



SUSTAINABILITY REPORT 2024

ARMEX Group

www.armex.cz

Powered by





ABOUT ARMEX GROUP

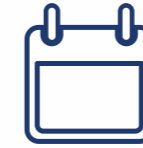
For many years, **ARMEX Group** has been providing fuel, electricity and gas supplies to a wide range of customers - from households and small companies to large industrial enterprises. The Group has long focused not only on service reliability, but also on innovation and sustainability. In the energy sector, the Group is gradually expanding its portfolio to include greener alternatives and is actively promoting modern technologies that improve both the efficiency and safety of its operations. The same emphasis is placed on optimising logistics processes and developing services with minimal environmental impact.

The Group also subscribes to the ESG principles, which are a natural extension of its long-standing corporate values of fairness, decency, responsibility and high professional quality. Supporting regions, engaging in community projects, working responsibly with human capital and creating quality working conditions for employees are important parts of the strategy.

The ARMEX Group is among the major Czech business groups and has long contributed to job creation, the promotion of sustainable business and the transparent offer of services to customers. With a focus on quality, safety and responsibility, the Group continuously adapts to the changing needs of the market and wider society.



ARMEX IN NUMBERS



31

years on the market



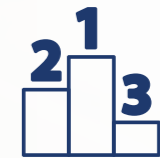
381

employees



11,1

billion turnover in 2024



66.

in the CZECH TOP 100
ranking



FOREWORD

At ARMEX Group, we perceive that the scale and nature of our business entails responsibilities that go beyond normal business relationships. We operate in the areas of electricity and gas supply, fuel sales, real estate development and construction of industrial zones - segments that have a direct impact on the company's operations and the long-term stability of the Czech economy. That is why we place emphasis not only on the quality, safety and reliability of our services, but also on ensuring that our approach to business is responsible and sustainable.

The conditions in which companies operate today are changing dynamically. Climate change, rising expectations of social responsibility and an emphasis on transparent and ethical management are becoming the norm, not the exception. We have therefore decided to begin ESG reporting in advance, ahead of the point at which non-financial reporting becomes a legal requirement. This report is therefore the second in a series that we are issuing before non-financial reporting becomes mandatory.

The implementation of ESG principles into the ARMEX Group's operations means systematic work with data and processes across all 14 companies that make up the Group. It is a challenging but essential step that helps us to better understand the impact of our business, manage it based on relevant information and make informed decisions for the future. At the same time, it strengthens our transparency with our customers, business partners and investors. This report provides a first summary of the findings from the ESG analysis, an overview of key impacts and projects, as well as the key directions and goals we intend to focus on in the coming years.

We do not see the integration of ESG into our strategy as a one-off project or a formal obligation. It is a natural step that builds on our long-term focus on quality, accountability and stability. We believe this approach is what will enable us to create value over the long term - not only for our customers and partners, but also for the wider community and environment in which we operate.

Bc. Tomáš Horyna, MBA
Member of the Supervisory Board, ARMEX ENERGY a.s.
Director of Asset Management, Chief Sustainability Officer (CSO) of ARMEX Group



METHODOLOGY AND SCOPE OF REPORTING

This sustainability report covers the activities of the **ARMEK Group** for the year 2024. The reporting includes companies that are part of the Group's consolidation perimeter. Environmental, social, and governance (ESG) data were collected across individual Group companies with the aim of providing a comprehensive overview of the impacts of the **ARMEK Group's business activities**.

The report has been prepared with consideration of the requirements of the European Sustainability Reporting Standards (ESRS) and represents the ARMEK Group's first step towards systematic non-financial reporting.





ASSESSMENT OF ACTIVITIES' ALIGNMENT WITH THE EU TAXONOMY

In 2024, the **ARMEX Group** evaluated its economic activities according to the EU Taxonomy, which defines activities considered environmentally sustainable. The assessment included the identification of eligible activities, their technical assessment and the determination of the proportion of turnover, investments and operating costs that can be included in the taxonomy.

A significant fact is that the Group's main business activities are not currently included among taxonomy-defined activities under the EU Taxonomy in its present form. They cannot therefore be formally assessed, but this does not mean that they are not sustainable or do not contribute significantly to responsible business. Therefore, investments that support more efficient operations and emission reductions in particular have proven to be relevant.

Three activities were included in the final assessment: the installation and maintenance of photovoltaic power plants, the installation and servicing of charging stations for electric vehicles and the operation of low-emission vehicles. Both installation activities met all technical screening criteria of the EU Taxonomy and were assessed as fully "EU Taxonomy-aligned," while the transport activity was assessed as eligible.

The financial results for 2024 show that the Group's turnover did not yet include activities classified as taxonomy-eligible or taxonomy-aligned. However, there is a significant shift towards sustainable investments in capital expenditure: 19.2% of total investments were fully compliant, mainly due to the installation of photovoltaic systems and charging stations, and a further 1.5% were classified as eligible in connection with the acquisition of an electric vehicle. Operating costs remained outside the scope of the taxonomy. Overall, the assessment shows that the **ARMEX Group** has already implemented projects with a positive impact on sustainability in 2024. Investments in renewable energy and electromobility support the Group's long-term efficient and responsible development.





PREPARATION FOR NON- FINANCIAL REPORTING

In 2023, the ARMEX Group carried out a value chain and double materiality **analysis as a key step in preparing for non-financial reporting** under the Corporate Sustainability Reporting Directive (CSRD). The analysis was based on the European Sustainability Reporting Standards (ESRS) and EFRAG recommendations. The principle of double materiality made it possible to identify both the impacts of the ARMEX Group's activities on society and the environment, as well as the influence of external factors on the Group's business. The outcome was the definition of key ESG topics important for our operations and the surrounding environment. We plan to regularly update the double materiality analysis in line with the company's development.

The process included assessing impacts, risks, and opportunities across the entire value chain, including the activities of suppliers and customers. Emphasis was placed on transparent prioritization and the involvement of all relevant stakeholders. This comprehensive approach helps us focus on areas with the greatest sustainability impact and strengthens our long-term responsibility.

Based on the double materiality assessment, key ESG areas were identified as having the most significant impact on both the ARMEX Group's business and its external environment. These areas form the foundation for the further development of the Group's sustainability strategy and will be developed into specific targets and measures.

KEY STEPS OF THE ANALYSIS:

1. **Value chain analysis:** Key topics were identified through stakeholder engagement, review of expert studies, media analysis, and feedback from customers and partners.
2. **Selection and engagement of stakeholders:** We identified significant internal and external partners, including employees, suppliers, customers, and regulators, who were essential for a comprehensive analysis.
3. **Interviