduction of sustainability into business processes and the implementation of the company's sustainability strategy. The content of the monitoring is the compliance of sustainable business with the requirements of the standards and the achievement of the sustainability objectives through activities and measures arising from the opportunities and risks of sustainability factors.

Regular reports on strategic activities, projects, measures shall be provided at least four times a year or periodically more frequently if the need arises. The reports are prepared by the Strategic and Sustainability Projects Office, which is responsible for coordinating the designated ESG group, composed of key process actors, to assess significant impacts, risks and opportunities and analyse stakeholder views on sustainable ESG issues. Reports to management and supervisory bodies shall explain the state of play in the area of sustainability implementation and the implementation of the sustainability policy, measures, metrics and achievement of the sustainability objectives and strategic orientations.

An external auditor audited the sustainability reporting process. This way, we make sure that all relevant authorities are regularly informed about key sustainability issues and possible measures.

The Audit Committee of the Supervisory Board and the Supervisory Board are informed about the impacts, opportunities and risks in the area of sustainability business in Elektro Maribor d.d., which is based on the methodology of double materiality and due diligence assessment, as contained in ESRS. Such assessment is performed annually. In particular, deviations from sustainability objectives are important, and are assessed by metrics and selected indicators. In the future, it will be important to establish the effectiveness of measures to close the gaps in the area of sustainability factors. Periodic reports to the Management Board, the Audit Committee of the Supervisory Board, the Supervisory Board on the achievement of sustainability, impacts, risks and opportunities shall cover all areas E, S and G.

2.2.2.2 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES ADDRESSED DURING THE REPORTING PERIOD

During the reporting period, we informed the Supervisory Board's Audit Committee and the Supervisory Board about the process of identifying significant impacts, risks and opportunities in the area of sustainable business:

- the environmental impacts associated with our business, in particular CO_2 emissions and resource use;
- social issues such as the safety and health of workers and the involvement of local communities and other stakeholders in our projects;
- corporate governance topics that promote the implementation of a sustainable corporate development strategy;
- the risks associated with changes in environmental legislation that could affect our business processes and compliance;
- opportunities for the deployment of renewable energy sources and digitalisation to improve energy efficiency.

Such identified impacts, i.e. factors, risks and opportunities, have been addressed by an internal working group composed of ESG process owners in its working meetings. The sustainability reports were reported to the company's management board, the audit committee of the Supervisory Board, the Supervisory Board and the external auditing firm, which audits the sustainability operations. The supervisory bodies and the external audit department, after receiving the report, provided further orientations, appropriate measures and mechanisms for further monitoring the realisation of our sustainable objectives and the implementation of the sustainable strategy of the company.

2.2.3 Inclusion of sustainable achievements into incentive schemes (GOV-3)

Variable part of the remuneration is that part of the remuneration of the Chairman of the Board of Directors which is determined by the performance of the company's operations and may also be determined by an individual performance of each member of the management body. Specific rules lay down the criteria for the payment of the variable remuneration of the President of the Management Board. The company has adopted the remuneration policy of the management board of Elektro Maribor d.d. and the management bodies of subsidiaries in the Elektro Maribor group. The financial and non-financial criteria of short-term and long-term operations and weight of criteria by significance are determined for the payment of the changing remuneration of the President of the Management Board.

Among non-financial criteria are the following criteria groups, such as: market position criteria, organizational efficiency criteria, environmental responsibility criteria, social responsibility criteria and management criteria.

The company has established the management board remuneration system that includes relevant sustainability indicators linked to the company's long-term objectives. This incentive system is based on the achievement of specific sustainability objectives, which include reducing emissions, improving energy efficiency, reflecting our commitment to sustainable business.

The incentive system includes a variable part of remuneration, which is related to achieving sustainable results. The management's performance is also assessed in terms of progress towards the key sustainability objectives.

The management board remuneration criteria include environmental responsibility criteria, which also relate to the established sustainability objectives and are assessed annually on the basis of the results achieved.

The criteria that measure long-term or strategic goals or contribute to their realization contribute at least 50% to the total assessment based on non-financial criteria. On the basis of the adopted management body remuneration policy in the company Elektro Maribor d.d. and management bodies in subsidiaries in the Elektro Maribor Group of 20 December 2023, the supervisory body adopted a weighting or variable part assessment KPIs, including carbon footprint of 1 (in t CO_2 eq), total mass of waste in tonnes and implementation of strategic projects.

The company has established a standing HR Committee, which annually reviews and updates the criteria for variable management body remuneration, taking into account the sustainability-related remuneration system and its impact on the company's long-term performance. Total remuneration of the managing director is disclosed in the annual report and is also published on the company's website.

2.2.4 Due diligence declaration (GOV-4)

Elektro Maribor d.d. applies a structured due diligence process to address sustainability issues, which covers the inclusion of sustainability issues into governance, strategic direction and business model.

The table shows in which chapters of the sustainability report the main elements and due diligence procedures are included.

We carry out a due diligence process to identify, assess and address the adverse impacts of our business on the environment and society. In order to ensure transparency and compliance with the CSRD and the ESRS standards, we have prepared a table showing how the different due diligence steps are integrated into our sustainability report.

Key elements of due diligence

Key elements of due diligence	Chapters in the sustainability report
Inclusion of due diligence into governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
Cooperation with affected stakeholders at all key stages of due diligence	ESRS 2 SBM-2 ESRS 2 IRO-1 S1 S2 S4
Definition and evaluation of adverse effects	ESRS 2 IRO-1 ESRS 2 SBM-3
Taking measures to address these adverse impacts	E1 E5 S1 S2 S4 G1 Information security
Monitoring the efficiency of these efforts and communicating	In the thematic ESRS, metrics and objectives

Our company is committed to ensuring effective management of sustainability issues through a comprehensive due diligence process. Integrating due diligence into our strategy and business model means that sustainability objectives are a key component of every business decision. In assessing influences, we cooperate with our stakeholders and communicate on progress in the field of environmental and social objectives.

2.2.5 Risk management and internal control of sustainability reporting (GOV-5)

The risk management and internal controls of sustainability reporting are part of Elektro Maribor d.d.'s risk management process. We assess all sustainability-related risks and opportunities, including those related to the sustainability reporting process, in our Risk and Opportunity Management System.

The various systems required and managed by the management board (in particular the internal control system, the risk and opportunity management system, the conformity management system) are the basis for recording and mitigating risks also in the field of sustainability and are part of the system of mutual control and monitoring of operations to achieve sustainability objectives.

Elektro Maribor d.d. uses a risk management and internal control system adapted to the specific sustainability reporting requirements. The company has reported on non-financial operations in previous years and therefore has internal controls in place to ensure accurate, complete data. All internal controls are described and are reviewed and updated by the responsible persons on a quarterly, semi-annual and annual basis, and their functioning is verified by the internal audit department while conducting internal audits. A group of experts from different fields was appointed to draw up the sustainability report.

Compliance with the requirements of the ESRS standards and the CSRD directive is also ensured by involving external experts in the fields of strategy, sustainability reporting and risk management, who have trained employees and advised on the management of each department. The company uses a DNA application that enables tracing the measures issued to control and mitigate the identified risks.

The risk management system includes regular identification, assessment and monitoring of all risks. The implementation of sustainable risks in the Elektro Maribor's risk management system will be carried out in 2025. In accordance with the applicable Risk Management Policy, the procedures and internal controls ensure the integrity of the sustainability indicator data and consistency with our sustainability strategy. The key elements of our system include:

- identification and assessment of risks associated with sustainability reporting such as data accuracy and the completeness of the information covered;
- internal controls to verify data quality for all relevant indicators, including verification of data sources and validation;
- protocols for on-the-spot monitoring and review of the risks identified by our assessments.

2.2.5.1 RISK ASSESSMENT APPROACH AND RISK PRIORITISATION METHODOLOGY

In risk assessment, we use the standardized methodology based on the COSO ERM methodology and priority risk classification according to their potential impact on our sustainable reporting. First, we assess each risk in terms of its probability and impact on our business operations, and then we classify the risks according to priority areas. Our risk assessment covers elements such as the completeness and integrity of the data from the business system, the reliability and accuracy of assessment results, the timing of data availability and accessibility of data from different parts of the value chain.

2.2.5.2 INCORPORATION OF THE FINDINGS OF THE RISK ASSESSMENT AND INTERNAL CONTROLS INTO INTERNAL FUNCTIONS AND PROCEDURES

We systematically incorporate the findings of the risk assessment into our internal processes. The measures are also planned and monitored within the framework of the strategy. In accordance with the Risk Management Policy, supervisors are responsible for ensuring the conformity of sustainability data with the reporting needs. For this, we use protocols that include data review and regular audits, thereby improving the integrity and completeness of the data included in reporting.

2.2.5.3 REGULAR REPORTING OF FINDINGS TO THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The findings of the risk assessment and reports on the effectiveness of internal controls are regularly communicated to the Management Board, the Audit Committee of the Supervisory Board and the Supervisory Board. The Management Board and the Supervisory Board receive quarterly reports on key risks and control measures implemented, ensuring that all relevant authorities are informed of the risks and controls on sustainability reporting.

2.3 STRATEGY

2.3.1 Strategy, business model and value chain (SBM-1)

Sustainability is an integral part of the company's corporate activities and business operations. Sustainability is written in the new company strategy adopted for the 2024-2028 period, which proves that we are a responsible and sustainable company. In doing so, we commit ourselves to promoting sustainable behaviour together with our stakeholders and play an important role in addressing environmental, social and governance challenges.

Good governance is the basis of the strategic pillars or guidelines. To do this, we focus on several different but equally important aspects:

- addressing key challenges as we aim to become the leading energy company in the region;
- build the business model on the digitalisation of processes and relationships with users;
- respect for human rights and sustainable development of supply chains;
- investments based on environmental and social criteria and transparent communication of our activities related to ecological and social sustainability.

Information about employees and information regarding the structure and number of the supervisory authority and information on total revenue is presented in the business part of the annual report.

2.3.1.1 STRATEGY

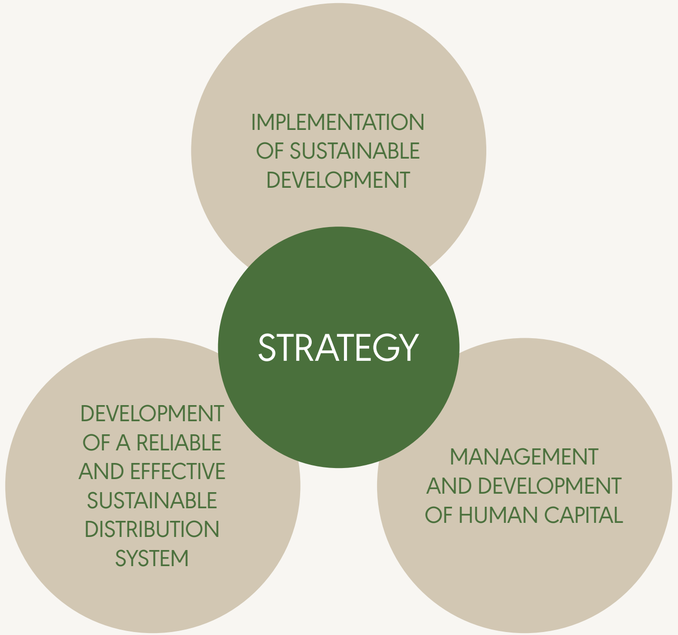
The Sustainable Development Strategy of Elektro Maribor d. d. is based on strategic guidelines that prioritise the implementation of sustainable development, the development of a reliable and efficient sustainable electricity distribution system and the management and development of human capital in a healthy and motivating working environment. In accordance with the Company's Strategy adopted in 2024, we will implement the necessary processes and activities to manage a secure, reliable and advanced sustainable distribution system in a transparent and efficient manner. The aim is to ensure the successful operation and development of the wider social environment in which Elektro maribor d. d. operates,

To implement the strategy, we identified key strategic directions and supported them with concrete strategic objectives, while pursuing the principles of sustainable development. Elektro Maribor d.d. will strive to realise its mission and vision through the achievement of the set strategic objectives.

Strategic guidelines and strategic goals of the sustainable strategy

Strategic guidelines	Strategic goal
SG1: Securing sustainable development	Implementation of the 10-year Distribution system development plan
	Secured financial resources and appropriate regulatory support
	Innovation and advanced energy services
	Sustainable development (ESRS)
	Financial stability and optimal profitability
SG2: Development of a reliable and efficient sustainable distribution system	Safe and reliable sustainable distribution system
	High satisfaction of users and key partners
	Effective management of investment and strategic projects
	Optimisation/digitalisation of the processes
	Cost effectiveness
SG3: Management and development of human capital	Sufficient number and structure of competent staff
	Committed employees
	Inclusive, innovative and accountability-based organisational culture

Strategic guidelines of the company's sustainability strategy



2.3.1.2 MISSION, VISION AND VALUES

The Sustainable Development Strategy of Elektro Maribor d.d, 2024-2028 also contains the mission, vision and values of Elektro Maribor d. d.

MISSION

To operate sustainably and efficiently, to maintain and develop a modern distribution network.

A corporate signature is a shorter, more communicative way of expressing a mission or purpose.

Expanding energy excellence.

VISION

We realise a safe, reliable and advanced sustainable distribution system that enables successful business and development of the company. We're one of the most respected financial firms in the region.

VALUES

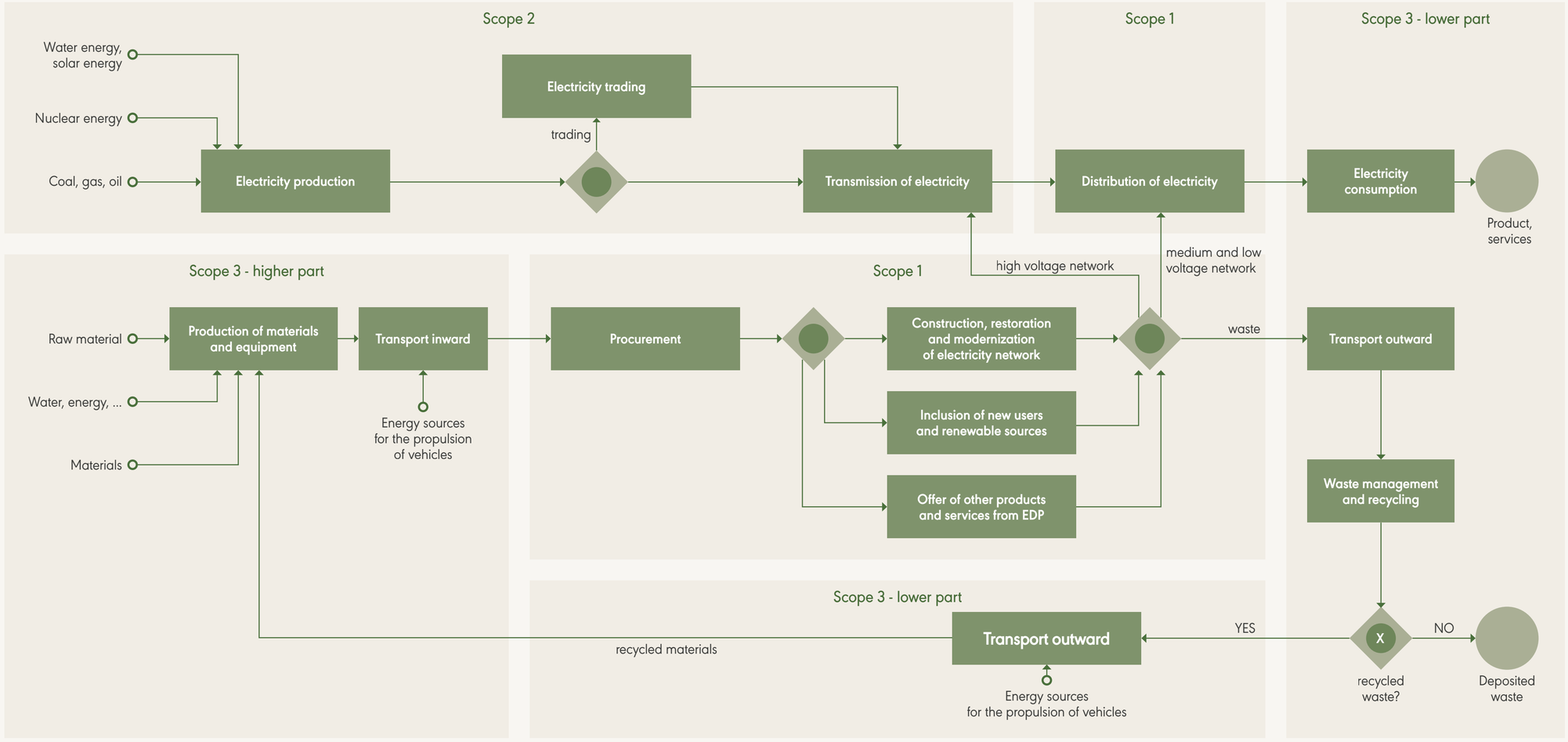
Responsibility | Quality | Connection

2.3.1.3 BUSINESS MODEL

The circular business model describes the electricity distribution activity in a business, ecological and social environment. It is a completed circular process starting with the generation, distribution and supply of electricity to network users. This requires coordinated operation of all sub-processes, from the take-up of electricity into the grid to its distribution and delivery to final customers. The distribution network needs to be developed, built and operated smoothly, but this also generates waste and emissions.

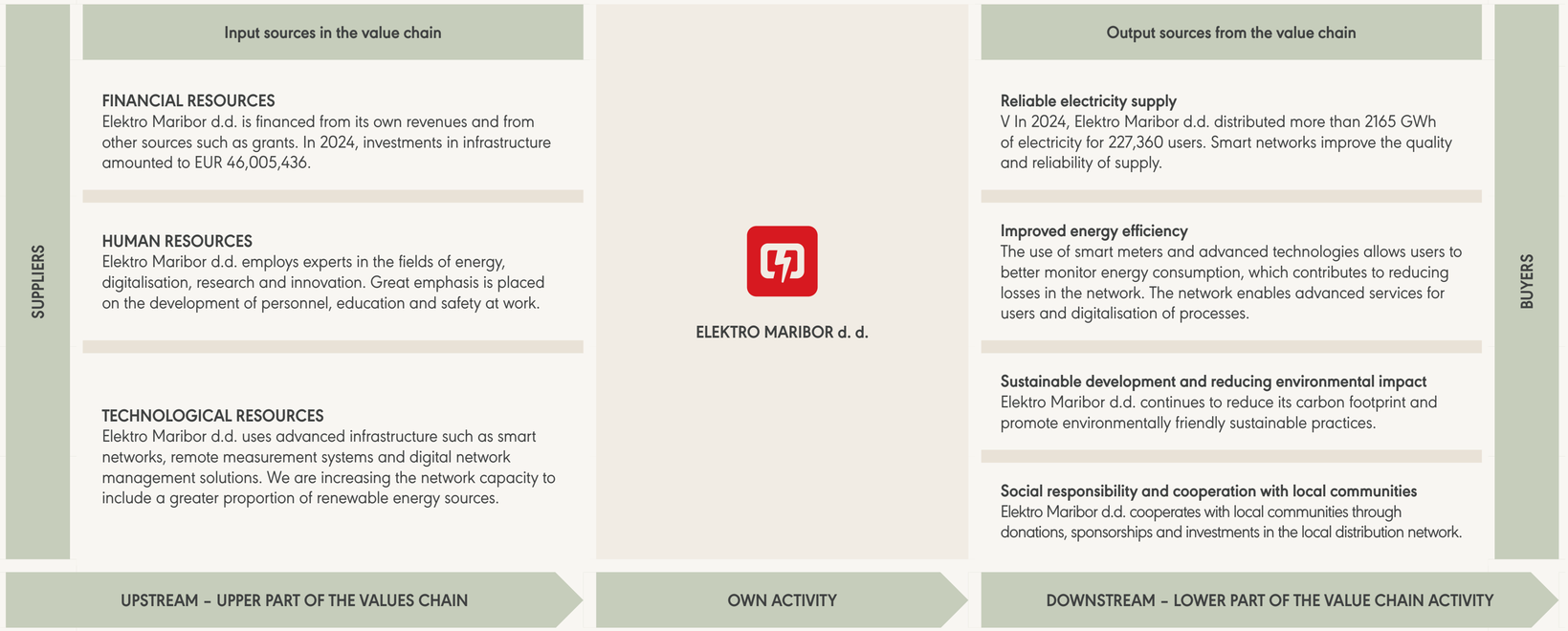
The business model and strategy of Elektro Maribor d.d. is participatory, which stems from our mission, which focuses on the provision of a public economic service in the critical infrastructure sector, in the field of electricity distribution. A robust and advanced network provides advanced services to users and is a platform for a green transition. In cooperation with all stakeholders, we strive for the leading role in the energy sector, where we co-create energy trends in development. By taking into account state regulation and sustainable distribution systems, we ensure accessibility, quality and affordability of services for all company users. The characteristic of our business model is that most of our revenues are obtained from the public economic service, which makes maintaining the prescribed quality of electricity supply, along with the proper regulation of network charge, crucial for the long-term stability and success of the company.

Circular business model of the electricity distribution company



2.3.1.4 VALUE CHAIN

Value chain of Elektro Maribor d. d.



Value chain of Elektro Maribor d. d.
The value chain of Elektro Maribor d.d. includes cooperation with other energy companies, local energy producers, in particular of renewable resources, suppliers of technological solutions, energy equipment and professional institutions. Elektro Maribor d.d. also cooperates with regulators and authorities to ensure that sustainable solutions comply with national and European standards. Elektro Maribor d.d. has a strongly integrated sustainable business model in line with the European Sustainability Reporting Guidelines (CSRD and ESRS). It is based on the long-term stability of electricity supply, digitalisation and support for sustainable energy sources. The company's value chain includes connections with users, local energy producers and advanced technologies supporting the energy transition. The disclosure, in line with the ESRS standard, provides in-depth insight into the company's sustainability strategy and an understanding of the impacts, risks and opportunities faced by the company through its business model.

2.3.2 Interests and views of stakeholders (SBM-2)

Elektro Maribor d.d. actively cooperates with various stakeholders. Their views and interests are crucial to shaping a sustainable strategy and business model. We promote mutual understanding and assertive communication with stakeholders and, through our broader social responsibility and our expertise, seek sustainable solutions that benefit society as a whole in the long term. In doing so, we pay attention to economy and appropriate profitability, which are essential to the success of our operations in a time of accelerated investment and technological development.

The business model has been set out in the company's sustainable strategy, which is medium-term and takes into account the important role of stakeholders, the environment and new technologies for the green transition of the company and the energy system. We do not expect any changes to the business model or strategy after the completion of the sustainability report. A review and revision of the strategy and business model will be carried out in 2025. We also do not expect a changed attitude and position of interested parties or stakeholders.

The purpose of working with stakeholders is to ensure that our strategy and business model reflect the expectations and interests of all key groups. The results of such cooperation are regularly analysed and incorporated into the decision-making and strategic planning process. For example, we held workshops with various stakeholders, such as partner organisations (GIZ meetings), suppliers (meetings on the topic of the new tariff system), the regulator and the operator (ELES meetings) and local communities. Meetings were held on investment in the area of a particular local community or municipality. This enabled cooperation and coordination of investments. With the increase in self-employment applications, we've increased the number of employees in the Development Office. In the event of accidents or major breakdowns, we reinforce the call center and field teams to troubleshoot.

The interests and views of key stakeholders are regularly reviewed through due diligence and relevance analysis procedures. These procedures include:

- Interest analysis: By means of questionnaires and discussions - workshops, we gain insight into the topics that are most important to our stakeholders, such as emission reduction, fair work practices, environmental protection. In the company, on the basis of an interest analysis, we produce a report on the quality of the electricity supply and a study on the development of the REDOS network (considering spatial acts, municipal spatial plans, needs for connecting residential areas, industrial areas).
- The alignment of interests with our strategy: The sustainability strategy will also be complemented by stakeholder interests, which will be examined and included in co-strategising. We conduct annual surveys, interviews and consultations with stakeholders and we get their opinions and suggestions.

The Management Board of Elektro Maribor d.d. and the Supervisory Board are regularly informed about the interests and views of stakeholders regarding the company's sustainability impacts.

This is achieved by:

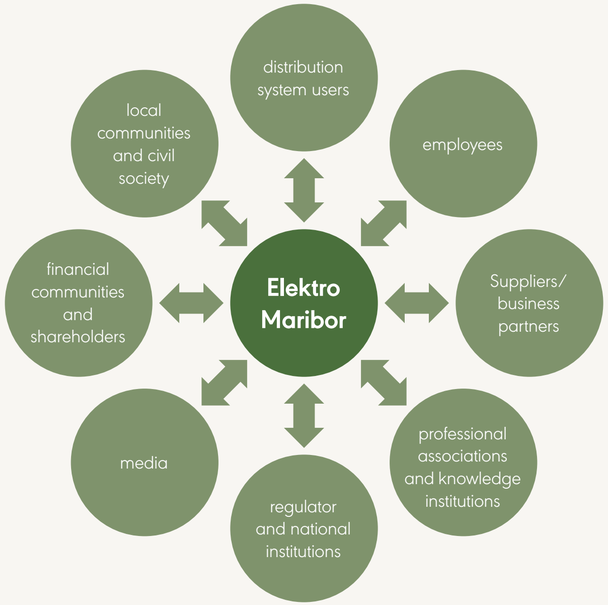
- preparing regular reports and presentations at management meetings, where we analyse feedback, the feedback of stakeholders obtained through the survey in 2024, and their impact on business decisions;
- reporting regularly to the Management Board and the Supervisory Board on the sustainability due diligence process, which includes an analysis of all relevant impacts, risks and opportunities related to our stakeholders.

By incorporating the views of stakeholders into the company's strategy, we aim at sustainable business practices that reflect the expectations and needs of all parties involved.

Workers in the value chain are involved in the co-strategising of sustainable development in the Business Partners group and are specifically dealt with in S2 Workers in the Value Chain.

Feedback from our stakeholders is incorporated into the coordination of our activities with stakeholders and is important for the development of new strategic directions and, in particular, for the achievement of stakeholder relations objectives.

Key stakeholders of Elektro Maribor d.d.



Key stakeholders of Elektro Maribor d.d. and description of the interaction and forms of communication

Stakeholders	Cooperation between the company and its stakeholders - content of cooperation	Form of engagement
Distribution system users (customers, producers and sellers of electricity)	Personal treatment, professionalism and accessibility and proactivity in the content under consideration	Personal contact
	Provision of information, responsiveness and proactivity in dealing with content	Email and classic mail
	Provision of information in the event of a power outage and other information	Call centre
	Provision of reliable data support and data access	Web and mobile applications eStoritve and Moj Elektro
	Provision of information on announced power cuts	Radio announcements about power cuts
	Provision of information on the operation and business of the company, price lists, forms and other information	Website
	Expressing satisfaction and making suggestions and comments	Surveys
Employees	Inclusion of employees in the co-management bodies for the purpose of representing employee interests	Participation in management (Workers' Council, Union, Supervisory Board)
	Information exchange between company management and employees	Work meetings
	Communication between employees and company management	Discussions with the Management Board
	Respectful and correct relationships	Personal contact
	Business cooperation with professional and friendly communication	Email and telephone conversations
	Provision of information to employees	Intranet site
	Promoting positive and stimulating relationships by socializing at employee meetings	Employee gatherings
	Expressing satisfaction and making suggestions and comments	Measurement of organisational climate
	Notifying employees about the operation and operations of the company and other important information	Internal eInfotok portal and messages (of the management board) to employees
Financial communities and stakeholders (banks, SDH, minority stakeholders)	Reporting on business information	Reporting
	Informing stakeholders, stakeholders expressing opinions and asking questions to the management	General Meeting of Shareholders
	Provision of relevant information in accordance with the Corporate Governance Policy	Provision of information to shareholders in accordance with the Corporate Governance Policy
Suppliers/business partners	Intercommunication	Work meetings
	In selecting suppliers, taking account of internal policies and legislation	Tenders and bids
	Respectful communication in negotiations	Negotiations
	Raising awareness of important issues	Email and telephone conversations
Regulator and national institutions (Ministries, Energy Agency, Stock Exchange, FURS, SURS)	Regular reporting in accordance with laws and regulations related to the operation and supply of electricity	Reporting to the Ministry of the Environment, Climate and Energy
	Regular reporting	Reporting to the competent institutions
	Reporting in line with the energy legislation	Reporting to the Energy Agency
Local communities and civil society	Mutual consultations and cooperation on infrastructure projects	Common projects with local communities
	Mutual cooperation and expression of views and interests through public consultations	Participation in the preparation and evaluation of the development plan
	Expression of interests and positions of civil society	Direct contact
	Proactivity and mutual communication	Email and telephone conversations
Media	Provision of information on planned power cuts	Website
	Information on the activities and business of the company	Press conferences
	Provision of information in the event of unplanned power cuts and reporting of other relevant content	Answers to media questions, statements, press releases
Professional associations and knowledge institutions (EIMV, EZS, GZS, CIGRE – CIRED, faculties, educational institutions)	Cooperation and active participation in debates, standardisation, development and transfer of best practices as well as innovation in the electricity distribution system	Professional networking
	Promoting common interests and objectives in research projects	Joint projects
	Educational events and contents	Education
	Cooperation in recognising and rewarding individuals for outstanding achievements in education	Support/recognition of the achievements of students

2.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The material impacts of Elektro Maribor d.d. on society and the environment, risks and opportunities and their interaction with our strategy and business model are described in the relevant thematic standards where we report on the relevant policies, objectives, measures and metrics in relation to the material impacts, risks and opportunities. We continuously review the current and expected effects of impacts, risks and opportunities on our strategy, business model, value chain and decision-making and their interaction, and develop measures to address them.

The adopted strategy and business model will be complemented and adapted in 2025 in the light of identified impacts, risks and opportunities. The material risks and opportunities did not have a material financial impact on our financial position, financial performance and cash flows during the reporting year. Through new technologies and innovation, we want to drive change towards more sustainable and innovative ideas. We strive for consistency of due diligence procedures, taking into account all aspects of sustainable business.

2.3.3.1 INFLUENCES

Elektro Maribor d.d. has identified the following impacts (5) as being of significance: “very important” and “critical”.

Impacts with a materiality label: “very important” and “critical”

Sub-topic, sub-sub-topic	Stakeholders	Time horizon of impact	Description of impact	Commitment of the company
ESRS S1 Own workforce				
Working conditions/ working time	Employees, local communities and civil society, users of the distribution system	Medium term = 1-4 years	**Working hours**. Working time must be regulated in accordance with labour law and internal regulations, taking into account the various restrictions and regulations (working overtime, shift work, shifts, night work and weekend work, etc.)). Internal rules establish working time in advance, while allowing sufficient flexibility to reconcile private and professional life and taking into account the decisions of the bodies which determine part-time work. Working time flexibility is also ensured by the possibility of doing work from home.	Positive impact Business relationship
Working conditions/employment security	Employees	Medium term = 1-4 years	**Employment security**. Safe employment can be understood as employment in which the employment legislation is fully respected and complied with in terms of equal treatment and ensuring the absence of discrimination, protecting the worker's personality and privacy, ensuring safe working conditions and a safe workplace, with emphasis on the conclusion of indefinite employment contracts. Employment security can also be linked to a system of measures that protect the worker even after the employment relationship has ended.	Positive impact Business relationship
ESRS S4 Consumers and End-users				
Effects on consumers and/or end-users related to information/access to (quality) information	Users, business partners, regulators and national institutions	Medium term = 1-4 years	**Access to (quality) information**. The company provides customers with access to measurement data in the web and mobile application, announces power outages on radio and websites, notifies larger customers directly about outages, uses SMS notification and provides customers with access to quality information in the call centre.	Positive impact Own activity
ESRS E1 Climate change				
Climate change mitigation	Distribution system users, regulators and national institutions	Medium term = 1-4 years	**Policy and legislation related to climate change mitigation**. The legislator may take decisions related to climate change mitigation, which poses additional challenges for the company in terms of increasing investments in the network (network strength and increasing robustness), adapting operations, carrying out additional activities. Elektro Maribor d.d. is actively involved in the process of public debate and the preparation of legislative documents. This can also affect the content of the documents and important energy orientations.	Positive impact Own activity
Climate change adaptation	Local communities and civil society, distribution system users, media	Medium term = 1-4 years	**Increased stakeholder concern**. The concerns of stakeholders would be justified in particular if the company did not have resources for the timely elimination of the causes of power outages in the case of major weather events. So far, the company has done well in emergency situations Where power could not be provided, aggregates were obtained. The operational functioning of the company may be influenced by environmental organisations, associations, communities of inhabitants.	Negative impact Business relationship

2.3.3.2 RISKS

Elektro Maribor d.d. has identified risks (11) with the following significance: “Very important” or “critical”.

The time horizon of all risks is short-term. This is a period of up to 1 year.

Risks with a materiality rated “very important” and “extreme”

Sub-topic, sub-sub-topic	Stakeholders	Description of risk	Connection with the strategy of Elektro Maribor d.d.
ESRS S1 Own workforce			
Equal treatment and equal opportunities/ Training and skills development	Employees	**Recruitment, employment of professionally trained** staff. In the labour market, recruitment presents challenges in terms of securing qualified and relevant personnel. The main risks include potential difficulties in recruiting and retaining technical staff with appropriate skills for new technologies.	**SG3 - 1 A** Lack of qualified personnel in the market (including abroad). Ability to recruit and retain key personnel over the long term.
ESRS S2 Workers in the value chain			
Working conditions	Employees, business partners	**Risk of an insufficient number of bidders**. As contracting authorities under the Public Procurement Act (ZJN-3), goods, services and works whose estimated value exceeds the threshold value for the use of ZJN-3 must be procured in accordance with the statutory provisions. This may lead to a situation where the contracting authority does not receive a suitable bid or no bid at all in the procedure carried out. This affects the timeliness, capacity and consistency of the implementation of the company's core processes.	**SU2 - 1 - A** Lack of and inability to obtain resources (finance, personnel, funds). Disturbances in the supply chain.
ESRS S4 Consumers and End-users			
Social inclusion of consumers and/or end-users / Access to products and services	Distribution system users, media, employees	**Network cabling, development of smart networks and digitalisation**. Network cabling, the development of smart networks and the digitalisation of the network offer opportunities to improve services for end-users, increase energy efficiency and enable personalised services (introduction of new technological solutions that will allow different combinations of distributed resource connections to the distribution network, uniform and efficient two-way communication with customers, simplified procedure for obtaining documents for spatial interventions, implementation of campaigns to raise awareness among customers about having a more active role).	**SG2 - 2 - C** The company is not recognised in the environment as a platform for the energy transition. The use of new technologies, demanding investments and demonstration and pilot projects for new energy services are not on the map. **SG2 - 5 - A** Achieving cost efficiency through process automation and artificial intelligence is neglected and overlooked. Under-optimisation of processes

Sub-topic, sub-sub-topic	Stakeholders	Description of risk	Connection with the strategy of Elektro Maribor d.d.
ESRS E1 Climate change			
Climate change adaptation	Financial communities and stakeholders, employees	**Increased business financing needs**. Increased financing needs can lead to high indebtedness, which increases the company's debt burden. Excessive indebtedness leads to increased interest costs and hinders the ability of a company to respond to unforeseen financial challenges or investment opportunities. The company will reach its debt ceiling in a few years. Consequently, it will not be able to follow the 10-year development investment plans.	**SU1 - 5 - A** Reducing returns to the regulatory asset base. Reduction of recognised costs. Restrictions on investment and development. Rationalization of maintenance and operating costs.
Climate change mitigation	Distribution system users, media, employees	**The risk of extreme weather events**. Stormy winds, floods, blizzards, droughts, landslides and other extreme weather events can damage the electricity distribution infrastructure such as transmission lines, transformer stations and cables. This may result in interruption of electricity supply and the need for urgent maintenance.	**SU2 - 1 - A** External threats (natural disasters, cyber and physical attacks)
Climate change adaptation	Distribution system users, professional institutions, employees	**Risks of controlling altered energy flows**. The transition to decentralised power generation (e.g. extremely large number of distributed generation resources, mass installation of heat pumps, e-mobility) may present a technological challenge for the electricity distribution network, which will need to be more flexible and adaptable, which may increase the complexity of network management.	**SU2 - 4 - A** The disconnectedness of processes and the lack of data transfer between processes means a loss of quality in the distribution activity. Processes are not digitised, which means poor, incomplete data transfer between services. Process disconnection means duplication in the field of management, data collection and cost inefficiency.
Climate change adaptation	Distribution system users, professional institutions, employees	**Risk of costs of adaptation of infrastructure**. Investments in adapting the network to new conditions due to climate change (e.g. upgrades to increase resilience to extreme weather conditions) can significantly increase maintenance and operational costs. An example is the replacement of an overhead electricity distribution infrastructure with an underground infrastructure.	**SG2 - 3 - A - C** Documentation of complex investment projects is inadequate and incomplete. The costs of Investments are exceeded, the realization does not achieve quality in the construction of facilities and the provision of services for users.
Climate change adaptation	Distribution system users, professional institutions, employees	**Risk of changes in electricity demand**. Increased demand for energy from renewable sources, the expansion of electrification (e.g. electric vehicles, heating) and changes in demand due to climate changes (e.g. increased use of air conditioners) can affect the business models of electricity distribution companies. The company must be prepared for changes in consumer needs and ensure a stable supply of electricity.	**SG2 - 1 - C** Failure to connect all new users (including RES) and increase capacity to existing users in the expected (required) scale and time, or lack of support for the green transition.
Climate mitigation/climate adaptation	Employees, distribution system users	**Legal obligations and regulation of existing products and services**. Regulation of existing products and services involves a wide range of legislative and regulatory measures that promote environmentally friendly practices, emission reductions and resource efficiency. Products must be designed to be durable, repairable, reusable, recyclable and environmentally friendly. The use of renewable energy sources, such as solar, wind and hydropower, is encouraged, which requires reinforcement of the electricity network.	**SG1- 3 - A** Innovation and advanced energy services. Inadequate treatment of network users in terms of initiatives and opportunities for cooperation. Tracking of the green transition is disabled.
Climate change adaptation	Network users, employees	**Change in customer behaviour**. The installation of heat pumps (heating) and charging of electric cars, as well as the connection of solar power plants at customers' premises, increase the number of requests for an increase in connection power and consequently the need to reinforce the electricity grid.	**SU1 - 4** - Sustainable development. Slower development of a sustainable distribution system.
	Employees	**Cyber security risk**. Unauthorised access to a company's infrastructure covers all forms of threats that may jeopardise the security of the company's assets - infrastructure, equipment, data and employees. This includes both physical access and, in the case of unauthorised changes made to computer equipment, cyber threats, unauthorised changes made to the equipment that may damage critical infrastructure, disruption of operations, financial loss, loss of data and damage to the company's reputation. In the case of unauthorised entry, this may also involve the alienation of the company's assets and data.	**SG2 - 1 - A** External threats (natural disasters, cyber and physical attacks)

2.3.3.3 OPPORTUNITIES

Elektro Maribor d.d. has identified one opportunity for sustainable development of the company as regards the relationship with stakeholders and management of climate change.

The report does not disclose the current financial effects of significant risks and opportunities for the financial position, cash flows, as this is the first reporting year.

For the same reason, we do not disclose the expected financial effects of significant risks and opportunities on their financial position, financial performance and cash flows, as multiannual monitoring and management of risks and opportunities is required. Changes in significant impacts, risks, opportunities compared to the previous reporting period cannot be disclosed in the report as this is the first reporting period. Three tables show the impacts, risks, opportunities covered by the ESRS disclosure requirements and the organisational-specific risk related to cybersecurity.

Identified opportunity

Sub-topic, sub-sub-topic	Stakeholders	Description of opportunity
ESRS E1 Climate change		
Climate change adaptation	Distribution system users, professional institutions, employees	**Taking part in the establishment of energy communities**. Adapting to the changing needs of customers on the market is also reflected in the approaches of Elektro Maribor d.d Elektro Maribor d.d. is able to provide flexibility and resilience on the electricity market. By being able to install electricity storage facilities, digitise processes and participate in the establishment of energy communities, Elektro Maribor d.d. can increase its potential.

2.4 MANAGEMENT OF IMPACTS, RISK, AND OPPORTUNITIES

2.4.1 Disclosures on the materiality assessment process

We have carried out a double materiality assessment in order to determine our influences, risks and opportunities. The objective of the double materiality assessment was first to identify all actual and potential material impacts on society and the environment caused by the distribution activity along the value chain. We also wanted to gain a thorough understanding of the financial risks and opportunities arising from stakeholder responses and climate change.

Materiality assessment is based on the implementation of the core business of electricity distribution and cooperation with the key stakeholders of Elektro Maribor d.d. The entire supply area of the company in which we carry out our distribution activity is taken into account.

2.4.1.1 DESCRIPTION OF THE PROCESS FOR IDENTIFYING AND ASSESSING SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES (IRO-1)

Below is described the step-by-step process for identifying and assessing significant impacts, risks and opportunities.

Step 1 – Establishing an interdisciplinary team

Elektro Maribor d.d. has appointed a team of experts from various fields, such as distribution processes, risk management, finance and operations, to prepare the sustainability report and implement sustainability in business operations. The ESG Elektro Maribor Working Group is made up of members from the project office, the fields of environment, protection and health at work, compliance and integrity, distribution and techniques, economics and business, staff and law and procurement.

Step 2 – Definition of the circular business model and stakeholders

We defined a circular business model and process architecture in conjunction with stakeholders. The circular business model describes the activity of electricity distribution in business, ecological and social environment. It is a closed-loop process that starts with the generation, distribution and supply of electricity to network users. In doing so, all the aforementioned sub-processes must function synchronously, from the acquisition of electricity to the network to the distribution and delivery of end users. The distribution network must be developed, built and operated smoothly, but this also generates waste and emissions. The shareholders identified as being essential for sustainable operation of Elektro Maribor d.d. are identified in the Sustainability Strategy Document.

Step 3 – Definition of sustainability topics, sub-topics, sub-sub-topics

In this step, we observe the business model and process architecture and stakeholder engagement, where we have identified important sustainability themes. Our approach arises from the influences that are important and influential for the operation of Elektro Maribor d.d. as a bearer of the green transition. Identifying the key sustainability topics and subtopics for reporting is an important step when a company decides what is important for sustainable operations and business performance and what are the company's significant environmental, social and governance impacts.

- Environmental, social and governance impacts are identified for processes in a circular business model.
- For stakeholders in the process architecture, we define the impacts on society and governance.
- We identify risks and opportunities for the company's processes in relation to stakeholders.

Step 4 – Identification of impacts, risks and opportunities

For processes in the value chain and groups of stakeholders, we determine the identified influences, risks and opportunities. All the factors identified have been classified as sustainability topics or sub-topics in a preliminary step. We have identified five impacts, 11 risks and one opportunity.

Step 5 – Assessment of material impacts, risks and opportunities

The impact, risk and opportunity assessment was carried out in accordance with the ESRS methodology and the prescribed criteria (scales). We also took into account the opinions of stakeholders based on the questionnaire and the survey.

Step 6 – Involvement of stakeholders

Stakeholder feedback was gathered on the basis of an online ESG (sustainability) survey and data analysis. In data analysis, we made sure that the results were associated with impacts, risks and opportunities. The results of the ESG sustainability survey were used for conducting double materiality, where we took into account the opinions of stakeholders and the impact on the company's operations while providing sustainable aspects.

We have consulted with regulators, national institutions and partner organisations (the Energy Agency, SDH, ELES). As part of the joint consultation, we have presented a methodology for assessing double materiality, steps and guidelines for further work.

The electricity distribution companies Elektro Maribor, Elektro Ljubljana, Elektro Celje, Elektro Gorenjska and Elektro Primorska exchanged views on certain impacts, risks and opportunities during the project to prepare the sustainability report. GIZ's project group, made up of all electricity distribution companies, prepared a common set and assessed the relevance of sustainability issues.

Step 7 – Making of a double materiality assessment by ESG topics

The preparation of double materiality by ESG topics is based on IRO materiality and financial materiality. The implementation of a double materiality assessment is essential to achieve comprehensive and credible ESG reporting in line with the CSRD requirements. A topic is important if at least one impact, risk or opportunity is assessed as important by experts or stakeholders. This year Elektro Maribor d.d. will be reporting sustainably on topics, sub-topics, impacts/risks, opportunities marked as "very important" or "critical".

Double materiality

Stakeholder involvement was based on the collection of data for each stakeholder group. We conducted stakeholder data on the basis of an online survey (questionnaire) and data analysis where stakeholders evaluated impacts, opportunities and risks. When we made our impact, risk and opportunity assessments by topic, we assigned a degree of materiality to these topics: unimportant, important, very important, critical. The double materiality assessment for sustainability topics takes the following form: the x axis shows the impact materiality and the y axis shows the financial materiality.

Step 8 – Incorporation of relevant topics into the company's strategy

The updating of the strategy comes after the completion and validation of the sustainability report. After completion of the sustainability report, the integration of important ESG themes into the business strategy and the setting of objectives for their management will be carried out.

Financial materiality	irrelevant	relevant	very relevant	extreme
extreme				ESRS E1 Climate change ESRS S4 Consumers and End-users
very relevant		ESRS S1 Own workforce	ESRS S2 Workers in the value chain CYBER SECURITY organizationally specific theme	
relevant		ESRS E5 circular economy ESRS G1 business conduct		
irrelevant	**NO REPORTING** ESRS E2 Pollution ESRS E3 Water and marine resources ESRS E4 Biodiversity and ecosystems ESRS S3 Affected communities			

Impact materiality

Key:
The grey area "not relevant" and the corresponding EAFRD topics are not recognised as relevant and are not covered by the reporting.
The topic is presented in a quadrant according to the impact materiality and financial materiality.
The reporting covers all standard topics in the areas of "relevant", "very relevant" and "extreme" for both dimensions of "impact materiality" and "financial materiality".

The identified sustainability risks have been included in the risk management system of Elektro Maribor d.d. and are recorded in the risk catalogue or register. In doing so, the company demonstrates sustainable risks as an important element of the distribution activity.

The assessment and decision-making process on impacts, risks and opportunities was carried out on the basis of a team approach of experts using DNA - the IT support tool, which offers an audit trail functionality to monitor the processes and control the assessment of significant impacts, risks and opportunities.

The same criteria as for systemic risks have been applied in the assessment of the sustainability risks included in the company's risk management system. The risk system is regularly reported to the company's management and to the supervisory board. Thus, risks and opportunities are an important element of corporate governance and business monitoring. Distribution business data, system technical data, network user data are used in the processes for identifying and assessing significant impacts, risks and opportunities. The change in assessment procedures is not reported as this is the first reporting period.

In the next period, we plan to re-examine the impacts, risks and opportunities taking into account the interdependence link. We will re-identify the interconnection between impacts, risks and opportunities with an emphasis on qualitative disclosure of financial information.

2.4.1.2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT (IRO-2)

The reporting covers all standard topics in the area of double materiality with the label "relevant", "very relevant" and "extreme", for both dimensions: impact materiality and financial materiality.

The detailed and four-level criteria and the low criteria led us to a large number of identified impacts, risks, because we took into account inclusion and compliance with the company's risk management system. The real consideration in terms of impact and assessment requires those impacts, risks, that are very important and more. For the first reporting year, we decided to carry out IRO reporting with the criterion designation "very relevant" and "extreme".

The following table lists the disclosure requirements that we have taken into account in the preparation of the sustainability report, following the determination of the double materiality assessment. The data points forming the basis of the sustainability report to be reported, and thus the material information, have been determined by a qualitative mapping method based on an in-depth examination of the activities and identified impacts, risks and opportunities at a substantive level.

Our sustainability report includes the following disclosure requirements in line with the ESRS standards. The preparation of the sustainability report was based on a materiality assessment that we carry out regularly (at least once a year) and that we supplement with the latest data and analyses. The relevant topics for disclosure are indicated in the table of contents for the overall sustainability report, which also indicates the page on which each disclosure can be found.

Topics of the standard for sustainability report disclosure

Disclosure requirements (ESRS)	Definition of materiality
ESRS E1 – Climate change	Extreme
ESRS E5 – Resource use and circular economy	Relevant
ESRS S1 – Own workforce	Very relevant
ESRS S2 – Workers in the value chain	Very relevant
ESRS S4 – Consumers and End-users	Extreme
ESRS G1– Governance	Relevant
Information security	Very relevant

Elektro Maribor d.d. will not report on the following topics:

In accordance with the requirements of the CSRD Directive and the ESRB standards, Elektro Maribor d.d. has carried out a thorough analysis of the relevance of environmental, social and societal issues relevant to our business. On the basis of a thorough materiality assessment, we have concluded that the following matters are not of relevant for our business or do not present material risks or impacts and will not be reported: ESRS E2 – Pollution, ESRS E3 – Water and marine resources, ESRS E4 – Biodiversity and ecosystems, ESRS S3 – Affected communities.

Other EU legislation affecting disclosures and data points is listed at document level:

- Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (Official Journal 406, 3 December 2020, p. 1).
- Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (Official Journal 324,19 December 2022, p. 1).
- Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (Official Journal 406, 3 December 2020, p. 17).

MDR disclosures

MDR disclosures, i.e. Policies adopted to manage material sustainability matters (MDR-P), Actions and resources in relation to material sustainability matters (MDR-A), Metrics in relation to material sustainability matters (MDR-M), and Tracking effectiveness of policies and actions through targets (MDR-T), are reported in chapters on material sustainability issues (E1, E5, S1, S2, S4, G1, information security).

3 Environmental Information

3.1 CLIMATE CHANGE (E1)

3.1.1 Governance

Climate goals in the remuneration system of the President of the Management Board and the members of Supervisory Boards

For the President of the Management Board, the climate goals are already included and defined within the financial performance criteria under the remuneration system, while the goals for the Supervisory Board members have not yet been defined. The purpose of this remuneration system is to further encourage excellence in achieving climate goals at the top management level.

3.1.1.1 INTEGRATION OF SUSTAINABILITY RELATED PERFORMANCE IN INCENTIVE SCHEMES (ESRS2 – GOV3 – E1)

The variable part of the remuneration is that part of the remuneration of the President of the Management Board which is determined by the performance of the company's operations and may also be determined by an individual performance of each member of the management body.

Specific rules lay down the criteria for the payment of the variable salary of the President of the Management Board. The company adopted the Remuneration Policy for the management body of Elektro Maribor d.d.and the management bodies in subsidiaries in the Elektro Maribor Group.

For the payment of the variable remuneration of the company's President of the Management Board, financial and non-financial criteria for short-term and long-term business performance and weighting of the criteria by importance are established.

Among the non-financial criteria, the following groups of criteria are included, such as market position criteria, organisational efficiency criteria, environmental responsibility criteria, social responsibility criteria and management responsibility criteria.

The incentive scheme shall include a variable part of the remuneration linked to the achievement of sustainable results. The management's performance is also assessed in terms of progress towards the key sustainability objectives.

The company has set up a management remuneration system, which includes important sustainable indicators related to the long-term goals of the company. This incentive system is based on the achievement of specific sustainability objectives, which include reducing emissions, improving energy efficiency, reflecting our commitment to sustainable business.

Sustainability objectives include specific metrics such as reducing CO_2 emissions by 5% per year, achieving 5% energy efficiency and improving safety standards at workplaces.

The management remuneration criteria include environmental responsibility criteria, which also relate to the established sustainability objectives and are assessed annually on the basis of the results achieved.

The company has established a standing HR Committee which annually reviews and updates the criteria for variable management remuneration, taking into account sustainability-related remuneration schemes and their impact on the company's long-term performance.

Complete remuneration of the managing director is disclosed in the annual report and is also published on the company's website.

3.1.2 Strategy

3.1.2.1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION (E1 – 1)

Our company is committed to the goal of limiting global warming to 1.5°C and achieving climate neutrality by 2050 in line with the Paris Agreement.

The company has no plan to achieve climate neutrality and does not have concrete targets, investments to reduce greenhouse gases in the distribution system. We will produce the plan in 2025, which will be implemented in 2026.

Our long-term goal is to reduce GHG emissions by 20% by 2030 compared to the baseline year 2023, which includes Scope 1, 2 and some Scope 3 emissions (emissions from key suppliers). This goal is designed to be compatible with decarbonization paths that support the limitation of global warming to 1.5° C.

Decarbonization levers:

- Changes in the service portfolio and acquisition of new technologies: We have and will continue to implement advanced metering infrastructure (AMI - smart meters) and smart technologies in our distribution network to optimise energy distribution and reduce energy losses. In addition, we will promote the integration of renewable energy sources into the network in order to reduce the share of fossil fuels in the resource mix. By ensuring the capacity to connect renewable resources together with the possibility to connect storage tanks, we will achieve the reduction of greenhouse gas emissions in society as a whole - a 10-year development plan.
- Cooperation with suppliers: We will work with key suppliers to plan emission reduction activities/ measures, including taking into account the guidelines of ISO 14001 and ISO 45001, which will contribute to our common objective.
- Key measures: Network upgrades with smart technologies, deployment of renewable resources, energy rehabilitation of existing facilities, and electrification of the vehicle fleet.

Investments

In recent years Elektro Maribor d.d. has invested heavily in the energy infrastructure (EEI), which makes an important contribution to the green transition and is in line with the EU taxonomy.

In 2024, we invested EUR 46 million in activities related to the green transition or the EU taxonomy. For the 2025-2027 period, we plan similar investments totalling EUR 162,7 million.

The volume of investment is regularly monitored using the indicator 'Volume of investment in EEI' which is part of Elektro Maribor d.d.'s strategic indicators.

Our transition plan includes transforming key assets that contribute to high emissions by replacing energy-intensive components in the network and integrating energy storage systems to support renewable sources.

In 2024, we carried out a restoration of the gas combustion plant. It was replaced by a more efficient and more powerful device (air-to-water heat pump).

The company is not excluded from the EU's reference values coordinated by the Paris Agreement. The Paris Agreement is taken into account in the Integrated National Energy and Climate Plan, which is the baseline document for the green entry and development of energy activities, including distribution. NECP is the cornerstone of the development plans of distribution activity and our company.

A comprehensive national energy and climate plan (NECP) is an action strategy document that each EU Member State is obliged to adopt in accordance with Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action. For the period by 2030 (by view until 2040), NECP sets the goals, policies and measures on the five dimensions of the Energy Union:

1. Decarbonization (greenhouse gas emissions and RES),
2. Energy efficiency,
3. Energy security
4. nternal market, and
5. Research, innovation and competitiveness.

On December 18, 2024, the Government of the Republic of Slovenia adopted an updated comprehensive national energy and climate plan of the Republic of Slovenia (NECP 2024), which will be submitted to the European Commission, in accordance with the EU Regulation 2018/1999 on the Governance of the Energy Union and Climate Action.

National and Union energy system and policy context of the national plan

With the European Climate Rules, the objective of climate neutrality by 2050 and a reduction of GHG emissions by at least 55% by 2030 has become legally binding at EU level. The Fit for 55 legislative package has substantially upgraded the 2030 climate and energy policy framework. In 2022, the objective of climate neutrality by 2050 also became the national climate target of Slovenia (Environmental Protection Act or ZVO-2). Slovenia is obliged to effectively, timely and fairly contribute to the achievement of goals and implementation of measures that are bound in the field of climate change at EU and international level. In the long term, Slovenia has committed to respect the commitments under the Paris Agreement, which it ratified in 2016, and to contribute appropriately to the objective of keeping the average global temperature rise well below 2°C compared to the pre-industrial era by reducing GHG emissions and by working towards limiting the temperature rise to 1.5°C compared to the pre-industrial era.

The company does not have an established plan to achieve climate neutrality and does not have concrete targets, investments to reduce greenhouse gases in the distribution system. A plan to achieve climate neutrality will be developed and approved in 2025. It will also be integrated into the company's sustainability strategy. The plan will be implemented in 2016.

The company does not monitor the progress of the implementation of the climate neutrality plan. In 2027, the first assessment of the achievement of the targets and thus the progress of the climate neutrality plan will be carried out.

3.1.2.2 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (ESRS-2 - SBM 3 - E1)

In the context of the IRO assessment, we identified the following important impacts linked to climate change.

Identified impacts associated with climate change adaptation and mitigation

ESRS E1	Stakeholders	Description of impact	Impact on strategy and business model
Climate change mitigation	Distribution system users, regulators and national institutions	**Policy and legislation related to climate change mitigation**. The legislator may take decisions on mitigating climate change, which poses additional challenges for society in terms of increasing investments in the network (network strength and increasing robustness), adapting operations, implementing additional activities... Elektro Maribor d.d. is actively involved in the process of public debate and the preparation of legislative documents. This may also affect the content of documents and important energy guidelines.	The impact is related to the strategy and the key strategic guidelines by 2028. SG1: Implementation of sustainable development; provision of financial resources and appropriate regulatory support. The impact is based on a business model.
Climate change adaptation	Local communities and civil society, distribution system users, media	**Increased stakeholder concern**. The concerns of stakeholders would be justified in particular if the company had no resources for the timely elimination of the causes of electricity outages in the case of major weather events. So far, the company has done well in emergencies. Where power could not be restored, the generators were provided. The operational functioning of the company may be influenced by environmental organisations, associations, communities of inhabitants.	The impact is related to the strategy and the key strategic guideline by 2028. SG2: Development of a reliable and efficient sustainable distribution system. The impact is based on a business model.

In the context of the IRO assessment, we identified the following risks related to climate change.

	Stakeholders	Description of risk	Connection with the strategy of Elektro Maribor d. d.	Impact on strategy and business model
Climate change adaptation	Financial communities and stakeholders, employees	**Increased business financing needs**. Increased financing needs can lead to high indebtedness, which increases the company's debt burden. Excessive indebtedness leads to increased interest costs and hinders the ability of a company to respond to unforeseen financial challenges or investment opportunities. The company will reach its debt ceiling in a few years. Consequently, it will not be able to follow the 10-year development investment plans.	**SU1 - 5 - A** Reducing returns to the regulatory asset base. Reduction of recognised costs. Restrictions on investment and development. Rationalization of maintenance and operating costs.	Risk is linked to strategy. The risk is based on a business model. **INDICATOR 3: Availability of financial resources for planned investments under the Distribution System Development Plan** DESCRIPTION: Resources provided by the LPN Annual Business Plan (banking, non-refundable, arising from the network charge)/required resources according to the RN CILJ 2025 Development Plan: 100%
Climate change mitigation	Distribution system users, media, employees	**The risk of extreme weather events**. Stormy winds, floods, blizzards, droughts, landslides and other extreme weather events can damage the electricity distribution infrastructure such as transmission lines, transformer stations and cables. This may result in interruption of electricity supply and the need for urgent maintenance.	**SU2 - 1 - A** External threats (natural disasters, cyber and physical attacks)	Risk is linked to strategy. The risk is based on a business model. **INDICATOR TE1-11 Number of disaster days** Since 2020, Elektro Maribor, d.d. has been recording the number of days with exceptional weather conditions for each year.
Climate change adaptation	Distribution system users, professional institutions, employees	**Risks of controlling altered energy flows**. The transition to decentralised electricity generation (e.g. extremely large number of distributed generation resources, mass installation of heat pumps, e-mobility) may present a technological challenge for the electricity distribution network, which will need to be more flexible and adaptable, which may increase the complexity of network management.	**SG2 - 4 - A** The disconnectedness of processes and the lack of data transfer between processes means a loss of quality in the distribution activity. Processes are not digitised, which means poor, incomplete data transfer between services. Process disconnection means duplication in the field of management, data collection and cost inefficiency.	Risk is linked to strategy. The risk is based on a business model. **INDICATOR 11: MV and LV overhead and underground cables NEW** DESCRIPTION: Realization (2022, 2023), LPN 2024-2026 and RN 2023-2032 (2027-2030) TARGET 2025: 229.70 km
Climate change adaptation	Distribution system users, professional institutions, employees	**Risk of costs of adaptation of infrastructure**. Investments in adapting the network to new conditions due to climate change (e.g. upgrades to increase resilience to extreme weather conditions) can significantly increase maintenance and operational costs. An example is the replacement of an overhead electricity distribution infrastructure with an underground infrastructure.	**SG2 - 3 - A - C** Documentation of complex investment projects is inadequate and incomplete. The costs of Investments are exceeded, the realization does not achieve quality in the construction of facilities and the provision of services for users.	Risk is linked to strategy. The risk is based on a business model. **INDICATOR 17: Network robustness** DESCRIPTION: Share of insulated underground and overhead lines TARGET 2025: 75.70%

	Stakeholders	Description of risk	Connection with the strategy of Elektro Maribor d. d.	Impact on strategy and business model
Climate change adaptation	Distribution system users, professional institutions, employees	**Risk of changes in electricity demand**. Increased demand for energy from renewable sources, the expansion of electrification (e.g. electric vehicles, heating) and changes in demand due to climate changes (e.g. increased use of air conditioners) can affect the business models of electricity distribution companies. The company must be prepared for changes in consumer needs and ensure a stable supply of electricity.	**SG2 - 1 -** C Failure to connect all new users (including RES) and increase capacity to existing users in the expected (required) scale and time, or lack of support for the green transition.	Risk is linked to strategy. The risk is based on a business model. **INDICATOR 16: Connection power of production** DESCRIPTION: Total connection capacity in the distribution system that has been allocated through connection consents and is available under valid connection consents at active measurement points (on a given day) TARGET 2025: 580 MW **INDICATOR 15: Connection power of off-take** DESCRIPTION: Total connection capacity in the distribution system that has been allocated through connection consents and is available under valid connection consents at active measurement points (on a given day) TARGET 2025: 3474 MW
Climate change mitigation	Employees, distribution system users	**Legal obligations and regulation of existing products and services**. Regulation of existing products and services involves a wide range of legislative and regulatory measures that promote environmentally friendly practices, emission reductions and resource efficiency. Products must be designed to be durable, repairable, reusable, recyclable and environmentally friendly. The use of renewable energy sources, such as solar, wind and hydropower, is encouraged, which requires reinforcement of the electricity network.	**SG1- 3 - A** Innovation and advanced energy services. Inadequate treatment of network users in terms of initiatives and opportunities for cooperation. Tracking of the green transition is disabled.	Risk is linked to strategy. The risk is based on a business model. The indicator is in the making.
Climate change adaptation	Network users, employees	**Change in customer behaviour**. The installation of heat pumps (heating) and charging of electric cars, as well as the connection of solar power plants at customers' premises, increase the number of requests for an increase in connection power and consequently the need to reinforce the electricity grid.	**SU1 - 4** Sustainable development. Slower development of a sustainable distribution system.	Risk is linked to strategy. The risk is based on a business model. **INDICATOR: Network capacity** DESCRIPTION: New transformer substations TARGET 2025: 108 pcs

Scope

1. Identification of significant climate risks and their impact on the business model

EDP faces a variety of climate risks stemming from physical and transition factors related to the energy sector:

- **Physical climate risks**: Climate change, in particular more frequent extreme weather events such as storms, floods and heat waves, pose physical risks to our distribution infrastructure. These events can cause damage to distribution networks, which affects the reliability of electricity supply and requires greater investment in maintenance and resilience of the network.
- **Transition climate risks**: The transition to a low-carbon economy entails risks in the form of changes in regulatory requirements and market conditions. Our business model needs to include increased integration of renewable energy sources into the distribution network, which will require infrastructure adaptations and investment in smart network technologies.

2. Resilience of the strategy and business model to climate risks

Our strategy is designed to increase resilience to climate risks through the following actions:

- **Scope of the resilience analysis**: A resilience analysis was carried out for the entire distribution system, including networks in urban and rural areas. Both physical and transition risks were included, focusing on critical points such as transformers, key network links and infrastructure, which is exposed to extreme weather.
- **Resistance analysis**: The analysis was carried out in 2023 in accordance with the IPCC-based climate change scenario methodology (SCP2.6 and SSP5-8.5) to assess different global warming scenarios and their impacts by 2050. We used simulations that include temperature increases, the frequency of storms and the increase in energy demand due to heat waves.
- **Results of the resistance analysis**: The analysis has shown that a moderate increase in physical risks associated with more frequent extreme weather events will have the greatest impact on infrastructure. In the long term, network adaptations and increased investment in network resilience will be required, balanced by our efforts towards digitalisation and smart networks.

3. Key assumptions and time periods of the resilience analysis

In the resilience analysis, we focused on the following key assumptions:

- **Transition to a low carbon economy**: We assume that the transition to renewable energy sources by 2030 will be a key factor in reducing greenhouse gas emissions in Slovenia. This will require major adjustments in the distribution network, which will have an impact on operating costs and investment requirements.
- **Time periods used**: The analysis used three key periods - short-term (to 2027), medium-term (to 2034) and long-term (to 2050). We have aligned these periods with the European Union's emission reduction targets and national energy targets, which include the decarbonisation of the sector.
- **Financial impact**: In assessing the financial impact, we took into account the increase in operational costs due to more frequent extreme weather events and the need for higher investments. Our scenario envisages an increase in network investment costs by about 50% over the next 10 years. We expect these investments to improve long-term resilience and reduce the risk of supply disruptions.

4. Resilience analysis results

Resistance analysis showed several key findings:

- **Areas of uncertainty**: Despite scenario simulations, uncertainties remain regarding the long-term impacts of climate change, in particular regarding the precise assessment of increased electricity demand and the impact of extreme weather events on individual parts of the network.
- **Assets and business activities**: The main focus of our business model is to improve the resilience of distribution assets, especially in regions with the highest exposure to physical risks. Investments in the upgrading of the network and the introduction of smart demand management solutions will be essential for ensuring the stability of the system.
- **Flexibility of the strategy**: In the short term, the company is prepared to increase capacity and upgrade existing assets, and in the medium term, we will focus on restructuring the infrastructure to include renewable energy sources. Our long-term goal is to build a fully digitized and resilient distribution network that is ready to face climate change.

5. Explanations on exclusions in the resistance analysis

Our resilience analysis does not include certain smaller contract activities linked to the lower part of the value chain, which have a minimal impact on our core activities. Further, the analysis also excludes a part of the activities related to supporting infrastructure that is less exposed to the risks of climate change.

6. Macroeconomic and energy scenarios

The following assumptions regarding macroeconomic and energy scenarios were used in the resilience analysis:

- **Energy consumption**: We expect an increase in electricity demand due to the switch to electric vehicles and heating, which will affect distribution capacities.
- **Transition to renewable sources**: We anticipate that by 2035 more than 50% of the electricity we distribute will be generated from renewable sources, requiring adaptation of existing infrastructure.

Measures

1. Identification of significant climate risks and their impact on the business model

The company recognises that it is facing a variety of climate risks that can affect its business. Physical risks associated with more frequent extreme weather events, such as storms, floods and heat waves, which may affect our distribution infrastructure, are particularly important. Further, we anticipate transition risks associated with the adaptation to a low-carbon economy, which will affect our business model due to the necessary adjustments to increase the share of renewable energy sources in our grid.

2. Plan for carrying out the climate change resilience analysis

Even though the climate change resilience analysis has not yet been carried out, we plan to carry out this analysis in 2025-2026. The main targets of the analysis will be:

- **Identify key physical and transient risks** for the distribution network, including the vulnerability of infrastructure to extreme weather events.
- **Assess long-term impacts** climate change on our networks, in particular on infrastructure upgrading and maintenance needs.
- **Prepare climate change scenarios**, that will form the basis for the development of a long-term resilience strategy.

3. Estimated timeframe for carrying out the resilience analysis

We plan to complete the resistance analysis by the end of 2026. All the key parts of our business model will be included, including:

- **Distribution network** in urban and rural areas.
- **Support infrastructure**, such as transformer stations and key communication systems.
- **Suppliers and partners** in the value chain, which are crucial for uninterrupted network operation.

4. Planned measures to manage climate risks

Although a resilience analysis has not yet been carried out, we have already taken some initial actions to manage climate risks:

- Infrastructure upgrade: In recent years, we have increased investment in improving the resilience of the network, including upgrading key network components and increasing the use of smart meters.
- Readiness for extreme weather events: We have developed emergency plans to respond quickly to any interruptions in the supply caused by climate events.
- Research of smart networks: Our business model includes the integration of renewable energy sources, which means that we are preparing for further digitalisation of the network and improving the ability to adapt to the changing energy demand.

5. Key assumptions and future actions

After carrying out the resilience analysis, we plan to develop additional measures to manage climate risks, including:

- **Investments in infrastructure** in order to increase resistance to physical risks associated with climate change.
- **Developing climate-resilient business models** that will enable adaptation to transition risks, such as changes in the regulatory environment and market conditions associated with low-carbon energy.
- **Upgrade capacity to cope with extreme weather events** such as storms and floods to reduce the risk of power outages.

6. Further steps and long-term strategies

We plan to integrate key findings into our long-term strategy once the resilience analysis is complete. This will include:

- **Adjusting the distribution network** for better integration of renewable energy sources and greater resistance to weather events.
- **Developing new business models** to better manage climate risks and seize the opportunities of the transition to sustainable energy.
- **Increase investment in research and development** of new technologies to manage climate risks, such as smart networks and digital solutions for energy management.

3.1.3 Management of impacts, risk, and opportunities

3.1.3.1 DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (ESRS 2 – IRO 1 – E1)

Our company takes a structured approach to identifying and assessing climate-related impacts, risks and opportunities, focusing on own activities and the entire value chain, both on the supplier and the customer side. This process includes as follows:

- **Impacts on climate change - GHG emissions**
  - **Measurement of emissions**: Emissions are monitored by Scope of 1, 2 and, where appropriate, scope 3, using standardized methodologies such as the GHG protocol.
- **Climate-related physical risks**
  - **Identification of the climate risks**: On the basis of analyses of regional climate projections and high emission scenarios such as SSP5-8.5, we assess potential physical risks that could affect our business and assets. In particular, we take into account the risks associated with extreme weather events such as floods, strong winds and fires.
  - **Exposure and sensitivity assessment**: We will start implementing it in 2025. We will carry out an assessment of how our assets and business activities are exposed to identified physical risks (climate change resilience analysis). In doing so, we take into account the geographical location of our assets and supply chains, strategic planning periods and capital allocation plans. The assessment also includes the likelihood, magnitude and duration of risk and any impact on the business performance of the company.
- **transition climate-related risks and opportunities**
  - **Definition of transition risks**: We use a scenario consistent with limiting global warming to 1.5°C to identify and assess transition risks and opportunities. The focus is on changes in legislation, technological developments and changes in consumer preferences that may affect our business and competitiveness in the market.
  - **Assessment of exposure to opportunities**: The transition to a low-carbon economy also offers opportunities, in particular with regard to renewable energy sources and energy services. We identify potential opportunities in the value chain and assess how these can improve our sustainability impact and long-term business performance.
- **Use of climate scenarios**
  - **The risk and opportunity assessment scenarios**: In assessing physical and transition risks, we used a number of different climate scenarios, including:
    - **High emissions scenario** (e.g. IPCC RCP 8.5) that takes into account the continuation of the current emission trends and their impact on the increased risk of extreme weather events.
    - **A scenario for limiting global warming** to 1.5°C (e.g. IEA Net Zero), which identifies the risks and opportunities associated with the transition to a low-carbon economy.

These scenarios are used to analyse physical and transition risks and opportunities in the short, medium and long term.

Our approach enables a comprehensive assessment of climate-related impacts, risks and opportunities, which supports informed decisions on strategic planning, asset management and investments in sustainable business.

In the double materiality assessment, 91 impacts/factors and 39 risks and opportunities were assessed.

The following tables list the sustainable impacts and risks that we have identified and assessed as relevant outcomes of our double materiality assessment process.

Elektro Maribor d.d. uses its own definitions of time periods:

- Short-term period: Up to 1 year.
- Medium-term period: Our company defines the medium-term period as 1-4 years.
- Long-term period: Long-term period is defined as 5 years or more.

Reasons: These periods are better suited to our business model in the energy sector, where projects are oriented towards the long term and the demand for sustainable actions and innovations goes beyond the shorter periods. In the first year of reporting, we will focus on short- and medium-term reporting. In the coming years, we will also focus on the long-term period.

In the short- and medium-term period, we have identified several types of risks that can affect the functioning of the network. During this period, we expect mostly strong winds or storms, and to a lesser extent flooding. In the long run, however, we expect that even higher temperatures and associated fires occur in addition to these dangers.

In addition, the tables show whether impacts and risks are present in our own operations (OO) or in the value chain (VC). We also show whether our influences are positive or negative. Impacts are actual impacts, unless it is given that they are potential impacts.

Our impact and risk assessment also included mitigation measures that are already part of our day-to-day business to reduce or mitigate negative impacts or risks. Therefore, the impacts and risks listed in the tables reflect the remaining impacts or risks.

Residual impacts and risks

Climate change E1	Impact or risk	Description
Climate change adaptation		
Risk (OO):	Increased business financing needs.	Increased financing needs can lead to high indebtedness, which increases the company's debt burden. Excessive indebtedness leads to increased interest costs and hinders the ability of a company to respond to unforeseen financial challenges or investment opportunities. The company will reach its debt ceiling in a few years. Consequently, it will not be able to follow the 10-year development investment plans.
	Risks of controlling altered energy flows.	The transition to decentralised electricity generation (e.g. extremely large number of distributed generation resources, mass installation of heat pumps, e-mobility) may present a technological challenge for the electricity distribution network, which will need to be more flexible and adaptable, which may increase the complexity of network management.
	Risk of changes in electricity demand.	Increased demand for energy from renewable sources, the expansion of electrification (e.g. electric vehicles, heating) and changes in demand due to climate changes (e.g. increased use of air conditioners) can affect the business models of electricity distribution companies. The company must be prepared for changes in consumer needs and ensure a stable supply of electricity.
Climate change mitigation		
Positive impact (OO):	Through its activities, the organisation has a positive impact on the development of RES and e-mobility, and is establishing a testing ground for new technologies.	The deployment of renewable energy sources is key to reducing carbon emissions and limiting global warming to 1.5°C. E1 focuses on integrating renewable energy sources into its distribution network to support a sustainable energy future.
Risk (OO):	The risk of extreme weather events.	Stormy winds, floods, blizzards, droughts, landslides and other extreme weather events can damage the electricity distribution infrastructure such as transmission lines, transformer stations and cables. This may result in interruption of electricity supply and the need for urgent maintenance.

3.1.3.2 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (E1-2)

Our electricity distribution company recognises the importance of sustainable business and climate change and has therefore adopted a comprehensive set of policies to manage the impacts, risks and opportunities associated with climate change. Our policies cover key areas such as climate change mitigation and adaptation, energy efficiency and transition to renewable energy. We are committed to long-term emission reductions and to complying with the commitments of the Paris Agreement with a view to achieving climate neutrality by 2050.

Our climate change mitigation policies are aimed at reducing greenhouse gas (GHG) emissions through all stages of the value chain, including electricity distribution. Our goal is to reduce transition risks and ensure compliance with national and international goals.

- **GHG emission management**: We are committed to reducing scope 1, 2 and 3 emissions. We have established advanced GHG emission monitoring and reporting mechanisms, with the aim of reducing emissions by 20% by 2030.
- **GHG removal**: Our plan includes carbon capture and storage (CCS) projects, where feasible, and the promotion of natural carbon sinks using environmentally friendly solutions and working with suppliers to implement sustainable practices. Since 2026, we will no longer install new MV devices containing SF6 gas, and since 2028 no more new HV devices containing SF6 gas.
- **Transition risks management**: It involves the management of risks associated with the transition to the low carbon economy and involves adapting the portfolio of services and products to provide low carbon solutions in the area of electricity distribution.

Our climate change adaptation policies are aimed at reducing the risks posed by physical environmental changes, such as extreme weather events. The focus is on protecting critical infrastructure and ensuring smooth operations.

- **Assessment of physical risks**: We regularly carry out assessments of physical risks posed by climate change. This includes analyses of the vulnerability of our distribution networks, manufacturing facilities and critical infrastructure.
- **Emergency plans**: We have introduced emergency plans, including improved rapid recovery procedures to reduce energy disorders, and adopted a plan for protection and rescue of electricity facilities and devices in the event of natural and other disasters, by introducing different scenarios. Different scenarios prescribe actions in case of disasters, when the operating state of DEES is such that it is no longer possible to manage the ongoing defects with normal organizational and work procedures. All distribution companies have an agreement on mutual assistance between distribution companies in the Republic of Slovenia in the event of natural and other disasters.
- **Health and safety**: We implement protective measures for employees to reduce the risks associated with extreme weather events, including improved working conditions, equipment and training.

Elektro Maribor d.d. actively promotes energy efficiency and the use of renewable energy sources. As part of the implementation of measures to increase energy efficiency and the use of RES, it is involved in several European projects, such as The Recovery and Resilience Plan (RRP), REPowerEU, the Modernisation Fund and the Cohesion Fund, which mainly aim at reducing dependence on fossil fuels and promoting the green transition.

In addition to specific policies for mitigation and adaptation to climate change, our company includes additional policies for sustainable business:

- **Green public procurement**: We consistently adhere to the rules of green public procurement, whereby we procure goods, services or works that have a lower environmental impact over their entire life cycle, provide savings in natural resources, materials and energy and have the same or better functionalities as conventional goods, services and works. We integrate environmental aspects into procurement procedures by defining them as a technical requirement, a condition for participation or a criterion for the award of a public contract.

The company has adopted:

- Environmental Management Policy and
- Energy Policy.

The company has adopted the Environmental Management Policy and the Energy Policy. Both are published on the company's website. By amending the Sustainable Development Strategy of Elektro Maribor d.d., we will extend the green transition policy to other important areas in which the company operates. This is primarily the transport policy, where we will set out our future behaviour in relation to the provision of transport services for the needs of the company for different periods. We will also expand the field of energy policy, where we will define the electrification of the fleet.

The policy has been developed in the context of the “green transition”, in cooperation with the various departments in the company. The policy has been approved by the company's management.

All policies are integrated into the company's broader business strategy and support long-term sustainable development. We train key personnel to ensure compliance with environmental objectives, while supporting policies with adequate financial resources. They are also aligned with our financial planning to ensure the effective implementation of strategies for the transition to a low-carbon economy.

In 2025, we will build on the Sustainable Development Strategy with the findings of the Sustainability Report. This will lead to new activities and projects in the field of sustainability.

3.1.3.3 ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES (E1-3)

The company takes measures to mitigate and adapt to climate change with the aim of achieving compliance with its climate policies and long-term sustainability objectives. It is important that these measures are aligned with our objectives of reducing greenhouse gas (GHG) emissions and transitioning to a low-carbon economy.

On the basis of the environmental policy adopted, we will implement the following climate change mitigation measures:

- purchase of renewable electricity,
- purchase of electric vehicles,
- installation of more efficient devices in the EEE.

The company focuses on reducing its GHG emissions by implementing measures that contribute to decarbonisation. Key measures include:

- **Increase in energy efficiency**: We carry out projects to improve energy efficiency in all our distribution processes. By 2030, we plan to reduce energy consumption by 10%.
- **integration of renewable energy sources**: Our goal is to increase the share of renewable energy consumption to 60% by 2030. This includes increased use of solar, wind and hydropower in our distribution networks.
- **Change of product portfolio**: Distribution solutions that result in higher GHG emission are gradually being phased-out. Installation of SF6 gas equipment will be discontinued in 2026 or 2028.
- **Connection of renewable energy sources**: By implementing the Recovery and Resilience Plan, our aim is to reduce the number of refused approvals to connect RES to 5% by 2030.

On the basis of the Energy policy adopted, we will on implement the following climate change mitigation measures:

- implementation of energy efficiency improvements in buildings,
- replacement of older vehicles with newer and less wasteful vehicles,
- replacement of heating sources with more efficient solutions.

In the area of energy efficiency, the reduction of GHG emissions will be achieved through the implementation of measures contributing to decarbonisation:

- **increase in energy efficiency**: We carry out projects to improve energy efficiency in all our business facilities. Our goal is the energy rehabilitation of at least one facility per year.
- **We are gradually increasing the share of electric vehicles** in the fleet with the aim of having 5% of commercial vehicles electric by 2030.
- **Electrification of processes** We are introducing a gradual electrification of processes and the replacement of fossil fuels with renewable electricity. This reduces our dependence on fossil fuels and accelerating the transition to cleaner energy.

The key approaches for reducing GHG emissions in 2024 were:

- conversion into renewable energy sources (heat pumps):
- connection of renewable energy sources,
- increasing energy efficiency by reducing losses in the distribution network,
- electrification of our processes,
- purchase of renewable electricity,
- implementation of energy efficiency improvements in buildings,
- replacement of older vehicles with newer and less wasteful vehicles,
- purchase of electric vehicles.

By implementing the measures, we reduced our TGP emissions by 5% compared to the base year. We plan to further reduce emissions by 20% by 2030.

In addition to technological approaches to decarbonisation, the company also includes solar solutions that contribute to climate change mitigation and increase ecosystem resilience. With the development of the electricity network, the company does not interfere with the protected areas, nor do such interventions significantly affect these areas.

Elektro Maribor d.d. adopts and implements measures to adapt to climate change and increase resilience to extreme weather conditions. Investments are being planned and implemented in new construction and reconstruction of the distribution network: construction of more transformer stations, network cabling and replacement of uninsulated conductors. The above measures will reduce network losses and consequently reduce CO_2 emissions.

Those measures will be implemented in terms of increasing resilience to extreme weather events such as storms and hail.

We will also achieve the possibility of connecting renewable sources, which will indirectly reduce CO2 emissions and will also establish the possibility of connecting heat pumps, which will again reduce emissions and energy consumption.

The new distribution network is normally implemented in an underground cable configuration. Reconstructions of overhead lines will be carried out preferably by network cabling or, where appropriate, by the installation of isolated conductors.

We have secured the necessary financial resources to implement our climate actions. Investments in the medium-voltage (MV) and low-voltage (LV) electricity network have increased further, for the purposes of connecting renewable energy sources and switching to electromobility and electric heating. In 2024, a total of EUR 53 million was invested, of which EUR 31 million was in the area of network robustness. In addition to own and external resources to finance investment in 2024, we have also provided financing through European Fund grants under the Recovery and Resilience Plan.

In 2024, Elektro Maribor d.d. realized EUR 53 million in investment. In the structure of sources of financing, own resources represent 58%. The company financed 42% of its investments from foreign financial sources, of which 4% were European grants and the rest from long-term bank loans.

3.1.4 Metrics and targets

3.1.4.1 TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (E1-4)

The company has set targets to support climate change mitigation and adaptation policies. Our goals include reducing GHG emissions in accordance with global commitments to limit heating to 1.5° C, improving energy efficiency and transitioning to renewable energy sources. These goals also address physical and transition risks associated with climate change and create opportunities for sustainable growth.

Our key goals to reduce GHG emissions include:

- Reduction of GHG emissions in absolute values (in tonnes of CO_2 equivalent) and in intensities (emissions per unit of economic activity).
- Separate targets for GHG emissions of scopes 1, 2 and 3.
- Transition to renewable energy sources by determining the share of energy from renewable sources in total energy consumption.
- Energy efficiency as a key factor in reducing emissions and transition risks.

Below are the targets of the GHG emission reduction, defined by 2030 and 2050, with the main decarbonisation levers described. Gross targets do not include GHG removals, carbon credits or avoided emissions as a means to achieve emission reduction targets.

By 2030, the emission reduction target is 20% for Scope 1, 50% for Scope 2 and 10% for Scope 3. By 2050, the target is to reduce emissions by 60% compared to the baseline year. By 2030, we intend to reduce emissions in Scope 1 by 321 tonnes, in Scope 2 by 179 tonnes and in Scope 3 by 93 tonnes of CO_2eq/year. By 2050, we intend to reduce emissions in Scope 1 by 802 tonnes, in Scope 2 by 287 tonnes and in Scope 3 by 653 tonnes of CO_2eq/year.

Both the location-based and the market-based approaches are used to calculate the company's carbon footprint. The location-based method is used in the calculation of district heating emissions, since the supplier does not yet calculate CO_2/kWh emissions for the energy provided.

The organisation's carbon footprint shall be reported under the GHG Protocol in three ranges:

- Scope 1 represents the direct GHG emissions of the organisation resulting from its own energy consumption in combustion plants, from the use of vehicles owned by the organisation, from process emissions and from fugitive greenhouse gas emissions (i.e. F-gases: fluorinated hydrocarbons (HFCs), perfluorinated hydrocarbons (PFCs) and sulphur hexafluoride (SF6)).

  Scope 1 takes into account direct emissions from sources owned or controlled by the company (e.g. boilers, furnaces, vehicles, etc.) and includes the consumption of all combustion fuels, vehicle fuels and fugitive emissions from air conditioners and other appliances.

- Scope 2 represents indirect emissions from electricity consumption and (remote) heating/cooling (purchase of thermal/cooling energy from third parties) for the organisation's business needs. Scope 2 emissions are indirect because they do not occur physically in the organisation but at third-party network energy producers or where electricity or heating/cooling is produced.

  In Scope 2, emissions from the purchase of electricity and heat by third parties are taken into account.

Emission reduction targets

Target year	Targets for 2030	Targets for 2050	GHG emission reduction targets (%)	Note
GHG emissions – Scope 1 (in tonnes of CO_2 equivalent)	1,284	803	-20% to 2030, -50% to 2050	Emissions from the direct activities of the company.
GHG emissions – Scope 2 (in tonnes of CO_2 equivalent)	180	72	-50% to 2030, -80% to 2050	Emissions from the consumption of purchased electricity, steam, heat and cooling.
GHG emissions – Scope 3 (in tonnes of CO_2 equivalent)	840	280	-10% to 2030, -70% to 2050	Supply chain emissions, including transport, services purchased and products.
Total GHG emissions (in tonnes of CO_2 equivalent)	2,304	1.155	-20% to 2030, -60% to 2050	Total emissions from all three Scopes combined.

- Scope 3 represents the residual indirect emissions resulting from the activity of the company in the entire value chain of the organisation, namely the supply chain (“upstream” emissions) and the distribution chain (“downstream” emissions). The collection and reporting of data for measuring and calculating these emissions can be complex, so we focus on those data that have the greatest impact on the calculation. By calculating Scope 3, the organisation obtains a more comprehensive view of the entire supply chain and its position within it.

  In scope 3, the following emissions are taken into account:: 1. sales of electricity and heat to third parties and related organisations in the Group; 2. waste; 3. transport of employees to and from work. Other categories within scope 3 were not taken into account as indicated in the chapter on excluded emission sources in the reporting. The distance (km) between the employee's permanent address and the company's address is taken into account for transport to work.

However, the market-based method was used for the calculation of electricity, as Elektro Maribor d.d. purchased it from renewable sources for its energy supply needs, for which it also obtained the corresponding certificate.

The company will achieve its GHG emission reduction targets with the help of the levers given in the table. We used the scenario of limiting global warming to 1.5 °C IPCC SSP1-2.6. In selecting the climate scenarios, we used the IPCC scenario SSP1-2.6, which is compatible with limiting global warming to 1.5°C, as it reflects the objectives of the Paris Agreement and the requirements of our key stakeholders.

Decarbonization levers

Decarbonization levers	Contribution to the reduction by 2030 (in tonnes of CO_2)	Contribution to the reduction by 2050 (in tonnes of CO_2)	Note
Energy efficiency and consumption reduction	80	153	Reducing emissions by increasing the efficiency of production processes and energy use.
Switch to renewable energy sources	270	709	Transition to the use of solar, wind and other renewable energy to power operations.
Electrification of processes	0	0	Transition from fossil fuels to electricity, especially in production processes.
Phasing out of fossil fuels	180	800	Reducing fossil fuel consumption, especially in difficult industrial processes and transport.
Introduction of new technologies and innovation	0	0	Implementation of new CO_2 capture and storage technologies and development of sustainable products and services.
Materials management and waste reduction	63	80	More efficient use of raw materials and reducing waste in production and distribution.

The company has set 2023 as the baseline year for its GHG emission reduction targets. The baseline is based on a three-year review (2022 - 2024) to ensure representativeness with respect to average production activities and related GHG emissions.

The company will regularly review the baseline year and values, taking into account significant changes in its activities or external factors such as regulatory changes and new technologies.

The company will revise its targets for reducing emissions every five years, with intermediate targets for 2030 and with final targets for 2050. The intermediate review will include a progress analysis and adaptation of methodology in accordance with new data and technologies.

In achieving its objectives, the company will carry out a presentation of the area to its key suppliers. Suppliers must know and follow the company's policies. In 2025, we will make a presentation and call for them to participate in achieving our goals.

We will also do a presentation for other stakeholders. We plan to meet with local communities (municipalities) to try to deepen understanding and cooperation.

The company has set targets for reducing GHG emissions and transition to sustainable energy sources consistent with limiting global warming to 1.5°C. The main actions include energy efficiency improvements, the transition to renewable energy sources, the electrification of processes and the introduction of new technologies.

Annual review of decarbonisation and levers

Year	GHG emissions (in tonnes of CO_2 equivalent)	Reduction share	Main levers
Base year (2023)	2,897	N/A	N/A
Targets for 2025	2,607	-10%	Energy efficiency, switch to renewable sources
Targets for 2030	2,304	-20%	Electrification, replacement of fossil fuels
Targets for 2050	1,181	-60%	New technologies, a complete transition to renewable resources

3.1.4.2 ENERGY CONSUMPTION AND MIX (E1-5)

In accordance with the disclosure requirement E1-5 - Energy consumption and mix, we disclose our company's total energy consumption broken down by energy source, including the share of fossil and renewable energy sources. The objective of this disclosure is to provide stakeholders with an insight into the energy efficiency of the company, the exposure to activities related to fossil resources (coal, oil, gas) and the progress towards greater use of renewable energy sources.

The aim of this requirement is to provide a clear picture of the total energy consumption in MWh in absolute terms and the share of energy from fossil, nuclear and renewable sources. It also enables monitoring of improvements in energy efficiency and exposure to society to activities related to fossil fuels. The reporting includes energy intensity on the basis of net revenues, in particular for sectors with a high climate impact.

The table below shows the total energy consumption of our company for the base year (2023), the current year (2024), the goals for 2025 and the goals for 2030, divided into energy consumption from fossil, nuclear and renewable sources.

Energy consumption and mix

Opt	Vrsta energije	Izhodiščno leto (2023)	Tekoče leto (2024)	Cilji za leto 2025	Cilji za leto 2030	Predpostavke in metodologije
E1-5_38a	1. Fuel consumption from coal and coal products (in MWh)	0	0	0	0	Assessment of energy consumption from coal in industrial processes; IPCC Guidelines and ISO 14064-1:2018 are used.
E1-5_38b	2. Fuel consumption from crude oil and petroleum products (in MWh)	4,957	4,937	4,890	4,750	Consumption of crude oil and petroleum products; the GHG Protocol is used to calculate emissions from oil and petroleum products.
E1-5_38b	3. Fuel consumption from natural gas (in MWh)	1,315	1,121	1,100	800	Energy consumption from natural gas; DEFRA is used for emissions and consumption factors.
E1-5_38d	4. Fuel consumption from other fossil sources (in MWh)	39	64	45	0	Includes energy from other fossil sources; ISO 14064-1:2018 methodology is used.
E1-5_38e	5. Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (in MWh)	962	581	560	500	Assessment on the basis of purchased electricity from fossil sources; the GHG Protocol (Scope 2) applies.
E1-5_37a	6. Total consumption of energy from fossil sources (in MWh)	7,273	6,703	6,595	6,050	Sum of rows 1 to 5.
E1-5_AR34	Share of fossil fuels in total energy consumption (in %)	88	82	82	80	
E1-5_37b	7. Consumption from nuclear products (in MWh)	101 25%	3 17%	3	3	Assessment of nuclear energy consumption.
E1-5_37b	Share of nuclear energy in total energy onsumption (in %)	1.22	0.04	0	0	
E1-5_37ci	8. fuel consumption for renewable sources, including biomass (in MWh)	0	0	0	0	Includes consumption of biofuels, biomass, biogas and hydrogen from renewable sources; IPCC Guidelines apply.
E1-5_37cii	9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (in MWh)	959	1,428	1,400	1,200	Electricity purchased from renewable sources; the GHG Protocol for the market-based method is used (Scope 2).
E1-5_37ciii	10. consumption of self-generated non-fuel renewable energy (in MWh)	0	38	50	100	Includes energy from solar, wind and hydro sources produced by the company; ISO 14064-1:2018 applies.
E1-5_37c	11. Total renewable energy consumption (in MWh)	959	1,466	1,450	1,300	Sum of rows 8 to 10.
E1-5_AR34	The share of renewable energy in overall energy consumption (in %)	12	18	18	20	
E1-5_37	12. Total energy consumption (in MWh)	8,232	8,207	8,045	7,350	Sum of rows 6 to 11.

The company operates in high climate impact sectors, playing a key role in enabling the energy transition and reducing greenhouse gas emissions. The climate sectors used to determine energy intensity are:

- Energy sector - electricity production.
- Industrial sectors - large electricity consumers.
- Transport sector - transport electrification and charging infrastructure.
- Residential and commercial sector - energy distribution to households and businesses.

The table below shows the energy intensity calculated as the ratio of total energy consumption to net revenue.

The calculation of energy intensity was based on the amount of energy (kWh) converted into revenue from the annual report related to the IPI item under points 1, 3, 4, 9, 10, 11, 15.

Our society actively reduces the proportion of energy fossil sources in its total consumption and increases the proportion of renewable resources in accordance with commitments to sustainable development. By 2030, we will also reduce the energy intensity of the company in high climate impact sectors and continue to improve energy efficiency in all business processes.

Measurement of energy consumption: All energy consumption data are based on the IPCC Guidelines and ISO 14064-1:2018. The company uses the GHG Protocol to break down emissions by volume.

Conversion factors: All energy data are converted into MWh using the official conversion factors in Annex II to the IPCC report.

Renewable sources: Renewable energy purchased or produced is recorded by the company in accordance with clearly defined contractual arrangements (e.g. green certificates, market instruments).

Fossil fuels: All emissions from fossil energy sources are calculated on the basis of DEFRA and ISO 14064-1:2018.

Energy intensity based on net revenue

Opt	Energy intensity	Base year (2023)	Current year (2024)	Targets for 2025	Targets for 2030	Assumptions and methodologies
E1-5_41	Total energy consumption from activities in high climate impact sectors (MWh)	8,232	8,207	8,045	7,500	Energy consumption in activities such as energy, industry; GHG protocol and ISO 14064-1: 2018 are used.
E1-5_AR38b	Net revenue from activities in high climate impact sectors (in EUR million)	89	102	98	114	Net income in accordance with IFRS 15 and locally applicable accounting standards.
E1-5_40	Energy intensity (MWh/EUR million)	92	80	82	66	The intensity is calculated on the basis of total energy consumption and net revenues from activities in high climate impact sectors.

3.1.4.3 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS (GHG E1-6))

In accordance with the disclosure requirement E1-6 - Gross GHG emissions, we disclose the gross greenhouse gas (GHG) emissions in Scopes 1, 2 and 3 and the total GHG emissions of our company. Our reporting meets the requirements of the GHG protocol standard. Direct and indirect emissions reported in accordance with the GHG Protocol requirements are calculated.

The reporting of GHG emissions in accordance with the requirements of the GHG Protocol and ISO 14064-1:2018 are based on the following principles:

- **relevance** – a GHG inventory appropriately reflects all emission sources of the Group and meets the requirements of the key users;
- **completeness** – all emission sources and activities within the limits set by this methodology are captured and disclosed, and emission sources not included in the methodology and carbon footprint calculation are shown separately;
- **consistency** – a methodology is used that allows comparison over different periods and represents the disclosure of any changes in data, inventory boundaries, methods, etc.;
- **accuracy** – an actual and consistent treatment of the activity and disclosure of all relevant assumptions, data sources and methodologies;
- **transparency** – emission quantification systematically corresponds to actual emissions with the aim of eliminating uncertainties to the greatest extent possible; the level of accuracy is such as to enable users to make decisions with reasonable assurance of the integrity of the reporting.

The methodology defines all necessary elements, in accordance with the requirements of the GHG protocol, to recognize information that, if released or incorrectly provided, would significantly contribute to the wrong representation of carbon footprint as a whole. As a rule, an error is considered to be materially misleading if the value exceeds 5% of the total emissions of the reporting company.

In order to ensure the greatest possible accuracy of the calculation, the following rules for determination of data are considered:

- Measurement data from measuring devices under the metrological control or in accordance with the legislation. As a rule, invoices must be issued on the basis of readings from metrology-suitable measuring devices, so they are a source of data with high accuracy.
- Measurement data from criteria that meet standards in this field.
- Different estimates based on historical data and comparisons, breakdown per e.g. m^2).

Scope 1

Direct emissions shall be calculated for fuel consumption from sources owned or controlled by the organisation. CO_2, CH_4, N_2O in CO_2equ., emissions are reported, according to the availability of emission factors.

Scope 1 includes:

- direct emissions due to fossil fuel consumption, i.e. Stationary Combustion:
  - all heating fuels and hot water;
  - all fuels for own power and heat generation (in case the company itself consumes 100% of the electricity produced and
  - heat, otherwise it is observed in Scope 2 for own consumption and Scope 3 for sale to third parties);
- direct emissions from the use of fossil fuels in transport vehicles under the control of the organisation (Mobile Combustion) (consumption of electric vehicles is included in Scope 2):
  - vehicles.
- Emissions due to high greenhouse gas use, i.e. Fugitive emissions:
  - refrigeration (gas) for cooling appliances;
  - other greenhouse gases (SF6).

Scope 2

Scope 2 includes indirect emissions of energy from electricity and heating/cooling energy consumed by it from external companies, from related companies and from its own use in case it produces it itself, but consumes part of it itself and sells part of it to other companies:

- electricity losses on the distribution network,
- electricity - purchase from external companies,
- Electricity - purchase from associated companies or own use,
- district heating/heat - purchase from external companies,
- district heating/heat - purchase from related companies or own use.

All electricity and heat consumption consumed within the company for activities for which the organisation is directly responsible is included. CO_2, CH_4, N_2O in Co_2,ekv.2,equ.emissions are reported for all emissions.

The company uses a market-based method for the purchase of electricity by concluding renewable energy purchase agreements with the electricity supplier. For this purpose, the company also obtained certificates of origin for electricity from renewable sources. The certificates are issued by the Slovenian Energy Agency.

Scope 3

Scope 3 includes indirect emissions arising from the organisation's activities on resources not owned or controlled by the Group. The Scope 3 emissions categories not included in the calculation are listed in the chapter on the excluded emission sources.

Reporting for Scope 3 is not binding. Emissions are determined in accordance with the requirements and recommendations of the GHG Protocol, the guidelines relating to the setting of operational limits for energy undertakings and other technical guidelines for the calculation of scope 3 emissions for areas where appropriate data are available.

Emissions in the following Scope 3 categories are reported:

- commuting of employees,
- waste,
- production of electricity for sale,
- heat production for sale.

The calculation complies with the requirements of the GHG protocol standard. Direct and indirect emissions reported in accordance with the requirements of the GHG Protocol and ISO 14064-1:2018 are calculated as CO2, CH4, N2O and CO2 equivalent emissions.

For the calculation of greenhouse gas emissions, the baseline equation is used, i.e. emissions are calculated as the product of the activity (quantity) and the emission factor for that activity:

Emmissions = Activity x conversion factor to MJ (NCV) x Emmission Factor

In the case of fuels, this activity (the unit in which the information on the energy source is available) is multiplied by the net calorific value factor of the energy source and the emission factor for that fuel. As a rule, the emission factor is given for CO_2, CH_4 and N_2O separately, the sum of CO_2 emissions and N_2O in emissions and CH_4 emissions are are greenhouse gas emissions (TGP) expressed in CO_2 equivalent.

In the case of electricity and heat, waste and other activities with a known emission factor, the emissions shall be calculated according to the following equation:

Emmissions = Activity x Emmission Factor

In the case of gases that have a global greenhouse effect (GWP – Global Warming Potential) (e.g. SF6 and air conditioning refrigerants), activity (gas amount) is multiplied by a GWP factor (e.g. 1kg SF6 auses the same TGP effect as 23,500 kg CO), as shown in the equation:

Emmissions = Activitiy x GWP factor

For emission values and energy conversion calculations, NCV - net calorific value) is used. In Slovenia, the minimum calorific value is used for national greenhouse gas inventories and must be taken into account by plant operators when preparing greenhouse gas emission reports.

e report shall include gross GHG emissions from direct operations (scope 1), indirect emissions from purchased energy (scope2), emissions from the entire value chain (scope 3), and total emissions, together with the GHG emission intensity in net revenue. We also present targets for reducing emissions in the coming years up to 2030.

The objective of this report is to enable financial market participants, regulators and other stakeholders to understand our direct and indirect impacts on climate change and progress in reducing GHG emissions. The report covers all the main emission categories, including those from the upper and lower part of our value chain.

The table below shows our gross GHG emissions in scopes 1, 2 and 3 and the total emissions for the base year (2023), the current year (2024), and targets for 2025, 2030 and 2050. Values are expressed in metric tonnes of CO_2 equivalent.

Gross emissions of GHG Scopes 1, 2 and 3 and total emissions

Opt	Emission type	Base year	Previous year (N–1)	Current year (N)	% of change (N/N–1)	Target for 2025	Target for 2030	Target for 2050
E1-6_48a	Gross Scope 1 GHG emissions	1,605	1,605	1,605	-0%	1,600	1,500	1,200
E1-6_48b	Share of Scope 1 GHG emissions from regulated ETS (in %)	0	0	0	0	0	0	0
E1-6_49a	Gross Scope 2 GHG location-based emissions	359	359	197	-45.1%	190	170	100
E1-6_49b	Gross Scope 2 GHG market-based emissions	0	0	0	0	0	0	0
E1-6_51	Gross Scope 3 GHG emissions	933	933	939	+0%	930	900	500
E1-6_44+52a	Total GHG emissions (location-based)	2,897	2,897	2,741	-5.4%	2,720	2,570	1,800
E1-6_44+52b	Total GHG emissions (market-based)	0	0	0	0	0	0	0

Overview of GHG emissions (extended)

Scope	Gas CO_2 (tCO_2 equ)	Gas CH_4 (tCO_2 equ)	Gas N_2O (tCO_2 equ)	Total GHG AR5 (tCO_2 equ)
Scope 1	1,542	0.0367	0.0443	1,605
Scope 2	197	0	0	197
Scope 3	914	0035	0024	939

Gross Scope 1 and 2 GHG emissions by groups

GHG emissions	metric tonnes of CO_2 equivalent
Group (controlling company and associated companies)	**1,802**
– Scope 1 GHG emissions	1,605
– Scope 2 GHG emissions (location-based)	197
The companies in which investment is made (associated, joint, non-consolidated)	**12**
– Scope 1 GHG emissions	12
– Scope 2 GHG emissions (location-based)	0

Gross Scope 3 GHG emissions by categories

Scope 3 emission category	Base year	Previous year (N-1)	Current year (N)	% of change (N/N-1)	Target for 2025	Target for 2030	Target for 2050
1. Purchased goods and services							
1a. Cloud and data centre services							
2. Investment goods							
3. Fuel and energy related activities	33	33	20	-39.4%	20	15	10
4. Transport and distribution in a higher part of the value chain							
5. Waste generated by activities	13	13	17	+30.7%	17	12	10
6. Business trips							
7. Commuting of employees	887	887	902	+1.7%	900	880	500
8. Assets leased in upstream activities							
9. Transport and distribution in downstream activities							
10. Processing of sold products							
11. Use of sold products							
12. Handling of end-of-life products							
13. Assets leased in downstream activities							
14. Franchising							
15. Investments							

The calculation of Scope 3 emissions takes into account:

- Fuel and energy related activities.
  Emissions from combustion plants (gas furnaces) are taken into account. The calculation data is obtained on the basis of an emission calculation program (prepared by an external contractor using a verified method). Emissions reporting is performed on the basis of gas consumption, specific use, net calorific value and current year.
- Waste generated by activities.
  Data obtained from waste collectors and utilities at individual locations of the company's business premises is taken into account. Data on waste is obtained from waste transferees. The calculation data is obtained on the basis of an emission calculation program (prepared by an external contractor using a verified method). Data on emission factors for each type of waste are summarised from the UK Government GHG Conversion Factors for Company Reporting Waste disposal.
- Community of employees
  Method used to measure the distance between the permanent address of residence and the address of the place of work, expressed in kilometres. The emission factor is defined in accordance with the table SVN_2022_MMR-Annex_II_Indicators.xlsx published on the European Environment Agency / Eionet / Central Data Repository.

In reviewing the categories for reporting Scope 3 CO_2 emissions, we find that the following subcategories are appropriate and meaningful for us:

1. Purchased goods and services.
2. Investment goods
3. Fuel and energy related activities.
5. Waste generated by activities.
6. Business trips.
7. Commuting of employees.
13. Assets leased in downstream activities.

The calculation was made for points 3, 5 and 7.

The company will introduce the data collection system for scope 3 (which it does not yet collect - points 1, 2 and 13) in 2025). The carbon footprint calculation maker has not yet prepared the appropriate baseline, so the calculation will be carried out in 2025 and will include 2024 in the next report.

Points:

1a. Cloud and data centre services
4. Transport and distribution in upstream activities
8. Assets leased in upstream activities
10. Processing of sold products
11. Use of sold products.
12. Handling of end-of-life products
14. Franchising
15. Investments.

They are not relevant to the company as the company does not use or carry out the activities mentioned. Elektro Maribor d.d. provides the construction of the distribution network (own infrastructure) and does not engage in the above-mentioned activities.

The total revenue was EUR 101 million. In the financial statements, the items for used and unused net revenue are shown separately in the calculation of the GHG emission intensity.

Assumptions:

- **Use of primary data**: Primary data from suppliers are used to estimate Scope 3 emissions, where possible. In the absence of primary data, secondary data and emission factors from industrial sources such as DEFRA and the GHG Protocol are used.
- **Methodology for Scope 2**: For Scope 2 emissions, we use both a location-based and a market-based method to provide a complete overview of energy consumption, including renewable energy sources.
- **Classification by Scope 3 categories**: Scope categories 3 are defined in accordance with the GHG Protocol (2011).

The calculation of the TGP intensity was based on the CO_2 emission data converted into revenue from the accounting report related to the IPI item under points 1, 3, 4, 9, 10, 11, 15.

The company does not use energy sources for its operations that contain Biogenic carbon dioxide (CO_2) emissions.

GHG emission intensity

Opt	Measurement	Previous year (N-1)	Current year (N)	% of change (N/N-1)
	Total GHG emissions (location-based) (t CO_2e)	2,897	2,741	-5.4%
E1-6_AR55	Net revenue (in EUR)	89,334,924	101,055,921	+13.1%
E1-6_53	GHG intensity (location-based) (t CO_2e / EUR million)	32,428	27,123	-16.3%
	Total GHG emissions (market-based) (t CO_2e)	0	0	0
E1-6_53	GHG intensity (market-based) (t CO_2e / EUR million)	0	0	0

3.1.4.4 GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS (E1-7)

In 2024, the recognised loss ratio of the Energy Agency is 4.62%. In 2024, the share of electricity losses in the area of Elektro Maribor d.d. was 4.50%, however, the information is not yet final. In the same period of 2023, it amounted to 4.53%.

We have already integrated 99,6% of all measuring points in the distribution area of Elektro Maribor d.d. into the advanced measuring system. The only remaining measuring stations are those at which advanced meters are no longer communicatively compatible with the established remote measurement system due to the switching of the low voltage network from one transformer station to another, and those at which the introduction of interfering signals into the low voltage network cannot be effectively and cost-efficiently eliminated, and their replacement by radio communication meters is not possible due to the poor level of radio signal.

The company does not use financing for the purchase of carbon credits nor does it plan to do so in the next three years. The company does not use carbon credits.

3.1.4.5 INTERNAL CARBON PRICING (E1-8)

The company does not use internal carbon prices. The company has no need to determine the internal carbon price.

3.1.4.6 POTENTIAL FINANCIAL EFFECTS FROM MATERIAL PHYSICAL AND TRANSITION RISKS AND POTENTIAL CLIMATE-RELATED OPPORTUNITIES (E1-9)

In accordance with Appendix C: With regard to the list of gradually introduced disclosure requirements (Appendix to the Commission Delegated Regulation (EU) supplementing Directive 2013/34/EU as regards sustainability reporting standards), in the first year of drawing up the Sustainability Statement, Elektro Maribor d.d. omitted the E1-9 disclosure requirements.

3.1.5 Additional disclosure requirements from sectoral ESRS ES

No requirements.

3.1.6 Any additional information specific to E1

No requirements.

3.2 RESOURCE USE AND CIRCULAR ECONOMY (E5)

3.2.1 Management of impacts, risk, and opportunities

The IRO assessment identified the following risks related to resource use and circular economy:

- Shortage of raw materials and their rising prices.

Elektro Maribor d.d. uses the LEAP approach to identify and assess the impacts, risks and opportunities associated with the use of resources and the circular economy. Our goal is to effectively use resources and reduce the amount of waste generated through the value chain that includes the following steps:

Determining the locations of resources and waste

- **Review of sources and waste**: The company monitors the procurement of equipment and materials needed for investment and maintenance work and for troubleshooting, both in the electricity system and in commercial buildings.
  The company has a waste management plan that has been recognized by the activities and locations of waste generation and the planned trend of their generation. In addition, we also keep records of the waste, both hazardous and non-hazardous, generated in the course of our activities.
- **Circular use of resources**: By carrying out inspections of collection sites and waste, we ensure adequate separation. We also carry out renovations of certain elements and devices in EEE and study the possibility of re-using dismantled equipment.
  The vast majority of the materials used in our appliances can also be recycled at the end of their life, as they are mostly metal materials.

Identified risk marked as "relevant"

Stakeholders	Description of risk	Connecting with the strategy of Elektro Maribor d. d.	Impact on strategy and business model
Distribution system users, business partners	**Shortage of raw materials and their rising prices**. Electricity distribution companies rely on critical raw materials such as copper, aluminium, iron and plastics used in cables, transformers and other infrastructure. Shortages of these materials or fluctuations in prices may affect operating costs, access to materials and the stability of supply chains. Consequences: higher costs of raw materials, delays in project implementation due to problems with the supply of materials, greater dependence on geopolitical risks linked to supply chains.	**SG2 - 1** Lack of and inability to obtain resources (finance, personnel, funds). Disruptions in the supply chain.	Risk is linked to strategy. SG2: Development of a reliable and efficient sustainable distribution system. The risk is based on a business model.

Assessment of dependency and impacts

- **Identifying dependency**: We evaluate the dependence of our key suppliers in terms of the ability to provide relevant resources and raw materials.
- **Identification of impacts**: We analyse the impacts of our business on resource use, including the risks of depletion of natural resources such as raw materials and energy, and impacts on waste generation and emissions of hazardous substances. Environmental aspects are verified at regular intervals.

Assessment of material risks and opportunities

- **Transition and physical risks**: We identify and assess risks and environmental aspects within the framework of the ISO 14001 environmental standard. The assessment relates to any changes to the new regulations on environmental and waste management and any risks associated with limited access to resources.
- **Opportunities for circular economy**: Opportunities are identified in areas such as resource efficiency, the implementation of waste reduction in terms of waste separation. We also carry out activities for the possibility of restoring dismantled equipment and improving productivity by introducing digitalization.

Preparation and reporting of evaluation results

- **Assessment of impacts in the value chain**:
  We report on the significant impacts and risks associated with resource use and circular economy for business activities.
- **Cooperation with stakeholders**: For a better understanding, we carry out consultations with waste companies. With this approach, we gain valuable feedback that supports the practices in our company.

In providing information on the result of the materiality assessment, the company takes into account:

1. A list of business units in relation to significant impacts, risks and opportunities associated with the use of resources and the circular economy in the context of the company's products and services, and waste generated by it.

2. List and priority ranking of the important resources used:
   Impacts/factors and risks have been assessed using the double materiality assessment.

3. Material impacts and risks related to the usual scenario:
   The risk of shortage of raw materials and their increasing prices has been identified as a material risk.
   The company dependa on raw materials such as copper, aluminium and iron used in cables, transformers and other infrastructure. Shortages of these materials or fluctuations in prices can affect operating costs, access to materials and the stability of supply chains and, consequently, delay the implementation of projects.

4. Material impacts and risks of the transition to a circular economy:
   The company concludes contracts with suppliers of different types of equipment for longer and shorter periods of time. We make sure that there is enough equipment in stock (for urgent maintenance). In the area of equipment procurement, we attract a number of potential suppliers or manufacturers, thus ensuring sustainability with price on the one hand and technology on the other.

5. The stages of the value chain where the use of resources, risks and negative impacts are concentrated:
   Due to the activities carried out by the company, we can contribute to improving the circular economy, since virtually all our waste represents a possibility of re-use, thereby reducing our dependence on natural resources.

Our goal is to ensure the reusability of our dismantled equipment in terms of handing it over to collectors.

3.2.1.1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES (ESRS 2 IRO-1 E5)

The process for identifying, assessing and prioritising impacts, risks and opportunities is based on the principle of double materiality, in accordance with Chapter 3 of ESRS 1.

Key methodologies include:

- **Life Cycle Assessment (LCA)** to assess environmental impacts and dependencies throughout the value chain.
- **Risk assessment tools**: a combination of qualitative (interviews, consultations) and quantitative approaches (matrix of risks and impacts).
- **Materiality thresholds**: adverse impacts are prioritised on the basis of severity and likelihood, taking into account global standards such as the GRI and EU legislative requirements.
- **Data sources**: internal databases of the business system, technical data and databases, supplier data, national and international statistics, DNA - computer support tool.
- **Focus of the procedure**
  - The procedure focuses on activities, business relationships and geographical areas where the risk of adverse impacts is greatest (e.g. operational processes and suppliers from high-risk regions).
  - The impacts in which the company is directly involved (own activities) or indirectly (business relations) with the stakeholders or indirectly with weather effects are taken into account.
- **Consultation of stakeholders and external experts**
  - We carried out a consultation with stakeholders. This way, we examined our operations together with the SSH owner, the Energy Agency of the Republic of Slovenia and the largest partner, Eles.
- **Prioritization of impacts**
  - Negative impacts are classified according to severity (e.g. damage, duration) and probability (e.g. risk frequency).
  - Positive impacts are ranked according to their value creation potential (e.g. circular uses, new business opportunities, new collaborations and advanced services)

Procedure for identifying and assessing risks and opportunities

- **Linking impacts and dependencies to risks and opportunities**
  - Impacts and dependencies are analysed in relation to the risks and opportunities that may arise from them. For example:
    - Dependency on natural sources: risk of depletion of raw materials, opportunity to develop circular models.
    - Emissions and waste: the risk of regulatory penalties, the opportunity to introduce recycling technologies.
- **Assessment of likelihood and nature of impacts**
  - We use a combination of qualitative (scenario analysis) and quantitative methods (statistical models) to estimate the likelihood of occurrence in relation to the past:
    - Risk potential (e.g. likelihood of shortage of raw materials).
    - Magnitude of impacts (e.g. financial impact on business models).
- **Prioritization of risks**
  - Sustainability-related risks are included in the broader framework of the company's risk assessment.
  - The risk matrix covers criteria such as business impact, compliance with legislation and social reputation.

Decision-making process and internal control

- The decision-making process includes the integration of findings from the materialitty assessment into strategic and operational decisions. The company's sustainability strategy will be complemented accordingly.
- Internal control mechanisms are used to regularly monitor and verify the implementation of risk- and opportunity-related measures. Regular reporting to the Management Board and the Supervisory Board are carried out in accordance with risk management.

Inclusion in a broader risk and opportunities management framework

- The procedure for identifying impacts, risks and opportunities is partly integrated into the company's risk management system. Following the adoption of the Sustainability Report, we will align sustainability of the business, the sustainability strategy and risk management in the company.
- The sustainability risk assessment is an integral part of the overall risk assessment and will be subject to regular annual reviews.

Input parameters and changes to the procedure

- Input parameters: They include data on emissions, waste, energy consumption, impacts on local communities and raw material flows, network status...
- Changes to the procedure: This is the first report where we're putting analysis, tools.

Future audits and dates

- The next audit of the procedure is foreseen for Q1 2026. The aim of the audit is to incorporate additional approaches to assess biodiversity risks and social impacts.

3.2.1.2 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-1)

The company promotes sustainable use of resources and transition to a circular economy. We have developed policies that address key impacts, risks and opportunities related to the use of resources in the context of activities.

The company is committed to continuous improvement of the environmental management system and to the prevention of environmental pollution. Every year, we identify significant environmental aspects across all company sites, assess risks and set new environmental and performance targets where necessary and appropriate.

The company is committed to green public procurement, where possible, sourcing lower-emission transport vehicles, energy-efficient computer equipment, more natural consumable sanitary material, and ordering environmentally friendly cleaning of business premises.

Through ELES and GIZ-DEE, we develop our own technical guidelines for the installation of electrical power equipment and materials, based on the latest best techniques, with the aim of ensuring the longest possible life of the equipment, with the least possible maintenance costs. The equipment is organized by types.

The company has adopted a sustainable development strategy. We have also adopted the following policies in the field of environmental protection:

- Environmental management policy,
- Energy policy,
- Code of Conduct for Business Partners.

In the Environmental Protection Policy, the company focuses on recognising its own environmental impacts when constructing the distribution network, which means designing the network in accordance with legislation, preventing risks to people and the environment, and ensuring that it is properly managed. We train our employees to reduce their impact on the environment and the associated resource and waste requirements. For this purpose, we also encourage our suppliers (of products and services) to apply proper environmental management practices, whether with instructions or requirements. Activities take place at all levels of work in the company.

Energy policy is designed to reduce dependence on and consumption of non-renewable energy sources, in the sense of including energy-efficient appliances and products. For the electricity supplied, we concluded a contract with the supplier for the purchase of energy from renewable sources.

The basic practices that Elektro Maribor expects from suppliers are defined in the Code of Conduct for Business Partners. In addition to the basic practices, expectations in the field of safety at work, environmental protection, protection of personal data, corruption prevention, etc., are also defined. The Code is publicly published, adopted by the management board, and its use is binding on business partners.

In 2025, we are approaching the amendment of a strategy for sustainable development, where we will define the circular economy policy. We will also integrate guidelines on the use of renewable resources or their sustainable use into the circular economy policy.

We strive to exploit natural resources, in a way that does not exhaust nature and does not harm the environment. The goal is to meet today's energy needs without compromising the possibility of future generations. This takes into account the efficient use of energy, reducing greenhouse gas emissions and protecting natural ecosystems.

We are trying to promote circular economy, primarily by rational use of resources, either input products or energy. Optimum use of resources also has economic impacts. We do not reuse products, as they pose too much risk in electricity distribution (defects in materials, worn material ...). Therefore, we work in the field of waste by sorting it accordingly and handing them over to the appropriate company.

In terms of energy use, we've reached a major milestone in 2024, because we're buying electricity from renewable sources, in our case, from hydropower. The next area we will focus on is the implementation of transport or transport with own vehicles.

3.2.1.3 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-2)

Our company promotes sustainable use of resources and transition to a circular economy. The company has committed itself through its environmental policies to:

- fulfil the regulatory requirements,
- the requirements of ISO 14001,
- continuous improvement of the environmental aspects of the business, with an emphasis on preventive behaviour and the introduction of environmentally friendly materials and technologies,
- economical handling of natural resources, energy and materials,
- reducing waste generation and effective waste management.

In a company, waste disposal (delivery to the collecting company) and waste prevention (e.g. paperless operations) are used as service activities in the waste hierarchy. There are some situations of reuse (various consoles and poles) and the return of EURO pallets and cable drums to suppliers.

In line with the circular economy categorisation system, we implement the fundamental principles of: reducing the use of resources (e.g. through reuse and recycling), repairing, refurbishing and remanufacturing appliances and equipment to extend their lifespan, recycling materials and waste in a way that supports sustainable design and the use of waste as a resource.

All locations in the company have caissons and various containers, depending on the quantities and types of waste. The quantities of waste are monitored and reported. We regularly monitor the consumption and delivery of waste.

The company has implemented various measures to achieve its resource use and circular economy policy targets. Our key initiatives include:

- Optimizing the use of resources - we use materials that are necessary for the operation of the electricity system. We also use the dismantled material from other projects (whenever possible).

The next goal is the circular design of products and materials. When choosing equipment, we give priority to technical functionality that allows for a longer service life, durability and easy repair or reuse. We promote the optimisation of material use and try to increase the scope of repairs or renovations.

Where feasible, preference is given to secondary raw materials and recycled materials. In the context of circular business practices, we have introduced several circular business practices that include:

- Maintenance and repair: We regularly maintain the equipment and provide access to spare parts, which allows us to extend the life of the devices and reduce the need for new sources.
- Return logistics and reuse: We develop return logistics systems that allow the return and reuse of materials and components, when feasible.
- End-of-life recycling: We have procedures that allow recycling of electronic components and other materials at the end of their life. We strive to fulfil the manufacturer's responsibility by ensuring proper removal and reuse of resources.

The following resources have been allocated for the successful implementation of the above measures:

- Human resources: We have organised circular economy groups at each site (OE and ES) that include employees handling different products or waste.
- Financial resources: We provide the necessary resources to manage the circular economy (handing over material to appropriate companies). We also allocate an annual budget line to maintenance in production and logistics. We have also invested in return logistics systems - waste collection systems.
- Technological infrastructure: We've implemented digital tools that track the use of delivered materials.

Elektro Maribor d.d. ensures efficient use of materials and energy in its processes. The company takes measures to optimize energy use and increase the proportion of renewable energy sources.

To increase the share of renewable energy sources, we will take the following measures:

- Most of the company's vehicles run on gasoline and diesel. By 2030, the company will purchase at least five passenger cars a year, which will benefit from renewable sources (electric vehicles).
- By 2030, we will arrange energy restoration of two major facilities for the implementation of business functions.
- By 2030, we plan to increase the amount of investment needed to build the network or to increase its robustness. The proportion of funds allocated to investment is increasing.
- By 2026, we will try to reach an agreement with equipment suppliers to incorporate a share of recycled materials in their products or equipment.

Our commitment to circular economy extends to our wider value chain and the local community. Key actions include cooperation with suppliers and customers. For example, we are working with suppliers to reduce packaging and increase the share of recycled materials. And then there are also local communities that we're working with to try to optimize waste management.

For the coming period, we plan to increase the use of recycled materials by 10% and to reduce the consumption of critical raw materials by 10%. By monitoring key indicators - the amount of reduced waste - we continuously verify progress regarding circular economy.

3.2.2 Metrics and targets

3.2.2.1 TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-3)

Our company set the following goals that support sustainable use of resources and circular economy. These goals are aligned with our policies and measures and designed to manage the impacts, risks and opportunities associated with resource use and circular design:

1. Implementation of the ten-year distribution system development plan.
2. Guaranteed financial resources and appropriate regulatory support.
3. Innovation and advanced energy services.
4. Sustainable development (in accordance with the ESRS Standards).
5. Financial stability and optimal profitability.

We are a company committed to the principles of circular economy. Due to the company's activities, the range of products that the company can use according to the principles of the circular economy is low (technical characteristics of the material), so we will focus mainly on the supply chain and separate waste collection.

- Increasing the share of circular products: By 2040, we aim to have 20% of our products designed in line with circular design principles, including durability, disassembly, repairability and recyclability. This will reduce the need for new raw materials and extend the life of products.
- Increase in circular use of materials: Our goal is to increase the share of recycled materials in purchased products in our manufacturing processes to 10% by 2030, specifically for metals. This will reduce the inflow of new raw materials and increase the volume of secondary materials.
- Reduction in the quantity of primary raw materials: By 2040, we plan to reduce the use of primary raw materials by 20%, reducing our footprint and resource use.
- Sustainable acquisition of renewable resources: We are committed to sustainable acquisition of renewable resources in accordance with the principle of cascading use, which includes reduced acquisition of untreated sources. Our goal is to ensure that by 2040, all renewable resources we use meet environmental sustainability standards.

Measures:

- reduce consumption of natural resources,
- reduce the amount of waste and provide adequate waste management (separate collection, adequate temporary storage and labelling before waste is submitted to the waste collector),
- comply with legal and ISO requirements.

The activities of Elektro Maribor d.d. in the maintenance and construction of the network generate waste that has no use value in terms of a renewable product, therefore the company works on a separate collection system for waste, which is the basis for recycled raw materials.

- Waste reduction: Our goal is to reduce the amount of waste according to the volume of all investments in all units by 30% by 2030. In handling waste, we follow a hierarchy, which means that we prioritize prevention, preparation for reuse and recycling.
- Introduction of waste collection and treatment systems: In cooperation with local networks, we are planning to introduce separate waste collection systems that will allow better optimisation of recycling processes by 2030.

Framework for monitoring and assessing progress: We will regularly monitor the performance indicators, the amount of waste reduced and the percentage of products that comply with the circular design criteria. A review of objectives and performance will be carried out once a year.

Ecological thresholds and scientifically justified targets: In setting the targets, we take into account the ecological thresholds as defined in the guidelines of the Science Based Targets Network (SBTN).

The thresholds and methodologies are adapted to our specific operational units and geographical areas, and the responsibilities to comply with them are aligned with them.

3.2.2.2 RESOURCE INFLOWS (E5-4)

Legal targets: Some targets are mandatory to comply with European and national legislation. This includes recycling requirements and sustainable use of materials in accordance with ESRS E5 and the Directive 2009/125/EC.

Voluntary targets: In addition to legislative requirements, we have set voluntary targets to increase resource efficiency and contribute to reducing our environmental footprint. The construction of low-loss networks and the energy rehabilitation of facilities are the main activities in this field.

The company is a key player in the electricity distribution sector. Our goal is to provide a reliable and sustainable electricity supply while reducing the environmental footprint of our business. Within this point, we provide an overview of the tributary of resources used in our operation.

The company distributes electricity from various sources. However, it uses different energy sources for its operation:

- electricity,
- gas/LPG,
- Remote heating,
- petrol/oil.

We use water for sanitation purposes, and the amount of water we use varies between 5 and 6 thousand cubic meters.

The company uses various resources to set up systems for the distribution and maintenance of the electricity network. Resources flow involves key materials, such as:

- products (transformers, cables, electrical components, packaging);
- materials (metals - copper, aluminium, iron; plastic materials, wood);
- fixed assets (maintenance machines, means of transport and office equipment).

In the reporting year, the following quantities of materials were consumed:

- Total weight of materials: not recorded.
- Biological materials: suppliers get back most packaging, which is damaged, but it is rented to the waste manager. We have no data on the percentage of biological material.
- Secondary materials: We don't have any data on the percentage of recycled materials.

Calculation of the weight of the materials: Material weight data are obtained from direct measurements and supplier data.

We use the resource categories in the following scopes:

- Raw ingredients: Primary materials are copper, aluminium, iron and plastic, which represent the basis for production components such as cables and transformers.

Where possible, we use materials from by-products and waste. The system is not large in scale, as technical requirements limit the reuse of products (due to deformation, material damage, etc.). In our distribution activity, for example, we reuse metal scraps from waste parts (cables, wires, etc.) that are the result of the removal or upgrading of infrastructure. This saves some material.

Common indicators for material use:

- Use of secondary materials and components: The indicator is being introduced.

3.2.2.3 RESOURCE OUTFLOWS (E5-5)

Our company strives to reduce resource outflow and increase the return of materials and waste to circulation in line with the circular economy. In this regard, we work towards:

- Circular components design - our products, such as transformers and electronic components, are designed to provide long life, reparability and recyclability.
- Waste return and treatment programs - We cooperate with certified waste collectors and suppliers to return worn components that are processed or recycled.

In line with the circular economy principles, we have designed several types of equipment that meet the requirements for:

- Durability (equipment, such as cables and transformers has a long life, e.g. about 25 years, reducing the need for replacement). Different depreciation rates apply to different groups of EEE construction products.
- Repairability and disassembly (transformers and switchgear can be easily disassembled, repaired or replaced with certain components, which increases their usefulness).
- Content of recycled materials: the company does not recycle materials, as the construction of EEE uses products that no longer meet the minimum standards for use at the end of their life or are damaged due to weather and other influences (cables, insulated wires, etc.).

In the reporting year, the total amount of waste generated was 1,839 tonnes. The breakdown of waste is:

- Waste diverted away from disposal:
  - Hazardous waste 181 tonnes diverted to recycling or processing.
  - Non-hazardous waste 1,658 tonnes, of which 501 tonnes were prepared for re-use or recycling.
- Breakdown of waste according to recovery procedures:
  - Preparation for re-use: /.
  - Recycling*: 501 tonnes.
  - Other treatment procedures 1,338 tonnes.
- Waste intended for disposal:
  - Incineration: 0 tonnes (mostly hazardous waste).
  - Disposal at landfill: 84 tonnes (mixed non-hazardous waste).
  - Other removal procedures: 1,755 tonnes.
- Non-recycled waste: A total of 84 tonnes, which represents 5% of all waste.

* NOTE: The definition of recycled materials refers to materials that can be recycled (various metal materials: iron, aluminium, copper ...). The company does not perform recycling itself. The dismantled equipment is handed over as waste to a waste collector, who ensures that it is properly disposed of.

Our activity generates the following waste streams, which are important to our sector:

- 13 – Oil wastes and wastes of liquid fuels;
- 15 – Waste packaging (absorbents, wiping cloths, filter materials and protective clothing);
- 16 – Waste not otherwise specified (vehicle maintenance waste - tyres, oil, filters, waste electrical and electronic equipment, pressure gases, batteries);
- 17 – construction waste (concrete, brick, ceramics, wood, glass, plastic, metals (copper, aluminium, iron), oil cables, earths, stones), electronic waste (include used electrical components and cables, metal waste (containing copper, aluminium and iron), hazardous waste (transformer oils that are properly removed or recycled through certified processors), plastic and non-metallic materials (obtained from worn components and packaging).

Hazardous waste - 181 tonnes that include waste oils and electronic components.

Radioactive Waste - the company does not generate radioactive waste and is not exposed to obligations in accordance with Council Directive 2011/70/Euratom.

Direct Measurements - the quantities of hazardous and non-hazardous waste are calculated on the basis of data from the records of transport collected by contractual waste processors and are published on the Gov.si state administration portal.

Recovery and disposal - in selecting processing, we take into account sectoral standards and local regulations that require specific processes of disposal of certain types of waste, such as the prohibition of disposal of transformer oils in landfills.

Elektro Maribor d.d. does not place products on the market. As a result, we don't use our own recycled material for our products and packaging. We buy products and equipment from our suppliers and have a contractual relationship with the recipients to return the packaging.

3.2.2.4 ANTICIPATED FINANCIAL EFFECTS FROM RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES (E5-6))

Our company has identified key risks related to resource use and circular economy that may affect its financial position, performance and cash flows.

Increase in raw material prices (e.g. copper and aluminium):

- Quantitative impact According to estimates, the annual increase in raw material prices by 5% by 2030 could result in additional costs of up to EUR 1 million.
- Description of impact: Increase in prices of metal has a direct impact on the cost of materials for the maintenance and upgrading of the network, which reduces operating margins.
- Timeline: Short- to medium-term risk (2025–2029).
- Key assumptions: We anticipate a constant increase in raw material prices, using market trends for copper and aluminium prices. There may be fluctuations due to geopolitical conditions and supply shortages.

Restrictions and stricter rules on waste management:

- Quantitative impact The estimated additional waste management costs due to the new regulatory requirements are between EUR 0.1 and EUR 0.5 million per year.
- Description of impact: New requirements for hazardous and electronic waste can cause additional costs for safe waste treatment.
- Timeline: Short- to medium-term risk(2025–2029).
- Key assumptions: We estimate that national legislation will impose stricter waste management standards, which will place an additional burden on our management and storage costs.

Risks due to supply chain constraints for critical materials and equipment (raw materials):

- Quantitative impact Delays in delivery can reduce revenues by approximately EUR 0,8 million per year due to project delays.
- Description of impact: The lack of critical materials and equipment (e.g. transformers) and limited supplies can cause delays in network expansion projects.
- Timeline: Risks in medium to long-term (2026–2035).
- Key assumptions: We evaluate a greater sensitivity of the market for critical equipment (rare earths), which can affect the availability and cause delays in projects.

The company also defined opportunities to improve financial position through circular economy.

Savings from recycling and reuse of components:

- Quantitative impact The company does not do any recycling, so it is not possible to evaluate the savings in purchasing.
- Description of impact: By using recycled materials like copper and aluminium, we reduce the need for new raw materials in maintenance projects. The waste collector organizes everything for reuse.
- Timeline: Short-term to medium-term (2025–2030).
- Key assumptions: We estimate a constant increase in raw material prices, so the use of recycled materials is cost-effective.

Development of circular business models for returned components:

- Quantitative impact The company uses a negligible part of the equipment for the reuse and recycling of used components and therefore does not establish a financial effect.
- Description of impact: Our program for the return of the components used allows recycling and reusing equipment (cables, transformers, ...).
- Timeline: Medium-term (2025–2030).
- Key assumptions: Increasing demand for sustainably renewable components and stricter waste reduction legislation are encouraging the use of circular models.

Increase in energy efficiency of the network:

- Quantitative impact Savings of between EUR 0.5 and EUR 1 million due to reduced energy losses.
- Description of impact: By introducing energy-efficient equipment, we reduce losses in the network, which reduces operating costs and increases energy efficiency.
- Timeline: Long-term (2025–2035).
- Key assumptions: Investments in energy-efficient components are amortized through savings due to lower losses.

Source of uncertainty: Assumptions are based on market projections of raw materials and estimates of demand for renewable energy sources.

Methodology: Quantitative effects are calculated on the basis of the company's internal estimates and historical cost data, as well as data on market trends for raw materials and components.

Timeline of assessment: We divided short-term (up to one year), medium-term (2-5 years) and long-term impacts (5+ years) for better financial transparency.

3.2.3 Additional disclosure requirements from sectoral ESRS ES

No requirements.

3.2.4 Any additional information specific to E5

No requirements.

3.3 TAXONOMY

In accordance with Taxonomy Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and in accordance with the Commission Delegated Regulation (EU) 2021/2178 supplementing the Taxonomy Regulation and its Annexes, we disclose information and indicators for economic activities that are acceptable for taxonomy.

Elektro Maribor d.d. belongs to the energy sector and contributes significantly to the objective of climate change mitigation. The implementation of the company's activities was recognized in section 4.9 Transmission and distribution of electricity of the Commission Delegated Regulation (EU) 2021/2139 supplementing the Taxonomy Regulation. The company's activity meets the technical criterion "1a. the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinate systems." The Slovenian energy activity is an integral part of the interconnected European energy system, both at the level of the transmission system and the distribution system. While the transmission system (operated by the ELES system operator) is directly connected to the transmission networks of neighbouring countries and operates within the framework of ENTSO-E, the distribution system, operated through ELES and the electricity distribution companies, is also an important part of European energy integration. Although the distribution system is local in nature, it is regulated in accordance with European regulations and policies. It contributes to the EU's key objectives in the field of energy transition, such as the integration of renewable energy sources, the development of smart grids, increased energy efficiency and the active integration of end-users into the energy system. The overall Slovenian electricity infrastructure thus constitutes a connected and coordinated unit of the broader European energy area.

The construction and maintenance of assets or facilities that are an integral part of the electricity distribution network is an important condition for the exercise of this economic activity, and therefore we have included in this activity, in addition to the main activity of the company (SKD 2025) D35.14 - electricity distribution - other activities carried out on the market relating to the construction and maintenance of electricity distribution facilities and equipment. The data for the calculation are taken from the financial statements of Elektro Maribor d.d.

In the implementation of its economic activity, which is in accordance with the Taxonomy Regulation, the company consistently provides minimum safeguards in key areas described in more detail in the section Business conduct G-1. The company complies with all regulations adopted in the Republic of Slovenia on the basis of the UN Guiding Principles on Business and Human Rights and the National Action Plan on Business and Human Rights (NAP), which are binding on the company. It thereby commits itself to responsible business conduct based on respect for fundamental ethical and legal standards. Respect for human rights is embedded in all aspects of the company's operations. The company complies with internal acts such as: Commitment to respect human rights in business, Rules on the prevention of mobbing in the company, Code of Ethics. Particular attention is paid to ensuring safe, fair and equal working conditions for all employees. In the field of anti-corruption, the company actively prevents any form of unethical behaviour. No violations associated with corruption have been identified, and the company also consistently respects tax law and is currently not involved in any procedure for breach of legislation.

As of 1 January 2025, the new standard classification of the activities of the Statistical Office of the Republic of Slovenia (SKD 2025) entered into force, which takes into account the changes to the Audit of the European Classification of Nace Rev. 2.1, and has been adopted by the Commission Delegated Regulation (EU), No. 2023/137. We have identified the economic activities of Elektro Maribor d.d. for 2024 in line with the new SKD 2025 classification.

In accordance with Article 8 of the Taxonomy Regulation and Annex I to the Delegated Regulation, as a non-financial company, we disclose the following key performance indicators:

- for revenues,
- for capital expenditure, and
- for operating expenditure.

The calculation of the indicators and the disclosures provided have been prepared on the basis of the available data, the examination and our current understanding of European legislation in the field of taxonomy, which will continue to be upgraded in the coming years.

Share of revenues from products and services related to economic activities harmonised to the taxonomy - disclosure for 2024

				Substantial contribution criteria						Non-material damage criteria									
Economic activities	Code (SKD 2025)	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum protective measures	Proportion of Taxonomy-aligned turnover, year 2024	Proportion of Taxonomy-aligned turnover, year 2023	Category enabling (E) or transitional (T) activity
		EUR	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	O/P
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)		62,276,637	98.2%														98.2%	98.5%	
4.9. Transmission and distribution of electricity	(D35.14)	62,276,637	98.2%	YES	/	/	/	/	/	YES	YES	/	YES	YES	YES	YES	98.2%	98.5%	O
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		62,276,637	98.2%	YES	/	/	/	/	/	YES	YES	/	YES	YES	YES	YES	98.2%	98.5%	O
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		0																	
-	-	-	-																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	/	0	0.00%														0.0%	0.0%	/
Total (A.1 + A.2)	/	62,276,637	98.2%														98.2%	98.5%	/
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities (B)	/	1,131,581	1.8%																
Total (A + B)	/	63,408,218	100.0%																

In order to calculate the share of revenues from activities acceptable to the taxonomy that are environmentally sustainable, the value of net sales revenues from activities acceptable to the taxonomy has been taken into account in the numerator. The denominator takes into account all net revenues of Elektro Maribor d.d.

The share of revenue acceptable to taxonomy did not change significantly in 2024 in 2024.

Share of operating expenditure in products or services related to economic activities coordinated with taxonomy - Revelation for 2024

				Substantial contribution criteria						Non-material damage criteria									
Economic activities	Code	OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum protective measure	Proportion of Taxonomy-aligned OpEx, year 2024	Proportion of Taxonomy-aligned OpEx, year 2023	Category enabling (E) or transitional (T) activity
		EUR	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	O/P
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)		27,598,455	75.7%														75.7%	74.2%	
4.9. Transmission and distribution of electricity	(D35.14)	27,598,455	75.7%	YES	/	/	/	/	/	YES	YES	/	YES	YES	YES	YES	75.7%	74.2%	O
Environmentally sustainable activities (Taxonomy-aligned) (A.1)		27,598,455	75.7%	YES	/	/	/	/	/	YES	YES	/	YES	YES	YES	YES	75.7%	74.2%	O
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		0																	
-	-	-	-																
Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	/	0	0.0%														0.0%	0.0%	
Total (A.1 + A.2)	/	27,598,455	75.7%														75.7%	74.2%	/
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Taxonomy-non-eligible activities (B)	/	8,856,302	24.3%																
Total (A + B)	/	36,454,757	100.0%																

In the calculation of the share of capital expenditure (capex), acceptable to taxonomy, which are environmentally sustainable, we took into account the value of operating costs from the activities of the company that are acceptable to taxonomy. The denominator takes into account all operating costs of Elektro Maribor d.d., except for depreciation costs and costs relating to the implementation of own investments.

The share of environmentally sustainable investments in fixed assets that are taxonomically aligned has not changed significantly in 2024 compared to 2023.

Share of capital expenditure in products or services related to economic activities coordinated with taxonomy - disclosure for 2024

				Substantial contribution criteria						Non-material damage criteria									
Economic activities	Code	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum protective measure	Proportion of Taxonomy-aligned CapEx, year 2024	Proportion of Taxonomy-aligned CapEx, year 2023	Category enabling (E) or transitional (T) activity
		EUR	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	O/P
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)		46,655,359	87.9%														87.9%	88.7%	
4.9. Transmission and distribution of electricity	(D35.14)	46,655,359	87.9%	YES	/	/	/	/	/	YES	YES	/	YES	YES	YES	YES	87.9%	88.7%	O
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		46,655,359	87.9%	YES	/	/	/	/	/	YES	YES	/	YES	YES	YES	YES	87.9%	88.7%	O
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		0																	
Total (A.1 + A.2)	/	46,655,359	87.9%														87.9%	88.7%	/
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)	/	6,430,952	12.1%																
Total (A + B)	/	53,086,310	100.0%																

In calculating the share of capital expenditure (CAPEX) that is taxonomically acceptable and environmentally sustainable, the numerator takes into account the value of the investments made in the company's core business. The denominator takes into account all investments of Elektro Maribor d.d.

In 2024, we increased our investments in environmentally sustainable taxonomy-compliant activities by EUR 22,9 million, as compared to 2023.

Additional disclosures for nuclear and natural gas activity

On the basis of Delegated Regulation (EU) 2022/1214, the information referred to in Article 8 (6) and (7) is further disclosed below.

Nuclear energy and natural gas activities

Nuclear energy activities as at 31 Dec 2024		
1.	The company conducts or funds research, development, presentation and installation of innovative electricity production facilities that produce energy from nuclear processes with minimum waste from a nuclear fuel cycle, or has exposure to the above.	NO
2.	The company carries out or funds construction and safe management of new nuclear facilities for electricity or process heat production, including for district heating or industrial processes such as hydrogen production, and their safety updates using the best available technologies or has exposure to the above.	NO
3.	The company performs or funds the safe management of existing nuclear facilities for electricity or process heat production, including for district heating or industrial processes, such as production of hydrogen from nuclear energy, and their safety updates or has exposure to the above.	NO
Natural gas activities as at 31 Dec 2024		
4.	The company carries out or funds construction or management of electricity production facilities that produce electricity using fossil gaseous fuels or has exposure to the above.	NO
5.	The company carries out or funds construction, renovation and management of facilities for the cogeneration of heat/cold and electricity using fossil gaseous fuels or has exposure to the above.	NO
6.	The company carries out or funds construction, renovation and management of heat production facilities producing heat/cold using fossil gaseous fuels or has exposure to the above.	NO

Taxonomy-aligned economic activities (denominator)

Economic activities		Total turnover						OPEX						Investments					
		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**62,276,637**	**100%**	62,276,637	100%	0	0%	**27,598,455**	**100%**	27,598,455	100%	0	0%	**46,655,359**	**100%**	46,655,359	100%	0	0%
8.	**Total applicable KPI**	**62,276,637**	**100%**	62,276,637	100%	0	0%	**27,598,455**	**100%**	27,598,455	100%	0	0%	**46,655,359**	**100%**	46,655,359	100%	0	0%

In the denominator of a key performance indicator, we did not recognize an activity which, in accordance with Annex I and Annex II of the EU Delegated Regulation 2022/1214, refers to activities in the sections 4.26 Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle, 4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies, 4.28 Electricity generation from nuclear energy in existing installations, 4.29 Electricity generation from fossil gaseous fuels, 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels, and 4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.

Taxonomy-aligned economic activities (numerator)

Economic activities		Total turnover						OPEX						Investments					
		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in numerator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in numerator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in numerator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in numerator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in numerator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in numerator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**62,276,637**	**100%**	62,276,637	100%	0	0%	**27,598,455**	**100%**	27,598,455	100%	0	0%	**46,655,359**	**100%**	46,655,359	0%	0	0%
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**62,276,637**	**100%**	62,276,637	100%	0	0%	**27,598,455**	**100%**	27,598,455	100%	0	0%	**46,655,359**	**100%**	46,655,359	0%	0	0%

In the numerator of a key performance indicator, we did not recognize an activity which, in accordance with Annex I and Annex II of the EU Delegated Regulation 2022/1214, refers to activities in the sections 4.26 Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle, 4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies, 4.28 Electricity generation from nuclear energy in existing installations, 4.29 Electricity generation from fossil gaseous fuels, 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels, and 4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.

Taxonomy-eligible but not taxonomy-aligned economic activities

Economic activities		Total turnover						OPEX						Investments					
		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%	**0**	**0%**	0	0%	0	0%

In the calculation of the key performance indicator, we did not identify economic activities that are acceptable to the taxonomy but not aligned with it.

"In Elektro Maribor, our core values are solidarity, assistance and compassion. We are aware that our work is not only providing reliable supply of electricity, so we are willing to listen to humanitarian organizations which, through their effort and dedication, daily change the lives of individuals and families for the better. Together we can create a better, more just and more compassionate society," pointed out Tatjana Vogrinec Burgar, the President of the Management Board.

4 Social Information

4.1 OWN WORKFORCE (S1)

4.1.1 Sustainable development strategy and own workforce

The sustainability strategy of Elektro Maribor d.d. recognised the importance of its own workforce and the care of its employees as a key strategic focus of SG3. The strategy includes regular assessment of impacts on the own workforce through various activities and indicators. We take into account the possible impacts of the business model on work conditions, health and safety at work, equality in employment and opportunities for personal and professional development. This assessment involves the estimate of whether and how our strategy and business model contribute to creating, increasing or alleviating important impacts on employees, such as an innovative and motivated work environment.

4.1.1.1 INTERESTS AND VIEWS OF STAKEHOLDERS (ESRS 2 SBM-2 S1)

Elektro Maribor d.d. Sees its own workforce as a key group of stakeholders whose interests, views and rights are essential for our sustainable business. Our business model and strategy consistently respect the human rights of our employees, and we are committed to safe, fair and equal working conditions.

Employees of the right places is our guiding principle in providing a sustainable distribution system for a reliable, safe and quality electricity supply. Employees are the ones who create, make decisions and transfer knowledge through their work, so caring for them, in the broadest sense, is the most important mission of any company.

4.1.1.2 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (ESRS-2 SBM-3 S1)

As an electricity distribution company, we have a major influence on our own workforce, which includes direct employees, and to a much lesser extent on the workers employed by subcontractors. Our strategy and business model include a number of activities that have a direct impact on the workforce:

- **Security of supply**: The operations of the company are critical for the reliable supply of electricity, which means that our employees are also exposed to demanding and dangerous conditions, especially during network maintenance and electricity failures and accidents.
- **Infrastructure investments and network modernisation**: Investing in smart networks and digitization is associated with greater needs for trained workers. This includes increased employment and training opportunities, but also risks in the event of a shortage of suitably qualified staff.

Our strategy involves training and refinement of existing workforce in order to successfully support digitization and transition to renewable energy sources. In addition, we consistently provide for good work conditions and ensure workplace safety, since safety in electrical distribution is crucial because of the risks associated with electricity and work at heights. Our strategic objectives also include a sufficient number and structure of competent staff, quality management and committed employees, and an inclusive, innovative and accountability-based organisational culture.

Our workforce consists of different types of workers::

- **Directly employed workers**: they are directly employed in our company, with workers with different degrees of education in the area of electricity standing out in numbers.
- **Subcontracted workers**: are workers employed by contractors performing maintenance and upgrading of the network.
- **Unemployed workers**: all forms of apprentices and trainees.

In the framework of IRO evaluation, we identified the following important factors or positive impacts in connection with our own workforce: working hours, job security.

In the context of the IRO assessment, we identified the following risks in relation to own labour:

- Recruitment, employment of professionally trained staff.

Identified impacts on own labour force

Stakeholders	Description of impact	Impact on strategy and business model
Employees, local communities and civil society, distribution system users	**Working hours** Working hours must be regulated in accordance with the labour legislation and internal regulations, taking into account various restrictions and regulations (performance of overtime, shift work, turns, night work and work on weekends). Internal regulations set working hours in advance, while allowing for sufficient flexibility to coordinate private and professional life and taking into account the decisions of the bodies determining part-time work. We also provide flexibility in working hours by enabling work from home.	The impact is linked to the strategy and the key strategic guideline by 2028. SG3: Management and development of human capital. The impact is based on a business model.
Employees	**Employment security** Safe employment may refer to employment in which the employment legislation is fully respected and complied with in terms of equal treatment and ensuring the absence of discrimination, the protection of the worker's personality and privacy, the provision of safe working conditions and a safe workplace, with an emphasis on the conclusion of open-ended contracts. Employment security can also be linked to a system of measures that protect workers even after their employment relationships have ended.	The impact is linked to the strategy and the key strategic guideline by 2028. SG3: Management and development of human capital. The impact is based on a business model.

Identified risk to own workforce

Stakeholders	Description of risk	Connecting with the strategy of Elektro Maribor d. d.	Impact on strategy and business model
Employees	**Recruitment, employment of professionally trained** staff. In the labour market, the recruitment of new staff presents challenges with regard to the acquisition of qualified and appropriate staff. The main risks include potential problems in recruiting, retaining technical staff with appropriate skills for new technologies.	**SG3 - 1 A** Lack of qualified personnel in the market (including abroad). Ability to recruit and retain key personnel over the long term.	Risk is linked to the strategy and the key strategic guideline by 2028. SG3: Management and development of human capital. The risk is based on a business model. **INDICATOR TS1-1** Number of scholarships awarded in the year.

INDICATOR TS1-1 Number of scholarships awarded in the year. The indicator describes the number of scholarships awarded on the basis of a policy where we want to attract students, pupils who are talented, motivated for employment in the company. In doing so, we monitor the performance of scholarship recipients in achieving academic success. The indicator will be introduced in 2025.

In addition, the following impacts have been identified at sub-level:

- training and skills development,
- work conditions,
- recruitment and integration of people with disabilities,
- measures against violence and harassment at the workplace,
- health and safety at workplace,
- social dialogue.

The transition to renewable energy sources requires a skilled workforce with appropriate skills to develop new technologies, with particular emphasis on the issue of retaining technical staff, as competition on the labour market is strong for skilled technical staff. For this purposes, we implement a number of measures, such as employee motivation, training and education, personal and career development, promotion opportunities and a number of other employee benefits to retain a skilled workforce.

The positive impact of job security and positive working hours is reflected in people's greater interest in employment in the company and in employees' satisfaction with working hours.

A transition plan or a climate plan for reducing negative environmental impacts and achieving greener and climate neutrality and workforce impacts is under preparation.

The company does not employ people with special needs and the company does not use child labour.

4.1.2 Management of impacts, risk, and opportunities

4.1.2.1 POLICIES RELATED TO OWN WORKFORCE SILO (S1-1)

We are committed to respecting human rights and ensuring a safe, fair and inclusive working environment for all employees. Our policies are aligned with internationally recognised standards, including the UN Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. Our non-discrimination policy includes commitments to eliminate discrimination based on race, ethnic origin, gender, sexual orientation, disability, age, religion and other characteristics. We are committed to promoting diversity and inclusion through proactive measures covering all levels of employment, from recruitment to promotion. (Corporate collective agreement, Code of Ethical Business Conduct in Elektro Maribor d.d., Commitment to respect human rights in business). Our internal acts also include procedures for dealing with discrimination-related complaints (described in section G-1 Business Conduct).

Our business model is designed to support fair and equal working conditions, with a particular focus on the safety and health of employees and ensuring fair treatment for all workers. We also ensure that there is an appropriate balance between work and leisure and provide opportunities for career development and advancement. This ensures that the interests, views and rights of our own workforce are incorporated into our strategic planning and operational processes, contributing to the long-term sustainability and success of our business model.

We have established mechanisms for the prevention of workplace accidents and a system for monitoring and managing safety, through regular reviews of working conditions and training of employees on security risks. Our commitment is to prevent injury and create a safe working environment for all employees.

Our Code addresses also the integration of vulnerable groups into the workforce and provision of specific accommodation, where necessary. This includes special treatment and procedures for the employment and promotion of vulnerable groups, such as persons with disabilities or persons from ethnic minorities. We pay particular attention to adapting workplaces and training employees and management to prevent discrimination. (Corporate collective agreement, Code of Ethical Business Conduct in Elektro Maribor d.d.).

Some of the most important company policies are:

- Commitment to respect human rights in business. By signing the Commitment, the company has committed itself to respecting human rights throughout the business process and to avoiding and preventing possible negative impacts on human rights.
- The Rules on the prevention of mobbing which established a framework to provide such a work environment in which no worker will be exposed to any harassment or bullying by the employer, superiors or associates.
- (Code of Ethical Business Conduct in Elektro Maribor d.d.).
- Sustainable Development Strategy of Elektro Maribor d.d.
- Safety statement with a risk assessment.
- Other regulations, acts, guidelines, policies, instructions and documents to ensure respect for human rights and the prevention of discrimination, gender equality, protection of disabled persons, protection of elderly workers, safety and health at work, sustainable development.

4.1.2.2 PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS (S1-2)

We encourage active cooperation with our employees, who are represented in the company mainly by the Union and the Workers' Council. Cooperation involves the workers' representatives mentioned above, with whom we address key issues related to working conditions, rights and corrective measures (consultation, information and active participation in decision-making processes). We work with workers' representatives in a transparent and inclusive way. The company's management meets with the employees annually, separately by business location and unit. We ensure that the views of the workforce are included in decision-making processes, especially when it comes to significant impacts on working conditions, reorganisation or health and safety at work. We provide our employees with several communication channels (e-mail, regular mail, personal conversation, telephone call) through which they can express their concerns or suggestions. The company estimates that efficient cooperation with its own workforce improves business result, strengthens employee affiliation and improves climate in the company.

4.1.2.3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS (S1-3)

Within the company, we monitor the implementation of the above-mentioned policies through internal audits and independent reviews (when appropriate in the circumstances of a particular case, we also call for internal commissions). We have mechanisms in place to swiftly address identified breaches and to correct any adverse impacts.

The company also regularly monitors the effectiveness of our complaint channels in terms of protecting the interests of whistleblowers or stakeholders who have raised concerns. The insights gained enable us to continuously improve our mechanisms for corrective action and prevent similar negative impacts in the future.

We have established clear and transparent procedures determined by internal documents to provide a correction measure in cases of negative impacts on our own workforce. In accordance with internal rules, we have appointed a confidential representative to receive and process reports in accordance with Article 13 of the Reporting Persons Protection Act. In addition, we provide several different channels (as in section 3.1.2.2) through which employees and employee representatives can directly express their concerns, needs or complaints. We handle potential reports with the utmost care, confidentiality and independence, while ensuring full protection for the reporting person. The commitment to protect whistleblowers and representatives of workers is also part of our Code of Ethical Business Conduct and the Rules for establishing an internal path to report violations, which that are publicly available to all employees

We are committed to addressing adverse impacts on our own workforce swiftly and effectively. If the company causes or contributes to adverse impacts, we implement measures based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines on Corporate Responsibility.

4.1.2.4 TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS (S1- 4)

In identifying and addressing risks associated with our own workforce, we implement the following measures:

- Monitoring staff turnover and staff satisfaction: We regularly monitor fluctuation rates and conduct annual development interviews and satisfaction surveys, which allow us to proactively manage the risks of losing key personnel.
- Training and development: By providing regular training and career development, we enable employees to develop the competences needed to adapt to changes in the market and in the company.

We actively promote positive impacts on our own workforce. Our approach is based on the long-term management of the risks and opportunities presented by the working environment, whilst seeking to support employees and their well-being by promoting positive action.

In the company, we recognise the opportunities arising from the concern for the well-being of the workforce and sustainable development. These include:

- Opportunities for differentiation: By creating a positive working culture and offering good working conditions, we differentiate ourselves from the competition and become more attractive to talents and partners.
- Digitalisation and automation: The introduction of advanced technologies enables work processes to be optimised and productivity to be increased, opening up new opportunities for employee growth and development.

Our efforts to improve working conditions and provide development opportunities have a number of important positive impacts, including:

- **Education and training**: The implementation of smart networks and digital technologies ensures the education and training of technical staff to adapt to new technologies, which enables the development of new competences and professional opportunities.
- **Employment security**: By ensuring consistent respect for labour law in terms of equal treatment of employees and by ensuring the absence of discrimination, by ensuring the protection of the worker's personality and privacy and safe working conditions, and by emphasising the conclusion of open-ended employment contracts, we consolidate our position as a reputable employer and thereby expand the possibilities for easier acquisition of new, competent staff. On the other hand, with the visibility of the employer brand, we maintain existing employment. The employment security factor has a significantly positive impact on the own labour force.

Employee Day 2024

- **We provide employees with a regular work schedule**: Regulated working hours have a significant positive impact. Organisation of working hours respects the labour law and the internal regulations, while strictly respecting the restrictions (working overtime, shift work, shifts, night work and working on weekends).
- **We provide decent wages**: We comply with the legislation in the industry and ensure that the work is properly paid for. Wages are coordinated with the rise in the cost of living.
- **We guarantee gender equality and equal pay for work of equal value**: We treat both genders non-discriminatory and provide equal opportunities, rights, dignity and equal pay for work of the same value.
- **We carry out programs to promote diversity and inclusion**: We promote gender equality, disability and other dimensions of diversity, which increases employee belonging and enables a more inclusive working environment.
- **We provide financial and non-financial incentives**: We have introduced programmes to reward performance and development opportunities, which reinforce employee engagement and motivation.

These positive changes are visible in all the regions where we operate, especially in the context of sustainable energy development.

The effectiveness of activities and initiatives related to the positive impact on the workforce is monitored through internal and external audits, employee feedback (employees are given the opportunity to express their opinions and suggestions on the effectiveness of measures through surveys and consultations) and, last but not least, through assessments in the process of obtaining or maintaining certificates (such as the Family Friendly Employer and the Socially Responsible Employer).

We monitor the effectiveness of our cooperation with employees using the following internal feedback mechanisms: employee complaints, performance reviews, programmes to inform employees about key decisions (eInfotok, annual meetings).

In accordance with internal rules, we have appointed a confidential representative to receive and process reports in accordance with Article 13 of the Reporting Persons Protection Act. We also provide other channels through which employees and workers' representatives can directly express their concerns, needs or complaints. We monitor the effectiveness of our complaint channels in terms of protecting the interests of complainants and stakeholders who have raised concerns. The insights gained enable us to continuously improve our mechanisms for corrective action and prevent similar negative impacts in the future.

To make sure that employees are aware of and trust the complaint procedures, we raise awareness among employees through various information channels. Information on complaint mechanisms is available on the company's website, intranet and notice boards. On the basis of an analysis of the reports and concerns received, we assess the level of trust in these mechanisms and, if necessary, take measures to improve the accessibility or transparency of the procedures.

4.1.2.5 TARGETS RELATED TO MANAGING MATERIAL IMPACTS, ADVANCING POSITIVE IMPACTS, AS WELL AS TO RISKS AND OPPORTUNITIES (S1-5)

Our dependence on our own labour force brings risks and opportunities.

In the company, we have introduced several key measures to prevent and alleviate the negative impacts that can result from our business activities. This includes:

- **Improving safety at work**: We continuously review and upgrade safety standards to improve the working environment and working conditions at all workplaces.
- **Re-training and transition support**: Employees in industries transitioning to sustainable activities are provided with opportunities for retraining and professional development, enabling them to remain in employment even in the face of major business changes.
- **Strategies to relieve stress and improve well-being**: We have implemented workplace health promotion programmes and maintain a Family Friendly Enterprise certificate to promote work-life balance and provide psychosocial support to all employees and their family members to prevent burnout.

We have adopted several key objectives to promote new jobs and maintain existing ones:

- We support the recruitment of new employees by working in the field of education and training of employees, by awarding scholarships to pupils and students, by facilitating practical training, by conducting an active dialogue with social partners and by facilitating progression. The new organisation and systemisation, which was implemented in 2024, will also enable the development of employees' competences and readiness for the upcoming changes.
- By participating in career fairs and organising company open days, we want to further build a recognizable brand of our company through a positive story. At these events, we present our core business, electricity distribution, and the typical professions in the field of electricity: electrician, designer, dispatcher, and others. In order to introduce these professions to students, we have started visiting secondary schools of electrical engineering to encourage the interest of secondary school students to become electricians.

Objectives for improving safety at work:

- **Connection with the policy goal**: The goal supports our occupational safety and health policy, which is aimed at reducing the number of work accidents and increasing the safety standards on sites.
- **Defined target level**: To reduce the number of accidents at work by 2028 by 30%, with respect to the base year 2019.

Students of the Faculty of Electrical Engineering and Computer Science (FERI) in the Distribution Academy

- **Scope of the objective**: The goal covers all employees and contractors in the field of network maintenance and construction, in particular at high-voltage sites.
- **Baseline value and year**: The baseline value is 30 accidents per 1000 employees determined in 2019.
- **Target period**: The target applies to the 2020-2025 period, with annual safety assessments and compliance with the ISO 45001 standard.
- **Methodology and assumptions**: Monitoring is carried out on the basis of reported accidents, in accordance with occupational safety and health standards. We require that all accidents are properly reported and that the workers involved are adequately informed of the measures to prevent the recurrence of an accident at work.
- **Stakeholder engagement**: The objective was set in collaboration with employees and trade unions, who helped to identify priority areas for improving safety practices. Professional services and employee representatives are involved in the accident analysis. All serious accidents at work are reported to all employees.

4.1.2.6 CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES (S1-6)

Below, we present the key characteristics of our own workforce, in order to ensure access to our own employment practices and employee-related impacts. The information is essential to understand other disclosures and quantitative metrics in accordance with the ESRS Standards.

At the end of the reporting period, the company had a total of 775 employees, of which 681 were men and 94 were women (the average number of employees in the period considered is given in the note to the financial statements, Note 20 (labour costs)). The company employed 14 persons on fixed-term contracts during the reporting period, eight men and six women.

The following are the most important characteristics of the employees for the reporting period.

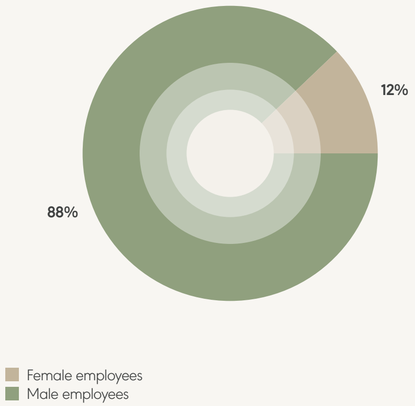
In the reporting period (as at Dec 2024) the company did not have any employees on non-guaranteed hours contracts and employees involved in flexible forms of work. This category includes, however, employees who work on demand, seasonal workers and workers with other temporary contracts.

During the reporting period, 60 employees left the company, representing a staff turnover rate of 7.7%. The reason for such a fluctuation rate is mainly a more favourable policy of the Pension and Disability Insurance Institute of Slovenia (ZPIZ) regarding retirement in 2024, and consequently higher pensions. The fluctuation is calculated on the basis of the number of departures of employees in a given period, in relation to the average number of employees in the same period.

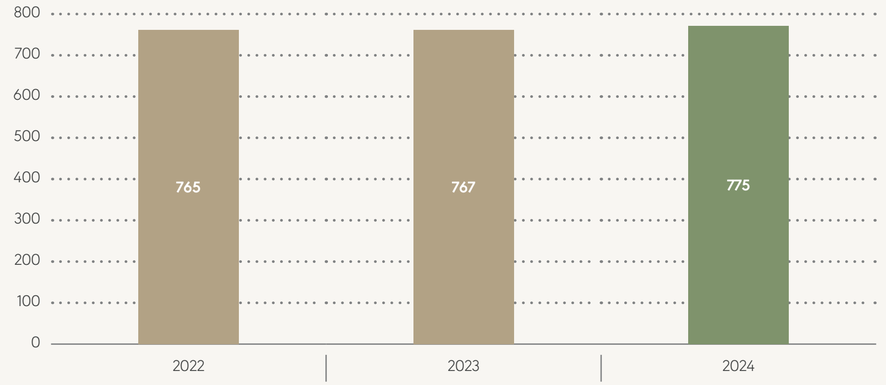
Number of employees by gender as at 31 Dec 2024

	2024
Total employees	**775**
Employed men	681
Employed women	94

Share of employees in 2024 by gender



Employment situation at the end of the year



Breakdown of employees by gender and type of contract, ncluding permanent, temporary and Employees on non-guaranteed hours contracts

	Women (number of persons/EPDČ)	Men (number of persons/EPDČ)	Total 31 Dec 2024
Total employees	**94**	**681**	**775**
Permanent employee	86	675	761
Temporary employee	8	6	14
Employees on non-guaranteed hours contracts	0	0	0
Total employees	**94**	**681**	**775**
Full-time employees	88	670	758
Part-time employees	6	11	17

4.1.2.7 CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE (S1-7)

The company also uses workers who are not part of their own workforce to perform its activities. These workers contribute to business operations in various fields and are involved because of the occasional and seasonal needs of the company.

In the reporting period, we did not record any workers not directly employed by the company but providing services under contract.

The company also keeps records of pupils and students doing practical training and student work. In 2024, 73 pupils (including one female pupil and 72 male pupils) and six students (including three female students and three male students) underwent practical work-based training (PWT) in the company, while 56 students (including 42 female students and 14 male students) performed student work in the company in 2024.

4.1.2.8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE (S1-8)

The company provides an overview of the extent to which employees are covered by collective agreements and the degree to which employees are involved in the social dialogue within the company's operations. We operate within one EU Member State.

The total percentage of employees covered by collective agreements is 98.58%, or 764 employees. This number includes employees whose working conditions and conditions of employment are determined by one or more collective agreements.

For employees who are not covered by collective agreements, the company determines their terms and conditions of employment in accordance with the company's general standards based on local legislation and internal acts. In some cases, the conditions are the same as for employees covered by collective agreements. There were 11 of such employees during the reporting period and represent 1.42%.

4.1.2.9 DIVERSITY METRICS (S1-9)

We are committed to promoting diversity and inclusion at all levels of our operations.

The management of the company has one member. A three-member team of district directors is also involved in the management of the company. Although this is a broad definition, the company takes into account internal specificities and discloses additional information on the management structure where necessary. The following is an overview of gender representation at senior management level and age distribution of employees.

Data on the age distribution of employees gives us a better insight into the structure of the workforce and provides a basis for monitoring changes in age groups over time. Such a distribution helps us plan our human resources policies. We disclose the age distribution of our employees in six age groups: under 20, between 21 and 30, between 31 and 40, between 41 and 50, between 51 and 60, and above 61. The data is given in the form of the number of employees and percent.

Gender representation at senior management level in 2024 (the management board and a level below) as at 31 Dec 2024

Gender	Number of members of senior management	Percentage
Men	2	50%
Women	2	50%
Total	**4**	**100%**

Age distribution of employees as at 31 Dec 2024

Age group	Number of employees	Percentage
Under 20	9	1%
Aged between 21 and 30	100	13%
Aged between 31 and 40	162	21%
Aged between 41 and 50	252	33%
Aged between 51 and 60	226	29%
Above 61	26	3%
Total	**775**	**100%**

4.1.2.10 ADEQUATE WAGES (S1-10)

We strive to ensure that all employees receive a decent salary, in line with the benchmarks set by international standards and legislation, where appropriate. A decent wage is fundamental to ensuring social justice and maintaining employee satisfaction. We assess that all employees in the company receive a decent salary, as determined in accordance with the reference values applicable in the Republic of Slovenia.

In determining whether employees receive a decent wage, we have used the following methodology: minimum wages set in accordance with Directive (EU) 2022/2041 on adequate minimum wages or, where this is not relevant, 50% of the national gross average wage.

As reference values, we considered salary data in the Republic of Slovenia for the month of November 2024, with the average gross salary in the Republic of Slovenia amounting to EUR 2,518.74, while the minimum wage for November 2024 was EUR 1,253.90. The lowest gross basic salary in the company for the month of November under the employment contract was EUR 1,278.38.

4.1.2.11 SOCIAL PROTECTION (S1-11)

Social protection includes access to healthcare and income support in the event of illness, unemployment, work-related injuries, parental leave and pension rights. We are committed to ensuring that our employees are adequately protected against risks that could affect their income and well-being.

All employees of the company are covered by social protection against loss of income due to significant life events (illness, unemployment, injuries and disabilities caused at work, parental leave, retirement) in accordance with the provisions of the applicable labour legislation, the Collective Agreement for Slovenia's Electrical Industry and the Company Agreements.

In addition to the above, we also provide our own employees with voluntary pension insurance, and all employees are additionally covered by collective accident insurance and Specialisti health insurance.

4.1.2.12 PERSONS WITH DISABILITIES (S1-12)

The company strives for equal opportunities for all employees, including disabled persons, and ensures that adjustments are made for disabled persons where necessary, taking into account legislation and existing practices. Our goal is to ensure the complete involvement of people with disabilities in the workplace and to respect their contribution to the company. The company is careful about giving opinions for the employees in the proceedings before the Disability Committee and in the search for a suitable job in accordance with the remaining working capacity of employees.

In order to ensure equal opportunities for all, we disclose the following data on the percentage of disabled persons among our employees, where available and subject to legal restrictions.

The total percentage of people with disabilities in the company is 6.5%. The data are obtained in compliance with all applicable legal restrictions on the collection and disclosure of disability data and on the basis of restrictions in accordance with the decisions of the Pension and Disability Insurance Institute.

4.1.2.13 TRAINING AND SKILLS DEVELOPMENT METRICS AND HEALTH AND SAFETY METRICS (S1-13, S1-14)

Training and skills development

The company is committed to continuous development of knowledge and skills of its employees in order to promote their employability and professional growth. In this report, we disclose key metrics related to training, skills development and regular performance reviews of employees.

We continue to take a systematic approach to training planning, implementation and evaluation of its effectiveness. The average number of training hours per employee in the company is 9.22 hours per year. The data is broken down by gender in the table below. We obtained the information by subtracting the number of hours of all trainings in the year with the number of employees from hours. We also took into account the gender breakdown.

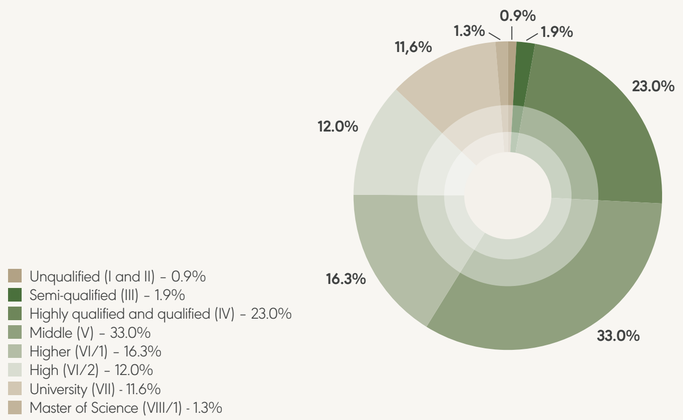
Breakdown of disabled employees by gender as at 31 Dec 2024

Gender	Percentage of employees with disabilities
Men	6.1%
Women	0.4%
Total	**6.5%**

The average number of training hours per employee in 2024

Gender	Average number of training hours per employee
Men	8.6 hours
Women	0.6 hours
Total	**9.2 hours**

Education structure in 2024



We are also proud of the increase in the number of training participants, the increase in the percentage of employees involved in various training activities, as well as the increase in the average number of training hours per employee, which exceeds those of 2022 and is twice as high as in 2023. In this way, we train our employees to implement our sustainable vision of becoming the leading company in the development of the electricity sector in the region.

During the reporting period, 751 employees (89 women and 662 men) underwent regular performance and career development reviews. The breakdown by gender is given in the table below.

Percentage of employees who underwent periodic performance reviews in 2024

	Percentage
Men	85.4%
Women	11.5%
Other	/ %
Total	**96.9%**

In accordance with the provisions of the company agreement, all employees, except the President of the Management Board, are entitled to performance remuneration. There are also annual performance reviews of each employee. Performance data is based on annual examinations performed by superiors in accordance with internal acts and evaluation procedures.

The company strives to continuously improve and upgrade the skills of its employees in order to promote their employability and contribute to their career development. Our policy of regular performance reviews includes assessing staff progress and identifying training needs.

Health and safety

Elektro Maribor d.d. is committed to providing a safe working environment for all employees and workers working in the company's workplaces. The company's health and safety management system is based on compliance with statutory and regulatory requirements and ISO 45001:2018. Based on the Statement of safety with risk assessment, we manage acceptable risks in workplaces and prevent accidents at work and injuries to workers, occupational diseases and work-related diseases based on risk assessment.

The percentage of employees in our own workforce covered by the health and safety management system is 100% and includes all employees. The health and safety management system is based on legal requirements, internal company acts and the international standard ISO 45001:2018.

Safety and health of employees has been a top priority for Elektro Maribor d.d. for many years. We regularly upgrade activities while maintaining a high level of basic tasks in this area. Thus, in 2024, we successfully implemented the primary goal - for all employees, periodically conducting training for safe work. In doing so, our employees have gained relevant powers in the area of safety and health at work, and in the Distribution Academy, we also carried out a practical assessment of safety and health at work for all technical staff.

We have purchased and distributed new typed work clothes to all employees who work in the field. Other personal protective equipment is replaced in accordance with the duration or as needed.

Through a public tender, we searched for a new occupational medicine provider and signed a contract with them. We carried out pre-recruitment, periodic, check-up and management medical examinations, vaccinated against meningitis and invited vulnerable groups to receive seasonal influenza vaccination.

In 2024, we conducted an additional inspection of the emergency pillar work equipment used by the workers in laying exercises and bad weather conditions.

In the field of fire protection, we selected a maintenance contractor for the built-in active fire alarm systems, safety lamps, fire hatches and fire sectors by means of a public tender. In the field of technical protection, we have repaired and serviced all the defibrillators installed in the office buildings and have provided sanitary equipment in the first-aid cabinets.

Based on the requirements of the new Safety and Health of Workers in Manual Handling of Loads Regulation, we have prepared, together with the other EDPs, an assessment of the risks and measures in the manual handling of loads, which we have published in the revised Safety Statement with a new risk assessment; and of course, we have taken all the necessary measures in the light of the findings.

A coordinated approach is important in this area, and we have intensified our cooperation with various stakeholders: external - field inspectors as well as internal - the workers' council and the company's management.

As a result of the reorganisation and in view of the changes in the field of safety and health at work, we have started the 12th revision of the Safety Statement.

In 2024, there were no fires; however, we dealt with 26 occupational accidents (of which one was of a serious nature, the others were of a minor nature) and eight hazardous phenomena.

Number of working days lost

	2024
Total number of working days lost due to accidents at work	1,085
Share of days lost due to accidents at work (in %)	0.56

4.1.2.14 WORK-LIFE BALANCE (S1-15)

All employees of the company are entitled to leave for family reasons, including maternity leave, paternity leave, parental leave and carer's leave, in accordance with national laws and collective agreements. Also, as a certified Family-friendly company, we promote work-life balance through various measures and activities, and we enable the time account and the use of the children's time bonus for introduction to kindergarten and entering school and adjusting the annual holiday according to the children's school holidays. The data was obtained from the programme D365 Salaries - archival data by types of payments and received certificates of the Social Work Centre on the use of leave for family reasons.

Use of leave for family reasons, data refer to actual use in 2024

Gender	Number	Average number of employees	% of eligible employees taking family leave
Maternity leave			
Women	3	779.83	0.38
Men	0	779.83	0
Total	**3**	**779.83**	**0.38**
Parental leave			
Women	3	779.83	0.38
Men	12	779.83	1.54
Total	**15**	**779.83**	**1.92**
Paternity leave			
Women	0	779.83	0
Men	33	779.83	4.23
Total	**33**	**779.83**	**4.23**

4.1.2.15 COMPENSATION METRICS - PAY GAP AND TOTAL COMPENSATION (S1-16)

The Company is committed to equal pay for employees by monitoring and disclosing key metrics related to the gender pay gap and the ratio of top to median earnings. This helps to ensure transparency and accountability in the management of company's earnings.

The ratio between the annual total remuneration of the highest-paid individual and the median annual remuneration for all employees (excluding the highest-paid individual) is shown in the table below. The methodology for calculating the ratio of the highest remuneration and median remuneration is as follows: We eliminated the individual with the highest remuneration, summarized the benefits of 2024 of all other employees and looked for a median salary. Remuneration ratio - highest remuneration : remuneration median = calculated by dividing the annual salary (of the highest-earning individual) by the median salary.

When analyzing the pay gap data, the restrictions should be taken into account that the data is not fully comparable due to the structure of jobs, education and gender they occupy. The predominant jobs in the company are technical, e.g. mechanic, driver/ engineer, electrical engineer ... and they are largely occupied by male workers. We did not count the pay gaps with the President of the Management Board.

Ratio between maximum and median remuneration for 2024

Remuneration ratio	Ration (in numbers)
Maximum remuneration: remuneration median	3.7362

Average pay gap by gender

Type of contract	Men			Women			Wage gap in % in a women - men ratio
	Annual gross hourly rate	No. of employees	Average annual gross hourly rate	Annual gross hourly rate	No. of employees	Average annual gross hourly rate	
INDIVID	258.35	8	32.29	73.01	2	36.50	113.04
IND-PU (President of the Management Board)	0	0	0.00	56.27	1	56.27	/
COLLECTIVE	7,991.92	723	11.05	1,246.96	100	12.47	112.81
Sum total	**8,250.28**	**731**	**11.29**	**1,376.25**	**103**	**13.36**	**118.39**

4.1.2.16 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS (S1-17)

Incidents, complaints and severe human rights impacts

The total number of work-related incidents of discrimination and harassment reported during the reporting period was 0.

Number of complaints filed through official channels

During the reporting period, we received six complaints.

Total amount of fines and compensation

The total amount of fines and compensation for the incidents and complaints disclosed was EUR 0.00.

Serious incidents regarding human rights

There were no serious human rights incidents such as forced labour, human trafficking or child labour in the reporting period.

Incident status and corrective measures

Elektro Maribor d.d. did not detect incidents during the observed period, the company did not take corrective measures.

4.2 WORKERS IN THE VALUE CHAIN (S2)

4.2.1 Strategy

4.2.1.1 INTERESTS AND VIEWS OF STAKEHOLDERS (ESRS 2 SBM-2 S2)

The company recognises workers in the value chain as an important group of stakeholders that can be significantly impacted by our business activities. We are committed to respecting their human rights, including the rights to safe and decent working conditions and fair treatment. Value chain workers are involved in the co-strategy for sustainable development in the group Business Partners. We also acknowledge them as partners in the value chain. Obtaining opinions and establishing a sustainable relationship is based on a survey and questionnaire.

4.2.1.2 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (ESRS-2 SBM-3 S2)

The company does not identify and assess the impact of the strategy and business model on workers in the value chain. We will establish the system in the coming years. Adaptation of the strategy and business model was not carried out. In 2025, the company's sustainability strategy will be analysed for the first time and complemented accordingly with regard to the sustainability theme of workers in the value chain. We will also update the business model in case of deviations and changes in internal or external circumstances. The company did not identify any impacts on specific groups of workers in the value chain.

The IRO assessment identified the following risks associated with workers in the value chain:

- Risk of an insufficient number of bidders.

The company, as an electricity distribution company in Slovenia, recognises the impacts on workers in the value chain, in particular those involved in the production, supply and maintenance of the key electricity distribution infrastructure. Our business model is based on ensuring a reliable and sustainable supply of electricity, which includes cooperation with various suppliers and contractors. The main impacts arise from the following activities:

- Supply of electrical equipment: Our suppliers who provide equipment such as transformers, meters and cables have a direct impact on the working conditions of the workers involved in the production and assembly of this equipment.
- Network maintenance and upgrading: Workers in the vaue chain involved in the construction and maintenance of the distribution network are exposed to challenging working conditions, including work at height and with high voltage devices, work in different weather/emergency conditions (accidents, natural disasters).

Strategy adjustment: Our strategy includes the integration of the principles of responsible business conduct, which include the care of workers in the value chain. This means that we include the requirement to comply with labour standards as a condition for cooperation when concluding contracts with suppliers and contractors. We also encourage the use of technologies and methods that increase safety and health and improve the working and living conditions of workers.

Identified risk associated with workers in the value chain

Stakeholders	Description of risk	Integration with the strategy of Elektro Maribor d. d.	Impact on strategy and business model
Employees, business partners	**Risk of an insufficient number of bidders**. As taxpayers under the Public Procurement Procedure Act (ZJN-3), goods, services and construction, whose estimated value exceeds the limit for the use of the ZJN-3, must be ordered in accordance with the statutory provisions. This may lead to a situation where the contracting authority does not receive a suitable tender or no tender at all in the process. This affects the timeliness, capacity and consistency of the implementation of the company's core processes.	**SG2 - 1 - A** Lack of and inability to obtain resources (finance, personnel, funds). Disturbances in the supply chain.	Risk is linked to strategy. SG2: Development of a reliable and efficient sustainable distribution system. The risk is based on a business model. **INDICATOR TS2-5** Number of tenders submitted in procurement procedures.

INDICATOR TS2-5 In 2025, Elektro Maribor d.d. will introduce an indicator where we will monitor the number of tenders submitted in procurement procedures within a calendar year. We strive to produce documentation that is transparent, unambiguous and does not restrict competition in the market. The company's goal is to make less than 10% of all public procurement completed without submission because no tender has been received.

Workers in the value chain must comply with all legislation, rules, internal acts, safety measures when working on energy installations or on the distribution network.

Workers in the value chain of electricity distribution companies are affected by different factors depending on their roles and responsibilities. Key groups of workers on which our company can have a significant impact include:

- **Workers involved in the production of equipment**: These workers are typically employed by suppliers upstream in the value chain, producing key infrastructure such as transformers, electrical cables, meters and other electrical assembly equipment.
- **Contractors**: Workers employed by external companies and involved in the construction, maintenance and renewal of the electricity distribution network (construction contractors, installation contractors, cleaning services, etc.).
- **Logistics workers**: They are involved in the transport and supply of equipment and materials needed for the operation of the network, as well as the employees of distribution and transport partners.

Negative impacts on workers in the value chain:

- Some impacts on workers in the value chain of electricity distribution companies may be negative, in particular in relation to occupational safety and health. Workers working at height or with electrical equipment are exposed to hazards related to injuries and health problems. The company is committed to ensuring appropriate safety and health at work measures, which leads to safer and organised working conditions. All service providers' employees are additionally trained for hazardous work.
- As regards workers in the value chain, there is no evidence of work under time pressures.
- There is no evidence of forced labour in the value chain.

At the company, we are aware of these risks and have established a responsible procurement system that includes inspection and verification of compliance with labour standards in supply chains.

Positive impacts on workers in the value chain:

We strive to create positive effects on workers in a value chain, especially by providing good working conditions and opportunities for development. Among the positive impacts of workers in the value chain, we identified:

- **Employment security in the value chain**: Employment security is expressed through long-term partnerships, establishing reliable and long-term cooperation with external subcontractors, thereby increasing the satisfaction of workers in the value chain, which also improves productivity and the quality of the work performed.

We have identified risks and opportunities related to workers in the value chain:

- **Risks**: The main risks include the safety of workers performing fieldwork and the lack of compliance with labour standards by suppliers. Any damage or non-compliance could have an impact on the company's operational performance and reputation. Risks also include the risk of dependence on a single contracting authority, as subcontractors relying on a single large contracting authority risk losing the majority of their business if the contracting authority ceases to cooperate. The risk of regulatory requirements, on the other hand, involves adapting to changing legislation and regulatory requirements in the electricity sector, which requires constant adaptation and upgrading of practices. Although the risk of contract volatility is low, as subcontractors have stable contracts, there is always a risk that this volume of contracts will decrease or cease due to changes in the strategy of the electricity distribution company.
- **Opportunities**: The transition to more sustainable technologies and the modernisation of the network create opportunities for new jobs and improved working conditions throughout the value chain. This can improve efficiency and security while contributing to improving economic conditions in the regions where our suppliers operate. Cooperation with an electricity distribution undertaking provides access to new technologies, which can help subcontractors improve efficiency and competitiveness. Workers in the value chain gain valuable knowledge of advanced systems and technologies, which improves their chances in the labour market. By cooperating with the electricity distribution company, subcontractors obtain references that enable them to expand into new markets or to cooperate with other energy companies. Subcontractors specialising in environmentally friendly services have the opportunity to contribute to sustainable development. By participating in major projects of EDCs, subcontractors invest in the training and education of their workers, which leads to new skills, improved competences and thus greater opportunities for employees.

The value chain includes different groups of workers who may be more susceptible to negative impacts:

- **Workers in low-qualified jobs** face employment instability. These workers perform low-qualified work, such as physically demanding work in installing electricity systems. Their work can be seasonal or project-related, which means that their employment depends on the current demand. They often receive low wages.
- **Workers who depend on one electricity distribution company**: Sub-contractors who carry out the majority of their business for a single customer and their employees are even more exposed to risk in the event of loss of this electricity distribution company. In the event of a decrease in the volume of work, they may lose most of their income, which also affects the employment of workers in the value chain.

4.2.2 Management of impacts, risk, and opportunities

4.2.2.1 POLICIES RELATED TO VALUE CHAIN WORKERS (S2-1)

The value of the company is the respect for human rights of workers in the value chain. The company is committed to respecting human rights, including those of workers in the value chain, in all areas of its operations, as demonstrated by the signing of the Commitment to Respect Human Rights in Business in the framework of the NAP - National Action Plan, the purpose and objective of which is to ensure the implementation of the UN Guiding Principles on Business and Human Rights.

Our commitment is publicly available on the website of the Ministry of Foreign and European Affairs (*Signed commitment*). The fundamental goal of participation of both stakeholders is to ensure the implementation of the UN Guiding Principles on Business and Human Rights and help to ensure respect for human rights in economic activities throughout the value chain and further develop cooperation between the state, companies and industry associations, trade unions, non-governmental organizations and other stakeholders.

The company has adopted a Code of Business Conduct and a Code of Conduct for the business partners of Elektro Maribor d.d., which directly regulate the relationship with users, suppliers and partners and which define minimum standards of ethical and business conduct, and indirectly also the relationship with workers in the value chain. In accordance with the Code, each employee is obliged to observe and act in accordance with the provisions of the Codes, and is also obliged to contribute to the elimination of perceived unethical business practices in the company.

With regard to the treatment of workers in the value chain, they are also subject to the rules adopted by the company, which are mainly related to the documentation related to public procurement, whereby the potential business partner makes a binding ESPD statement formally declaring that it does not support child labour and other forms of human trafficking, and that they have not been the subject of a final judgement in this regard and that they do not breach obligations in the field of labour and social law.

The prohibition of child and forced labour and of possible violations of the fundamental rights of workers in the value chain is explicitly prohibited by the documentation related to the award of a public contract and the Single European Procurement Document (SEPD). The prohibition of forced and child labour is also addressed in the Code of Conduct for Business Partners of Elektro Maribor d.d. adopted in January 2025.

The company is indirectly involved with the workers in the value chain at the procurement stage, where competence is demonstrated, and directly at the execution stage, i.e. in the provision of certain services. To this end, it carries out systematic due diligence checks at workplaces and in cooperation procedures, which, in addition to safety and performance checks, include an assessment of the impact on human rights and working conditions.

Through direct involvement of relevant stakeholders and through pre-determined communication channels, we respond quickly to adverse impacts, while adhering to transparency and a commitment to accountability.

The company has no known cases of non-compliance in the downstream and upstream value chain related to non-compliance with the UN Guiding Principles, the ILO Declaration and the OECD Guidelines on Fundamental Human Rights of workers in the value chain.

4.2.2.2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS (S2-2)

We cooperate with the workers in the value chain, especially in the implementation phase. Before signing a contract, service/construction providers with a high risk of injury at work are required to declare that they have an employment relationship with their workers, that the workers are qualified, that they have undergone a medical examination for their workers, that they will ensure equal conditions for each worker in the event of a change. Before the start of the works, a written agreement is signed, where it is agreed in particular to ensure the conditions for ensuring safe and healthy at the work site. The use of mandatory protective equipment is also monitored at all times. At the work site, workers are introduced to work before the start of work (joint viewing of the location, enabled access, submitting of documentation, arrangement of operational work, etc.). In individual contracts we also have a specified time range in which the contractor's workers must be available and also when individual works may not be carried out (e.g. Saturdays, Sundays, holidays).

Elektro Maribor d.d. does not carry out consultation activities with representatives of suppliers to take into account the views of workers in the value chain regarding the management of actual and potential impacts on workers in the value chain.

Elektro Maribor d.d. has an internal system for evaluating suppliers involved in procurement processes. In view of the evaluation obtained, the protocol for further conduct is also described (e.g. a warning to fulfil contractual obligations, termination of the contract, contractual penalty, redeeming financial insurance, etc.).

4.2.2.3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS (S2-3)

The company contributes to remedial action by managing the negative impacts on workers in a number of different ways. The company has an internal reporting mechanism in place. The company deals with the applications carefully, confidentially and independently, while providing the protection of reporting persons from retaliatory measures. The Rules on the establishment of an internal path to report violations and the Code of conduct for business partners are publicly available and allow all participants in the value chain to identify a deficiency or express their concerns in the form of a report. The company actively supports the submission of such report also to participants in the value chain.

The company provides all stakeholders with the opportunity to express their views, initiatives and complaints through the channel published on the company's website (rules on establishing an internal channel for reporting infringements). Workers in the value chain are also instructed to use this channel. The Code of Conduct for Business Partners of Elektro Maribor d.d., which is publicly available on the company's website and is also part of any contractual relationship with external contractors (suppliers in the value chain), explicitly obliges business partners to notify Elektro Maribor d.d. of any identified non-compliance, risk, threat, vulnerability or other cases of breach of the Code.

Complaints are accepted in writing via e-mail or in the form of letter received by mail. Complaint books are available in business premises where customer offices are located. Complaints from the Complaints Book should be taken into account and dealt with appropriately if they contain specific information necessary to provide a response. Received complaints are into the document system on an ongoing basis. Systematic recording provides a database for calculating complaint indicators. The procedures for dealing with complaints are different, depending on the type of appeal, the legislation and other rules, and the staff dealing with complaints are obliged to know and comply with them. Each complaint must be analysed and its eligibility established, whereupon a complaint is reviewed within the legal or agreed deadline, which is documented in the document system. The criteria as laid down in the legislation are taken into account in order to determine the eligibility of the complaint.

4.2.2.4 TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS (S2-4)

In the context of the implementation of public tenders, the company checks compliance with the legislation in suppliers (e.g. payment of social contributions). In 2024, the company adopted the General Conditions of Compliance for Partners. In 2025, the company also adopted a Code of Conduct for Business Partners of Elektro Maribor d.d., which is published on the company's website, and also contains a commitment of a business partner about respecting human rights. The measures are related to the tender conditions to be fulfilled by contractors for materials and, above all, services to prevent or reduce negative impacts. For provision of services, written agreements on joint occupational safety and health measures for the provision of services and the persons responsible for the implementation of the measures and control of the agreed measures are concluded. The company also carries out field controls, thereby identifying risks within the framework of internal surveillance. Suppliers are evaluated in the provision of materials and services.

Contractors must make various statements:

- Declaration by the contractor that all workers working at the site have valid and successfully completed theoretical and practical training with a completed test in the field of occupational safety and health, fire safety and environmental protection, and have completed the required additional training with certificates issued in the Republic of Slovenia, which are not older than two years.
- Declaration by the contractor that all workers are covered by disability and pension insurance in the event of an accident at work.
- Declaration by the contractor that all workers on the list have valid medical certificates for the performance of the envisaged work issued by a medical practitioner in the Republic of Slovenia.
- A declaration by the contractor that the contractor has inspected and tested work equipment in use and has valid inspection and test reports.
- Declaration of conformity, instructions for safe work in a language understood by workers, i.e. users of work equipment.
- Declaration by the contractor that workers are provided with prescribed personal protective equipment (in accordance with applicable regulations and standards) to be used by workers in their work.
- Record sheet of the contractor with a list of workers.

Measures relating to the management and mitigation of significant worker risks in the value chain are linked to tender conditions to be met by contractual partners, thereby preventing or mitigating negative impacts. The company also concludes a written agreement with each contractual partner, who is thereby further committed to the measures already given in the tender. The company also performs on-site checks to identify the risks and potential occasional workers in the value chain, which is carried out under internal control (internal technical inspections and quality acquisitions of performed works and services). The integration system will be upgraded.

All contractual service providers are selected on the basis of calls for tenders or pre-defined internal procedures, where they are informed of measures in accordance with the requirements of ISO 9001, ISO 14001, ISO 45001 and ISO 27001 standards and internal acts. Controls shall be carried out on the basis of agreed and documented measures, which are planned or in progress to mitigate material risks and thus monitor effectiveness.

In the event of any problem or incident, the person responsible for the performance of work (as defined in the written agreement) must immediately inform the contracting authority, which carries out further procedures and measures in accordance with tender conditions (redeeming a security instrument), internal acts and the overriding legislation in the area.

The contracting entity (service, organisational unit) is responsible for the involvement of workers in the value chain. Where training is required for employees in the value chain, the occupational safety and health service shall be involved and provide appropriate training or education in relation to the work to be carried out by external contractors.

In accordance with the procurement rules, inadequate tenders are immediately eliminated due to functional, personnel or low prices. If there is any doubt as to the value, the invitation to tender will be cancelled and renewed.

4.2.3 Metrics and targets

4.2.3.1 TARGETS RELATED TO MANAGING MATERIAL IMPACTS, ADVANCING POSITIVE IMPACTS, AS WELL AS TO RISKS AND OPPORTUNITIES (S2-5)

Metric of accidents at work in the distribution network

- Description: This metric measures the number of accidents per thousand employees in the electricity distribution network, including contract workers, where only accidents at work as a result of electric shock are monitored. The purpose is to monitor the effectiveness of security measures and training for safe work.
- Methodology and assumptions: The calculation includes all accidents reported over a period of time, using ISO 45001 guidelines to determine security practices and definition of accidents at work. The main assumption is that all incidents are properly registered and recorded.
- Approval of measurement: Data on work accidents are reported to the Labour Inspectorate.
- Unit: Number of accidents.

Objectives for reducing negative impacts

One of the goals for reducing negative impacts on workers in the value chain is a goal that relates to improving workers' safety at their workplaces. The company undertakes to provide adequate safety measures to ensure safety and health at work, leading to safer work and organised working conditions.

Objectives for promoting positive impacts

Among the objectives focusing on positive impacts on workers in the value chain, we have identified the objective relating to the security of employment of workers, which means establishing a reliable partnership and long-term cooperation with external subcontractors.

Objectives to manage risks and opportunities

Among the objectives for managing significant risks arising from the company's dependence on workers in the value chain, the choice of more suppliers/contractors for a given service/supply could be highlighted, thus ensuring a more stable performance. This would reduce the risk of a volatile dependence on a single contracting authority.

Specific results for workers, stability of objectives over time

The results of the goals for workers in the value chain are reflected in a number of aspects, such as improved working conditions and reduced accidents at work. The company ensures the comparability of goals over time by monitoring progress in the manner of internal controls in the area of OSH. In the coming years, the company plans to set up a system to monitor and measure the progress of the alignment of the workers in the value chain with the objectives.

4.3 CONSUMERS AND END-USERS (S4)

4.3.1 Strategy

4.3.1.1 INTERESTS AND VIEWS OF STAKEHOLDERS (ESRS 2 SBM-2 S4)

Based on the key goals of national strategic documents, the company adopted a sustainable company strategy for a five -year period, highlighting key challenges related to the transition to a low -carbon society. The vision for 2028 obliges us to manage a safe, reliable and advanced sustainable distribution system that will enable successful business and development of the wider society.

Users are our key group of stakeholders. We are committed to ensuring a technologically advanced and digitised distribution system and long-term capacity of the system to meet the needs of our users (the economy and the population) for the reliable distribution of the required amount of electricity by upgrading the capacity of the distribution network in order to ensure conditions for balanced economic and social development.

Today, the electricity market is increasingly closely linked to smart networks, scattered sources, new technologies, and digitization and e-commerce (B2C and B2B). This means that users play an even more active role. The electricity market has been an environment with steeply growing needs in recent years. Advanced billing systems are introduced in the electricity distribution systems, and classic communication channels with users are no longer sufficient to change the environment, so we are establishing new ones.

The role and mission of electricity distribution and employees, with an emphasis on responsibility towards network users and the delivery of a quality service to the population, the economy, suppliers and other stakeholders is crucial. This also implies the challenge of raising the level of user experience to be as positive and human-centred as possible and of creating an experience according to the needs and desires of the user. Traditional distribution models in distribution are changing due to users' expectations, market development and regulation requirements. This also applies to a focus on a user experience, which is much greater today. Today, the distribution-user relationship is much more partnership-based than in the past, and this must be reflected in the way we work and communicate. Timeliness, clarity and easy access to information must be at the forefront. All employees are crucial for this, not just those who are in direct contact with users.

For our users, we want to provide a great user experience that includes:

- professionalism, responsiveness, clarity and accessibility of information,
- data services and interactivity, partnership, two-way communication, and
- personal treatment (personalization).

As part of its sustainability strategy, the company is already working closely with the environment in which it operates. In the future, Elektro Maribor d.d. will make even greater use of its role and position in the environment and will be even more closely linked to local communities, educational and professional institutions and the economy. This way, we will maintain our role in the field of development and cooperation in projects.

More broadly, given the current geopolitical situation, it is expected that future measures in the EU and in our country will also focus on establishing mechanisms for the competitiveness of the economy and the protection of consumers, i.e. our household customers. This means that in the coming period we can expect legislative changes aimed at a reliable and stable supply of electricity at affordable prices. Our task, however, is to respond to changes, both in terms of preparing information support and in terms of changes in processes.

Our mission is to “operate, maintain and develop a modern electricity distribution system in a sustainable and efficient manner”. Our core mission is based on our values of responsibility, quality and connectivity.

Network development and connection of customers and producers is shown in Chapter *Electricity distribution*.

4.3.1.1.1 Relationships with network users

We collect feedback from our users through surveys, call center, complaints, questions or requirements and individual conversations, which allows us to better understand their needs, which we also take into account when preparing the REDOS study. We also conduct annual polls with electricity suppliers.

Information of network users is carried out within work processes, through call center, personal customer visits, e-mail *info@elektro-maribor.si*, website: *www.elektro-maribor.si*, web and mobile portal eStoritve, web and mobile portal Moj elektro and partner radio stations.

In 2024, the company recorded 53,122 calls to its free phone line for the notification of defects and interruptions (080 21 080, works 24/7), whereby the service level indicator amounted to 75%, meaning that the mentioned share of customers reached the operator within a minute. The number of calls primarily depends on weather conditions and disconnections due to urgent maintenance works.

The Company recorded 18,066 calls to its free phone line for general information (080 21 01), whereby the service level indicator amounted to 94%, meaning that the mentioned share of customers reached the operator within a minute.

Users were kept informed of the option to subscribe to free-of-charge notification about planned and unplanned interruptions in electricity distribution by email and/or via a text message. The number of measuring points included in the notification is growing year by year. In 2024, the number of users of My Elektro portal increased the most (by 56%), as compared to 2023.

Our employees are trained in customer communications. On-call staff have the possibility to work from home (VPN access). This has significantly reduced the time it takes for the on-call operator to respond to calls in the event of a widespread failure of electrical equipment. In the call centre we use the CREM application developed by Elektro Maribor d.d. It records all contacts with customers in the form of an event or request. The claims are submitted to competent services, where they are finally processed and completed.

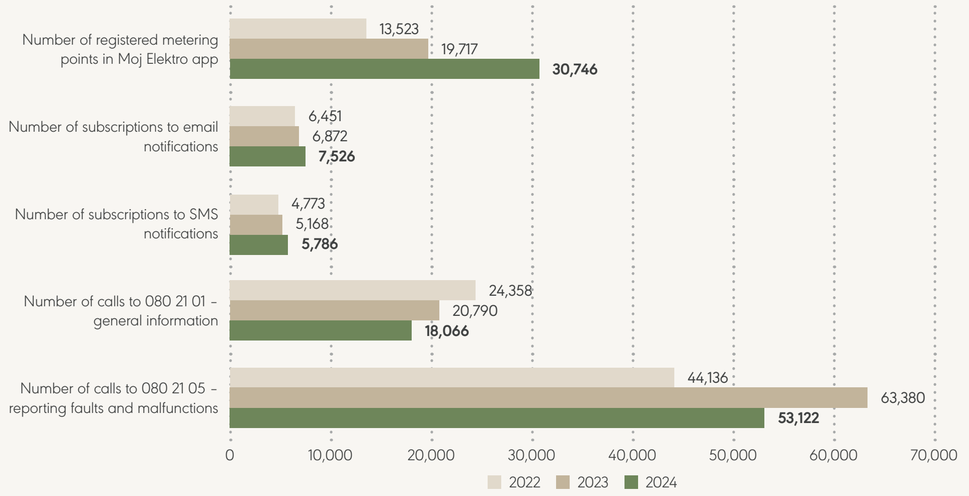
We also conduct a survey of electricity suppliers annually, which are also directly related to our users. The subject of the survey is supplier satisfaction with various services we provide in a regulated activity. The questions concerned billing, switching suppliers, disconnections, handling claims and provision and transmission of information. They also included assessments of professionalism and responsiveness.

The questions were sent to 14 active suppliers. We received answers from eight suppliers. These eight suppliers have a combined market share of 94% in the area of Elektro Maribor d.d. Where an individual supplier returned more than one completed questionnaire, the average of individual supplier's results was used in the calculation. Suppliers rated satisfaction using a five-point rating scale (5 = very satisfied, 1 = very dissatisfied). The survey was anonymous. The overall average score for all the areas was 4.2, with all areas characterized by the fact that professionalism was better than responsiveness.

Relationships with users of the distribution system

Distribution system users (customers, producers and sellers of electricity)	Personal treatment, professionalism and accessibility and proactivity in the content under consideration	Personal contact
	Provision of information, responsiveness and proactivity in dealing with content	Email and classic mail
	Provision of information in the event of power outage and other information	Call centre
	Provision of reliable data support and data access	Web and mobile applications Moj elektro and eStoritve
	Provision of information on announced power cuts	Radio announcements about power cuts
	Provision of information on the operation and business of the company, price lists, forms and other information	Website
	Expressing satisfaction and making suggestions and comments	Surveys

Contacts with network users



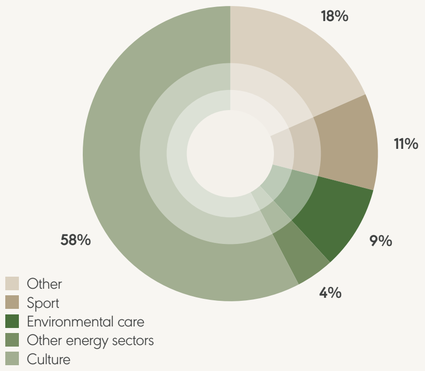
4.3.1.1.2 Relations with the media, local communities and non-governmental organizations

We communicated with the media and indirectly with users about current events in the company by answering press questions, giving press releases and statements to the media, and through news and content published on the company's website. Together with all three schools of electrical engineering in our area, we selected and rewarded the best pupils and also encouraged interest in achieving good academic results.

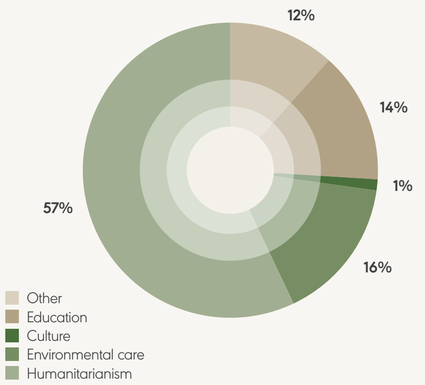
We have provided communication support for various activities of the company, such as: the signing of a cooperation agreement between Elektro Maribor d.d. and the University of Maribor, a joint exercise of all electricity distribution companies in the installation of emergency pylons, the 110th anniversary of the public electricity distribution service in Maribor and the publication of the brochure "Green Future Network" by the Energy Agency. On the radio station and on our website, we published daily scheduled outages, as well as the current state of the network in graphical and tabular form on a special subpage.

Part of the relationship with local communities and NGOs are also sponsorships and donations, which in 2024 will be directed mainly to professional activities in the industry, humanitarian and firefighting organisations, and traditional events in the company's supply area. We've also updated the rules on sponsorships and donations.

Distribution of sponsorships by purpose in 2024



Distribution of donations by purpose in 2024



4.3.1.1.3 Expectations, interests and rights of stakeholders

What matters to the company is how the strategy and business model affects our users. As part of the preparation of business plans, special attention is paid to the field of implementation of investments in the upgrade and modernization of the distribution network and to the improvement of its resistance to changed and increasingly demanding weather conditions.

In 2025, the company's sustainability strategy will be analysed for the first time and complemented accordingly with regard to the sustainability topics of interest and involvement of stakeholders. We will also change the business model in the event of deviations and changes due to internal or external circumstances.

Although consumers and end-users may not be directly involved in shaping our strategy or business model, we do collect their feedback through surveys, market research and user experience analysis. When integrating positions, we also take into account the views of their representatives, such as consumer organizations and other interest groups. These insights are key to making decisions that affect the improvement of products and services and the elimination of potential risks. The needs of the users have also been identified in the context of the Network Development Plan. We are committed to reconstructing the existing and building a new one, which will be adapted to the new requirements and needs of users.

We meet the expectations of our stakeholders, whether expressed directly to us or through the media, by examining their expectations within the legal framework and, in this case, also by optimising e.g. processes or digital content. In the specific case, in 2024, we analysed the user experience of the My Elektro web portal, the implementation of which follows in 2025.

The company is committed to respecting the human rights of consumers, including the right to security and privacy, as defined in Electricity Supply Act, by-laws and Acts adopted by the Energy Agency of the Republic of Slovenia. Our services and products comply with legal and regulatory requirements, while taking additional measures to protect the privacy of user data. We provide users with access to reliable information about our products and services, enabling them to make informed decisions. We pay particular attention to vulnerable groups of consumers in order to ensure fair treatment and access to our services. With this approach, the company ensures that the interests, views and rights of consumers and end-users are properly integrated into strategic decisions and business processes, which strenghtens their satisfaction and a trust-worthy relationship with our brand.

4.3.1.2 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (ESRS-2 SBM-3 S4)

The IRO assessment identified the following important impacts in relation to customers and end-users:

- Access to quality information.

Identified impact on customers and users

Stakeholders	Description of impact	Impact on strategy and business model
Users, business partners, regulators and national institutions	**Access to (quality) information**. The company provides customers with access to measurement data in the web and mobile application, publishes outages on radio and websites, notifies larger customers directly about outages, uses SMS notification and provides customers with access to quality information in the call centre.	Impact is linked to strategy. SG2: Development of a reliable and efficient sustainable distribution system. The impact is based on a business model.

The IRO assessment identified the following risk in relation to customers and end-users:

- Recruitment, employment of professionally trained staff.

INDICATOR from the strategy: Network cabling
Description of indicator: length of underground MV and LV cable network / total length of LV- and MV-omrežje
TARGET: 2025: 56.25%.

Identified risk to buyers and users

Stakeholders	Description of risk	Integration with the strategy of Elektro Maribor d. d.	Impact on strategy and business model
Distribution system users, media, employees	**Network cabling, development of smart networks and digitalisation.** Network cabling, the development of smart networks and the digitalisation of the network offer opportunities to improve services for end-users, increase energy efficiency and enable personalised services (introduction of new technological solutions that will allow different combinations of distributed resource connections to the distribution network, uniform and efficient two-way communication with customers, simplified procedure for obtaining documents for spatial interventions, implementation of campaigns to raise awareness among customers about having a more active role).	**SG2 - 2 - C** The company is not recognised in the environment as a platform for the energy transition. The use of new technologies, demanding investments and demonstration and pilot projects for new energy services are not on the map. **SG2 - 5 - A** Achieving cost efficiency through process automation and artificial intelligence is neglected and overlooked. Under-optimisation of processes	Risk is linked to strategy. SG2: Development of a reliable and efficient sustainable distribution system. The risk is based on a business model. **INDICATOR from the strategy: Network cabling** Description of indicator: length of underground MV and LV cable network / total length of LV and MV network TARGET: 2025: 56.25%

As an electricity distribution company, we are therefore very closely linked to users, including households, businesses and industry, which are direct users of our electricity distribution service. Our strategy and business model are geared towards ensuring a reliable, secure and sustainable supply of electricity, which affects all segments of our customers. Material impacts include:

- **Reliability of electricity supply** End-users are highly dependent on an uninterrupted supply of electricity. Any disruption of supply negatively affects their daily lives, production processes and business operations. Our business model is based on improving the resilience of the network, reducing the risk of outages and failures.
- **Prices**: Our business model involves efficient management of the distribution network to ensure acceptable network charges for the use of the distribution network. Changes in costs resulting from investments in sustainable projects or increased maintenance costs may affect consumers through distribution network charges.

Strategy adjustment: Our impacts on consumers and end-users are reflected in a strategy with a long-term focus on developing a sustainable network which enables better energy distribution, less losses and greater reliability. In addition, our strategy is tailored to include the possibility of switching to renewable energy sources, enabling the role of an active user, which will have a positive impact on end-users through more sustainable supply and lower emissions.

Our company has a significant impact on a wide range of users, including:

- **Households**: Households are the most sensitive group affected by power cuts and cost increases, especially vulnerable individuals such as the elderly, children or financially weaker households. For these users, it is critical to ensure a reliable, stable and cost-effective supply of electricity.
- **Industrial and other business users**: Their business depends heavily on a reliable energy supply. Any power outage can cause high losses and jeopardize business continuity.

The company strives to ensure a reliable and affordable supply of electricity, aimed at reducing the frequency and duration of interruptions in supply and improving the quality of service for all users in line with the objectives mandated by AGEN-RS.

The quality of supply of electricity to consumers is shown in Chapter *Electricity distrbution*.

4.3.1.2.1 Positive and negative impacts

Business customers expect a quality and affordable electricity supply and guaranteed power, information protection, environmentally responsible behaviour, modern technologies, fair treatment, efficiency and non-bureaucratic relations, a proactive approach, green energy and support/participation in the implementation of the ESRS standards. Household customers expect pretty much the same. Electricity suppliers expect reliable data support, ease of procedures, quality of service, access to consumption data, advanced technology. Electricity producers expect cost-effective connections (RES), readiness and stability of the network for new renewable energy connections, partnership, environmental and regulatory compliance, modern technologies, efficiency and de-bureaucratisation.

Negative impacts:

- Power outages may result in financial losses, inconveniences and disruptions in daily life or business. It is important that such impacts are addressed through appropriate scheduled maintenance, capital maintenance and emergency response plans, which results in improved resilience of the distribution system. The continuity of power supply is monitored through the already mentioned indicators of continuity of supply.
- Non-discrimination between consumers is ensured by respecting the relevant legislation. In the performance of all the services we perform, the same procedure must be followed for all users of the system. In the event of deviations, corrective measures prescribed by sectoral legislation or internal rules will be implemented.

Positive impacts:

- Our strategy, which includes digitalisation and smart networks, gives end-users greater control over their energy consumption, thereby reducing costs and increasing energy efficiency.
- Based on the legislation, we also provide measures to support vulnerable groups of users in the form of emergency supply.
- We provide users with access to (quality) information through written and oral communication, websites, social networks and publications in different media.
- Information-related positive impacts on consumers and/or end-users are reflected in user satisfaction, which is measured by conducting satisfaction surveys and analysing written and oral communication. Whenever dissatisfaction arises, it is checked on a case-by-case basis whether the service/activity has been performed correctly, after which appropriate actions are taken.

Network cabling, the development of smart networks and the digitalisation of the network offer opportunities to improve services for end-users, increase energy efficiency and enable personalised services (introduction of new technological solutions that will allow different combinations of distributed resource connections to the distribution network, uniform and efficient two-way communication with customers, simplified procedure for obtaining documents for spatial interventions, implementation of campaigns to raise awareness among customers about having a more active role).

In 2024, compared to 2023, the distribution system of Elektro Maribor d.d. has increased by:

- the length of the LV network by 94.6km or 0.7%, of which the length of the underground lines was increased by 219.1km or 2.7%, and the length of the overhead lines was reduced by 124.5km or 2.7%;
- the length of the MV cables by 42 km; and
- Number of MV/0.4kV, MV/0.95kV and 0.95/0.4kV transformer substations by 12 transformer substations.

4.3.1.2.2 Digitalisation of business

Our society addresses privacy issues relating to the digitization of the network and collecting energy consumption data. In doing so, we comply with the legislation. As part of the development of smart meters, we ensure compliance with data protection and privacy laws. This includes the protection of data on individual energy consumption samples and preventing unauthorized access to such data.

In the data protection rules, we provide more detailed information on the types of data and for what purposes, in the context of providing a reliable, safe, quality and sustainable distribution system, managing contractual relationships and marketing communication with clients and partners, and we have not forgotten the data protection provisions in using web pages either. In order to ensure the transparency of data processing, the rules also set out in more detail the essential data protection rights of individuals.

We have already integrated 99.6% of all measuring points in the distribution area of Elektro Maribor d.d. into the advanced measuring system. Elektro Maribor d.d. was the first electricity distribution company in Slovenia to start a systematic awareness-raising campaign to inform users about the advantages of the advanced metering system. Each user is informed by the post to replace the meter by mail, and each customer receives a free brochure on the topic of an advanced metering system and instructions for reading and using the circuit breaker. The brochure is also available online: *Brochure*.

In collaboration with the Distribution Academy, we have produced two videos on smart meters as part of the educational content for our users. The videos are available on the YouTube channel of Elektro Maribor d.d. (*Replacement of electricity meters with smart meters*, *Advantages of the advanced metering system*).

The introduction of advanced metering brings many benefits, including: better quality data due to remote reading, the possibility of measuring several tariffs and implementing measures to adjust consumption and control consumption, the possibility of remote disconnection and power limitation (if there is power outage because a customer has exceeded the purchased power, they can turn the power back on by switching the circuit breaker), faster detection of errors and thus reduction of network losses, possible connection with the metering of consumption of other energy products. It is also important for the customer to receive invoices after actual consumption, from the first to the last day of the month.

The establishment of an advanced metering system is of major importance for electricity distribution undertakings as well as for users of the electricity distribution network and the wider social environment. The investment will benefit not only the electricity distribution companies and other market players, but also all network users who will be included in the advanced metering system during this period. This investment will encourage system users, as well as other key players in the electricity market, to adapt more actively to market conditions. The trend in the share of measuring points in the advanced measurement system and the share of G3 technology counters is shown in Chapter *Measurement of electricity and provision of measurement data*.

We pay particular attention to the development and use of digital platforms for our users, through which we also obtain feedback.

Moj elektro

A free web (*www.mojelektro.si*) and mobile application Moj elektro is available to provide easy access to measurement and other data. The mobile application is accessible via Google Play (Android) and APP Store (IOS). Users can access their measuring data, regardless of the electrical distribution area or supplier. The portal is aimed at end-users (customers and electricity producers) and is thus one of the services of the Single Access Point of the National Data Hub.

The advantage of the portal is that it brings together all measuring stations in Slovenia and enables a user to have a uniform access and display of measurement data regardless of the distribution area or the electricity supplier. It is also possible to submit powers or rights to third parties.

In 2024, we completed an analysis of a user experience, which will be the basis for further improvement of the application. In particular, we want to improve the transparency of information and to use two-way communication as much as possible, thereby building partnerships with users. Some amendments have already been made, while others follow in 2025. We have upgraded the My Elektro web application in terms of support to the new tariff system. 30,746 measuring points from the area of Elektro Maribor d.d. were included in the portal Moj elektro as at 31 Dec 2024.

Within the My Elektro portal, it is also important to us to obtain feedback from our users, which is done in the form of a short survey and in the form of suggestions and comments.

Central Electricity Portal of Slovenia (CEEPS)

While the Moj Elektro portal is intended for users, the CEEPS portal is intended for other participants in the electricity market. In doing so, we aim to optimise the exchange of data between market players, to exploit the opportunities offered by the level of digitalisation already achieved, and to maintain our strategic role as the initiator and provider of comprehensive technologically advanced B2B solutions for the exchange of data with other participants in the Slovenian organised electricity market.

Web portal Moj elektro

Moj elektro survey

Q1	How would you assess the following statements										
	Sub-questions	Answers									
		I disagree		I partly disagree		I partly agree		I agree		Total	
Q1a	I visit the website to monitor electricity consumption	133	4%	82	3%	346	11%	2,465	81%	3,026	100%
Q1b	I visit the website because of the new tariff system	213	7%	141	5%	561	19%	2,111	70%	3,026	100%
Q1c	I can find all the information I need on the website	743	25%	391	13%	924	31%	968	32%	3,026	100%
Q1d	The website lacks transparency	607	20%	434	14%	956	32%	1,029	34%	3,026	100%

4.3.1.2.3 Vulnerable users, risks, opportunities

In addition, we pay attention to vulnerable groups of consumers who may be more exposed to negative impacts, such as:

- **Socially vulnerable users**: They are more sensitive to price increases for the use of the distribution system and to changes in distribution services, and therefore, in addition to sustainability, we pay particular attention to the cost-effective construction and maintenance of the distribution system.

Our dependence on consumers and end-users brings a number of important risks and opportunities:

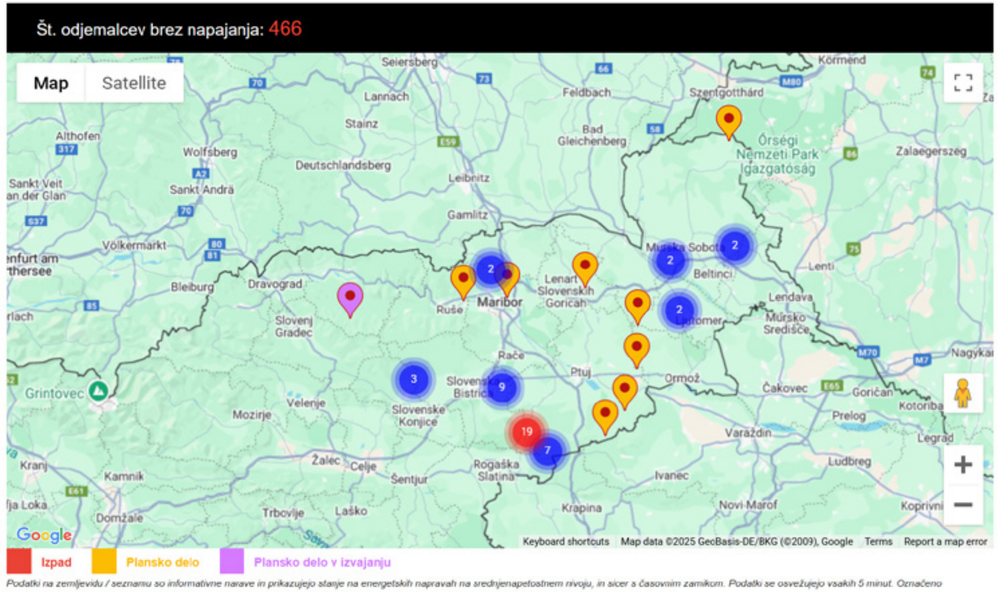
- **Risks**: More significant risks include widespread and long-term power outages, which can have negative impacts on the health, safety and economic performance of electricity customers. They also pose the risk of increasing demand for renewable sources, as companies and individuals seek to meet sustainability objectives, among others, by increasingly relying on green energy. If the electricity distribution network (EEE) does not allow the connection of RES, there will be an increase in dissatisfaction and pressure from companies and individuals after the strengthening of the EEE upgrade.
- **Opportunities**: Network cabling (the network cabling indicator), the development of smart network and the digitalisation of the network offer opportunities to improve services for end-users, increase energy efficiency and enable personalised services (introduction of new technological solutions that will allow different combinations of distributed resource connections to the distribution network, uniform and efficient two-way communication with customers, simplified procedure for obtaining documents for spatial interventions, implementation of campaigns to make consumers aware of their more active role).

In our impact analysis, we have identified some vulnerable groups that are more exposed to risks and developed specific programmes to reduce the negative impacts. These include:

- **Financially vulnerable users**: They are more sensitive to network prices and have less access to energy-efficient programmes. They may also be less digitally literate. Our strategy encourages the economy and the population to reduce energy consumption or to increase the efficiency of electricity use.
- **Users with medical conditions**: Persons who rely on electricity-dependent devices (e.g. medical equipment in homes) are more vulnerable to power outages. Therefore, we are introducing special measures such as priority direct notification and support in case of need to ensure uninterrupted electricity supply.

In the case of Elektro Maribor d.d., we have already identified an increased risk due to climate change, which has increased the likelihood of extreme weather events and the resulting power outages. We are responding to this by investing further in network resilience and developing new technologies to address failures more quickly. We also see an increasing opportunity for further development of digital solutions that enhance user experience and enable better service adaptability to individual user needs.

To this end, we provide our users with a free, personalized notification about planned work and outages at MV level. Notices are sent by a text message and/or email. Further, on the website *Map of Planned Work and Outages for the Current Day* we have published an outage map with listed transformer substations where unplanned outages have occurred and the areas where planned work is already being carried out or is planned.



Map of planned work and outages for the current day

4.3.2 Management of impacts, risk, and opportunities

4.3.2.1 POLICIES RELATED TO CONSUMERS AND END-USERS (S4-1)

Sustainable Development Strategy - the new Sustainable Development Strategy of Elektro Maribor d.d. for the 2024-2028 period, adopted on 22 February 2024, is based on strategic guidelines that prioritise the implementation of sustainable development, the development of a reliable and efficient sustainable electricity distribution system and management and the development of human capital in a healthy and motivating working environment. On the basis of the adopted Strategy, we will implement the necessary processes and activities to manage a safe, reliable and advanced sustainable distribution system in a transparent and efficient manner. The goal is successful business and development of a wider social environment where Elektro Maribor d.d. operates.

Protection and rescue plan - sets out the procedures and priorities for the protection and rescue of electricity supply to customers in emergency situations.

Data protection rules when using websites and services - the Data Protection Rules set out in more detail the information on the types of data we process and for what purposes, both in the context of ensuring a reliable, secure, high-quality and sustainable distribution system, the management of contractual relations and marketing communications with customers and partners, and we have not forgotten the data protection provisions in using web pages either. In order to ensure the transparency of data processing, the rules also set out in more detail the essential data protection rights of individuals.

4.3.2.2 PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS (S4-2)

All the information users need is available on the company's website or through the information offices or the head office to be established in 2025. Otherwise, we also provide users with the possibility to inform consumers directly by text message and e-mail in the event of a power outage or planned outage. The Moj Elektro application is available for measuring point and consumption information.

The development of applications for the distribution system is shows in Chapter *Electricity distribution*.

4.3.2.2.1 New tariff system

The electricity distribution companies, grouped under the Electricity Distribution Economic Interest Grouping (GIZ DEE), together with the combined transmission and distribution system operator ELES, have successfully implemented the new electricity billing. The information support, which we carried out with the help of our subsidiary Informatika, was one of the largest information projects to date, both in scale and complexity.

Network tariffs are very important for the energy transition, as they have to ensure efficient use of the network, while being simple, transparent or understandable as well as acceptable to users.

The new tariff system with charging based on 15-minute values, five time blocks and the “agreed power” system and with “excess power” charging in accordance with the new billing methodology adopted by the Energy Agency of the Republic of Slovenia entered into force on 1 October 2024.

In introducing such far-reaching changes, it is important to be aware that this is not only an economic, regulatory and technological challenge, but also a societal challenge that will affect every user, be it a household or a business customer, and that the project therefore required a holistic approach to information, both for employees and the public.

For the purposes of switching to a new tariff system, in 2024, EDCs, together with ELES d.o.o. and Informatika d.o.o., carried out:

- Measurement data processing platform; this is the establishment of a platform for the storage, validation and replacement of measurement data.
- Network charge; this involves the preparation of functional and technical specifications and implementation of solution.
- Upgrade of Single Access Point; this is to adapt the single access points (Moj Elektro portal, CEEPS portal, B2B services) to the new legislative changes.

4.3.2.2.2 Cooperation with end users

8.3.2.2.2 Cooperation with end users

Elektro Maribor d.d. cooperates with end-users in several ways. For the requirements regarding changes in measuring points and connection procedures, the B2B channel is used through suppliers or forms or applications on which users record the desired changes. The application initiates an appropriate procedure, which is the same for all users and is prescribed by sectoral legislation. In the construction and maintenance of the distribution system, users must be informed in good time of expected power outages. For large customers, the dated are aligned, where possible. When planning and coordinating the routes of new cables, obtained easements must be taken into account. Easements are obtained in agreement with landowners.

In most cases, cooperation is carried out directly with users or their authorised representatives. The beneficiaries are typically design engineers (before obtaining a building permit) or contractors (e.g. in case of individual power stations).

In the context of connection procedures, so-called oral hearings are conducted, where appropriate, in which the conditions for granting consent to connection are presented to the user and, where possible, coordinated with the user. There may also be a meeting with a user in case of complaints. Notification is used for cases of planned power outages. Communication also takes place through a call center, information offices or a main office that will be formed in 2025.

Users have the possibility to appeal against the consent for connection issued. Their complaint is dealt with in accordance with the procedure laid down by the sectoral legislation (Administrative Procedure Act - ZUP). If determined that the user's position/proposal can be taken into account within the framework of the legislation, it shall be taken into account. The same applies to other activities carried out by the electricity distribution company. Examples of good practice are transferred to ongoing practice.

In cases of changes to the measuring point and the connection procedure, cooperation is carried out at the request of end-users. In the construction and maintenance of the distribution system, cooperation is carried out at the initiative of the company. Examples of good practice are taken into account when planning approaches.

Several departments work with end users. The Metering Service is involved in the replacement of meters and the provision of data services; network billing falls under the scope of the Billing Service, the connection and information procedures (info office and call centre) can be obtained from the Connection and Information Service, for the construction of the network - the Investment Service, in the event of power outages - Operations Service (DCV), for the issuing of connection approvals - the Distribution Network Development Service. The staff receive regular training to carry out these tasks and to communicate appropriately with end-users.

The company regularly provides staff capacity building through regular education, workshops, training and knowledge transfer between colleagues.

We pay particular attention to vulnerable groups of consumers in order to ensure fair treatment and access to our services.

Households: The most vulnerable group affected by power cuts and cost increases are particularly vulnerable individuals such as the elderly, users with health problems, children or financially weaker households.

Based on the legislation, we also provide measures to support vulnerable groups of users in the form of emergency supply. The Energy Supply Act (ZOEE) also addresses the issue of energy poverty. On this basis, we also receive feedback from these vulnerable groups or their views. The energy poverty problem is being addressed through changes at the national level, which we support. Also, legal amendments regarding urgent and emergency care will also be required.

As regards the website, Elektro Maribor d.d. is committed to making the website accessible to all users www.elektro-maribor.si in accordance with the Accessibility of Websites and Mobile Applications Act (*Accessibility statement*).

Categories of vulnerable users and measures:

- **Socially vulnerable users**: They are more sensitive to price increases for the use of the distribution system and to changes in distribution services, and therefore, in addition to sustainability, we pay particular attention to the cost-effective construction and maintenance of the distribution system. We offer help and advice on the use of digital services to vulnerable customers who may not be very digitally literate. Additional information is also provided to all other vulnerable groups via the toll-free number of our call centre or in person by visiting the information office of Elektro Maribor d.d.
- **Financially vulnerable users**: They are more sensitive to the prices of network charges and have more difficult access to energy-efficient programs. Our strategy encourages the economy and the population to reduce energy consumption or to increase the efficiency of electricity use. Vulnerable customers also turn to the company with requests to defer the disconnection requested by the electricity suppliers due to unpaid bills for the electricity supplied. In such cases, we inform them of the possibility of involving social work centres and refer them back to the electricity suppliers, who then try to involve the relevant social work centres in the debt recovery, depending on the situation.
- **Users with medical conditions**: Persons who rely on electricity-dependent devices (e.g. medical equipment in homes) are more vulnerable to power outages. Therefore, we are introducing special measures such as priority direct notification and support in case of need to ensure uninterrupted electricity supply for the cases known to us. Here we see an opportunity in the future for a central register of such cases, which is of course related to the protection of personal data and we will study it further.

The legislation specifies two instruments, i.e. Emergency supply and auxiliary supply. If the user submits a request and meets the prescribed conditions, the electricity distribution company may provide him with the supply of electricity through these two instruments.

Vulnerable customers also turn to the company with requests to defer the disconnection requested by the electricity suppliers due to unpaid bills for the electricity supplied. In such cases, we inform them of the possibility of involving social work centres and refer them back to the electricity suppliers, who then try to involve the relevant social work centres in the debt recovery, depending on the situation.

We offer help and advice on the use of digital services to vulnerable customers who may not be very digitally literate. Additional information is also provided to all other vulnerable groups via the toll-free number of our call centre or in person by visiting the information office of Elektro Maribor d.d.

Part of social responsibility is also donations that we also gave to humanitarian organizations in 2024. In 2024, the share of donations for humanitarian organizations (Red Cross, Caritas) was 57%. We will focus more on in the future.

The effectiveness of cooperation with consumers/ end-users is monitored through a number of key performance indicators (KPIs), notably in the framework of Commercial Quality. We also have other indicators, accompanied by management, ELES, the competent ministry and the Energy Agency.

The views of end-users have been taken into account in those oral hearings and appeals against the issued Connection Agreements where the possibility of connecting was initially rejected, but granted after further consideration. Consequently, the company has carried out the necessary or agreed actions related to the connection.

All complaints are recorded and addressed, including many areas of work in the company. The procedures also provide feedback and remedial measures. There are also two higher complaint-handling organisations, i.e. ELES and the Energy Agency of the Republic of Slovenia.

The goal of resolving complaints is to ensure that we record all contacts with clients, analyse them, take appropriate measures and optimize work processes in terms of improving the quality of our work and increasing users' satisfaction regarding the activity of our company. Complaints are resolved according to the content of the complaint by heads of competent departments within the company, who submit documentation to the directors for a particular field.

In our day-to-day business, we are committed to respecting standards. So far, we have not detected any violations of human rights or safety standards in our dealings with users and consumers.

The company complies with all regulations adopted in the Republic of Slovenia on the basis of the Guiding Principles on Business and Human Rights and National Action Plan on Business and Human Rights (NAP) and which are binding on the company. Elektro Maribor d.d. is a signatory to the Commitment to Respect Human Rights in Business, under which it has undertaken to implement the measures set out in NAP to respect human rights in business gradually and at the latest within three years of signing the declaration. On the basis of that commitment, the company appointed a human rights ombudsman, included human rights reporting in the annual and sustainability report and established an internal complaint mechanism.

The company has formal procedures in place for cooperation with end-users, which are regularly updated, improved and newly developed in line with good practice. In 2025, the plan is to establish a head office with upgraded communication with users in the form of an AI agent. The renewal of the Moj elektro portal is also planned, in line with the findings of the user experience analysis.

4.3.2.3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS (S4-3)

The company makes various efforts to implement various remedies when negative impacts occur to consumers or end-users: the company identifies negative impacts through internal and external audits and assessments and due diligence, as well as through feedback or complaints from users. We have established complaint channels to enable any external stakeholder to provide feedback, report errors or adverse impacts.

Through due diligence, the company addresses problems in its chain, in particular with regard to risk assessment and the planning of remedial measures. We need to implement the concrete measures taken in order to ensure that these negative impacts are felt and at the same time that they are eliminated and that new ones are prevented. It is also crucial in remedial proceedings that the company has a control procedure in place to monitor the implementation of remedies.

Furthermore, communication and feedback to users, which must be transparent, are essential in addressing negative impacts.

We are available to customers in person, by regular mail or e-mail, and through the information desk (future head office), a call centre where staff receive and resolve claims, provide information on planned outages, answer general customer questions, and communicate regularly with field workers and electricity suppliers. The website, where we provide up-to-date content on all the company's activities with the associated information and instructions needed by network users, is used as a tool to communicate with different audiences. For users, the most interesting aspect of the website is certainly the network status information (outage notifications). Many users also use the Moj elektro website and mobile app. On the website we publish all the information required by us by the SDH d.d. operator and those who are obliged to publish such information under the Access to Public Information Act. Informing customers of planned outages is essential to ensure that all work on electrical installations can be carried out safely and in the shortest time possible. The works are carefully planned, so we inform the customers about the interruption of the electricity supply at least 48 hours before the interruption. Planned outages are announced on the company's website and radio stations. A web-based application is also available to customers to notify them of planned power cuts. By registering, they receive a notification to an e-mail address or a text message to a mobile phone.

List of processes: The company has clear guidelines on how to handle complaints. These include procedures for reporting complaints, responsibilities of staff and time frames for resolving issues.

Employee training: We train employees in handling complaints, including an understanding of complaint procedures, communication skills and empathy for clients.

Establishment of accessible channels: The company provides various channels for complaints, such as telephone lines, e-mail or personal contacts.

Systematic collection of feedback: We regularly collect feedback from users and partners, which enables us to identify problems and improve our complaint mechanisms.

Analysis and reporting: The company regularly analyses complaint data to identify patterns and areas for improvement.

Ensuring transparency: It is important that the company communicates clearly about its complaint procedures and results, which increases the trust of end-users.

Users are informed about the contact channels. We treat any report with care and confidentiality, whilst ensuring full protection of reporting persons against retaliation.

Network users may be informed by telephone, in writing, by electronic media, at fairs, by other media (radio, television) or in person at the employee's place of work. If the client wants an explanation for which the clerk is not responsible, he/she refers him to the service or department of the area responsible for solving a particular issue. Employees are equipped with posters and printed materials to provide better information to network users, and have other staff and a knowledge base with detailed instructions available for all questions. The company endeavours to inform network users about its offer and to spread their knowledge in the media, by means of information leaflets, on the back of invoices, on the website, by means of various events, with the aim of building trust and good reputation.

Concerns are received in writing by e-mail or in the form of a letter received by post. Complaint books are available in office buildings where customer offices are located. Complaints from the complaints book should be taken into account and dealt with appropriately if they contain any concrete information necessary to provide a response. The procedures for dealing with complaints are different, depending on the type of appeal, the legislation and other rules, and the staff dealing with complaints are obliged to know and comply with them. Each complaint must be analysed and its eligibility established, whereupon a complaint is reviewed within the legal or agreed deadline,. The criteria as laid down in the legislation are taken into account in order to determine the eligibility of the complaint. We also carry out surveys with users - these are surveys on the services provided and a survey on the operation of the Moj elektro web portal.

4.3.2.4 TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS (S4-4)

In order to prevent or reduce significant negative impacts on users, call centres and information desks are available, which are important entry points for communication with users.

When receiving a call, in case of an office visit or receipt of a written request, the employee checks that the user is entitled to the requested information. If the customer does not have the data requested, he must obtain it; if the customer is entitled to the data, we provide it. If something needs to be verified on-site, the request is opened and forwarded to the competent service. The user information offices are located at the premises of the Management Board and five Regional Units. The largest part of counselling relates to the process of obtaining documentation for connecting the measuring point and changes to the measuring point and providing information upon outages.

We assist clients in completing applications, accept and verify that they are correctly completed, invite them to complete them and then forward them to the filing office or to the competent service.

In their work, all employees comply with the applicable legislation and provide information to users in accordance with the GDPR Regulation. Preventive measures include informing users through the website or other media.

Call center employees and information offices are trained to work with clients. Particular attention is paid to improving the user experience and upgrading digital communication channels. Today, the distribution-to-user relationship is (or should be) much more partnership-based than in the past, and this should be reflected in the manner of work and communication. Timeliness, clarity and easy access to information must be at the forefront. All staff will play an important role in this, not just those who are in direct contact with users.

In 2025, the Moj elektro web application will be upgraded, in line with the user experience analysis already carried out. The Digitalni monter project will also be implemented in 2025, and by the end of the year we will also plan the introduction of the main office and in the context of this AI agent (conversation + text agent). The rest is already described in the chapter Development of applications for the distribution system.

In 2024, we organized workshops for professional departments of Elektro Maribor d.d. covering all the data sources we use at work and all types of data belonging to recognized sources. We process the personal data of users for the purpose of our contractual relationship, for the purpose of managing a reliable, safe, quality and sustainable distribution electricity system, and for the purposes laid down by the legislation. We do not use this information for marketing purposes.

No consumer-related incidents were detected in the company in 2024. Should incidents occur, they would certainly provide a basis for changes to prevent similar problems in the future. In order to manage information incidents, the company has an incident response plan, which is in line with ISO/IEC 27035. The plan covers the phases of Preparation, Detection and Reporting, Analysis and Decision-making, Response, Communication and Reporting and the Learning and Improvement phase. The Learning and Improvement Phase defines procedures for analysis and improvement to avoid such incidents in the future.

We offer help and advice on the use of digital services to vulnerable customers who may not be very digitally literate. Additional information is also provided to all other vulnerable groups via the toll-free number of our call centre (faults can be reported 24/7) or in person by visiting the information office of Elektro Maribor d.d.

Vulnerable customers also turn to the company with requests to defer the disconnection, which is the result of terminated contract with the supplier. In such cases, we inform them of the possibility of involving social work centres and refer them back to the electricity suppliers, who then try to involve the relevant social work centres in the debt recovery, depending on the situation.

Changes are made on the basis of experience, but also on the basis of the results of assessments or internal and external audits and the like. In doing so, we monitor the results and adapt the measures with the aim of optimising and maximising the user experience, while of course taking into account the sectoral legislation, which is often a constraint. Changes can only be achieved through a clear process organisation, internalisation of values by all employees, knowledge transfer between employees, investment in employees, adaptation to new ways of working, clear and uniform rules and instructions for work, and good information flow and digitalisation of operations.

4.3.3 Metrics and targets

4.3.3.1 TARGETS RELATED TO MANAGING MATERIAL IMPACTS, ADVANCING POSITIVE IMPACTS, AS WELL AS TO RISKS AND OPPORTUNITIES (S4-5)

The company manages the number of complaints in compliance with legislation and internal acts, with all customers being treated equally. The company continuously strives to provide updated information and services to consumers through its websites, social networks and media. In 2024, we performed an analysis of the Moj elektro user experience, which will be transferred to production in 2025. A Big data processing centre will also be established.

By renewing and strengthening the network, the company reduces power cuts and the possibility of connecting renewable sources, thereby ensuring customer satisfaction.

The company is constantly improving the ways it informs customers. The long-term objective of the company (2028) is the interconnection of the medium-voltage electricity network, which will improve resilience and increase capacity. Consequently, the construction of a robust network and the maintenance of the existing network in good condition also improve the quality of the continuity of power supply. he company also has a long-term objective of reducing losses in the network. The short-term objectives include the provision of at least 90% of measuring points with at least 90% completeness of detailed 15-minute data. The establishment of a Head Office and a Big Data Centre is also among the short-term objectives.

The company has specific objectives, which are either set out in legislation or in our user feedback or market research. With this approach, the company ensures that the interests, views and rights of consumers and end-users are properly integrated into strategic decisions and business processes, which enhances their satisfaction and trust-worthy relationship with our brand. We collect feedback from our users through surveys, call centres, complaints, questions or requests, and one-to-one interviews, which allows us to better understand their needs, which we also take into account when preparing the REDOS study. We also conduct annual surveys of electricity suppliers.

Although consumers and end-users may not be directly involved in shaping our strategy or business model, we collect their feedback through surveys and user experience analysis. When integrating positions, we also take into account the views of their representatives, such as consumer organizations and other interest groups. These insights are key to making decisions that affect the improvement of products and services and the elimination of potential risks. The needs of the users have been identified in the Network Development Plan. We are committed to reconstructing the existing and building a new one, which will be adapted to the new requirements and needs of users.

We know that a satisfied customer is the key to the company's performance. Monitoring the company's performance in the event that users are involved in certain changes and improvements is also emphasised publicly, namely at professional meetings and conferences. In particular, this response is at its highest in the case of the annual survey of electricity suppliers and the regular monthly meetings with their representatives (electricity suppliers section). In these processes, we improve B2B communication with suppliers, we test new systems together, we learn about new developments, which ultimately affects greater satisfaction of users, since in the vast majority of cases the final invoice for the user is issued by the electricity supplier.

We meet the expectations of our stakeholders, whether expressed directly to us or through the media, by examining their expectations within the legal framework and, in this case, also by optimising e.g. processes or digital content. In the specific case, in 2024, we analysed the user experience of the My Elektro web portal, the implementation of which follows in 2025. We offered the portal to different types of users for testing and received very useful feedback to improve the user experience. We also take into account the needs of the community when designing the REDOS study. We also try to include user feedback in a meaningful way in the implementation of processes or in proposals for legislative amendments when a law, act or regulation is being opened.

In the strategy, together with our users, we also define participation in projects, systematic notification and awareness of users regarding electricity use.

4.3.4 Additional disclosure requirements from sectoral ESRS ES

This is not available yet.

4.3.5 Any additional information, specific to S4

Further, we would like to highlight two additional but important areas, namely the area of commercial quality and the area of cooperation with business partners.

4.3.5.1 COMMERCIAL QUALITY

Commercial quality is the quality of the non-technical services we provide to our customers. It is measured by the response time for the execution of each service and is regulated by the Energy Agency by defining two standards:

- Guaranteed standards provide users with a specified response time for the activation of a connection, elimination of meter defects, answers to written questions and complaints.
- System commercial quality standards provide users with the quality of certain services with average values that are laid down for a particular area of services, such as the issue of a consent and contract for connection, resolution of deviations and complaints relating to voltage quality.

Commercial quality indicators for 2024

	Commercial quality parameter		Minimum quality standards (MQS)				Achieved values			Share of performed services	
			System or guaranteed standard	Required level of compliance [%]	Threshold	Unit	Number of all required or performed services	Number of cases above the Threshold	Indicator values	Up to and including Thresholds [%]	Above the Threshold [%]
Connection to the network	1.1.	Average time required to issue connection consent	S	95	20	Working days	4274	1437	22.1	66.4	33.6
	1.2.	Average time required to issue cost estimates or pro forma invoice for simple work	Z	100	8	Working days	755	25	3.12	96.7	3.3
	1.3.	Average time required to issue a connection contract for LV-system	S	95	20	Working days	529	1	3.41	99.8	0.2
	1.4.	Average time required to activate the connection to the system	Z	100	8	Working days	5617	562	5.16	90	10
Customer care	2.1.	Average time required to answer written questions, complaints or requests from users	Z	100	8	Working days	48848	6965	3.49	85.6	14.4
	2.2.	Average call retention time in the call centre	-	0	0	Seconds	71,188		40.8	-	-
	2.3.	Parameter for the level of call centre service	-	0	0	%	71188		0.93	-	-
Technical services	3.1.	Average time until power is restored in the event of a failure of the current limitation device (06:00 - 22:00)	Z	100	4	Hours	227	3	1.37	98.7	1.3
	3.2.	Average time until power is restored in the event of a failure of the current limitation device (06:00 - 22:00)	Z	100	6	Hours	11	0	1.49	100	0
	3.3.	Average time required to respond to a complaint regarding the quality of voltage	S	95	30	Working days	87	6	9.92	93.1	6.9
	3.4.	Average time required to resolve voltage quality deviations	S	50	3	Months	0				
Metering and billing	4.1.	Average time required to resolve meter failure	Z	100	8	Working days	88		4.6	93.2	6.8
	4.2.	Average time needed to restore power due to non-payment of a user	Z	100	3	Working days	1109	2	0.1	99.8	0.2

In 2024, due to the high volume of applications received for self-sustaining solar power plants, we did not fully comply with the standard "Average time required to issue connection consent" (see more on the number of applications in the chapter *Planning a distribution network development and connecting users*).

In 2024, we did not receive any claims for payment of cash compensation, nor were there any complaints in the area of commercial quality, which demonstrates our commitment to excellence in customer service.

4.3.5.2 COLLABORATION WITH BUSINESS PARTNERS

The company has adopted a Code of Conduct for Business Partners of Elektro Maribor d.d., under which all business partners are obliged to protect human rights (including in relation to their own employees and employees in the value chain). All business partners are encouraged to notify the company of any non-compliance or infringement of rights that they have detected.

In accordance with the company's transparent and open policy, all orders above EUR 1000 are published on the company's website. Hence, the Company enables a large number of providers to submit their proposals, which affects the scope of suppliers. Company suppliers are evaluated annually based on quality criteria, sales prices and attitude.. Procurement processes are carried out transparently through public procurement and records. In procedures below the threshold for public procurement (low-value procedures), the company implements competitive, transparent and clear procedures in such a way that, by publishing the requests on the company's website and by sending the requests to several tenderers, it ensures dispersion and impartiality in the selection process.

As an entity bound by public procurement, the Company published public procurement procedures pursuant to the applicable legislation governing public procurement (ZJN-3) and monthly public procurement time schedule. Public contracts are regularly posted on the Public Procurement Portal (enarocanje.si), the e-JN electronic public procurement portal and on the Company website. Public procurement is based on the principles of economy, efficiency, performance, provision of competition among providers, transparency, proportionality and equal treatment of providers. Various criteria are observed in public procurement, e.g. the lowest price, the most economically advantageous tender taking into account various criteria, calculation of costs in service life, etc. An important factor in the selection of a supplier is the Decree on green public procurement, in line with which the Company takes into account only those tenders that comply with the technical requirements laid down in the Decree.

On the website of Elektro Maribor d.d. (*Public contracts*) we publish on a regular basis data on all contracts concluded in the context of public procurement procedures and low-value procedures.

5 Information about Governance

5.1 BUSINESS CONDUCT (G1)

5.1.1 Governance: The role of the administrative, supervisory and management bodies (ESRS 2 GOV-1 G1)

The business conduct of Elektro Maribor d.d. is influenced by the management and supervisory bodies of the company, as they take decisions in accordance with their respective powers and responsibilities. In the context of these, they can influence the concept, implementation and control of:

- policies and strategies related to ethical and compliant business conduct, including aspects such as the fight against corruption, compliance with legislation and promotion of transparency;
- all aspects of ethical business conduct, which includes the endorsement of ethical business conduct policies, monitoring their implementation and ensuring that these policies comply with best practices and applicable legislation.

The management and supervisory bodies shall promote and develop, by their own example, a corporate culture that encourages ethical behaviour and a commitment to the consistency of the company's operations among employees. Leadership by example is demonstrated by the conduct of managers who use their example to influence employees so that they adopt their patterns of conduct in their work.

5.1.1.1 BUSINESS CONDUCT EXPERTISE OF MANAGEMENT AND SUPERVISORY BODIES

The Management Board and members of the Supervisory Board have expertise and experience in business conduct and specialised knowledge in the field of corporate governance, ethical business conduct and compliance.

The Slovenian Sovereign Holding (SDH), as the ultimate manager of the State's capital investments, which also include the electricity distribution companies, regularly organises free training for the management and supervisory bodies in order to familiarize them with the latest trends and best practices in business conduct.

The required corporate governance expertise of the management and supervisory body is set out in the following documents:

- Articles of Association of a public limited company
- Corporate Governance Policy of Elektro Maribor d.d.
- Code of Ethical Business Conduct in Elektro Maribor d.d.)
- Integrity plan,
- Fraud prevention, detection and investigation policy and fraud scheme,
- Competence profile of members of the Supervisory Board of the company.

Corporate culture in the company is based on the values of integrity, transparency and accountability. The management promotes these values by example, through regular communication, internal meetings and education/training. This highlights the importance of ethical behaviour in day-to-day business activities and transparent reporting of any irregularities and communication of measures taken by the company to address any breaches.

5.1.2 Management of impacts, risk, and opportunities

5.1.2.1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE (G1-1)

In its operations, the company respects the highest standards of transparency and business and ethical behaviour, while paying particular attention to the guidelines applicable to companies with the capital investment of the state or for companies in which the Slovenian Sovereign Holding (SSH) has a dominant influence. The company applies the Corporate Governance Code of State-owned companies and the Recommendations and Expectations of Slovenian Sovereign Holding (SDH), on the basis of which the company has established a system for shaping and developing corporate culture.

The company has a compliance and integrity officer who, with the support of the management, ensures the development of the company's corporate culture by adopting internal rules and acts in this area, reports to the management and supervisory bodies, and provides information and training to all employees in the field of business ethics.

The company also has mechanisms for identifying, reporting and investigating reports of possible behaviour or conduct contrary to the principles of integrity and ethics. The company recognises the risks associated with the relationship of the management to the employees and the company, the relationship of the employees to the company and its assets, the relationship to users, suppliers and business partners, the relationship to partners and shareholders, the relationship to the media, the relationship to officials and the relationship to the general community. Each employee is obliged to familiarize himself with the Code of Ethical Business Conduct, and the company also regularly conducts training in order to raise the awareness of employees in the field of integrity and ethical business.

The code officer and all superiors are obliged to report detected infringements to the management of the company as soon as the infringement is detected or a complaint is received. The code officer also draws up a half-yearly and an annual report, in which he proposes measures to rectify the irregularity and improve the situation, and communicates the report to the supervisory body of the company. Once a year, violations of the Code of Ethical Business Conduct and decisions in infringement procedures are also reported to the company's workers' council.

The Company complies with all regulations adopted in the Republic of Slovenia on the basis of the United Nations Convention against Corruption, adopted at the 58th Plenary Session of the United Nations General Assembly (31 October 2003), which are binding for the Company. The company also coordinates the workers 'rights in connection with the exercise of human rights related to work with the Workers' Council and the representative trade union in the company. The company provides all workers, regardless of gender, racial or religious affiliation or other circumstances, with the right to work, the same payment conditions, equal opportunities for promotion, etc.

The Company provides protection to all reporting persons against retaliatory measures, attempts or threats of retaliatory measures, in accordance with the Protection of Reporting Persons Act (ZZPri). The company provides various ways of reporting, including the possibility to report anonymously using an online form. All measures for the protection of reporting persons are set out in the Rules on the establishment of an internal channel for reporting breaches. The company also adopted the Fraud prevention, detection and investigation policy and fraud scheme. In the past, the company has provided general training for employees on compliance and integrity, and in the future it will also provide targeted training for those jobs that are particularly exposed to corruption risks. In the company, senior positions (President of the Management Board, Director of Division) are recognised as being exposed to corruption risks.

The company does not have any specific animal welfare measures in place, but the company complies with all regulations in planning, obtaining permits and construction of energy facilities, paying particular attention to the protection of the environment, including the protection of water reserves, Nature 2000 areas and other important nature reserves.

Among other things, the company adopted:

- Corporate Governance Policy of Elektro Maribor d.d., which sets out the main guidelines for corporate governance of the company.
- Code of Ethical Business Conduct, which represents standards of conduct and expected behaviour in the relationship between the company and its employees. It serves as a guideline for the actions of all employees in the company who, through their work and attitude, demonstrate the values and principles of the company and thereby affect its reputation.
- Fraud prevention, detection and investigation policy with the accompanying Fraud scheme.

5.1.2.2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS (G1-2)

Elektro Maribor d.d. operates in accordance with international regulations and applicable legislation in the Republic of Slovenia, in doing so, respecting the highest standards of transparency and ethical and business behaviour throughout the supply chain. For this purpose, the company adopted the Code of Conduct for Business Partners.

The Code of Conduct for Business Partners represents the expectations and standards of cooperation that the company expects from all its business partners throughout the supply chain, based on the Sustainable Development Strategy for the 2024-2028 period. It focuses on twelve (12) key business areas:

- respect for human rights,
- safety and health at work,
- environmental protection and resource use,
- sustainable supply chain,
- quality,
- ensuring business continuity,
- protection of competition,
- prevention of money laundering and terrorist financing,
- compliance with tax regulations,
- protection of business secrets and confidential information
- personal data protection, and
- protection of intellectual property.

In addition to the above, the Code of Conduct for Business Partners establishes standards of ethical business conduct, prevention of corruption and conflict of interest for business partners throughout the supply chain, while also establishing mechanisms for reporting breaches for all players in the supply chain (as well as for other external players).

The company has a Code of Financial Conduct, which defines the basic principles of the company's financial operations and internal controls, financial business planning, ensuring liquidity and solvency and conducting payment transactions, which also regulates late payments.

5.1.2.3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY (G1-3)

The company has zero tolerance for corruption, bribery and other illegal acts, and with the Fraud prevention, detection and investigation policy and the Code of Ethical Business Conduct of Elektro Maribor d. d. it specifies the procedures for preventing conflicts of interest, unauthorised receiving/giving of gifts and other corruptive acts, as well as the procedures for detecting and resolving potential violations.

As a tool for managing corruption and integrity risks, the company will adopt an Integrity Plan (under preparation) in which it will assess the exposure of individual work processes and individual employees to corruption risks and corporate integrity breaches, identify risk factors for corruption and other illegal or unethical behaviour and identify measures to manage these risks.

In order to enhance corporate integrity and minimise the risks of corruption and unlawful and unethical behaviour, the company has also appointed a Compliance and Integrity Officer, who is autonomous and independent in his work, and the company also provides such an officer with the required work resources. The Commissioner reports to both the management authority and the supervisory authority at least twice a year. In line with the Integrity Plan and the allocated resources, we will implement in-depth anti-corruption and anti-bribery training programmes for both company employees and supervisory authorities.

The company regularly informs all relevant stakeholders about the adopted internal acts in the field of corruption and bribery prevention. In doing so, it uses several communication channels such as internal notices, meetings, sites and workshops intended for information, training and education. The contents are adapted to the needs of different target groups. The HR department informs all employees of the relevant acts at the beginning of their employment, and they are also available at all times on the company's intranet.

In order to effectively reduce the risks of corruption by business partners and in the entire supply chain, the company has adopted a Code of Conduct for Business Partners, whereby in the contractual relationship with them it also incorporates the anti-corruption clause, the violation of which results in the nullity of the legal transaction, and a declaration of participation of legal and natural persons in the ownership of the business partner.

The company also ensures compliance with other risk management mechanisms: internal controls in place, the implementation of internal and external audits and the implementation of regular internal audit procedures, based on the Sustainable Development Strategy for the 2024-2028 period.

The company is committed to strict compliance with the European Directive 2019/1937 and the Slovenian Protection of Reporting Persons Act (ZZPri), and has therefore adopted the Rules on the establishment of an internal channel for reporting infringements in the company and appointed a trustee to receive and handle internal reports.

The company provides various and effective applications to report violations that are available to all employees of the company as well as all external stakeholders. The reporting routes ensure the anonymity of the report, while the procedure is conducted in a timely, confidential and impartial manner. The company provides reporting persons with protection against retaliatory measures, and carries out briefings and training courses on reporting and typical cases of violations.

The compliance and integrity officer acts independently of the management body and has no influence on the procedures related to the reports received. The Compliance and Integrity Officer is appointed by the Management Board with the prior consent of the Supervisory Board of the company. After the report has been discussed, but no later than within three months of receiving the report, the Compliance and Integrity Officer notifies the reporting person about the validity of the report and conducted measures, the result of the procedure or about the internal report procedure progress. If the report is justified, it should contain, in particular, the measures proposed and implemented to put an end to the infringement, remedy the consequences of the infringement or prevent future infringements, their findings on the effectiveness of the implementation of the proposed measures and any proposed and implemented measures to protect the reporting person.

5.1.3 Description of the process to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1 G1)

Elektro Maribor d.d. has taken a systematic approach to identifying the significant impacts, risks and opportunities associated with conduct of business matters. In addition to the proposals in the ESRS 2, the location, activity, sector and structure of transactions were also taken into account in the preparation of impacts/factors, risks and opportunities, which provides a comprehensive analysis.

- **Location** – In assessing impacts and risks, we took into account the geographical characteristics of the business, especially distribution networks in urban and rural areas. Emphasis is placed on the impact on local communities, environmental conditions and compliance with local legislative requirements.
- **Activity** – distribution of electricity as our core business is carefully analysed in terms of compliance with legislation, business ethics, customer relationship management and security protocols. We are also looking at how our business impacts the broader environmental and social factors, including CO2 emissions, renewable energy sources and energy efficiency.
- **Sector** – as an electricity distribution company, we operate in a regulated energy sector, which brings specific risks and opportunities linked to changes in the legislation, energy markets and technological developments. A risk assessment includes monitoring of sectoral trends such as transitions to renewable energy sources, digitalisation and decentralisation of energy resources.
- **Structure of transactions** – the risk analysis also includes the structure and nature of transactions with key suppliers and customers. In doing so, we focus on compliance with ethical business rules, transparency of business relationships and supply chain risks, in particular in relation to corruption and other irregularities.

In the context of the double materiality assessment, we addressed and evaluated four impacts/factors marked as "relevant" and one organisational risk.

Identified "relevant" impacts/factors

Stakeholders	Description of impact	Impact on strategy and business model
Employees, business partners	**Business conduct – Code of Ethics**. Elektro Maribor d.d. has adopted a Code of Ethics which establishes a solid framework of principles and values guiding the ethical behaviour of all those involved in the company or connected to it in any way. Commitment to ethical behaviour and a strong ethical foundation are the most important parts of the company's operations. In the long run, the company can face all the challenges of the environment and the society only by accepting the necessity of moral responsibility. The Code of Ethics should be understandable, accessible to all employees and partners, and include guidance on the prevention of corruption, misuse of information and other unethical practices.	Impact is related to the strategy. SG3: Management and development of human capital. The impact is based on a business model.
Distribution system users, professional institutions, employees	**Risk Management System**. Elektro Maribor d.d. has a system in place to identify, assess and manage risks. This includes both operational risks related to network reliability as well as risks related to climate change, regulatory compliance and social risks (e.g. impacts on local communities). Risk management is specified in the Risk Management Policy of Elektro Maribor d.d. The company defines risk as the possibility of an event or series of events occurring that may have a positive or negative impact on the achievement of the company's objectives. Positive refers to opportunities, negative to risks. The company's established risk management system defines the company's and the group's objectives, identifies risks, adopts risk management guidelines, assesses risks and ranks them by importance, determines responses to individual risks, defines measures to manage them, to monitor risks and reports about individual risks. By managing risks, the company and the group identify possible risks in good time, take appropriate measures and thus reduce the amount of damage that a certain risk could cause.	Impact is related to the strategy. SG1: Implementation of sustainable development The impact is based on a business model.
Distribution system users, professional institutions	**Compliance with local and international regulations**. A company must ensure that its operations comply with the laws, regulations and internal acts adopted. It is also required to ensure compliance with electricity distribution regulations, energy regulations and environmental legislation. The company must comply with regulations on occupational safety, consumer protection, protection of personal data, risk management and protection of sensitive areas.	Impact is related to the strategy. SG1: Implementation of sustainable development The impact is based on a business model.
Employees	**Whistle-blower protection** Employees in the work organisation are aware of the threats or harm that may arise in their working environment. By reporting individual violations, they act as the so-called whistle-blowers and play a key role in detecting and preventing violations. Given that potential whistle-blowers are often deterred from reporting their concerns or suspicion of violations because they fear retaliation from their employers, the Protection of Reporting Persons Act (ZZPRI) has been adopted, which protects potential reporting persons and transfers the directive (EU) to the Slovenian legislation on the protection of persons who report violations of Union law. Thus, ZZPri provides a reporting person or a whistle-blower with identity protection, free legal aid and even unemployment compensation if they lose their job as a result of reporting. In accordance with the Act, employers/companies have established an effective system and internal reporting channels for reporting irregularities in the company, which includes the appointment of an officer, the specified address for receiving reports and the adoption of an internal act, which describes the specific features of the report, so that the identity of the reporting person is not revealed.	Impact is related to the strategy. SG3: Management and development of human capital. The impact is based on a business model.

Organisation-specific risk is described in the section: Information security – Organisation-specific sustainable impacts.

In its business and operations, Elektro Maribor d.d. pursues and ensures compliance with legislation, regulations and standards, responds to current challenges and strives to enhance welfare in society at large. The company operates in accordance with the regulations in the energy field and regulations governing accounting, finances and taxes.

The demands and expectations of customers, clients and business partners on one hand and the awareness of employees about the importance of quality assurance on the other hand, have encouraged Elektro Maribor d.d. has to set up a quality management system as per the ISO 9001 standard, which we have upgraded now by integrating management systems in the following areas:

- quality,
- environment protection,
- safety and health at work,
- information security,
- energy management,
- requirements for control bodies,
- qualification for test and calibration laboratories.

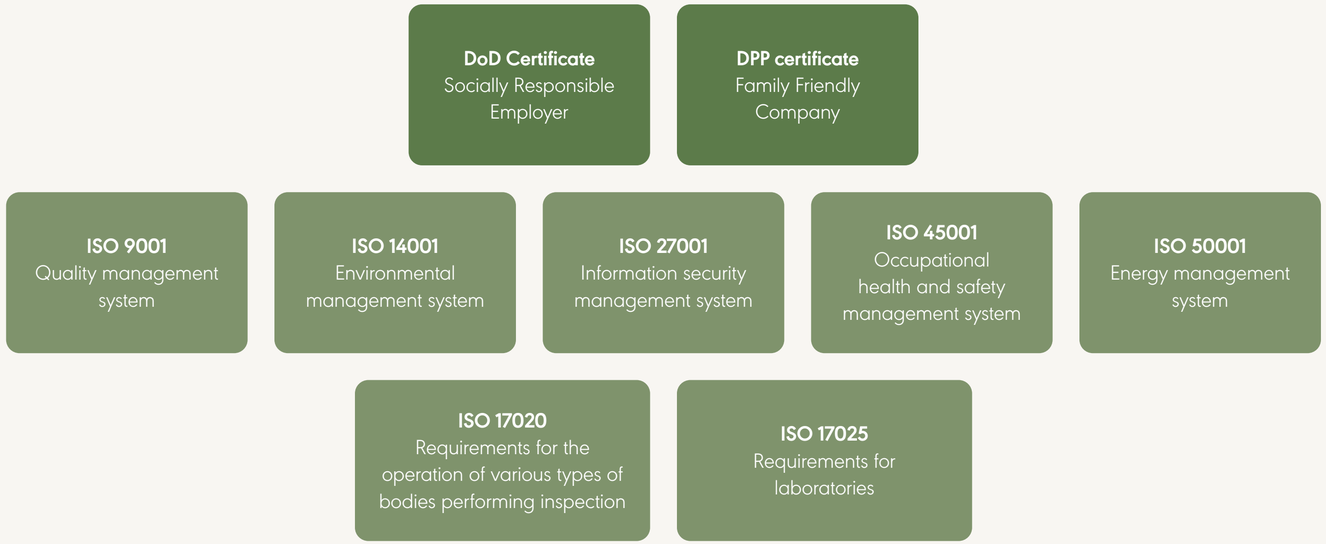
In addition to the established management systems, the Company also started introducing other systems raising the level of expectations by interested parties, i.e. The Family Friendly Company certificate and the Socially Responsible Employer certificate.

Management systems are subject to continuous improvements and development, because we are attempting to upgrade the activities already established and maintain their growth. Upgrading or improvements of activities in management systems enhance the competitive position of the Company, which raises the bar in comparison to other companies in the industry.

Identified organisation-specific risk:

TOS-17	Organisation specific	employees	**Cyber security risk**. Unauthorised access to a company's infrastructure covers all forms of threats that may jeopardise the security of the company's assets - infrastructure, equipment, data and employees. This includes both physical access and, in the case of unauthorised changes made to computer equipment, cyber threats, unauthorised changes made to the equipment that may damage critical infrastructure, disruption of operations, financial loss, loss of data and damage to the company's reputation. In the case of unauthorised entry, this may also involve the alienation of the company's assets and data.

Management systems and certificates



5.1.4 Metrics and targets

5.1.4.1 INCIDENTS OF CORRUPTION OR BRIBERY (G1-4)

Elektro Maribor d.d. has zero tolerance for corruption and bribery. On the basis of the internal procedures for monitoring and investigating suspected irregularities, it has been established that there were no confirmed incidents of corruption or bribery in 2024. The results of corruption and bribery investigations are regularly reported to the Management and the Supervisory Board as part of the reports of the Compliance and Integrity Officer. This enables the company's management to monitor all incidents in a timely manner and to assess the effectiveness of the preventive and corrective measures taken.

During the reporting period, Elektro Maribor d.d. was not fined for breach of the law for the offences of corruption and bribery. Elektro Maribor d.d. was fined for infringements in some inspection procedures. The total amount of fines imposed on Elektro Maribor d.d. in 77 inspection procedures, 70 of which have already been finalised, amounts to EUR 1000. All cases have been resolved in accordance with internal procedures and legislation, and appropriate measures have been taken to improve controls and reduce risks.

5.1.4.2 POLITICAL INFLUENCE AND LOBBYING ACTIVITIES (G1-5)

Elektro Maribor d.d. is committed to transparency in all its activities, which also includes control of political influence, lobbying and conflicts of interest. The company manages all key risks associated with the implementation of those institutes under the Integrity and Prevention of Corruption Act (ZIntPK) that are binding on the company. The company's activities in this area are aimed at ensuring compliance with the law, implementing the principle of transparency and sustainable and responsible operation of the company.

During the reporting period, Elektro Maribor d.d. did not pay any contributions to political organisations, is not a member of lobbying associations and did not detect any lobbying activities.

The Company does not use sponsorship or donation funds for the operation of religious or political organizations. In order to develop a responsible and positive attitude towards the social environment and sustainable development, the company promotes and supports, through sponsorship and donations, in particular sports, cultural, scientific, educational, humanitarian and environmental projects.

5.1.4.3 PAYMENT PRACTICES (G1-6)

The company's standard contractual payment periods are 30 days from the date of receipt of the invoice. The company has no legal procedures open at the moment due to delays in payments.

The company is aware of the key role played by all suppliers as well as small and medium-sized suppliers (SMEs) in our supply chain and therefore places particular emphasis on ensuring timely payments. In order to prevent payment delays, we use mechanisms to monitor and manage payment deadlines, which allow us to ensure compliance with contractual terms and timely fulfilment of financial obligations to suppliers. The company, in the D365FO information system (in the Supplier Accounts module), monitors on a daily basis the maturity of invoices received in the workflow, ensures that the invoices are confirmed by the responsible persons on time, that they are recorded in books, and that the invoices are transferred to payment on time on the maturity date. Payments are made in accordance with contractual or statutory payment deadlines, all suppliers are treated equally and the terms agreed in contracts are respected.

The average payment time in which the company pays the invoice, measured from the date of receipt of the invoice to the date of payment, is 28 days, taking into account all the main categories of suppliers of invoices received in 2024.

In 98.3% of cases, the company settles its liabilities on time, in accordance with the agreed currency.

The company used a representative sample of 85% of all invoices received from the main categories of suppliers in the period from January to December 2024 for the analysis of payment practices, without separating SMEs as the available data does not allow us to do so.

5.1.5 Additional disclosure requirement from sectoral ESRS ES

The company also applies social and environmental criteria when selecting suppliers and regularly reviews and improves its supply chain risk management processes. Employees involved in the procurement process implement innovative practices that support sustainable development and include sustainable factors such as reducing environmental impacts, reducing risks and promoting suppliers' social responsibility. We regularly carry out a supplier assessment, which includes a quality assessment of the supplier and verification that the supplier also has a certified management and/or quality system. The company encourages the involvement of local suppliers by publishing all bids above EUR 1000, excluding VAT, on the company's website and by allowing all potential bidders to submit a bid and cooperate with the company.

5.1.6 Any additional information, specific to G1

Elektro Maribor d.d. is continuously investing in energy infrastructure in order to ensure a reliable and efficient electricity supply. In doing so, it takes into account the principles of sustainable development, which include economic, environmental and social aspects. In the process of planning and implementing investments, the company takes into account the impacts of climate change and strives to develop infrastructure that is resilient to extreme weather events and adapted to long-term energy needs.

Compliance with applicable legislation and spatial and environmental regulations is also an important aspect in the siting of energy facilities. In the planning, obtaining permits and construction of energy facilities, the company complies with all regulations, requirements and measures prescribed by national or local authorities. In doing so, the company pays particular attention to environmental protection, including the protection of water bodies, Nature 2000 sites and other important nature reserves.

The company identifies all risks associated with the siting of facilities as strategic risks and manages them in the Risk Register.

5.2 INFORMATION SECURITY – ORGANISATION-SPECIFIC SUSTAINABLE RISK

The digitisation of business processes has become an indispensable part of modern business and also has a significant impact on the operation of electricity companies. With the help of advanced information and communication technologies (ICT), companies are improving the management of energy networks, optimising business processes and increasing the quality of services for final customers. Digitalisation also enables better use of resources, faster decision-making and a more efficient response to network events, contributing to a more reliable and quality electricity supply.

However, despite the many advantages, the digitalisation of business also brings new challenges, among which cybersecurity is a key priority.
As electricity undertakings are part of critical infrastructure, they are particularly exposed to cyber threats that can jeopardise the operation of the network, the safety of employees and users, and result in serious economic repercussions. Attacks on information and operational systems such as SCADA, advanced metering infrastructure (AMI), advanced distribution management systems (ADMS) and others have become a constant threat that needs to be addressed systematically.

Due to the increasing cyber threats and further digitisation, Elektro Maribor d.d. will pay particular attention in the coming period to strengthening the security of the operational network (OT), improving access management, resistance to attacks with ransomware, and to cooperation with other stakeholders in the electricity sector.

Information cybersecurity is closely linked to our core mission and therefore remains one of the most strategically important areas that we will continue to develop and adapt to the new challenges of the digital environment.

5.2.1 Changes in the internal and external environment

In the recent period, a number of changes have occurred in the external and internal environment of the organisation, which have a significant impact on the information security management system (ISMS). These changes reflect both rising cyber risks as well as regulatory requirements, the impacts of climate change and internal organisational transformation.

5.2.1.1 RISING CYBER THREATS AND REGULATORY CHANGES

One of the key challenges in the external environment is the rise of cyber threats, which are increasingly linked to global geopolitical tensions. Conflicts such as the war in Ukraine have led to increased activity by various hacker groups, who predicted targeted attacks on the Slovenian electricity infrastructure in May 2024. A specific manifestation of these threats was a comprehensive cyberattack on the University of Maribor in October 2024, which caused disturbances in the functioning of key information systems and emphasized the need to improve cyber resistance.

In addition to cyber risks, legislative changes are also an important factor. The Critical Infrastructure Act (ZKI-1) and the Information Security Act (ZInfV-1) will introduce stricter requirements for critical infrastructure managers and providers of essential services (essential entities) in 2025. Some of the new features are mandatory risk analyses, strengthened protection measures, risk management of key suppliers and monitoring of the implementation of safety requirements.

5.2.1.2 IMPACT OF CLIMATE CHANGE ON THE SAFETY AND RESILIENCE OF SYSTEMS

Climate change is increasingly affecting the functioning of an organisation, in particular in relation to the resilience of information and operational systems. Increased number of extreme weather events, such as storms, windstorms and even tornadoes, increases the risk of network outages and infrastructure failures. This also increases the cost of cooling server rooms and ensuring a stable operation of critical systems in extreme temperature conditions. Additional measures are required to ensure the security and continuous operation of the IT/OT systems.

5.2.2 Material impacts, risks (ESRS 2 SBM-3)

In the process of determining the double materiality and assessing the impacts, risks and opportunities, Elektro Maribor d.d. identified an organisation-specific risk called: “Cyber security risk”.

Identified organisation-specific risk

Organisation-specific risk			Impact on strategy and business model
Employees	**Cyber security risk**. Unauthorised access to a company's infrastructure covers all forms of threats that may jeopardise the security of the company's assets - infrastructure, equipment, data and employees. This includes both physical access and, in the case of unauthorised changes made to computer equipment, cyber threats, unauthorised changes made to the equipment that may damage critical infrastructure, disruption of operations, financial loss, loss of data and damage to the company's reputation. In the case of unauthorised entry, this may also involve the alienation of the company's assets and data.	**SU2 - 1 - A** External threats (natural disasters, cyber and physical attacks)	Risk is linked to strategy. SG2: Development of a reliable and efficient sustainable distribution system. The risk is based on a business model.

5.2.3 Sustainable Development Strategy and strategic project in the area of information security

The company underwent significant structural changes in 2024. A sustainable development strategy was adopted. As part of the strategy, a reorganisation was carried out, which included updating the information security responsibilities in the job descriptions and internal policies. In doing so, the organisation has strengthened the management of safety risks and improved compliance with upcoming regulatory requirements. The strategy also includes a strategic project "Transition of the Information Security Management System (ISMS) to the new edition of the ISO/IEC 27001:2022 standard".

5.2.4 Scope of the Information Security Management System

OThe scope of the ISMS is further specified in the Quality Code, Chapter 3.1 Use of the Management System and Statement of Aptitude (SOA).

In accordance with the requirements of ISO/IEC 27001:2022 (hereinafter referred to as: ISO/IEC 27001) and requirements of the legislation on information security and key infrastructure management, and business requirements and needs, the company recognize the context of operation or implementation of the ISMS.

The scope of ISMS is in line with the business objectives and strategy of Elektro Maribor d.d.

5.2.5 Policies relating to information security

Information security policies (hereinafter referred to as: ISP) of Elektro Maribor d. d. set out the strategic guidelines of the information management system and the protection of the company's information assets against threats (internal or external, intentional or unintentional) and vulnerabilities, in accordance with the requirements of the information security and critical infrastructure legislation, contractual obligations and the requirements of ISO/IEC 27001:2022 and Appendix 1 2024-02 (hereinafter referred to as: ISO/IEC 27001).

ISP covers:

- Overarching information security policy in Elektro Maribor d. d. (hereinafter also: OISC), which sets out the organisation and management of information security and business continuity of the company.
- Regional security policies addressing the rules and procedures for ensuring information security for specific user groups.

Regional information security policies comprise:

- Information security policy for users,
- Information security policy for managers,
- Information security policy for ICT,
- Information security policy of business continuity,
- Information security policy for third parties,
- Information security policy for software development and maintenance, and
- Response plan to information incidents.

5.2.6 Information security management

5.2.6.1 MANAGEMENT RESPONSIBILITY

Management plays a key role in providing information protection and is responsible for:

- the integration of information security into the company's annual business plan and strategy;
- providing the conditions and resources for efficient development and implementation of information security in the company;
- adopting and approving security documentation in accordance with sectoral legislation, monitoring and controlling the implementation of information security policies and information security and business continuity objectives that are consistent with the company's strategy;
- ensuring that information security is integrated within the company's processes;
- authorisation, implementation and supervision of the information security risk analysis, the supervision of the implementation and the effectiveness of the information security risk management measures;
- the adoption of the necessary measures and the monitoring of the fulfilment of the obligations and ensuring compliance with the applicable legislation in the field of information security, critical infrastructure and business continuity;
- the appointment of persons responsible for information security, including an authorised person for information security and ISMS area administrators, and a contact person for information security and critical infrastructure;
- adequate education and training of information security staff in accordance with professional and legal requirements;
- own information security risk management education or training;
- communicating the importance of complying with information policy requirements, legislation and standards in the areas of information security, critical infrastructure and business continuity;
- encouraging employees to contribute and take responsibility for enhancing the effectiveness of information protection and the implementation of policies and controls within processes;
- ensuring and monitoring the effectiveness of the functioning of ISMS and the achievement of the information security objectives; and
- promoting continuous improvement.

5.2.6.2 SAFETY REQUIREMENTS

The company defines its specific security requirements based on the following principles:

- Management of information security risks to which the organisation is exposed. The company monitors the (potential) threats to which it is exposed and the vulnerability of information resources, assesses the likelihood that each threat will materialize, and evaluates the potential consequences of risks.
- Obligations to be fulfilled by the company according to EU regulations, applicable Slovenian laws and regulations, standards of management systems, operations, contracts and other legal acts related to the company's operations.
- Principle and good practices, objectives and requirements for information assets and processing of information intended to support operations (e.g. technical standards adopted).

The security requirements are established by the company, taking into account the assessment of information security risks:

- before/after any significant change in the environment, regulatory and business requirements or priorities of the company,
- with the emergence of a new relevant threat or vulnerability,
- in the event of a security incident; and
- upon established inadequacy of existing measures.

5.2.7 Information security objective

The objective of information security is to ensure, through the consistent implementation of policies, the effective protection of information and information assets in terms of:

- **Confidentiality** that the information is protected against unauthorised access or unlawful interception and is accessible only to duly authorised persons.
- **Completeness**, that the information is accurate and complete and protected against unauthorised alteration.
- **Availability** that information and means of processing and processes are available to authorized persons when they need it.
- **Authenticity**, that information, communications and users are true, verified, original and credible, thereby preventing misrepresentation and ensuring that the information is authentic and comes from trusted sources.

Elektro Maribor d.d. has established an information security management system (also: ISMS), which:

- corresponds to the purpose of Elektro Maribor d.d. and is the basis for setting information security objectives;
- ensures information security in Elektro Maribor d.d.: confidentiality, completeness, authenticity and availability of information in business processes;
- ensure resilience of critical business processes and associated infrastructure to threats, adverse security events and incidents, reduce the impact of adverse events and incidents, and enable availability or business continuity;
- effectively manage information security incidents;
- establishes information security requirements;
- improve the awareness of all employees and external stakeholders of the importance of ensuring information security in all areas of the company's operations;
- ensures compliance with legislation and regulations, business and contractual requirements, regulations and standards in the field of information security;
- ensure continuous improvement.

5.2.8 Information Security Management Measures 2024

In 2024, we realized the following goals for information security risk management:

- Renewal of the Risk Code with the area of information security risk management.
- We have updated and prepared new information security policies, which include:
  - Overarching information security policy.
  - Information security policy for users,
  - Information security policy for managers,
  - Information security policy for ICT
  - Information security policy for software development and maintenance.
  - Information security policy for third parties.
- We have conducted an inventory of information resources in accordance with the requirements of the legislation on information security and prepared a catalogue of threats and vulnerabilities.
- We conducted workshops on information risk assessment.
- We have updated the Response plan to information incidents.
- We performed two "desktop" cyber exercises to respond to cyber incidents.

In 2024, we have implemented the following measures to manage information security risks:

- update the fire barrier system,
- deployment of a workstation backup solution for key users,
- expansion of software tool to detect anomalies in the process environment,
- upgrade of HES systems,
- upgrade of the video surveillance system and the burglar alarm system,
- addressing identified system vulnerabilities.

5.2.9 Information Security Management Measures 2025

In 2025, we intend to implement the following measures:

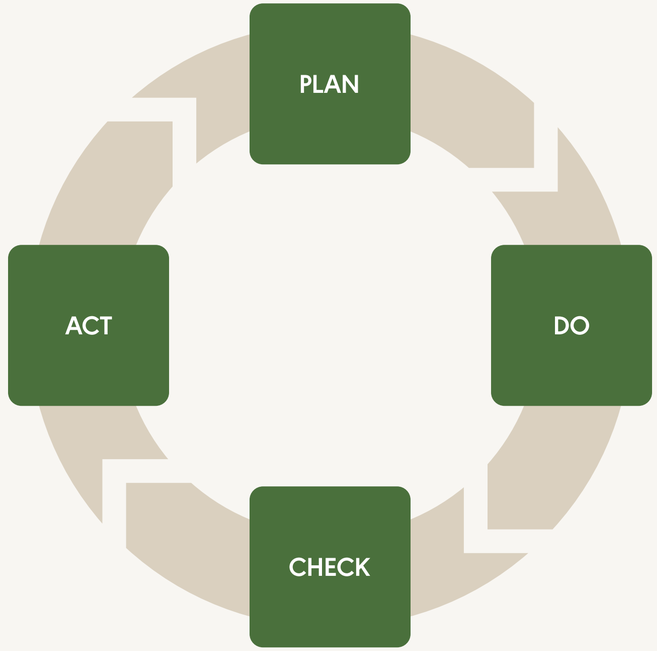
- Internal audit and preparation of ISMS for external audit or transition to the new version of ISO/IEC 27001: 2022.
- Establishment of information security indicators.
- Review and update contracts with key suppliers with the third party ISP requirements.
- Introduction of the 802.1X protocol for the control of network access.
- Network segmentation and optimisation of firewall rules.
- Implementation of the privileged access management (PAM) solution.
- Introduction of the IP address and information management solution (IPAM).
- Production of a documented catalogue of ICT services or renewal of the ICT process area.
- Email system upgrade.
- Introduction of a cloud-based solution for the management of terminal equipment (MS-Intune).
- Strengthening security settings on ICT systems.
- Training of system engineers in the field of information security and management of ICT systems (at least 3).
- Implementation of the DCV SCADA/ADMS renewal project
- Integration of a new HES module for the safe storage of passwords into the automated factory password replacement system.
- Upgrading of technical protection systems with temperature meters in ICT premises.

In 2025, we will continue to strive for continuous improvement of the information protection management system, which is based on four phases (Figure):

- Plan, where the organization sets security goals and measures.
- Find out where these measures are implemented.
- Check where their effectiveness is monitored.
- Take action where improvements are adopted on the basis of the findings.

This cyclical approach enables organisations to systematically protect data, comply with standards and respond effectively to cyber threats.

Improving the four-stage information protection management system



5.2.10 Metric and indicators

In 2024, we have identified two indicators in the field of information security risks. This is the indicator "Number of sent electronic notifications" and the indicator "Number of recorded cyber incidents, according to the Incident Taxonomy". We will start monitoring the indicators in 2025.

Identified organisation-specific risk and indicator

		RISK – ESG Sustainability		RISK STRATEGY		RISK – ESG Sustainability
Designation	**Area**	**Topic**	**RISK: name and description in DNA module**	**RISK STRATEGY – name**	**INDICATOR STRATEGY:**	**INDICATOR – data points – metrics**
TOS-17		Organisation-specific	**TOS Cyber security risk**. Unauthorised access to a company's infrastructure covers all forms of threats that may jeopardise the security of the company's assets - infrastructure, equipment, data and employees. This includes both physical access and, in the case of unauthorised changes made to computer equipment, cyber threats, unauthorised changes made to the equipment that may damage critical infrastructure, disruption of operations, financial loss, loss of data and damage to the company's reputation. In the case of unauthorised entry, this may also involve the alienation of the company's assets and data.	**SG2 - 1 - A External threats** (natural disasters, **cyber** and physical attacks)		**INDICATOR-17-1** **Number of sent electronic notifications** to employees with the purpose of raising awareness in the field of cyber security SOURCE: SI-CERT, VOC Informatika, other websites **INDICATOR TOS-17-2** **Number of recorded cyber incidents**, according to the Incident Taxonomy (AGEN-RS, Act determining the methodology for setting the regulatory framework for electricity distribution system) SOURCE: Security Operations Center (VOC Informatika)

B | FINANCIAL REPORT

CONNECTION THAT STRENGTHENS TRUST

ZReliability doesn't just happen. In 2024, 59% of all investment funds were intended to increase the robustness and capacity of our network. All to keep us connected throughout the unpredictable.

By laying low- and medium-voltage lines in the ground and insulating overhead power lines, we are building resilience to meet the challenges of the energy future.

3 M€

Balance sheet profit in 2024

1 Statement on the Management's Responsibility

The Management Board of Elektro Maribor d.d. warrants that the Annual Report of the Company and the Elektro Maribor Group and the financial statements were prepared in a manner that gives the interested public a true and fair view of the state of affairs and the results of operations of the Company for the year 2024.

The Management Board of Elektro Maribor d.d. warrants that the Annual Report of the Company and the Elektro Maribor Group and the financial statements were prepared in a manner that gives the interested public a true and fair view of the state of affairs and the results of operations of the Company for the year 2024.

The Management Board of Elektro Maribor d.d. confirms that the Annual Report of Elektro Maribor d.d. for 2024 with all its components, including the Corporate Governance Statement and the Statement on Non-Financial Performance, was prepared and published in accordance with the applicable legislation, Slovenian Accounting Standards and International Financial Reporting Standards.

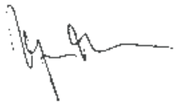
The Management Board of the Company confirms that the financial statements for the Company and the notes to the financial statements published and presented in this Annual Report were applied consistently, that the relevant accounting policies were applied consistently, that the accounting estimates were made on the basis of prudence and good management and on the basis of the assumptions concerning the going concern basis of Elektro Maribor d.d.

The Management Board is responsible for implementing measures to ensure the preservation of the value of the assets of the Company, and for the prevention and detection of fraud and other irregularities. The Management Board of the Company certifies that the financial statements are free from material or immaterial misstatement made in order to achieve a selected presentation of the Company.

The Company's operations may be subject to examination by the tax authorities at any time within five years from the date on which the tax became chargeable, which may result in additional liability for tax, interest and penalties on account of corporate income tax or other taxes and duties. The Company's management is not aware of any circumstances that could give rise to a material liability in this respect.

Maribor, 17 April 2025

President of the Management Board
Tatjana Vogrinec Burgar, Univ. Dipl. in Law



2 Independent Auditor's Report

Phone: +386 1 53 00 920
@: info@bdo.si
www.bdo.si

BDO Revizija d.o.o.
Cesta v Mestni log 1
1000 Ljubljana, Slovenia

REPORT OF THE INDEPENDENT AUDITOR
to the shareholders of Elektro Maribor d.d.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We audited the financial statements of Elektro Maribor d.d. (the "Company"), which comprise the balance sheet as at 31 December 2024, the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Slovenian Accounting Standards (SRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific matters relating to statutory audit of public-interest entities ("the Regulation"). Our responsibilities under these rules are described in this report in the paragraph on Auditor's Responsibilities for the audit of the financial statements. In accordance with the International Code of Ethics for Accounting Professionals (including the International Independence Standards) issued by the International Ethics Standards Board for Accounting Professionals (the IESBA Code) and the ethical requirements applicable to the audit of financial statements in Slovenia, we confirm our independence from the Company and that we complied with all other ethical requirements in accordance with those requirements and the IESBA Code.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The key audit matters are those that, in our professional judgement, were the most significant in the audit of the financial statements for the current financial year. These matters were considered in the context of the audit of the financial statements taken as a whole and in forming our opinion thereon, and we do not express a separate opinion on these matters.

Investments in property, plant and equipment

Description of key audit matter

The book value of property, plant and equipment as at 31 December 2024 is EUR 414,257,351 (31 December 2023: EUR 385,787,494); the cost of maintenance services for 2024 is EUR 3,220,953 (2023; EUR 2,928,584).

In addition to new investments, the Company carries out routine maintenance of plant, equipment and facilities, mainly electricity infrastructure. While items that qualify for recognition as property, plant and equipment are capitalised and expensed through annual depreciation, maintenance costs are charged to profit or loss as incurred. The distinction between items that qualify for recognition in the balance sheet and items that are recognised immediately in profit or loss is relevant to the audit because its recognition requires management's judgement as to whether and which conditions are met for an item to be classified as property, plant and equipment, and whether and which conditions are met for the item to be classified as maintenance costs, and the judgement as to whether the conditions for the recognition of property, plant and equipment are met and whether the amounts recorded are accurate, which led us to identify the matter as a key audit matter. In making this judgement, the Company applies significant assumptions and judgements related to the satisfaction of the conditions for recognition of property, plant and equipment as defined in the SRS.

Reference is made to the note in paragraph 4.2 Significant accounting policies and within this note Property, plant and equipment, paragraph 4.3 Notes to the balance sheet and within this note Note 2 Property, plant and equipment and paragraph 4.4 Notes to the income statement, and within this note 19 Cost of goods, materials and services.

Our audit approach

Our audit procedures included:

- Assessing the internal rules governing investment in property, plant and equipment and construction costs to ensure that they comply with the policies prescribed by the Slovenian Accounting Standards.
- Testing the design and implementation of internal controls over the recognition of costs and property, plant and equipment and related liabilities.
- Familiarisation with the investment management system.
- Testing on a sample of selected items of property, plant and equipment and maintenance costs, whereby:
  - we assessed whether the conditions for recognition of property, plant and equipment and maintenance costs are met;
  - we obtained the basis from those responsible for the investments;
  - we interviewed those responsible for the investments;
  - we verified the supporting accounting documentation and the entries in the accounting records. The sample included both randomly selected items and items identified by our risk-based approach due to the size, complexity, content or duration of the construction or maintenance.
- Review of disclosures in accordance with the requirements of the SFR.

Capitalised own products and own services

Description of the key audit matter

Capitalised own products and own services for the financial year ended 31 December 2024 amount to EUR 29,477,386 (2023: EUR 20,936,463). The Company carries out the activity of construction of buildings and equipment on its own account. Investments in self-constructed fixed assets are valued on the basis of estimated hourly rates, which include, in addition to labour costs, other indirect costs as well as direct material and freight costs. The formulation of hourly labour rates and the judgement as to which indirect costs to include in the value of fixed assets is linked to the estimates. Estimates of the level and structure of fixed asset construction costs are relevant to the audit because they are linked to significant management judgements. In making these judgements, management uses assumptions and judgements related to the eligibility of property, plant and equipment for recognition as defined by the Slovenian Accounting Standards.

For these reasons, we identified the case as a key audit matter.

Reference is made to the explanatory notes in paragraph 4.2 Significant accounting policies and within that to Property, plant and equipment and Revenue recognition, to the explanatory note in paragraph 4.3 Notes to the balance sheet and within that to Note 2 Property, plant and equipment in paragraph 4.4 Notes to the income statement and within that to Note 17 Capitalised own products and services.

Our audit approach

Our audit procedures included:

- Assessing the policies governing investment in property, plant and equipment and construction costs to ensure that they are consistent with the policies prescribed by the Slovenian Accounting Standards.
- Testing the design and implementation of internal controls.
- Familiarisation with the way in which own-account investments are managed.
- Examining the methodology and assumptions used by the Company in calculating the labour cost and verifying the completeness and accuracy of the data used.
- Recalculation of the calculated labour cost for the selected type of works and comparison with the current year's calculation and market prices.
- Testing on a sample of selected items of capitalised own goods and services, whereby:
  - we assessed whether the right price for the type of work was applied;
  - we obtained the basis for material and freight costs;
  - we interviewed the persons responsible for the investments;
  - we verified the supporting accounting documentation and the entries in the financial statements. We sampled items randomly selected as items that we determined, based on our risk-based approach, to be of a particular size, complexity, content or duration of construction or maintenance.
- Review of the disclosures in the annual report relating to fixed assets and capitalised own products.

Other information

Other information is the responsibility of management. Other information comprises information in the Annual Report other than the financial statements and our auditor's report thereon. Other information was obtained before the date of the auditor's report, except for the Supervisory Board's report, which will be available at a later date.

Our opinion on the financial statements does not extend to other information and we do not express any form of assurance on it.

In connection with the audit of the financial statements, it is our responsibility to read the other information and, in doing so, to assess whether the other information is materially inconsistent with the financial statements, legal requirements or our knowledge acquired in the audit or otherwise appears to be materially misstated. If, as a result of our work, we conclude that there is a material misstatement of other information, we are required to report on that circumstance.

In this respect, on the basis of the procedures described above, we report that:

- the other information is consistent in all material respects with the audited financial statements;
- the other information is prepared in accordance with applicable laws and regulations; and
- based on our knowledge and understanding of the Company and its environment obtained during the audit, we did not identify any material misstatements in relation to the other information.

Management and Supervisory Board responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the SRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Company's financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing matters related to going concern and for using the going concern assumption as a basis of accounting, unless management intends to liquidate the Company or to discontinue operations, or has no alternative but to do one or the other.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Acceptable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with IAS and the Regulation will always detect a material misstatement, if one exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

We use professional judgement and maintain professional discretion when carrying out an audit in accordance with IAS. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, design and perform audit procedures in response to the assessed risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentations or circumvention of internal controls;
- Obtain an understanding of internal control relevant to the audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude, based on audit evidence obtained, that a material uncertainty exists about events or conditions that cast significant doubt about the Company's ability to continue as a going concern about the appropriateness of management's use of the going concern basis of accounting. If we conclude that a material uncertainty exists, we are required to qualify our opinion in the auditor's report by referring to the appropriate disclosures in the financial statements or, if such disclosures are inadequate, by adjusting our opinion. The auditor's conclusions are based on audit evidence obtained up to the date of the auditor's report. However, subsequent events or circumstances may cause the Company to cease to be a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events in a manner that achieves fair presentation.

We discuss with those charged with governance, inter alia, the planned scope and timing of the audit and the significant audit findings, including material weaknesses in internal control, identified during the audit.

We also provide the Audit Committee with a statement that we have met the relevant ethical requirements for independence and discuss with them any relationships and other requirements that may reasonably be perceived to affect our independence and, where appropriate, the steps taken to address the risks or safeguards in place.

From all the matters discussed with management, we identify those matters that were the most significant in the audit of the financial statements in the current period and are therefore key audit matters. We describe these matters in the auditor's report unless a law or regulation prevents public disclosure of these matters or, in extremely rare circumstances, we decide not to report on the matters because we have a reasonable expectation that the adverse consequences of doing so would outweigh the public benefit of doing so.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Independent assurance report on the appropriateness of the criteria for allocating revenue and expenditure to activities and on the correctness of their application

We performed the engagement to provide reasonable assurance as to whether the criteria for dividing the economic categories by different activities (hereinafter referred to as the "division criteria") disclosed in Section 4.7 Reporting under the Electricity Supply Act of this Annual Report are appropriate and have been properly applied in the separate recording of the individual activities of the customer Elektro Maribor d.d. for the financial year ended 31 December 2024, in accordance with the requirements of the Electricity Supply Act (ZOEE).

Definition of appropriate criteria

To assess the appropriateness of the allocation criteria, we assessed compliance with the ZOEE. We assessed whether the allocation criteria reflect the volume of activity giving rise to the economic category they are intended to allocate. If the volume of activity giving rise to the economic category could not be measured, we assessed whether the allocation criterion was determined on the basis of the proportion of direct costs.

To assess the correctness of the application of the allocation criteria, we performed audit procedures to verify that each criterion is applied to allocate the economic category for which it was adopted and in the manner specified.

Management and Supervisory Board responsibilities

Management is responsible for the preparation and proper application of the allocation criteria in accordance with the ZOEE, and for such internal control as management determines is necessary to enable their preparation and application in a manner that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for adopting the allocation criteria and supervising their application in accordance with the requirements of the ZOEE.

Auditor's responsibility

It is our responsibility to provide reasonable assurance and to express a conclusion as to whether the allocation criteria have been prepared in accordance with the requirements of the ZOEE and are being applied correctly. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Investigations of Historical Financial Information (ISA 3000) issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain reasonable assurance about whether the conclusion is appropriate.

We complied with the independence and ethical requirements of the International Code of Ethics for Accounting Professionals issued by the Committee on International Standards of Ethics for Accounting Professionals. The Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct. Our firm operates in accordance with the International Standards on Quality Management (ISQM 1) and maintains a comprehensive quality management system in accordance with them, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work done

Within the scope of our work, we performed the following audit procedures:

- We identified and assessed the risk of material misstatement of the relevance of the criteria and the appropriateness of their application to the requirements of the ZOEE;
- We obtained an understanding of internal control relevant to the engagement to provide reasonable assurance in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- We assessed whether the criteria used are appropriate;
- We obtained reasonable assurance about whether the criteria for sharing are appropriate;
- We obtained reasonable assurance about whether the allocation criteria are applied appropriately in accordance with the criteria adopted.

We believe that the evidence obtained provides a sufficient and appropriate basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed and the evidence obtained, the criteria for allocating indirect costs (expenses), income, assets and resources to the various activities for the financial year ended 31 December 2024 are, in all material respects, appropriate in accordance with the ZOEE and were applied correctly.

Report on the requirements of Regulation (EU) No 537/2014 of the European Parliament and of the Council of the EU (Regulation 537/2014)

Confirmation to the Audit Committee

We confirm that the auditor's opinion included in this auditor's report is consistent with the additional report to the Audit Committee.

Prohibited services

We confirm that we did not perform the services referred to in Article 5(1)(5) of the Regulation 537/2014 for Elektro Maribor d.d. and that the audit firm complied with the independence requirements of the audit.

Other audit firm services

The audit firm did not provide any services to Elektro Maribor d.d. other than the audit of the financial statements, other than those disclosed in the annual report.

Appointment of the auditor, duration of the engagement and the certified auditor responsible

The audit company BDO Revizija d.o.o. was appointed by the General Meeting of Elektro Maribor d.d. on 30 June 2022 and the audit contract was signed by the Chairman of the Supervisory Board on 21 September 2022. The contract is concluded for a period of five years. The statutory audit of the Company's financial statements has been carried out on a continuous basis since 10 September 2018.

On behalf of BDO Revizija d.o.o., the certified public auditor Maruša Hauptman is responsible for the audit.

Ljubljana, 30 April 2025

BDO Revizija d.o.o.
Družba za revidiranje

BDO Revizija d.o.o.
Cesta v Mestni log 1, Ljubljana

(signature on the original issued in Slovene language)

Maruša Hauptman,
Certified Auditor

3 Financial statements

Balance Sheet

in EUR

	Item	Note	31 Dec 2024	31. Dec 2023
A.	**Non-current assets**		**423,102,213**	**403,449,955**
I.	**Intangible assets and long-term prepayments and accrued income**	**1**	**3,899,288**	**3,637,933**
	1. Long-term property rights		3,899,288	3,637,933
II.	**Property, plant and equipment**	**2**	**414,257,351**	**385,787,494**
	1. Land and buildings		308,156,703	288,625,985
	2. Plant and machinery		89,627,616	87,877,643
	4. Property, plant and equipment being acquired		16,473,032	9,283,866
III.	**Investment property**	**3**	**602,318**	**585,877**
IV.	**Non-current financial investments**	**4**	**2,178,415**	**9,878,300**
	1. Long-term investments other than loans		2,178,415	9,878,300
V.	**Long-term operating receivables**	**5**	**73,129**	**1,600,815**
	3. Long-term trade receivables		73,129	1,600,815
VI.	**Deferred tax assets**	**6**	**2,091,712**	**1,959,536**

Balance Sheet

in EUR

	Item	Note	31 Dec 2024	31. Dec 2023
B.	**Current assets**		**39,429,384**	**30,790,811**
II.	**Inventories**	**7**	**3,876,641**	**4,110,935**
	1. Material		3,876,641	4,110,935
IV.	**Current operating receivables**	**8**	**18,765,143**	**14,696,377**
	1. Current operating receivables due from group companies		6,486	15,839
	2. Current operating trade receivables		14,302,007	13,644,087
	3. Current operating receivables due from others		4,456,650	1,036,452
V.	**Cash and cash equivalents**	**9**	**16,787,599**	**11,983,499**
C.	**Short-term deferred costs and accrued revenue**	**10**	**360,013**	**1,035,401**
	ASSETS (A + B + C)		**462,891,609**	**435,276,168**

Balance Sheet

in EUR

	Item	Note	31 Dec 2024	31. Dec 2023
A.	**Equity**	11	**315,060,181**	**308,062,518**
I.	**Called-up capital**		**203,932,512**	**203,932,512**
	1. Share capital		203,932,512	203,932,512
II.	**Capital reserves**		**75,384,315**	**75,384,315**
III.	**Profit reserves**		**34,061,744**	**27,908,124**
	1. Legal reserves		8,033,038	7,578,292
	5. Other profit reserves		26,028,706	20,329,832
V.	**Reserves arising from valuation at fair value**		**–1,319,467**	**–1,163,151**
VI.	**Net profit or loss from previous periods**		**59,778**	**0**
VII.	**Net profit or loss for the financial year**		**2,941,299**	**2,000,718**
B.	**Provisions and long-term accruals and deferred income**	12	**42,907,918**	**38,541,178**
	1. Provisions for pensions and similar liabilities		6,741,755	6,673,317
	2. Other provisions		1,012,801	647,232
	3. Long-term accrued costs and deferred revenue		35,153,363	31,220,629
C.	**Non-current liabilities**	13	**68,817,656**	**57,790,747**
I.	**Non-current financial liabilities**		**68,817,656**	**57,748,755**
	2. Long-term financial liabilities to banks		68,450,000	57,275,000
	3. Other non-current financial liabilities		367,656	473,755
II.	**Long-term operating liabilities**		**0**	**41,992**
	2. Long-term trade liabilities		0	41,992

Balance Sheet

in EUR

	Item	Note	31 Dec 2024	31. Dec 2023
Č.	**Current liabilities**	14	**34,785,964**	**29,804,524**
II.	**Current financial liabilities**		**10,236,484**	**11,286,953**
	2. Short-term financial liabilities to banks		8,825,000	7,825,000
	4. Other current financial liabilities		1,411,484	3,461,953
III.	**Current operating liabilities**		**24,549,480**	**18,517,571**
	2. Current operating trade payables		12,746,661	9,432,890
	3. Other current operating liabilities		11,802,820	9,084,680
D.	**Short-term accruals and deferred income**	15	**1,319,890**	**1,077,201**
	LIABILITIES (A+ B + C+ Č + D)		**462,891,609**	**435,276,168**

Income statement

in EUR

	Item	Note	2024	2023
1.	**Net sales**	**16**	**63,408,218**	**64,085,345**
	a. on the domestic market		63,408,218	64,085,345
3.	**Capitalized own products and services**	**17**	**29,477,386**	**20,936,463**
4.	**Other operating income (with operating income from revaluation)**	**18**	**3,065,435**	**3,716,780**
5.	**Costs of goods, material and services**	**19**	**26,789,628**	**23,463,036**
	a. Cost of goods and material sold and material used		18,660,021	15,226,198
	b. Costs of services		8,129,607	8,236,838
6.	**Labour costs**	**20**	**37,178,732**	**33,530,195**
	a. Salaries and wages		26,321,762	23,655,792
	b. Social security costs		5,641,766	4,970,711
	– of which pension insurance costs		1,344,074	1,115,807
	c. Other labour costs		5,215,204	4,903,692
7.	**Write-offs**	**21**	**24,382,077**	**24,023,304**
	a. Amortisation/depreciation		23,564,142	23,265,489
	b. Operating expenses for the revaluation of intangible assets and property, plant and equipment		411,435	445,657
	c. Revaluation operating expenses from working capital		406,500	312,159
8.	**Other operating expenses**	**22**	**1,145,847**	**756,737**
9.	**Financial revenue from shares**	**23**	**4,983,055**	**0**
	a) Financial revenue from shares in group companies		2,964,895	0
	b) Financial revenue from shares in associates		2,018,160	0
10.	**Financial revenue from loans given**		**15,442**	**0**
	b. Financial revenue from loans to others		15,442	0
11.	**Financial income from operating receivables**	**24**	**79,055**	**504,993**
	b. Financial income from operating receivables due from others		79,055	504,993

Income statement

in EUR

	Item	Note	2024	2023
13.	**Financial expenses from financial liabilities**	**25**	**1,696,089**	**895,323**
	b. Financial expenses for loans received from banks		1,682,125	862,065
	d) Financial expenses from other financial liabilities		13,964	33,257
14.	**Financial expenses from operating liabilities**	**26**	**195,537**	**205,621**
	b. Financial expenses for trade liabilities and bills payable		129	445
	c. Financial expenses from other operating liabilities		195,408	205,176
15.	**Other revenue**	**27**	**27,331**	**91,343**
16.	**Other expenses**	**28**	**151,328**	**95,317**
17.	**Income tax**		**569,564**	**471,532**
18.	**Deferred taxes**		**147,800**	**338,879**
19.	**NET PROFIT OR LOSS FOR THE PERIOD (1 + 2 + 3 + 4 – 5 – 6 – 7 – 8 + 9 + 10 + 11 – 12 – 13 – 14 + 15 – 16 – 17 + 18)**	**29**	**9,094,918**	**6,232,740**

Statement of Other Comprehensive Income

in EUR

	Item	Note	2024	2023
19.	Net profit or loss for the period		9,094,918	6,232,740
21.	Changes in reserves arising from valuation at fair value		41,345	0
23.	Other components of comprehensive income		-137,882	-625,866
	– Deferred tax effect on actuarial gains/losses on provisions for termination benefits		-15,624	-7,912
	– Actuarial gains/losses on provisions for termination benefits		-122,258	-617,954
24.	**TOTAL COMPREHENSIVE INCOME FOR THE ACCOUNTING PERIOD (19+20+21+22+23)**		**8,998,381**	**5,606,873**

Cash flow statement

in EUR

Item	Note	2024	2023
A. Cash flow from operating activities			
a) Cash receipts from operating activities	**30**	**128,730,476**	**119,013,319**
Receipts from the sale of products and services		123,963,844	114,302,758
Other cash receipts from operating activities		4,766,632	4,710,561
b) Cash disbursements from operating activities	**31**	**-121,789,499**	**-110,847,864**
Cash disbursements for material and services		-78,111,245	-68,097,212
Cash disbursements for employee salaries and profit participation		-34,607,515	-32,706,656
Cash disbursements for charges of all kinds		-6,743,364	-6,437,615
Other cash disbursements for operating activities		-2,327,376	-3,606,382
c) Cash flow from operating activities (a + b)		**6,940,977**	**8,165,454**
B. Cash flow from investing activities			
a) Cash receipts from investing activities	**32**	**13,416,976**	**149,305**
Cash receipts from interest and profit participation relating to investing activities		3,480,862	0
Cash receipts from the disposal of property, plant and equipment		687,725	149,305
Proceeds from disposal of short-term investments		9,248,389	0
b) Investing expenditure	**33**	**-22,526,364**	**-15,889,052**
Expenditure for acquisition of intangible assets		-1,913,481	-2,335,180
Cash disbursements to acquire property, plant and equipment		-20,612,884	-13,553,872
c) Cash flow from investing activities (a + b)		**-9,109,388**	**-15,739,747**

Cash flow statement

in EUR

Item	Note	2024	2023
C. Cash flow from financing activities			
a) Cash receipts from financing activities	**34**	**20,000,000**	**14,000,000**
Proceeds from increases in financial liabilities		20,000,000	14,000,000
b) Financing expenditure	**35**	**-13,027,489**	**-9,246,974**
Expenditure on interest payments relating to financing		-1,510,608	-859,474
Expenditure on the repayment of financial liabilities		-7,825,000	-8,387,500
Expenditure on dividends and other profit-sharing payments		-3,691,882	0
c) Cash flow from financing activities (a + b)		**6,972,511**	**4,753,026**
Č. Closing cash balance		16,787,599	11,983,499
x) Cash results in the period (sum of markups Ac, Bc, and Cc)		**4,804,100**	**-2,821,267**
+			
y) Opening balance of cash and cash equivalents		**11,983,499**	**14,804,766**

Statement of changes in equity 2024

in EUR

Item		Called-up capital	Capital reserves	Profit reserves				Reserves arising from valuation at fair value	Net profit or loss from previous periods	Net profit or loss for the period	Total
		Share		Legal reserves	Reserves for own shares	Own shares	Other profit reserves		Retained earnings	Net profit	
		I/1	II	III/1	III/2	III/3	III/5	V	VI/1	VII/1	
A.1.	**Balance as at the end of the previous reporting period**	**203,932,512**	**75,384,315**	**7,578,292**	**0**	**0**	**20,329,832**	**-1,163,152**	**0**	**2,000,718**	**308,062,519**
A.2	**Opening balance of the reporting period**	**203,932,512**	**75,384,315**	**7,578,292**	**0**	**0**	**20,329,832**	**-1,163,152**	**0**	**2,000,718**	**308,062,517**
B.1	**Changes in equity – transactions with owners**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-2,000,718**	**0**	**-2,000,718**
g.	Dividend payment	0	0	0	0	0	0	0	-2,000,718	0	-2,000,718
B.2	**Total comprehensive income for the reporting period**	**0**	**0**	**0**	**0**	**0**	**0**	**-96,538**	**0**	**9,094,918**	**8,998,381**
a.	Entry of net profit for the financial year	0	0	0	0	0	0	0	0	9,094,918	9,094,918
c.	Changes in fair value reserves	0	0	0	0	0	0	41,345	0	0	41,345
d.	Other components of comprehensive income	0	0	0	0	0	0	-137,882	0	0	-137,882
B.3	**Changes in equity**	**0**	**0**	**454,746**	**0**	**0**	**5,698,874**	**-59,778**	**2,060,497**	**-8,154,338**	**0**
a.	Allocation of the remainder of the net profit for the comparative reporting period to other components of equity	0	0	0	0	0	0	0	2,000,718	-2,000,718	0
b.	Allocation of part of the net profit for the reporting period to other components of equity as decided by the management and supervisory bodies	0	0	454,746	0	0	5,698,874	0	0	-6,153,620	0
f	Other changes in equity	0	0	0	0	0	0	-59,778	59,778	0	0
C.	**Closing balance of the reporting period**	**203,932,512**	**75,384,315**	**8,033,038**	**0**	**0**	**26,028,706**	**-1,319,468**	**59,778**	**2,941,299**	**315,060,180**
	DISTRIBUTABLE PROFIT								59.778	2.941.299	3.001.077

Statement of changes in equity 2023

in EUR

Item		Called-up capital	Capital reserves	Profit reserves				Reserves arising from valuation at fair value	Net profit or loss from previous periods	Net profit or loss for the period	Total
		Share		Legal reserves	Reserves for own shares	Own shares	Other profit reserves		Retained earnings	Net profit	
		I/1	II	III/1	III/2	III/3	III/5	V	VI/1	VII/1	
A.1.	**Balance as at the end of the previous reporting period**	**203,932,512**	**75,384,315**	**7,270,252**	**0**	**0**	**16,477,781**	**-609,216**	**1,691,163**	**1,309,914**	**305,456,722**
A.2	**Opening balance of the reporting period**	**203,932,512**	**75,384,315**	**7,270,252**	**0**	**0**	**16,477,781**	**-609,216**	**1,691,163**	**1,309,914**	**305,456,722**
B.1	**Changes in equity – transactions with owners**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-3,001,077**	**0**	**-3,001,077**
g.	Dividend payment	0	0	0	0	0	0	0	-3,001,077	0	-3,001,077
B.2	**Total comprehensive income for the reporting period**	**0**	**0**	**0**	**0**	**0**	**0**	**-625,866**	**0**	**6,232,740**	**5,606,873**
a.	Entry of the net profit for the year	0	0	0	0	0	0	0	0	6,232,740	6,232,740
d.	Other components of comprehensive income	0	0	0	0	0	0	-625,866			-625,866
B.3	**Changes in equity**	**0**	**0**	**308,040**	**0**	**0**	**3,852,051**	**71,930**	**1,309,914**	**-5,541,935**	**0**
a.	Allocation of the remainder of the net profit for the comparative reporting period to other components of equity	0	0	0	0	0	0	0	1,309,914	-1,309,914	0
b.	Allocation of part of the net profit for the reporting period to other components of equity as decided by the management and supervisory bodies	0	0	308,040	0	0	3,852,051	0	0	-4,160,091	0
f	Other changes in equity	0	0	0	0	0	0	71,930	0	-71,930	0
C.	**Closing balance of the reporting period**	**203,932,512**	**75,384,315**	**7,578,292**	**0**	**0**	**20,329,832**	**-1,163,152**	**0**	**2,000,718**	**308,062,519**
	DISTRIBUTABLE PROFIT								**0**	**2,000,718**	**2,000,718**

Balance sheet profit of Elektro Maribor d.d.

in EUR

Item	2024	2023
a) Net profit or loss for the year	**9,094,918**	**6,232,740**
b) Net loss carried forward	**0**	**-71,930**
b) Net profit carried forward	**59,778**	**0**
d) Increase in reserves from profits following a decision of the management and supervisory bodies	**454,746**	**308,040**
Legal reserves	454,746	308,040
e) Increase in reserves from profits following a decision of the management and supervisory bodies	**5,698,874**	**3,852,051**
Other profit reserves	5,698,874	3,852,051
BALANCE SHEET PROFIT (a + b – d – e)	**3,001,077**	**2,000,718**

4 Notes to the Financial Statements

4.1 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

Reporting entity

Elektro Maribor d.d., Vetrinjska ulica 2, 2000 Maribor, is registered in Slovenia and is the parent company of the Elektro Maribor Group. The Company's core business is the distribution of electricity to business and residential customers in the north-eastern part of Slovenia.

The Elektro Maribor Group comprises:

- the parent company Elektro Maribor d.d., Vetrinjska ulica 2, Maribor, and
- OVEN Elektro Maribor d.o.o., Vetrinjska ulica 2, Maribor, which is 100% owned by the parent company.

Associated companies

in EUR	Share of non-current financial investments of Elektro Maribor d.d. as at 31 Dec 2024	Equity	Net profit or loss
OVEN Elektro Maribor d. o. o., Vetrinjska ul. 2, Maribor	100.00%	4,532,273	427,733
Eldom d. o. o., Veselova ulica 10, Maribor	50.00%	342,884	22,728
Moja energija d. o. o., Jadranska cesta 28, Maribor	33.33%	4,529,311	346,669
Informatika d. o. o, Vetrinjska ulica 2, Maribor	24.10%	2,552,931	21,652

In accordance with Article 56 of the Companies Act (ZGD-1), a company which has its registered office in the Republic of Slovenia and is the parent company of one or more companies in the Republic of Slovenia may omit the preparation of a consolidated annual report if this is not relevant for a true and fair view of the financial position, profit or loss, cash flows and changes in equity for all of the companies included in the consolidation as a whole In order to assess the significance of the involvement in the consolidation of the subsidiary OVEN Elektro Maribor d.o.o., Elektro Maribor d.o.o. applied the criteria for assessing significance defined by the Accounting Rules of Elektro Maribor d.o. and found that the assets of OVEN d.o.o. represent only 1.02% of the value of the assets of Elektro Maribor d.o.o. and only 1.54% of the total revenues of the parent company.

Elektro Maribor d.d. does not disclose information that it has reasonable grounds to believe would cause significant damage to the Company.

Statement of compliance and date of adoption of the financial statements

The financial statements of Elektro Maribor as at 31 Dec 2024 were prepared in accordance with the accounting and reporting requirements of the Slovenian Accounting Standards 2024 (hereinafter referred to as the "SRS"), in accordance with the provisions of the Companies Act (ZGD-1) and in accordance with the requirements of the energy legislation.

On 17 April 2025, the financial statements and notes to the financial statements and the annual report presented were approved and adopted by the Management Board of the Company.

Fundamental accounting assumptions and qualitative characteristics of accounting

In preparing the financial statements, the following fundamental accounting assumptions are taken into account:

- accrual accounting; and
- unlimited time of operation.

The required quality characteristics are also taken into account:

- understandability,
- suitability,
- reliability,
- comparability.

The same accounting policies, policies and rules were applied consistently to all periods presented in the accompanying financial statements and were applied consistently throughout the reporting period There were no changes in accounting policies in 2024.

The presentation of the information relates to the financial years 2024 and 2023. The notes to the financial statements are presented in the same order as the items in the statements.

The balance sheet and the income statement show the items separately and in the same order as required by the ZGD-1. We aggregated the values of individual items that are not material to a true and fair view of the Company's assets and profit or loss, and explained them accordingly in the notes to the financial statements.

The books of account are kept according to the double-entry bookkeeping system, which follows the chart of accounts adopted by the Slovenian Institute of Auditors in agreement with the ministers responsible for the economy and finance.

Elektro Maribor d.d. is subject to monthly value added tax under the Value Added Tax Act as well as under the Corporate Income Tax Act.

Functional and presentation currency

The financial statements are drawn up in EUR, rounded to the nearest unit, for a financial year which is the same as the calendar year The reporting precision measure is 1 EUR. Rounding may result in rounding differences.

The information in the financial statements for the year under review is comparable in substance with that of the previous financial year.

4.2 SIGNIFICANT ACCOUNTING POLICIES

We applied the provisions of the SRS directly to the recognition and valuation of items in the financial statements, except for the valuation of items where the SRS provide a choice between different valuation methods. s. In these cases, the valuation option chosen is that defined in the Accounting Policies and summarised in this Annual Report, or as determined by resolutions of the Management Board of the Company. All accounting policies are consistent with the SRS.

Materiality of disclosures

The materiality of the disclosures in the financial statements is defined by internal acts, separately for each category of assets and liabilities, and for each category of income, costs and expenses. Material to the Company are those transactions and other events in the balance sheet whose values exceed 1.5% of the value of assets at the balance sheet date and those costs, expenses and income which reach or exceed 2% of total income or costs and expenses for the financial year. The Company also discloses information (which may be for amounts less than these) if the amounts are so material that the ability of users of the financial statements to make appropriate judgements and decisions would otherwise be impaired.

Intangible assets

Intangible assets are stated at cost less amortisation.

They are measured at initial recognition at cost, which includes any purchase consideration and any directly attributable costs until they are available for use.

Long-term property rights are amortised individually on a straight-line basis. They are amortised as they become available for use. Depreciation is provided using the depreciation rates specified for each type of non-current asset based on its estimated useful life.

We apply a flat depreciation rate of 10% for full software solutions and over the life of the contract for software solutions. For all other software solutions, we apply an amortisation rate ranging from 10% to 50%.

Property, plant and equipment

Property, plant and equipment are part of the Company's non-current assets that are used to carry out the Company's activities.

Property, plant and equipment are stated at cost less depreciation and amortisation. Cost consists of the purchase price, non-refundable purchase taxes and costs directly attributable to bringing the property, plant and equipment to its intended use. The cost is also increased by interest on borrowings to acquire the property, plant and equipment until the property, plant and equipment is available for use for those items of property, plant and equipment where the period until the availability of the property, plant and equipment is more than one year and where the amounts involved are significant.

The Company carries out construction of buildings and equipment on its own account, which it records in its books when the construction is completed. The value on the basis of which the assets are recorded in the books is within the meaning of IAS 1.11. The cost of an item of property, plant and equipment constructed or manufactured by the Company consists of the costs incurred in constructing or manufacturing it and the attributable indirect costs of constructing or manufacturing it. It does not consist of costs unrelated to its construction or production and costs that are not recognised by the market, but does consist of borrowing costs to construct or produce it and to bring it into use.

The cost of property, plant and equipment constructed in the Company is compared to comparable market prices for the same type of services obtained from providers in the market. The cost of such property, plant and equipment is not greater than that within the meaning of SRS 1.10.

We use the full cost method to value items. The cost price used to record property, plant and equipment constructed in the Company does not include the profit by which the hourly rate we charge when the same service is offered in the market is increased.

Parts of property, plant and equipment that have different useful lives or patterns of use are accounted for as individual items of property, plant and equipment.

Costs subsequently incurred in respect of an item of property, plant and equipment increase its cost if the future benefits from the item increase compared with those originally estimated.

Investments in property, plant and equipment are deferred on the basis of the System Guidance on the deferral of investments in property, plant and equipment, which is an annex to the Accounting Rules. On this basis, we divide the investments made by the Company into:

- new investments, which are investments to acquire new fixed assets,
- periodic inspections of fixed assets, which represent the cost of periodic inspections or repairs of fixed assets and are treated as items of property, plant and equipment,
- cost increases that cover subsequent investments in fixed assets if they increase the future benefits of the asset compared with those originally estimated; in this case, only the capacity of the fixed asset is increased and the useful life is unchanged; and
- renewal, which includes investment that extends the useful life of a fixed asset.

Depreciation is calculated on a straight-line basis.

In assessing whether leases are leases within the scope of the provisions of the SFR, we determine the reasons for reclassification on a contract-by-contract basis. In this way, we reclassify non-current leases as a right to use an asset.

Current leases are leases with a lease term of 12 months or less and do not include a call option Low-value leases are leases of assets with an individual value of less than EUR 10,000. Current and low-value leases are not reclassified as rights to use the asset.

All property, plant and equipment are owned by the Company and are not pledged as security for debt.

The Company's management actively monitors market developments and assesses that there was no objective evidence of factors indicating the need to impair property, plant and equipment in 2024. A property, plant and equipment is revalued for impairment if its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

For each depreciable asset group, we assess annually whether there is any indication that the asset group may be impaired. In doing so, we consider indications from external and internal sources of information in accordance with SRS 17.5 and SRS 17.6. The significant factors for assessing the impairment of an asset group are primarily those that indicate that the asset group is obsolete or physically deteriorated and those that indicate that the economic performance of the asset group is less than expected. If their recoverable amount has changed significantly within one year, the amount of the impairment loss for a group of assets is recognised as an expense in the income statement.

Property, plant and equipment obtained by the company through state support at the time of acquisition are demonstrated at a fair value set out in the contract. State support is not deducted from the cost of tangible fixed assets, but are included in deferred revenues and consumed in accordance with the calculated depreciation.

Investment property

Investment property is held to earn rental income or to increase the value of a non-current investment.

Investment property is stated at cost less depreciation. Investment property includes holiday homes and owner-occupied dwellings.

Depreciation is calculated on a straight-line basis The estimated useful life is 50 years.

The Management Board actively monitors market developments and assesses that there was no objective evidence of factors indicating a need to impair investment properties in 2024.

Depreciation

The unamortised cost of property, plant and equipment, intangible assets and investment property is reduced by depreciation.

The Company has all fixed assets classified into depreciation groups. We use depreciation rates that are consistent among electricity distribution companies in Slovenia. Depreciation is calculated on a straight-line basis.

Fixed assets under acquisition, land and works of art are not depreciated.

We independently determine the useful lives of individual fixed assets, which are harmonised between the electricity distribution companies in Slovenia. We use the useful lives shown in the table below to calculate depreciation.

Change in accounting estimates

The responsible persons of the Company review annually the adequacy of the useful lives of each group of all fixed assets. In the event of a significant change, a technical working group is convened within the Electricity Distribution Industry Association (GIZ), which appoints a task force for all fixed assets. The members are required to review the useful lives of the fixed assets by depreciation group and make findings. If they find that there have been material changes since the last review, these are taken into account in all electricity distribution companies from the date the change comes into effect.

The Company did not change any accounting estimate for groups of property, plant and equipment in 2024.

Fixed asset useful lives

	2024	2023
Buildings	50 years	50 years
Cable ducts, overhead HV lines, overhead HV cable ducts, overhead MV lines	40 years	40 years
Construction of DTS, DS and TS	40 years	40 years
MV cable duct with XHP and EHP, LV and RL overhead duct with wooden poles, mast TS on wooden pole	33 years	33 years
DTS and DS secondary equipment	15 years	15 years
DTS, DS and RCS equipment Primary	30 years	30 years
HV/MV power transformer	35 years	35 years
MV/LV power transformer	30 years	30 years
Measuring and control devices (meters)	5– 24 years	5– 24 years
Motor vehicles	7– 12 years	7– 12 years
Computer equipment	2– 5 years	2– 5 years
Intangible assets (application software)	2– 10 years	2– 10 years
Easement	1– 100 years	1– 100 years

Financial investments

Investments are shown as non-current and current investments in the balance sheet. Non-current investments are those held for more than one year and not held for trading.

On initial recognition, an investment is measured at cost, which is the amount of cash or cash equivalents paid.

Non-current investments in subsidiaries and associates are valued at cost in the financial statements.

Other financial investments are valued at cost.

The Company assesses at each balance sheet date whether there is objective evidence that an investment may be impaired. The Company considers objective evidence to be a test of the value in the securities market. If the market value of the investment at the balance sheet date is more than 20% lower than the carrying amount, this is evidence that the investment should be impaired. In this case, it is a revaluation of the investment for impairment, If there is objective evidence that an impairment loss incurred on an investment in an equity instrument for which there is no quoted price in an active market and which is carried at cost rather than fair value because its fair value cannot be reliably measured, or in a related derivative that is to be settled by delivery of equity instruments, for which there is no quoted price in an active market, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of expected future cash flows discounted at current market rates of return for similar financial assets and recognised as a revaluation finance expense in the income statement.

For significant investments, the Company may obtain a formal estimate of the value as a basis for assessing whether the reported value of the investment in the financial statements is appropriate.

Inventories

The Company values a unit of inventory at cost, which comprises the purchase price, import duties and direct costs of acquisition, less any discounts received.

We use the moving average price method to record the consumption of inventories of materials.

Inventories of materials are revalued for impairment if their carrying amount exceeds their net realisable value.

Claims

Receivables of all types, assuming that they will be repaid, are recognised initially at the amounts shown in the relevant documents. The original receivable may subsequently be increased or, irrespective of any payment or other settlement received, decreased by any amount that is contractually justified.

The adequacy of the reported receivables is regularly reviewed. Receivables that are presumed to be unsettled are reported as doubtful or controversial.

An entity reassesses receivables for impairment when there is objective evidence that the carrying amount of the receivable is greater than the present value of the expected future cash flows.

We apply a 100% valuation allowance approach to doubtful and disputed receivables, irrespective of the level of recoverability, for receivables subject to insolvency proceedings or legal action and receivables not paid within 90 days of the due date. The allowance for impairment of receivables is established on a business partner-by-business partner basis.

In the balance sheet, receivables are shown net, i.e. less the value of allowances for doubtful debts.

Cash and cash equivalents

Cash is represented by cash in transaction accounts with banks and cash equivalents - investments that can be converted quickly or within three months into a known amount of cash.

They are recognised on initial recognition at the amounts arising from the relevant instrument, after verification that it is of that nature.

Short-term accruals and deferrals

Short-term accruals and deferrals are receivables and other assets that are expected to arise within one year of the balance sheet date and for which it is probable that they will arise and their amount is reliably estimated.

At the time they are incurred, they are amounts that are not yet charged to the Company's operations and do not yet affect the Company's profit or loss. The items are presented in the balance sheet at real amounts and do not include any hidden reserves.

Current accrued liabilities comprise accrued costs and expenses (which are probable of being incurred within the next year, but the amount is reliably estimated and does not yet affect profit or loss) and deferred income (where income that has not yet been paid and could not be charged to profit or loss is included in profit or loss). They can only be applied to items that have been recognised initially.

Capital

The total capital of the Company is defined as the amounts contributed by the owners and the amounts arising from operations and attributable to the owners.

The share capital is held in local currency and is entered in the court register. It is divided into 33,345,302 ordinary registered parcel shares. All shares are single class shares and are fully paid up. They are issued in dematerialised form and are held with the company KDD – Centralno klirinško depotna družba, d.o.o., in accordance with the regulations.

Treasury shares are acquired on the basis of a mandate from the Company's general meeting.

Provisions for treasury shares are made equal to the amounts paid to acquire them.

Profit reserves are recognised by a resolution of the management board, the supervisory board and a resolution of the general meeting of the Company.

The fair value reserve is recognised based on the revaluation of investments at the end of the financial year and the recording of actuarial surpluses/losses arising from the calculation of the provision for retirement benefits.

Net profit represents the unallocated part of the Company's net profit for the year.

Movements in capital items are shown in the statement of changes in equity.

Provisions and long-term accruals and deferred income

Provisions are made for liabilities that are expected to arise in future periods based on past events. Their value is based on an estimate of the present value of the expenditures that will be required to settle these obligations.

In accordance with the precautionary principle, in preparing the financial statements for the year, we made provisions for all contingent liabilities that are more than 50% likely than not to be settled in the future.

The Company makes provisions for severance pay and jubilee bonuses for employees. These are based on an annual calculation by a chartered actuary as at the beginning and end of the financial year. The actuarial calculation is based on the provisions of SRS 10 and is carried out at the end of each financial year when the value and the balance of the provisions are reconciled. They were calculated using the Projected Unit Credit method based on a multi-decrement model taking into account the decrements: probability of mortality, probability of retirement, probability of employee turnover and probability of disability. The most important assumptions used in the actuarial calculation are:

- probability:
  - mortality (ENO2007; selection factor for the active population 75%),
  - disability (according to a model based on BUZ/BV1990x, BUZ/BV1990y; selection factor 25%);
- retirement under the model based on the Pension and Disability Insurance Act (ZPIZ-2; Official Gazette of RS, No. 96/2012);
- employee turnover:
  - 4.0% at intervals of up to 35 years,
  - 3.0% between 36 and 45 years,
  - 2.5% at age 46 and above;
- discount rates 3.3818 % (Markit iBoxx € Corporates AA 10+; EOD-31 Dec 2024);
- wage growth:
  - in the Republic of Slovenia (5.0%; 3.5%) in the years (2025; from 2026 onwards),
  - in the company (5.0%; 3.5%) in the years (2025; from 2026 onwards),
  - in the electricity sector (5.0%; 3.5%) in the years (2025; from 2026 onwards);
- employer's contribution rate of 16.1% (for payments above the amounts set by the Regulation on the tax treatment of reimbursements of expenses and other income from employment).

The carrying amount of a provision is equal to its original cost less amounts used until the need arises to increase or decrease it.

Non-current accrued charges are made against accrued expenses and accrued deferred contributions for pension and invalidity insurance for disabled employees. We draw this income against the actual salary costs incurred by disabled employees.

The Company also accrues non-current deferred income from deferred income on fixed assets acquired free of charge and from the co-financing contribution to cover the depreciation costs of such assets. Fixed assets acquired free of charge are valued at fair value, which is set out in the free of charge acquisition contract.

Debts

Debts are financial or commercial in nature and current or non-current in term.

All debts are measured at initial recognition at the amounts recognised in the relevant documents at the time they are incurred, assuming that creditors demand repayment. They are subsequently increased by imputed returns (interest, other remuneration) for which there is an agreement with the creditor. They are reduced by amounts repaid and any other settlements agreed with the creditor.

The carrying amount of debts is equal to their original cost less any repayments.

The balance sheet shows separately the amounts of non-current and current debts, and within these, financial and operating debts.

Recognition of revenues

Revenue is recognised when an increase in economic benefits during the period is associated with an increase in the value of an asset or a decrease in a debt and the increase can be measured reliably. Income is recognised when it is reasonably expected that they will result in receipts, provided the latter are not realised upon they generation.

Revenue is broken down into operating, financial and other revenue.

Operating income is income from sales and other operating income that is linked to business impacts. They represent the sales values of the products, services and materials sold during the accounting period. They are measured on the basis of the selling prices stated in invoices and other documents less amounts charged by the Company on behalf of others (duties), discounts granted at the time of sale and, subsequently, the value of returned quantities and discounts subsequently granted.

We follow the following policies for measuring revenue recognition:

- The buyer and the seller agree on the content of the transaction and the terms of the sale. In most cases, the agreement is in writing.
- Revenue from services rendered is measured at the selling price, which is fixed and determinable.
- For construction contracts, revenue is recognised progressively or at the stage of completion. The basis for recognition is the customer's acknowledgement, which is deemed to be acceptance of the services rendered. Where the performance obligation is performed progressively, revenue is also recognised progressively. The Company consistently uses the input method to measure progress.
- The amounts charged by the Company for the sale transaction do not carry significant credit risk as we expect to derive economic benefits from the transaction.

Revaluation gains arise on the disposal of property, plant and equipment and intangible assets and when receivables impaired in previous years are repaid.

Finance income is investment income and arises in respect of current and non-current investments, as well as in respect of receivables in the form of accrued interest and as revaluation finance income.

They are recognised when they are accrued, irrespective of receipts, unless there is reasonable doubt as to their amount, due date and recoverability. Interest is accrued on a time-proportioned basis, based on the unamortised portion of the principal and the effective interest rate.

Other revenues comprise unusual items and other profit-increasing revenue.

Grants

Government grants are recognised at fair value when there is reasonable assurance that the entity will comply with the terms and conditions of the grant and will receive the grant. Government grants are recognised as income in the periods in which they are matched against the related costs that they are intended to replace.

Recognition of expenses

Expenses are recognised if a decrease in economic benefits in an accounting period is associated with a decrease in assets or increase in liabilities, and such decrease or increase can be reliably measured.

Expenses are broken down to operating, financial and other expenses.

Operating expenses are recognised when the costs are no longer retained in the value of the inventories of products. In principle, they are equal to the costs accrued during the accounting period.

Revaluation expenses are recognised when the corresponding revaluation is made and arise in respect of property, plant and equipment, intangible assets and current assets on account of their impairment.

Financial expenses are expen ses arising from financial and operational commitments. They are recognised when they are accrued, irrespective of the related payments.

Other expenses are unusual items and other expenses that reduce profit or loss.

Labour costs and employee benefits

The Company recognises the following in labour costs:

- wages,
- salary compensation,
- cost of supplementary pension insurance,
- cost of contributions and other charges,
- other costs, such as recourse, reimbursement of material expenses, solidarity grants, etc.

Labour and compensation costs are calculated and paid in accordance with the law, the Electricity Industry Collective Agreement and the Company Collective Agreement.

We also record accrued charges for unused annual leave of employees as part of labour costs.

Taxes

We are liable for taxes under the Value Added Tax Act and the Corporate Income Tax Act.

The Company's income tax is calculated on the basis of the income and expenses reported in the profit and loss account, taking into account the provisions of the Corporate Income Tax Act. The tax so assessed is the tax payable by the Company on its taxable profits for the year at the tax rates enacted at the statement of financial position date, taking into account any adjustments to tax liabilities in respect of previous financial years.

It applies the balance sheet liability method of accounting for deferred tax based on temporary differences between the carrying amounts and the tax bases of individual assets and liabilities. The amount of deferred tax is based on the expected recovery or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available within the next five years against which deferred taxes can be utilised in the future.

Cash flow statement

The cash flow statement is prepared using the direct method. Cash and cash equivalents in the cash flow statement consist of cash at bank and deposits with a maturity of three months or less.

Regional and area sections

In accordance with the Electricity Supply Act (ESPA), we are obliged to report by activity (segment). For this purpose, we defined two activities:

- Contract with ELES d.o.o., which takes into account the tasks carried out by the Company under the Contract for the rental of electricity distribution infrastructure and provision of services to ELES d.o.o.;
- Services, which take into account other commercial activities carried out by the Company.

4.3 NOTES TO THE BALANCE SHEET

The balance sheet is the basic financial statement that shows those assets and liabilities that relate to the Company's operations.

In accordance with SRS 20.4, it takes the form of a sequential step-by-step statement, with values shown for 2024 and 2023.

Items on the balance sheet are stated at their unamortised cost, being the difference between the cost less any valuation allowance. In preparing the balance sheet, the principle of individual valuation of assets and liabilities was followed.

The Company does not have any additional information that is relevant to the fair presentation of the Company's financial position and these items are not prescribed in the face of the balance sheet.

Information on the basis of preparation of the balance sheet and on the specific accounting policies and methods used in the recording of the Company's transactions is presented below in the notes to the individual balance sheet items.

The notes are an integral part of the financial statements and should be read in conjunction with them.

Intangible assets

NOTE 1

Intangible assets comprise property rights arising from the use of licences and application software, which are classified as having a finite useful life of between two and ten years and are amortised on a straight-line basis. The depreciation rates used range from 10 to 50%.

There are no intangible assets pledged to repay debts, nor are there any assets that could be obtained through government support.

At the end of the financial year, the Company has EUR 1,128,900 of contractual commitments, mainly for the purchase of licences for the use of information technology. The commitments are settled on a monthly basis, based on invoices received.

Major intangible asset purchases relate mainly to the purchase of IT licences, the upgrade of the network charge system to adjust to the new tariff system, the upgrade of the assets management solution Maximo and the upgrade of the D365FO ERP solution.

Movement in intangible assets in 2024

in EUR	Intangible assets	Investments in progress	Right to use	Total
Cost				
Balance as at 1 Jan 2024	11,993,192		247,162	12,240,354
Increases				0
- New acquisitions		1865598		1,865,598
- Activation	1,865,598	-1865598		0
Exclusions	576,300		247,162	823,461
Balance as at 1 Dec 2024	13,282,491	0	0	13,282,491
Amortised cost				
Balance as at 1 Jan 2024	8,437,646		164,775	8,602,421
Exclusions	576,300		247,162	823,461
Depreciation	1,521,856		82,387	1,604,243
Balance as at 1 Dec 2024	9,383,203	0	0	9,383,203
Carrying amount				
Balance as at 1 Jan 2024	3,555,546	0	82,387	3,637,933
Balance as at 31 Dec 2024	3,899,288	0	0	3,899,288

Movement in intangible assets in 2023

in EUR	Intangible assets	Investments in progress	Right to use	Total
Cost				
Balance as at 1 Jan 2023	14,116,488	0	247,162	14,363,650
Increases				
- New acquisitions	0	1,639,295	0	1,639,295
- Activation	1,639,295	-1,639,295	0	0
Exclusions	3,762,591	0	0	3,762,591
Balance as at 31 Dec 2023	11,993,192	0	247,162	12,240,354
Amortised cost				
Balance as at 1 Jan 2023	10,475,181	0	82,387	10,557,568
Exclusions	3,762,542	0	0	3,762,542
Depreciation	1,725,007		82,387	1,807,395
Balance as at 31 Dec 2023	8,437,646	0	164,775	8,602,421
Carrying amount				
Balance as at 1 Jan 2023	3,641,307	0	164,775	3,806,082
Balance as at 31 Dec 2023	3,555,546	0	82,387	3,637,933

Property, plant and equipment
NOTE 2

Property, plant and equipment balances and movements in 2024

in EUR	Land	Construction facilities		Easement	Equipment		Investments in progress	Advances given	Total property, plant and equipment
		Construction facilities	Right to use funds		Equipment	Right to use the equipment			
Cost									
Balance as at 1 Jan 2024	7,760,737	801,714,222	732,908	2,399,844	215,786,191	798,056	9,234,310	49,556	1,038,475,823
Acquisitions, of which:							51,160,580		51,160,580
- Acquisitions (new purchases)							51,160,580		51,160,580
Activations	12,553	33,121,264	53,210	0	10,837,688	0	-43,971,504	0	53,210
- Activation (new purchases)	12,553	33,121,264	53,210		10,837,688		-43,971,504		53,210
Disposals	290,683	2,894,132	153,307		1,729,547	798,056			5,865,725
Reconciliations							91		91
Balance as at 31 Dec 2024	7,482,606	831,941,354	632,811	2,399,844	224,894,332	0	16,423,476	49,556	1,083,823,979
Amortised cost									
Balance as at 1 Jan 2024	0	523,600,680	195,940	185,104	128,174,567	532,038	0	0	652,688,329
Disposals		2,708,080	59,032		1,493,987	798,056	0	0	5,059,155
Depreciation	0	12,994,040	64,418	23,998	8,586,136	266,019			21,934,612
Reconciliations			2,842						2,842
Balance as at 31 Dec 2024	0	533,886,641	204,168	209,102	135,266,716	0	0	0	669,566,628
Carrying amount									
Balance as at 1 Jan 2024	7,760,737	278,113,542	536,967	2,214,740	87,611,625	266,019	9,234,310	49,556	385,787,495
Balance as at 31 Dec 2024	7,482,606	298,054,713	428,643	2,190,742	89,627,616	0	16,423,476	49,556	414,257,352

Property, plant and equipment balances and movements in 2023

in EUR	Land	Construction facilities		Easement	Equipment		Investments in progress	Advances given	Total property, plant and equipment
		Construction facilities	Right to use funds		Equipment	Right to use the equipment			
Cost									
Balance as at 1 Jan 2023	7,759,403	784,094,274	726,220	2,399,844	207,063,722	798,056	7,534,874	49,556	1,010,425,949
Acquisitions, of which:	0	0	0	0	0	0	35,548,175	0	35,548,175
- Acquisitions (new purchases)	0	0	0	0	0	0	35,548,175	0	35,548,175
Activations	1,333	22,425,652	82,922	0	11,427,950	0	-33,854,935	0	82,922
- Activation (new purchases)	1,333	22,425,652	82,922	0	11,427,950	0	-33,854,935	0	82,922
Disposals	0	4,805,704	76,234	0	2,705,480	0	0	0	7,587,419
Reconciliations	0	0	0	0	0	0	6,196	0	6,196
Balance as at 31 Dec 2023	7,760,737	801,714,222	732,908	2,399,844	215,786,191	798,056	9,234,310	49,556	1,038,475,823
Amortised cost									
Balance as at 1 Jan 2023	0	515,545,657	148,839	161,105	122,200,342	266,019	0	0	638,321,962
Disposals	0	4,693,730	15,247	0	2,362,189	0	0	0	7,071,166
Depreciation	0	12,748,753	57,823	23,998	8,336,414	266,019	0	0	21,433,007
Reconciliations	0	0	4,525	0	0	0	0	0	4,525
Balance as at 31 Dec 2023	0	523,600,680	195,940	185,104	128,174,567	532,038	0	0	652,688,329
Carrying amount									
Balance as at 1 Jan 2023	7,759,403	268,548,617	577,381	2,238,739	84,863,380	532,037	7,534,874	49,556	372,103,987
Balance as at 31 Dec 2023	7,760,737	278,113,542	536,967	2,214,740	87,611,625	266,019	9,234,310	49,556	385,787,495

Major acquisitions of fixed assets in 2024 relate mainly to the assets shown in the table below.

Major acquisitions of fixed assets

v evrih

	2024	2023
LV-lines	19,576,676	15,737,715
DTS HV/MV existing	1,897,416	4,036,726
Underground LPG lines	8,429,128	3,913,296
TS MV/LV	6,876,209	2,884,811
Measuring devices and instruments	3,117,200	2,717,332
Overhead overhead power lines	3,343,120	1,600,745

The decrease in property, plant and equipment relates to building structures with a cost of EUR 2,894,132 and to equipment with a cost of EUR 1,729,547, mainly due to write-downs resulting from destructions and replacements.

All assets are owned by the Company and are not pledged as security for debts.

Also recognised as property, plant and equipment are easements for the use of land under the Company's distribution network routes.

The Company has some contractual commitments for the purchase of property, plant and equipment, but these are for successive deliveries of equipment ordered in accordance with a schedule. The amount of the contractual commitments for deliveries already ordered but not yet executed is EUR 11,014,699.

All non-current borrowings are used to finance investments in the Company's fixed assets. We do not capitalise interest expense as the loans are mainly used to finance investments completed within the financial year.

The interest rate used for the usage rights is considered to be risk-free at 1.45%, representing the risk-free interest rate for RS bonds for a period of 10 years with a credit risk premium. The interest cost arising from the right to use the asset amounted to EUR 12,046.

The depreciation charge for the assets so acquired amounted to EUR 412,824 in 2024. The Company does not sublease the assets so recognised, but uses them to carry out its business.

In 2024, we recorded charges of EUR 33,993 for current and lower-value leases.

All right-of-use liabilities were settled on time, except for invoices received which will fall due in 2025. Cash flow from leases in 2024 amounted to EUR 552,468.

We signed a Contract with ELES for the lease of electricity distribution infrastructure and the provision of services for the system operator of the distribution network with associated Annexes. The amount of lease and the services we provide for ELES in 2024 are defined in the Contract for the Lease of Electricity Distribution Infrastructure and the Provision of Services for the Distribution Operator Activity.

Future lease payments for leased fixed assets cannot be reliably measured as the price and volume of leases vary over the year. The value of the electricity infrastructure lease for the financial year 2024 is EUR 33,501,480.

A significant part of the Company's property, plant and equipment is represented by the electricity infrastructure, which has a carrying amount of EUR 371,809,184 as at 31 December 2024.

Assets acquired by way of a government grant

in EUR	NOO 1		NOO 2		ECO FUND		Total assets acquired by way of a government grant
	Construction facilities	Equipment	Construction facilities	Equipment	Construction facilities	Equipment	
Cost							
Balance as at 1 Jan 2024	722,111	178,106	0	0	30,353	14,161	944,731
Acquisitions, of which:							0
- Acquisitions (new purchases)							0
Activations	1,687,077	655,073	2,428,374	625,556	0	24,127	5,420,206
- Activation (new purchases)	1,687,077	655,073	2,428,374	625,556	0	24,127	5,420,206
- Activation (free pick-up)							0
Disposals							0
Reclassification	-33,528	-24,597					-58,125
Balance as at 31 Dec 2024	2,375,660	808,582	2,428,374	625,556	30,353	38,287	6,306,811
Amortised cost							
Balance as at 1 Jan 2024	1,831	584	0	0	2,428	2,832	7,676
Disposals							0
Depreciation	31,319	14,325	10,048	1,608	1,214	3,829	62,343
Reclassification	-349	-152					-501
Balance as at 31 Dec 2024	32,801	14,757	10,048	1,608	3,642	6,661	69,518
Carrying amount							
Balance as at 1 Jan 2024	720,280	177,522	0	0	27,924	11,329	937,055
Balance as at 31 Dec 2024	2,342,859	793,825	2,418,325	623,947	26,710	31,627	6,237,293

Status and evolution of electricity infrastructure in 2024

in EUR	Land	Construction facilities	Easement	Equipment	Total property, plant and equipment
Cost					
Balance as at 1 Jan 2024	5,035,128	772,897,796	2,399,844	187,816,142	968,148,910
Increases, of which:	12,553	32,561,332	0	8,471,569	41,045,453
- Activations	12,553	32,561,332		8,471,569	41,045,453
Disposals		2,884,797		670,680	3,555,477
Transfers					0
Balance as at 31 Dec 2024	5,047,681	802,574,331	2,399,844	195,617,031	1,005,638,886
Amortised cost					
Balance as at 1 Jan 2024	0	508,428,390	185,104	109,263,381	617,876,875
Decreases	0	2,698,744		451,017	3,149,762
Depreciation		12,397,446	23,998	6,681,145	19,102,589
Balance as at 31 Dec 2024	0	518,127,091	209,102	115,493,509	633,829,702
Carrying amount					
Balance as at 1 Jan 2024	5,035,128	264,469,406	2,214,740	78,552,761	350,272,036
Balance as at 31 Dec 2024	5,047,681	284,447,240	2,190,742	80,123,521	371,809,184

Status and evolution of electricity infrastructure in 2023

in EUR	Land	Construction facilities	Easement	Equipment	Total property, plant and equipment
Cost					
Balance as at 1 Jan 2023	5,033,795	754,834,274	2,399,844	178,897,307	941,165,220
Increases, of which:	1,333	22,158,335	0	10,042,729	32,202,397
- Activations	1,333	22,158,335	0	10,042,729	32,202,397
Disposals	0	4,094,813	0	1,123,894	5,218,707
Balance as at 31 Dec 2023	5,035,128	772,897,796	2,399,844	187,816,142	968,148,910
Amortised cost					
Balance as at 1 Jan 2023	0	500,284,620	161,106	103,744,451	604,190,176
Decreases	0	4,014,579	0	832,472	4,847,051
Depreciation	0	12,158,349	23,998	6,351,402	18,533,749
Balance as at 31 Dec 2023	0	508,428,390	185,104	109,263,381	617,876,875
Carrying amount					
Balance as at 1 Jan 2023	5,033,795	254,549,654	2,238,738	75,152,856	336,975,044
Balance as at 31 Dec 2023	5,035,128	264,469,406	2,214,740	78,552,761	350,272,036

Investment property

NOTE 3

The Management Board actively monitors market developments and assesses that there was no objective evidence of factors indicating a need to impair investment properties in 2024.

The Company owns all investment property and no investment property is pledged as security for debt. Rental income from investment properties amounts to EUR 152,205 (2023: EUR 153,248). Of the investment properties generating lease income in 2024, all operating costs and expenses amount to EUR 178,288 (2023: EUR 156,270).

Investment property includes holiday homes and owner-occupied dwellings. The company's management estimates that the fair value of investment real estate is equal to their current value as of 31 December 2024, since the fair value can be easily measured because there are market prices for them.

Investment property and trends in 2024

in EUR	2024
Cost	
Balance as at 1 Jan 2024	1,475,759
Increases	60,133
Decreases	34,621
Balance as at 31 Dec 2024	1,501,271
Amortised cost	
Balance as at 1 Jan 2024	889,882
Disposals	16,217
Depreciation	25,288
Balance as at 31 Dec 2024	898,953
Carrying amount	
Balance as at 1 Jan 2024	585,877
Balance as at 31 Dec 2024	602,318

Investment property and trends in 2023

in EUR	2023
Cost	
Balance as at 1 Jan 2023	1,475,649
Increases	110
Balance as at 31 Dec 2023	1,475,759
Amortised cost	
Balance as at 1 Jan 2023	864,795
Depreciation	25,087
Balance as at 31 Dec 2023	889,882
Carrying amount	
Balance as at 1 Jan 2023	610,854
Balance as at 31 Dec 2023	585,877

Non-current financial investments
NOTE 4

Non-current financial investments

in EUR	Balance as at 31 Dec 2024	Balance as at 31 Dec 2023
Investments in shares of group companies:	1,691,967	1,691,967
- OVEN Elektro Maribor d. o. o.	1,691,967	1,691,967
Investments in shares of associates:	429,854	7,922,694
- Energija plus d. o. o.	0	7,492,840
- Informatika d. o. o.	299,478	299,478
- Eldom d. o. o.	130,376	130,376
- Moja energija d. o. o.	0	0
Other non-current investments in shares	56,594	56,594
Other non-current financial investments	0	207,045
Total	**2,178,415**	**9,878,300**

The Company's management estimates that the maximum potential credit exposure is equal to the carrying amount of the investments. The Company's management actively monitors market developments and estimates that there was no objective evidence

of factors indicating the need to impair non-current investments in 2024.

The company generated revenue in the total amount of EUR 1,507,160 in the disposal of financial investments.

The company estimates that the market value of the investments is equal to their fair value as there is no impartial evidence of any impairment of the financial investments.

Movement in non-current investments in 2024

in EUR	Investments in shares of group companies	Investments in shares of associates	Other non-current investments in shares	Other non-current financial investments	Total
Balance as at 1 Jan 2024	1,691,967	7,922,694	56,594	207,045	9,878,300
Increases	0	0	0	0	0
Decreases	0	7,492,840	0	207,045	7,699,885
Balance as at 31 Dec 2024	**1,691,967**	**429,854**	**56,594**	**0**	**2,178,415**

Non-current trade receivables
NOTE 5

Other non-current receivables are recorded in respect of the accumulation of funds in the reserve fund for owner-occupied residential buildings.

Non-current trade receivables

in EUR	Balance as at 31 Dec 2024	Balance as at 31 Dec 2023
Non-current trade receivables from ELES	0	1,537,228
Discounting of ELES receivable	0	-8,201
Non-current trade receivables due from others	73,129	71,787
Total	**73,129**	**1,600,815**

Deferred tax assets

NOTE 6

VIn 2024, we recognised an increase in deferred tax assets for temporary deductible differences arising from past and current provisioning and the utilisation or reversal of provisions for employee gratuities and termination benefits. In addition, deferred taxes were recognised and provided for actuarial losses, valuation allowances on receivables, long term accrued liabilities and unused investment allowances.

In calculating deferred tax assets, a tax rate of 22% was applied and is expected to continue to apply for the next five financial years.

The balance of deferred receivables as at 31 December 2024 is recorded at EUR 2,091,712.

Changes in deferred tax assets

in EUR	Balance as at 31 Dec 2023	Decreases (over equity)	Decreases (through profit or loss)	Increases (through profit or loss)	Balance as at 31 Dec 2024
Deferred tax assets					
- Allowance for impairment of receivables	272,335			1,548	273,883
– provisions for gratuities and retirement benefits	491,152	15,624	75,951		399,576
– from non-current accrued liabilities	324,778		18,774		306,005
– from carried-forward investment allowances	871,271			240,977	1,112,248
Total	**1,959,536**	**15,624**	**94,725**	**242,525**	**2,091,712**

Inventories

NOTE 7

The Company mainly recognises as inventories stocks of materials for installation in own-account investments, stocks of materials for the provision of services on the market and stocks of spare parts for the maintenance of property, plant and equipment . The Company's management estimates that the carrying amount of inventories is at the level of net realisable value.

As at 31 December 2024, the Company has EUR 16,369 of inventories where there was no movement between 1 January 2019 and 31 December 2024, but which are classified as operating reserves.

The regular annual stock-taking exercise identified a deficit of EUR 4 and a surplus of EUR 153. In 2024, EUR 2,174 of inventories were written off due to damage, obsolescence or destruction.

All inventories are owned by the Company and are not pledged as collateral for debt.

Inventories

in EUR	31 Dec 2024	31 Dec 2023
Raw materials and supplies	3,706,688	3,996,224
Fuel and lubricant	13,126	12,828
Office supplies	1,675	1,559
Stocks of small inventories and packaging, finishing	155,153	100,325
Total	**3,876,641**	**4110935**

Value of inventories

in EUR	31 Dec 2024	31 Dec 2023
Gross value of inventories	3,876,641	4,110,935
Value adjustments	0	0
Net value of inventories	**3,876,641**	**4,110,935**

Current trade receivables
NOTE 8

Current trade receivables

in EUR	31 Dec 2024	31 Dec 2023
Current trade receivables from group companies, of which:	6,486	15,839
– receivables from OVEN Elektro Maribor d.o.o.	6,486	15,839
Current trade receivables from customers for network usage	4,847,064	3,304,415
CCurrent trade receivables from customers for services	9,438,463	10,334,371
Current interest receivable	16,481	5,300
Other current receivables	4,456,650	1,036,452
Total	**18,765,143**	**14,696,377**

Value of receivables

in EUR	31 Dec 2024	31 Dec 2023
Gross receivables	20,351,749	16,034,881
Value adjustment	1,586,606	1,338,504
Net receivables	**18,765,143**	**14,696,377**

Customers mostly settle their claims on time or with a small delay. In the event of default, customers are charged contractually agreed interest on late payment.

For disputed, doubtful and overdue receivables over 90 days, the Company provided for an allowance for doubtful accounts in 2024 in accordance with the Receivables Management Policy.

We did not make an impairment allowance for outstanding receivables from ELES d.o.o. of EUR 2,446,280 and they are not in dispute. The receivables relate to part of the value of the 2023 inter-annual network deficit and the preliminary settlement of the 2021 regulatory year, which will be settled in 2025 in accordance with Article 129 of the Network Charges Act (RO Act).

The Company issued invoices/credits against the provisional 2023 settlement received totalling EUR 1,855,331, which are due for payment after the final settlement of the 2024 regulatory year.

Movement in valuation allowances on receivables

in EUR	Balance as at 31 Dec 2023	Decreases	Increases	Balance as at 31 Dec 2024
Allowances for current trade receivables:				
– reduction of valuation allowances due to payments		91,633		
– reduction of valuation allowances due to write-downs		66,765		
Total	**1,338,503**	**158,398**	**406,500**	**15,866,06**

Breakdown of current trade receivables by maturity

in EUR	31 Dec 2024	Structure in %	31 Dec 2023	Structure in %
Outstanding receivables	18,136,754	96.65	14,214,553	96.72
Up to 30 days overdue	565,716	3.01	368,886	2.51
31-60 days overdue	15,843	0.08	59,033	0.40
61-90 days overdue	28,702	0.15	5,301	0.04
Over 90 days overdue	18,128	0.10	48,604	0.33
Total	**18,765,143**	**100.00**	**14,696,377**	**100.00**

Receivables from customers for network use amount to EUR 4,847,064 net and are mostly not secured by payment instruments.

At the end of the financial year 2024, the Company has no claims on the Company's Management Board and Supervisory Board members.

Cash and cash equivalents
NOTE 9

Cash and cash equivalents

in EUR	31 Dec 2024	31 Dec 2023
Funds in accounts	3,387,599	119,83,499
Call deposits	13,400,000	0
Total	**16,787,599**	**11,983,499**

Short-term deferred costs and accrued revenue
NOTE 10

Short-term deferred costs and accrued revenue

in EUR	31 Dec 2024	1. Dec 2023
Accrued income	316,514	860,696
Current deferred expenditure	18,915	140,204
VAT in advances received	24,584	34,501
Total	**360,013**	**1,035,401**

Movement in current accruals

in EUR	31. Dec 2023	Increases	Decreases	Balance as at 31 Dec 2024
Accrued income	860,696	135,313	679,495	316,514
Current deferred expenditure	140,204	1,386,938	1,508,227	18,915
VAT in advances received	34,501	0	9,916	24,584
Total	**1,035,401**	**1,522,250**	**2,197,638**	**360,013**

Accrued revenue represents amounts of revenue that have already affected profit or loss but for which payment has not yet been received and could not be charged. They mainly relate to unbilled lease payments for telecommunication equipment bases and construction services provided.

Equity

NOTE 11

The Company's share capital amounts to EUR 203,932,512 and is divided into 33,345,302 ordinary registered bulk shares, which is also the weighted average number of ordinary shares outstanding during the period.

The capital reserve is derived from the general capital revaluation adjustment and from the reduction in share capital resulting from the repurchase of own shares.

Statutory reserves and other profit reserves increased in accordance with Article 64 of the Companies Act (ZGD-1) and the Company's Articles of Association.

The fair value reserve shows the value of non-current investments and the amount of actuarial losses arising from the restatement of the provision for retirement benefits and the amount of deferred taxes on actuarial losses.

The Company reported a net profit of EUR 9,094,918 in 2024. In accordance with its responsibilities as defined in the provisions of the Companies Act, the Management Board of the Company used part of the net profit of EUR 454,746 to establish legal reserves and an amount of EUR 5,698,874 to establish other profit reserves.

The balance sheet profit in 2024 is EUR 3,001,077 and consists of a transferred profit of EUR 59,778 and from the rest of the profit in 2024 in the amount of EUR 2,941,299, and is shown in the annex to the statement of changes in equity and will be subject to a discussion at the General Meeting of Shareholders in 2024.

The book value per share at 31 December 2024 was EUR 9.45 and at 31 December 2023 the book value per share was EUR 9.24.

In 2023, Elektro Maribor d.d.'s basic earnings per share amounted to EUR 0.27. Diluted earnings per share are equal to basic earnings per share.

Equity

in EUR	31. Dec 2024	31 Dec 2023
Share capital	203,932,512	203,932,512
Capital reserves	75,384,315	75,384,315
Legal reserves	8,033,038	7,578,292
Other profit reserves	26,028,706	20,329,832
Reserves arising from valuation at fair value	-1,319,467	-1,163,151
Net profit or loss from previous periods	59,778	0
Net profit or loss for the financial year	2,941,299	2,000,718
Total	**315,060,181**	**308,062,518**

Movement in fair value reserves

in EUR	Balance as at 31 Dec 2023	Formation	Consumption	Transfer to carry-forward	Balance as at 31 Dec 2024
Valuation reserves on non-current investments	160,474	41,345	0	-201,819	0
Actuarial gains/losses on termination benefits on retirement	-1,414,744	-122,258	0	142,040	-1,394,962
Deferred tax from actuarial calculation	91,119	0	15,624	0	75,495
Total	**-1,163,151**	**-80,913**	**15,624**	**-59,779**	**-1,319,468**

Provisions and long-term accruals and deferred income
NOTE 12

Provisions

in EUR	Balance as at 31 Dec 2024	Balance as at 31 Dec 2023
Provisions for long-service bonuses	2,274,234	2,200,738
Provisions for severance pay upon retirement	4,467,521	4,472,579
Provisions for guarantees given	78,418	39,173
Provisions for accrued expenses	934,382	608,060
Total	**7,754,556**	**7,320,549**

Movement in provisions

in EUR	Balance as at 31 Dec 2023	Formation	Consumption	Elimination	Balance as at 31 Dec 2024
Provisions for long-service bonuses	2,200,738	346,528	273,032		2,274,234
Provisions for severance pay upon retirement	4,472,579	484,304	489,362		4,467,521
Provisions for guarantees given	39,173	39,246			78,418
Provisions for accrued expenses	608,060	332,323		6000	934,382
Total	**7,320,549**	**1,202,401**	**762,394**	**6000**	**7,754,556**

Provisions for retirement and jubilee gratuities are based on a calculation by a chartered actuary. The methodology for their calculation is presented in the Significant Accounting Policies section. The Company has no pension liability.

The amount of the provision recognised for legal commitments is EUR 934,382 and is the best estimate of the expenditure required to settle them.

In arriving at the best estimate, we took into account the risks and uncertainties that inevitably accompany the legal proceedings for which the provisions were made.

The amount of the provision is equal to the present value of the expenditure expected to be required to settle these commitments.

Non-current accrued charges are made for property, plant and equipment acquired free of charge and for co-financing. These non-current accrued liabilities are used to cover the depreciation of these assets at an annual depreciation rate of 2.93%.

Movement in non-current accrued liabilities

in EUR	Balance as at 31 Dec 2023	Decreases	Increases	Elimination	Balance as at 31 Dec 2024
Non-current deferred revenue from free take-up of house connections	17,378,163	848,381	0	0	16,529,781
Non-current deferred income from tangible assets taken over free of charge	7,256,457	329,371	0	0	6,927,086
Non-current deferred revenue from average connection costs	2,611,394	174,357	0	0	2,437,037
Non-current deferred co-financing income - EcoFund, ALiEnS-SOC	39,252	5,043	122,995	0	157,204
Non-current deferred co-financing revenue	3,037,561	203,530	89,266	0	2,923,298
Non-current deferred income - NOO-projects	897,802	103,267	2,342,150	0	3,136,684
Non-current deferred income - NOO2-projects	0	11,657	3,053,929	0	3,042,272
Total	**31,220,629**	**1,663,949**	**2,554,411**	**0**	**35,153,363**

Non-current accrued liabilities established since 2010 are drawn down to cover depreciation charges at the actual depreciation rate of each item of property, plant and equipment.

The non-current accrued liabilities arising from contributions for disabled persons are fully utilised by the Company to cover the cost of their salaries.

The non-current accrued liabilities arising from the NOO grants received are fully utilised by the Company to cover the depreciation costs of the assets so acquired.

Non-current liabilities
NOTE 13

Financial liabilities to banks

in EUR	31 Dec 2024	31 Dec 2023
Non-current financial liabilities to banks	68,450,000	57,275,000
Current portion of non-current financial liabilities due to banks	8,825,000	7,825,000
Total	**77,275,000**	**65,100,000**

Non-current financial liabilities mainly relate to non-current loans received from commercial banks. The Company incurred non-current debt of EUR 20,000,000 in 2024 for the purpose of financing investments.

The maturity of the loans received varies between 8 and 15 years. The interest rate varies between 3 and 6-month EURIBOR, with a mark-up of 0.5% to 0.7%, or at a fixed rate of between 0.184% and 3.84% per annum.

The carrying amount of non-current debt is equal to its fair value. The Company's non-current debt is not exposed to specific currency and credit risks. The exposure to interest rate risk is only represented by adverse movements in the EURIBOR benchmark interest rate.

The Company's bills of exchange are secured by loans taken out from banks in Slovenia.

Over five years from the balance sheet date, EUR 32,858,333 of principal is due for payment, and over a period of up to five years, EUR 35,591,667 of principal is due for payment. We pay all principal and interest instalments due regularly and on time.

The Company has non-current financial liabilities arising from rights to use assets of EUR 367,656.

We have no liabilities secured by a guarantee in kind.

Current liabilities
NOTE 14

Current operating liabilities

in EUR	31 Dec 2024	31 Dec 2023
Current trade payables for fixed assets	9,104,657	5986,494
Current trade payables to suppliers for working capital	3,642,004	3446,397
Current payables to ELES d.o.o.	4,785,606	3404,820
Current payables to employees	5,758,138	3771,826
Current payables to government and other institutions	-118,316	817,567
Current payables based on advances	1,249,299	943,252
Other current payables	128,092	147,216
Total	**24,549,480**	**18,517,571**

Current financial liabilities amount to EUR 10,236,484 and mainly represent the current portion of noncurrent loans receivable maturing within one year of the balance sheet date, amounting to EUR 8,825,000, and other current liabilities relating to profit distribution, amounting to EUR 1,339,547.

Current payables amount to EUR 24,549,480 and show the balances as shown in the table below. These mainly include payables to suppliers for fixed assets, payables to employees relating to salaries for December 2024 and payables to ELES d.o.o. for network charges for connection power and network use and services to system users.

The Company generally settles all current liabilities on time. As at 31 December 2024, we have EUR 262,046 of payables to suppliers for which security instruments were issued.

Short-term accruals and deferred income

NOTE 15

Current accrued liabilities show the balances of accrued expenses and deferred income. They include receivables and payables that are expected to arise within one year of the balance sheet date and whose occurrence is probable and the amount is estimated with a high degree of certainty.

Short-term accruals and deferred income

in EUR	31 Dec 2024	31 Dec 2023
Accrued charges for untaken annual leave	1,145,267	1,077,161
Accrued contract costs	6,391	0
Other accrued costs	168,232	40
Total	**1,319,890**	**1,077,201**

Movement in current accrued liabilities

in EUR	Balance as at 31 Dec 2023	Formation	Consumption	Elimination	Balance as at 31 Dec 2024
Accrued charges for untaken annual leave	1,077,161	1,145,267	969,977	107,184	1,145,267
Accrued contract costs	0	9,587		3,196	6,391
Other accrued costs	40	168,192			168,232
Total	**1,077,201**	**1,323,045**	**969,977**	**110,380**	**1,319,890**

Contingent liabilities

Contingent liabilities are those liabilities that have the potential to result in recognition in the balance sheet.

Contingent liabilities

in EUR	31 Dec 2024	31 Dec 2023
Contingent liabilities	20,000	194,850
Total	**20,000**	**194,850**

4.4 NOTES TO THE INCOME STATEMENT

The income statement includes all income, costs and expenses incurred during the period of the Company's operations.

The income statement is prepared in accordance with version I as defined in point 21.6 of the SRS. Information about the basis of preparation of the income statement and the specific accounting policies applied by the Company is presented in the disclosures of each material item.

Revenue

Revenue is also affected by the methods, policies and estimates explained in the balance sheet disclosures. We did not change our methods and accounting policies in 2024.

Net sales

NOTE 16

Net sales account for 66% of total operating income. The net sales revenue takes into account the 2023 and 2024 regulatory years' budgets of ELES d.o.o.

The 2024 financial statements take into account the final settlement of the 2023 regulatory year of a shortfall of EUR 547,044 and the preliminary settlement of the 2024 regulatory year, which shows a surplus of EUR -1,422,240 in funds received against the recognised contractual values of leases and services The final settlement of the regulatory year 2024, which will be based on audited data.

These values are considered in accordance with the fourth and fifth paragraphs of Article 60a of the Contract on the Lease of Electricity Distribution Infrastructure and the Provision of Services to the Distribution Operator and will therefore have an impact on cash flow in future financial years.

Revenue

in EUR	I–XII 2024	I–XII 2023
Operating revenue	95,951,040	88,738,588
Financial revenue	5,077,551	504,993
Other revenue	27,331	91,343
Total	**101,055,921**	**89,334,924**

Net sales

in EUR	I–XII 2024	I–XII 2023
Rent charged	33,937,661	33,812,068
– ELES d. o. o. – rent	33,501,480	33,363,837
- other	436,181	448,231
ELES d.o.o. services under contract	27,151,129	26,250,265
Services charged	2,183,426	3,864,669
– revenue from Oven d.o.o.	31,690	0
Sale of waste material	136,003	158,342
Total	**63,408,218**	**64,085,345**

Taking into account the recharges of ELES d.o.o. regulatory years in2024

in EUR	Achieved revenue	Final settlement 2023	Return elimination 2023	Provisional 2024	Total 2024
Rent (7650)	36,392,172	-30,978	-26,436	-2,833,278	33,501,480
Services (7609)	25,184,192	578,022	-22,123	1,411,038	27,151,129
Total	**61,576,364**	**547,044**	**-48,559**	**-1,422,240**	**60,652,609**

Capitalised own products and services
NOTE 17

Capitalised own products and services

in EUR	I–XII 2024	I–XII 2023
Capitalized products	28,919,362	20,511,029
Capitalised services	558,025	425,434
Total	**29,477,386**	**20,936,463**

Captive own products and services represent investments carried out in-house and revenues from in-house services (finishing of equipment).

Other operating revenue
NOTE 18

Other operating revenue

in EUR	I–XII 2024	I–XII 2023
Reversal of provisions	113,184	214,998
Elimination of non-current accrued liabilities	1,578,198	1,503,296
State aid received	953,240	677
Compensation received from the insurer	35,129	915,828
Profit on sale of fixed assets	287,159	114,601
Recoveries from previous years	96,068	31,259
Other operating revenue	2,457	936,122
Total	**3,065,435**	**3,716,780**

Costs by functional groups

in EUR	I–XII 2024	I–XII 2023
Production costs of products sold	80,969,204	74,526,928
Selling costs	1,881,506	1,610,140
Cost of general activities	5,827,640	4,878,389
Total	**88,678,350**	**81,015,456**

Cost of goods, materials and services

NOTE 19

Material costs

in EUR	I–XII 2024	I–XII 2023
Material costs, of which:	15,821,903	12,410,899
– investment material	14,621,070	10,491,779
– materials for repairing damage	223,979	513,348
– material for services	915,180	1,336,208
- other material costs	61,673	69,564
Spare parts costs for fixed assets	1,117,565	932,423
Energy costs	1,053,791	1,352,178
Write-off of small inventories and packaging	359,198	230,398
Cost of office material and scientific publications	298,233	295,237
Other material costs	9,331	5,063
Total	**18,660,021**	**15,226,198**

Costs of services

in EUR	I–XII 2024	I–XII 2023
Service charges for further billing	357,034	907,060
Cost of maintenance services	3,220,953	2,928,584
Cost of rent	33,993	40,917
Reimbursement of costs to employees	169,652	120,455
Cost of payment transactions, banking services and insurance premiums	1,216,161	1,201,255
Cost of intellectual and personal services	509,488	547,013
Cost of fairs, advertising and representation	135,065	67,242
Cost of services provided by natural persons	200,181	225,016
Postal, telecommunications and internet services	341,381	314,752
IT services	1,030,743	967,256
Other cost of services	914,958	917,288
Total	**8,129,607**	**8,236,838**

The audit contract for the audit of the Annual Report for the financial year 2024 was concluded for an amount of EUR 18,300 excluding VAT. The selected auditor also produced reports on the agreed procedures in 2024, the cost of which amounted to EUR 2275. Other audit work concerns the audit of the sustainability report, for which a contract of EUR 29,260 was concluded.

Labour costs

NOTE 20

Personnel costs include the cost of salaries and other employee benefits, including employer contributions, and accrued charges for untaken annual leave, and awards at the end of the year.

Labour costs

in EUR	I–XII 2024	I–XII 2023
Costs of wages and salaries	26,321,762	23,655,792
Employees' supplementary pension scheme costs	1,344,074	1,115,807
Employer's contributions and other payroll charges	4,297,692	3,854,904
Other labour costs	5,215,204	4,903,692
- Annual leave allowance	1,953,721	1,740,280
- Transport to work	1,040,868	1,009,213
- Nutrition	1,246,799	1,208,711
- Collective accident and health insurance	145,462	141,278
- Provisions for jubilee benefits and severance pay	513,166	616,545
- Other labour costs	315,187	187,665
Total	**37,178,732**	**33,530,195**

Number of employees by level of formal education

	2024	2023
Unqualified (I in II)	7	5
Semi-qualified (III)	15	15
Highly qualified and qualified (IV)	178	183
Secondary (V)	256	254
Higher (VI/1)	126	125
High (VI/ 2)	93	87
University (VII)	90	87
Master of Science (VIII/1)	10	10
Doctor of Science (VIII/2)	0	1
Total	**775**	**767**

The average number of employees in 2024 was 780 (2023: 763).

Information on groups of persons - employees under a contract not covered by the tariff part of the collective agreement

Remuneration of employees on the basis of a contract not covered by the tariff part of the collective agreement

gross in EUR	I–XII 2024	I–XII 2023
Salary income	802,816	843,589
Reimbursement of travel expenses on a business trip	435	681
Reimbursement of other material costs	26,241	29,255
Voluntary supplementary pension insurance	28,623	30,517
Holiday allowance	25,000	24,248
Jubilee benefits	0	8,397
Other remuneration	1,005	0
Total	**884,120**	**936,687**

A group of persons employed under a contract not covered by the tariff part of the collective agreement were charged bonuses amounting to EUR 6.048 gross.

The Company did not grant any advances or loans to management, other employees of the Company and contractual employees not covered by the tariff part of the Collective Agreement.

Write-offs

NOTE 21

The Company provides for allowances for receivables in accordance with the accounting policy adopted, on a partner-by-partner basis.

Depreciation

in EUR	I–XII 2024	I–XII 2023
Amortisation of intangible assets	1,521,856	1,725,007
Amortisation of intangible assets – easements	23,998	23,998
Depreciation from software leases	82,387	82,387
Depreciation of property, plant and equipment, of which:	21,580,177	21,085,167
– construction work	12,994,040	12,748,753
- equipment	8,586,136	8,336,414
Depreciation on leases of buildings and equipment	330,437	323,842
Depreciation of investment property	25,288	25,087
Total	**23,564,142**	**23,265,489**

Revaluation operating expenses

in EUR	I–XII 2024	I–XII 2023
Revaluation expenses on tangible and intangible fixed assets	411,435	445,657
Revaluation operating expenses on receivables, of which:	406,500	312,159
- from network usage	262,421	245,828
- from services rendered	144,079	66,331
Other revaluation operating expenses	0	0
Total	**817,935**	**757,816**

Other operating expenses
NOTE 22

Other operating expenses

in EUR	I–XII 2024	I–XII 2023
Provisions for guarantees given	39,246	0
Provisions for litigation	332,323	51,312
Charge for the use of building plot	361,607	391,364
Building land use tax	412,672	314,062
Total	**1,145,847**	**756,737**

Other charges and expenses include expenditure relating mainly to holiday expenses, court costs and scholarships.

Financial revenue from shares
NOTE 23

Financial revenue from shares

in EUR	I–XII 2024	I–XII 2023
Financial revenue from shares in group companies	2,964,895	0
Financial revenues from shares in associates	2,018,160	0
Total	**4,983,055**	**0**

Among the financial revenue from the shares, the revenue from the sale of the 49% business share of Energija plus d.o.o. amounting to EUR 1,507,160 and the payment of the profit from the OVEN Elektro Maribor d.o.o. group company amounting to EUR 2,964,895, from the associated company Moja energija d.o.o. amounting to EUR 500,000 and from the jointly controlled company Eldom d.o.o. amounting to EUR 11,000 are shown.

Financial income from operating receivables
NOTE 24

Financial income from operating receivables

in EUR	I–XII 2024	I–XII 2023
Interest income for network use	36,692	26,890
Interest income from successful actions	42,363	6,694
Interest other	0	471,409
Total	**79,055**	**504,993**

Financial expenses from financial liabilities
NOTE 25

Financial expenses from financial liabilities

in EUR	I–XII 2024	I–XII 2023
Financial expenses from bank loans received	1,682,125	862,065
Financial expenses from other financial liabilities	13,964	33,257
Total	**1,696,089**	**895,323**

Financial expenses from operating liabilities
NOTE 26

Financial expenses from operating liabilities

in EUR	I–XII 2024	I–XII 2023
Financial expenses for trade liabilities and bills payable	129	445
Financial expenses from other operating liabilities	195,408	205,176
Total	**195,537**	**205,621**

The amount of accrued interest arising from actuarial calculations of provisions for gratuities and retirement benefits is recorded in 2024 as financial expenses from other payables.

Other revenue
NOTE 27

Other income of EUR 27,331 mainly represents amounts received in respect of legal claims and reimbursements for exceeding the quota for disabled persons.

Other expenditure
NOTE 28

Other expenditure

in EUR	I–XII 2024	I–XII 2023
Penalties and fines	0	800
Annuity payments	16,072	15,299
Deductibles and other expenses	27,075	29,685
Donations	49,429	37,800
Other expenditure	58,752	11,733
Total	**151,328**	**95,317**

Net profit or loss for the period

NOTE 29

Profit or loss

in EUR	I–XII 2024	I–XII 2023
Operating result	6,454,755	6,965,316
Net flow	3,185,925	-595,950
Profit or loss from other revenue and expenses	-123,997	-3,974
Profit or loss before tax	**9,516,683**	**6,365,392**
Taxes	-421,764	-132,653
Net profit or loss	**9,094,918**	**6,232,740**

Income tax

Based on the tax return for the 2024 financial year, we calculated income tax of EUR 569,564, and deferred taxes of EUR 147,800. In 2023, the tax charge including deferred taxes amounted to -EUR –421,764. The effective tax rate was 4.4%.

Income tax - adjustment to the effective tax rate

in EUR	2024	2022
Tax assessed	569,564	471,532
Deferred tax	-147,800	- 338,879
Total income tax	**421,764**	**132,653**
Profit before tax	**9,516,683**	**6,365,392**
Tax levied at 19%	0	1,209,425
Tax levied at 19%	2,093,670	0
Tax on the reduction in revenue	-969,417	- 26,133
Tax on unrecognised expense	458,613	317,536
Tax on tax credits	-969,799	- 802,878
Tax on increases/decreases in expenditure for tax purposes	-191,302	- 391,422
Impact on deferred taxes of a change in the tax rate from 19% to 22%	0	- 173,874
Total income tax	**421,764**	**132,653**
Effective tax rate	**4.4%**	**2.1%**

4.5 NOTES TO THE CASH FLOW STATEMENT

The cash flow statement is prepared in accordance with SRS 22.2 using the direct method - version I. The data for the preparation of the statement are derived from the records of receipts and payments in the Company's transaction accounts.

In 2024, the Company's total receipts amount to EUR 162,147,452, and its total expenditure to EUR 157,343,352. The cash result is positive for an amount of 4,804,100. The final cash balance of the Company's accounts as at 31 December 2024 was EUR 16,787,599.

Cash receipts from operating activities

NOTE 30

Cash receipts from operating activities

in EUR	I–XII 2024	I–XII 2023
Receipts from rents and services under the ELES contract	78,157,703	73,570,589
Receipts from network charges and contributions	37,524,560	30,902,039
Receipts from customers of other services	3,075,894	4,498,766
Other operating receipts	5,205,687	5,331,364
Other cash receipts from operating activities	4,722,240	4,679,883
Interest income from operating activities	44,392	30,678
Total	**128,730,476**	**119,013,319**

Cash disbursements for operating activities

NOTE 31

Cash disbursements for operating activities

in EUR	I–XII 2024	I–XII 2023
Cash disbursements for material and services	-78,111,245	-68,097,212
Cash disbursements for employee salaries and profit participation	-34,607,515	-32,706,656
Cash disbursements for charges of all kinds	-6,743,364	-6,437,615
Other cash disbursements for operating activities	-2,327,376	-3,606,382
Total	**-121,789,499**	**-110,847,865**

Cash receipts from investing activities
NOTE 32

Cash receipts from investing activities are reported at EUR 13,416,976, and relate mainly to the proceeds from the sale of the remaining 49% of the business share in the subsidiary Energija plus d.o.o. of EUR 9,000,000 and the sale of investment coupons in the Infond Globalni, balanced mixed subfund, of EUR 248,389. Cash receipts from investing activities include receipts from paid shares in the profits of Oven Elektro Maribor d.o.o. of EUR 2,964,895, the associated companies Moja Energija d.o.o. of EUR 500,000 and Eldom d.o.o. of EUR 11,000, and the receipts from the sale of the company's tangible fixed assets of EUR 687,725.

Cash disbursements for investing activities
NOTE 33

Expenditure on investments is shown at EUR 22,526,364 and relates to expenditure on the purchase of intangible assets and property, plant and equipment.

Receipts from financing activities
NOTE 34

The financing proceeds include a non-current loan of EUR 20,000,000 taken out with the European Investment Bank, with a maturity of 15 years. The loan is intended to finance the renovation and construction of new electricity facilities as well as the introduction of advanced metering equipment and the integration of components for the automation of the electricity distribution network.

Cash disbursements for financing activities
NOTE 35

Financing expenditure is shown at EUR 13,027,489 and relates to expenditure on repayments of non-current financial liabilities of EUR 7,825,000 and interest paid on borrowings of EUR 1,510,608 and to expenditures for the payment of dividends of the company's shareholders for the years 2021 and 2023 in the amount of EUR 3,691,882.

4.6 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity shows the movements in the individual components of equity during the financial year. It is divided into items showing movements between the components of capital and movements that would result in changes in the components of capital.

The Statutory Provision allows the Company to create other reserves out of profits up to two-thirds of the net profit remaining after application for the purposes referred to in Article 230(1) of the Companies Act.

The Management Board of Elektro Maribor d.d. proposes that the balance profit for the financial year 2024 in the amount of EUR 3,001,077 be allocated for the payment of dividends to the shareholders of Elektro Maribor d.d. The decision on the use of the balance profit is within the competence of the General Meeting.

The General Meeting of Elektro Maribor d.d. On 28 June 2024 decided on the allocation of the balance profit for the financial year 2023. Balance profit of EUR 2,000,718 is to be allocated for dividends to shareholders at a rate of EUR 0.06 gross/share. The dividends were paid out on 27 September 2024 to the shareholders who were on 26 September 2024 entered in the share register.

4.7 REPORTING UNDER THE ELECTRICITY SUPPLY ACT

Balance sheet by segment

in EUR	as at 31 Dec 2024			as at 31 Dec 2023		
	Distribution	Services	Total Elektro Maribor d.d.	Distribution	Services	Total Elektro Maribor d.d.
A. Long-term assets	**415,434,530**	**7,667,683**	**423,102,213**	**394,025,752**	**9,424,204**	**403,449,956**
ntangible assets and long-term prepayments and accrued income	3,899,288	0	3,899,288	3,637,933	0	3,637,933
II. Property, plant and equipment	408,176,726	6,080,625	414,257,351	380,023,423	5,764,071	385,787,494
III. Investment property	0	602,318	602,318	0	585,877	585,877
IV. Non-current financial investments	1,450,824	727,591	2,178,415	7,082,741	2,795,559	9,878,300
V. Long-term operating receivables	44,112	29,017	73,129	1,573,548	27,267	1,600,815
VI. Deferred tax assets	1,863,580	228,132	2,091,712	1,708,107	251,430	1,959,537
B. Current assets	**32,021,746**	**7,407,638**	**39,429,384**	**25,389,513**	**5,401,298**	**30,790,811**
II. Inventories	2,120,190	1,756,451	3,876,641	2,571,341	1539,594	4,110,935
IV. Current trade receivables	18,439,651	325,492	18,765,143	14,383,330	313,047	14,696,377
V. Cash and cash equivalents	11,461,905	5,325,694	16,787,599	8,434,842	3,548,657	11,983,499
C. Short-term deferred costs and accrued revenue	**294,663**	**65,349**	**360,013**	**924,537**	**110,864**	**1,035,401**
ASSETS (A + B + C)	**447,750,939**	**15,140,670**	**462,891,609**	**420,339,802**	**14,936,366**	**435,276,168**

Balance sheet by segment

in EUR	as at 31 Dec 2024			as at 31 Dec 2023		
	Distribution	Services	Total Elektro Maribor d.d.	Distribution	Services	Total Elektro Maribor d.d.
A. Equity	**307,811,554**	**7,248,627**	**315,060,181**	**298,759,585**	**9,302,934**	**308,062,519**
I. Called-up capital	200,585,289	3,347,222	203,932,512	198,250,033	5,682,479	203,932,512
II. Capital reserves	74,147,004	1,237,312	75,384,315	73,283,769	2,100,547	75,384,316
III. Profit reserves	30,935,548	3,126,196	34,061,744	25,480,776	2,427,348	27,908,124
V. Reserves due to valuation at fair value	-516,512	-802,955	-1,319,467	-459,156	-703,995	-1,163,151
VI. Net profit or loss from previous periods	52,964	6,815	59,778	0	0	0
VII. Net profit or loss for the financial year	2,607,261	334,038	2,941,299	2,204,163	-203,445	2,000,718
B. Provisions and long-term accrued costs and deferred income	**40,435,983**	**2,471,935**	**42,907,918**	**36,176,762**	**2,364,416**	**38,541,178**
C. Long-term liabilities	**68,809,473**	**8,182**	**68,817,656**	**57,729,741**	**61,005**	**57,790,746**
I. Long-term financial liabilities	68,809,473	8,182	68,817,656	57,702,657	46,098	57,748,755
II. Long-term operating liabilities			0	27,084	14,907	41,991
D. Current liabilities	**29,712,157**	**5,073,807**	**34,785,964**	**26,971,845**	**2,832,679**	**29,804,524**
II. Current financial liabilities	10,236,484	0	10,236,484	10,746,092	540,861	11,286,953
III. Current operating liabilities	19,475,673	5,073,807	24,549,480	16,225,753	2,291,818	18,517,571
E. Short-term accrued costs and deferred revenue	**981,772**	**338,119**	**1,319,890**	**701,869**	**375,332**	**1,077,201**
LIABILITIES (A + B + C + D + E)	**447,750,939**	**15,140,670**	**462,891,609**	**420,339,802**	**14,936,366**	**435,276,168**

Income statement

in EUR	I–XII 2024			I–XII 2023		
	Distribution	Services	Total Elektro Maribor d.d.	Distribution	Services	Total Elektro Maribor d.d.
Net sales	61,266,743	2,141,476	63,408,218	60,280,680	3,804,665	64,085,345
Capitalized own products and services	0.00	29,477,386.49	29,477,386	0	20,936,463	20,936,463
Other operating income (with operating income from revaluation)	2,634,270	431,165	3,065,435	3,250,638	466,142	3,716,780
Costs of goods, material and services	9,118,704	17,670,924	26,789,628	9,268,013	14,195,023	23,463,036
Labour costs	23,948,117	13,230,615	37,178,732	22,875,082	10,655,113	33,530,195
Write-offs	23,730,137	651,940	24,382,077	23,306,880	716,425	24,023,305
Other operating expenses	782,623	363,224	1,145,847	484,587	272,150	756,737
Financial revenue from shares	3,921,664	1,061,391	4,983,055	0	0	0
Financial revenue from loans given	12,153	3,289	15,442	0	0	0
Financial income from operating receivables	75,555	3,499	79,055	504,953	40	504,993
Financial expenses from financial liabilities	1,695,420	669	1,696,089	894,153	1,170	895,323
Financial expenses from operating liabilities	135,954	59,583	195,537	144,123	61,498	205,621
Other revenue	20,069	7,262	27,331	58,509	32,834	91,343
Other expenditure	115,272	36,056	151,328	72,272	23,043	95,315
Income tax	515,451	54,113	569,564	752,144	-280,612	471,532
Deferred taxes	173,258	-25,458	147,800	377,225	-38,346	338,879
NET PROFIT OR LOSS FOR THE PERIOD	**8,062,033**	**1,032,885**	**9,094,918**	**6,674,751**	**-442,012**	**6,232,739**

In accordance with Article 106 of the Energy Supply Act (ZOEE), the Company keeps separate accounting records for distribution activities and other activities. In accordance with Article 107 of ZOEE, we defined criteria for the allocation of assets, liabilities, revenues, costs and expenses, receipts and expenditures in the Rules on the criteria for separate accounting monitoring and reporting of Elektro Maribor d.d.

For the purposes of activity-based reporting, we defined the following activities:

- distribution, which mainly includes the tasks we perform under the Electricity Distribution Infrastructure Lease and Service Contract for the distribution operator; and
- services, which mainly take into account other market services we provide.

The activity-specific financial statements are therefore prepared on the basis of the following assumptions:

- events that can be unambiguously identified as to which activity they relate are recorded in the related activity at the time of their occurrence,
- business events that are common in nature or cannot be adequately identified at the time of recording are recorded at the level of supporting processes,
- asset and liability balances and revenues, costs and expenses recorded at the support process level are divided into activities according to the criteria defined in the Rules on criteria for separate financial monitoring and reporting of Elektro Maribor d.d., and
- sub-balance sheets are subject to the choice of appropriate criteria and their limited expressive power.

4.7.1 Criteria for the allocation of assets and liabilities

K-1 The proportion of the average monthly number of employees by activity is used to allocate non-current property rights, non-current trade receivables, deferred tax assets arising from provisions, intangible fixed assets, current payables to employees, current payables arising from employee withholding, payables to government, current accrued liabilities, inventories of small inventories and inventories in use, revaluation surplus and provisions for pensions, and other non-current payables. These assets and liabilities are linked in substance and scope to the number of employees.

K-2 The unamortised cost of property, plant and equipment at the balance sheet date is used to allocate property, plant and equipment, trade receivables, advances, property, plant and equipment under construction and trade payables for property, plant and equipment by activity. Since the fixed assets within the scope of the common professional services are used by several activities, the above criterion is used to charge them in proportion to the amount of tangible fixed assets held by each activity.

K-3 We use the activity-specific **share of total revenue** to allocate current receivables, current and non-current investments other than loans, deferred tax assets arising from valuation allowances, advances and securities received in the short term, and accrued and deferred tax assets. The balance of these assets is conditional on the volume of invoicing and the related total revenue.

K-8 The VAT liability share is used to apportion the VAT liability.

K-10 Share of net profit (after transfers) is used to allocate current liabilities related to profit distributions.

K-11 The cost of services ratio is used to allocate current advances and deposits received and other current liabilities.

K-12 The cost of materials and services excluding the cost of materials for investment is used to apportion input VAT receivables, as these receivables are directly linked to the costs incurred.

K-13 We use the **turnover ratio for accrued material payables** to apportion the stock of material.

4.7.2 Criteria for allocating revenue, costs and expenses

K-1 The proportion of the average monthly number of employees for each activity is used to allocate the income, costs and expenditure of the shared professional services area.

K-2 The proportion of the undepreciated value of property, plant and equipment at the balance sheet date by activity is used to allocate the income, costs and expenses of the Finance and Economics area.

K-3 The share of total revenue by activity is used to allocate the revenue, costs and expenses of the administration.

The criteria are used to calculate individual sharing ratios, which are used to calculate the average sharing ratio that is the basis for attributing the revenues, costs and expenses of the supporting processes to each activity.

The depreciation expense of supporting processes is allocated using the same criterion as for the production of the activity-based balance sheet, namely the split between tangible and intangible fixed assets.

4.8 RELATED PARTY TRANSACTIONS

Related parties of Elektro Maribor d.d. are companies in which Elektro Maribor d.d. has significant influence, or companies in which it and other owners jointly control the activities of the Company, and companies that are majority state-owned. The parent company Elektro Maribor d.d. is 79.9% owned by the Republic of Slovenia.

Elektro Maribor d.d. conducted business with related parties on the basis of concluded sale and purchase agreements. The turnover of all transactions (net of VAT), including financial income, is recorded between sales and purchases. The most significant transactions with related parties include the following:

- transactions with group companies and associates,
- transactions with the Republic of Slovenia and legal entities directly majority owned by the Republic of Slovenia in 2023 that are significant for Elektro Maribor d.d. in terms of the level of materiality of the transactions according to the transaction size criterion (revenues or expenses exceeding EUR 100,000); and
- dealings with the management and supervisory boards.

The contract prices are based on the terms and conditions otherwise applicable to arm's length transactions.

Transactions with group companies and associates in 2024

in EUR	Eldom d. o. o.	Informatika d. d.	Moja energija d. o. o.	OVEN Elektro Maribor d.o.o.	Total associated companies
REVENUES	**13,235**	**4,056**	**0**	**37,310**	**54,601**
Net sales	2,235	4,056	0	37,310	43,601
Financial revenue from shares	11,000	0	500000	2,964,895	3475,895
Costs and expenses	**344,289**	**1,126,913**	**0**	**0**	**1,471,201**
Material costs	111,440	1,275	0	0	112,715
Costs of services	230,292	1,125,638	0	0	1,355,930
Other operating expenses	2,557	0	0	0	2,557
ASSETS	**727**	**0**	**0**	**6,485**	**7,212**
Current trade receivables	727	21,557	0	6,485	28,769
LIABILITIES	**103,682**	**294,282**	**0**	**0**	**397,964**
Current operating liabilities	103,682	294,282	0	0	397,964

Transactions with the Republic of Slovenia and legal entities directly majority owned by the Republic of Slovenia

in EUR	Open receivables 31 Dec 2024	Open liabilities 31 Dec 2024	Revenue I–XII 2024	Expenses I–XII 2024
Zavarovalnica Sava d. d.	131,436	0	359,713	1,244,795
Telekom Slovenije d. d.	0	48,875	317,650	105,941
Pošta Slovenije d. o. o.	0	18,772	0	216,747
Elektro Celje d. d.	0	3,028	82,763	2,482
ELES d. o. o.	9,009,234	4,785,816	60,652,609	5,700
Stelkom d. o. o.	145,894	0	119,585	0
TOTAL	**9,286,563**	**4,856,492**	**61,532,319**	**1,575,665**

Transactions with the Management Board

The salary cost represents the salary of the President of the Management Board of the Company.

Composition and remuneration of the members of the Management Board in 2024 in EUR

Name and surname	Function (Chair, member)	Fixed remuneration – gross (1)	Variable remuneration – gross	Deferred income (3)	Severance pays (4)	Bonuses and other remuneration (5)	Total gross (1 + 2 + 3 + 4 + 5)
Tatjana Vogrinec Burgar	President	123,564				2,728	126,292

Transactions with the Supervisory Board

The Supervisory Board comprises the Audit Committee (AC), the Human Resources Committee (HRC) and the Investment Committee (CI). The amount of the meeting fees of the Chairman and the members of the AC, the HRC and the CI is set at EUR 220 gross for ordinary and extraordinary meetings and EUR 176 gross for correspondence meetings in 2024, the same as in 2023.

The Company has not received or granted any advances, loans or guarantees to or from the groups of persons mentioned in this Chapter, as at 31 Dec 2024, nor does the Company disclose any claims in this respect.

Composition and remuneration of the Supervisory Board and its Committees in 2024 in EUR

Name and surname	Function (chair, deputy, member, external member of the Committee)	Remuneration for the performance of duties and allowances - gross (1)	Meeting fees of SB (gross) (2)	Meeting fee Committee (gross) (3)	Total gross (1 + 2 + 3)	Travel expenses	Benefits	Total
mag. Samo Logar	Chairman	24,375	4,620	880	29,875	1,853	2,714	34,442
Marija Šeme	Vice-chair	19,175	4,620	1,936	25,731	2,456	2,714	30,901
Ciril Pucko	Member	19,500	4,070	4,136	27,706	3,315	2,714	33,735
Jure Boček	Member	21,125	4,620	3,080	28,825	1,604	2,714	33,143
Alan Ciglarič	Member	16,250	4,620	880	21,750	210	0	21,960
Miran Arnuš	Member	16,250	4,345	2,200	22,795	435	0	23,230
Barbara Nose	external member of the Audit Committee	10,400	0	1,936	12,336	630	0	12966
dr. Maja Fesel Kamenik	external member of the Staff Committee	3,250	0	880	4130	0	341	4471
Total		**130,325**	**26,895**	**15,928**	**173,148**	**10,503**	**11,198**	**194,849**

4.9 EVENTS AFTER THE BALANCE SHEET DATE

The Recovery and Resilience Plan

In February 2025, we received a decision from the Ministry of the Environment, Climate and Energy to allocate grants under the Recovery and Resilience Plan for the Construction of Distribution Cells and LVNs project for the period 2023 to 2026 up to EUR 11.4 million. The value of fixed assets, which are activated in 2024 and defined as funds funded from this source, was recorded as other business claims, since we are rightly expecting their settlement.

Act amending the Act on the methodology for determining the regulatory framework and network charges for the electricity distribution system

In the Official Gazette of RS, no. 27/2025 of 23 April 2025, the amendments to the Act on the methodology for determining the regulatory framework and network charges for the electricity distribution system (act) were published. On the basis of data from electricity operators and additional own analyses, the Energy Agency has adopted certain minor amendments to the criteria of the regulatory framework relating to the recognition of individual operating and maintenance costs. The amendments to the act apply in the procedures for the calculation of the deviation from the regulatory framework for the period from 1 January 2024 onwards.

As the financial statements for the financial year 2024 were still being prepared, it was not yet known when and in what form the amendments to the Act would be adopted, so we could not take into account the financial effects of these amendments on business performance in 2024.

After the publication of the act, we have evaluated the financial effects of changes that would affect higher regulated revenue for 2024 in the amount of EUR 1.5 million. The exact value of the financial impact on the regulated revenues of Elektro Maribor d.d. will be calculated by the Energy Agency of the Republic of Slovenia and communicated to the electricity operators as part of the final settlement of the regulatory year 2024, expected in the last quarter of 2025.

5 Financial Risks

Financial risks are potential events that (in)adversely affect the achievement of the Company's strategic and annual financing objectives and include:

- credit risk as the risk of loss (benefit) arising from the (non-)fulfilment of the debtor's obligations to the Company;
- market risk as the risk of loss (benefit) from changes in interest rate;
- liquidity risk as the risk of loss (benefit) arising from current solvency (in)ability; and
- capital risk, as the risk that the Company does not (always) have sufficient non-current funding resources for the volume and types of business it carries on and the risks to which it is exposed in carrying on that business.

Risk management, risk management processes and risk controls are explained in the Risk Management section of the business section of the report.

5.1 CREDIT RISK

In 2024, we actively monitored the status of trade receivables and implemented the appropriate recovery processes accordingly.

We actively manage our exposure to credit risk by monitoring and financially securing outstanding receivables on an ongoing basis, actively collecting overdue and unpaid receivables, and charging interest on late payments.

At the reporting date, the most exposed to credit risk are current trade receivables, which increased by EUR 4,068,766, or 28%, compared to 2023. The increase in receivables is mainly due to an increase in other business receivables of EUR 4,056,954 from the eligible resources of the R&R Plan.

Credit risk is assessed to have a moderate impact on the business. The probability of an (un)desirable event occurring is between 25 and 50%. The probability of an impact on the Group's revenue or expenses ranges from EUR 10,000 to EUR 100,000.

5.2 INTEREST RATE RISK

The carrying amount of non-current debt is equal to its fair value. Elektro Maribor d.d.'s non-current debt is not exposed to specific currency and credit risks. The exposure to interest rate risk is represented by adverse movements in the reference interest rate EURIBOR. The change in interest rate movements is not specifically hedged by financial instruments. In fact, the exposure to interest rate risk is assessed as low, as only 18% of the assets are financed by bank loans. T The Company has 86% of its non-current borrowings at fixed interest rates.

The cash flow sensitivity analysis is based on the sensitivity of the change in the EURIBOR reference rate for floating rate borrowings. Given the volume of floating rate borrowings at 31 December 2024 and assuming all other variables remain constant, a change of 1.0 percentage point (100 basis points) in the EURIBOR reference rate would result in higher expenditure of EUR 121,417, a change of 1.5 percentage points (150 basis points) in the interest rate would lead to higher expenditure of EUR 182,125 and a change of 2.0 percentage points (200 basis points) in the interest rate would lead to higher expenditure of EUR 242.833.

5.3 LIQUIDITY RISK

Liquidity risk is the mismatch between the maturity of financial assets and the payments of liabilities that can lead to the Group's insolvency, which is manifested by the Group's inability to settle its liabilities at a given point in time. p's inability to settle its liabilities at a given point in time. Exposure to liquidity risk is managed through weekly planning and monitoring of realised inflows and outflows and a timely approach to forecast borrowings.

In order to finance the investments, we will proceed in due time to obtain the necessary opinions and consents for the debt from the Ministry of Environment, Climate and Energy, the Ministry of Finance and ELES d.o.o.

Outstanding obligations also include associated interest in accordance with the depreciation plans of individual loans.

Liquidity risk is managed by monitoring key indicators of the horizontal financial composition.

Liquidity risk is assessed to have a low impact on the business. The probability of an (un)desirable event occurring is less than 25%. The probability of an impact on the Group's revenue or expenses is up to EUR 10,000.

Outstanding obligations as at 31 Dec 2024

in EUR	Maturity			Total, including interest
	up to 1 year	1 to 5 years	over 5 years	
Loans to finance investment	10,579,066	40,996,105	36,806,105	88,381,276
Non-current lease liabilities	71,937	0	367,656	439,593
Current payables	24,549,480	0	0	24,549,480

Key liquidity risk indicators

	31 Dec 2024	31 Dec 2023
BASIC INDICATORS OF HORIZONTAL FINANCIAL COMPOSITION		
Quick ratio (direct current ratio) = liquid assets / current liabilities	0.48	0.40
Accelerated ratio (accelerated current ratio) = liquid assets + current receivables / current liabilities	1.02	0.90
Current ratio (current ratio of current liabilities) = current assets / current liabilities	1.13	1.03

5.4 CAPITAL RISK

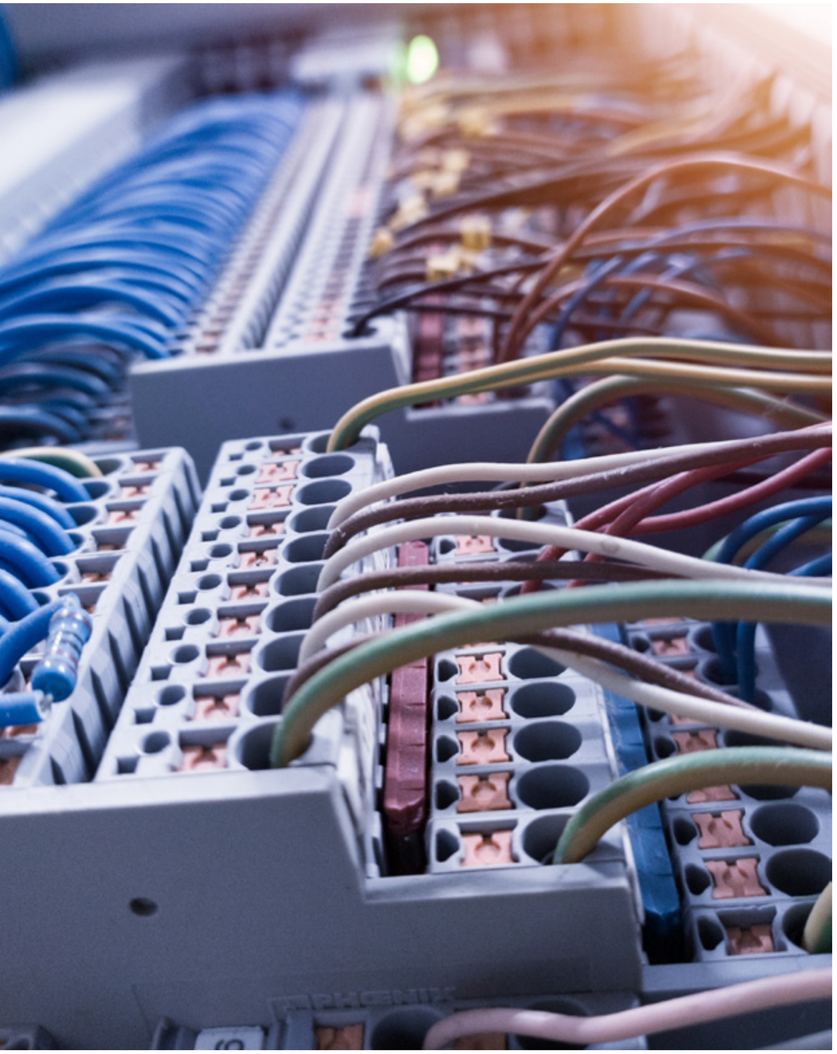
The main purpose of capital management is to ensure capital adequacy, financial stability, non-current solvency and maximise shareholder value.

Posojilodajalci zahtevajo, da so v posojilnih pogodbah Lenders require that the financial covenants defined in loan agreements are met. The consequences of non-compliance could lead to early repayment of loans. As of 31 December 2024, the company fully fulfilled the financial commitments to the lenders.

Capital risk has a low impact on the business, according to the Management Board's assessment.

Key capital risk indicators

	31 Dec 2024	31 Dec 2023
BASIC FINANCING INDICATORS		
Equity financing ratio in % = equity / liabilities to sources of funds	68.06%	70.77%
Non-current funding ratio in % = equity + debt + provisions + debt Accruals / liabilities	92.20%	92.91%
BASIC INDICATORS OF HORIZONTAL FINANCIAL COMPOSITION		
Capital adequacy ratio of fixed assets = capital / fixed assets	0.75	0.79
BASIC PROFITABILITY INDICATORS		
Net return on equity in % = net profit / average equity (excluding profit for the period)	2.97%	2.04%



Glossary of Abbreviations

AČR	Deferred costs and accrued revenue
ADMS	Advanced Distribution Management System -
GDP	Gross domestic product
CAPEX	Capital Expenditure
CEEPS	Central Electricity Portal of Slovenia
RL	Road lightning
VAT	Value-added tax
RCS	Remote controlled switch
DOD	Socially Responsible Employer
DPN	National spatial plan
DPP	Family Friendly Company
DV	transmission line
RCSP	Remotely controlled separation points
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ECB	European Central Bank
EDP	Electricity distribution provider
EFQM	European Foundation for Quality Management

EHP	Energy cable with polyethylene insulation, with semi-conductible layer around insulation and external polyvinyl coating
EIB	European investment Bank
EMAG	Balance sheet profit of Elektro Maribor d.d.
ERP	Enterprise Resource Planning
EU	European Union
EURIBOR	Euro Interbank Offered Rate
GIZ	Economic Interest Grouping
GRI	International Sustainability Reporting Guidelines (Global Resource Planning)
GWh	Gigawatt hours
HPP	Hydroelectric power plant
IEC	International Electrotechnical Commission
IIS	Integrated information system
ISO	International Organization for Standardization
CL	Cable lines
KDD	Centralna klirinško depotna družba d. o. o.
IC	Investment Committee of the Supervisory Board
HRC	HR Committee of the Supervisory Board
kV	Kilovolt

LNU	Annual asset management plan SDH
MAIFI	Momentary Average Interruption Frequency Index
MAM	Maximo Asset Manager
SPPP	Small photovoltaic power plant
SPP	Small power plant
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards
MVA	Megavoltamper
MW	Megawatt
MWh	Megawatt hours
NEPN	National Energy Climate Plan
NMS	Network Management System
LV	Low voltage
LVN	Low-voltage network
RRP	Recovery and Resilience Plan
SB	Supervisory Board
RU	Regional Unit
OHSAS	Occupational Health and Safety Advisory Services
OMRS	International Accounting Standards Board

OPEX	Operating expense
PČR	Accrued costs and deferred income
PLC	Power Line Carrier
AC	Audit Committee of the Supervisory Board
ROA	Return on Assets
ROE	Return on Equity
SS	Substation
RS	Republic of Slovenia
TSS	Transmission system substation
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SSH	Slovenian Sovereign Holding
SU	Service unit
SiOK	Slovenian organisational climate
SIST	Slovenian Institute for Standardization
MV	Medium voltage
DSO	Distribution system operator
SONDSEE	System operating instructions for the electricity distribution system

HPC	Heat and power cogeneration
SAS	Slovenian Accounting Standards
HPC	Heat and power cogeneration
ISMS	Information security management system
TS	Transformer substation
TR	Transformer
TRR	Transaction account
TTP	Težiščna transformatorska postaja
TWh	Terawatt hours
IMAD	Institute of Macroeconomic Analysis and Development of the Republic of Slovenia
HV	High voltage
XHP	Power cable insulated with cross-linked polyethylene, with a semiconductor layer around the insulation and an outer shell of polyvinyl chloride
ZGD-1	Companies Act
ZJN-3	Public Procurement Act
ZOEE	Electricity Supply Act

List of ESRS Disclosure Requirements covered in a Sustainability Statements

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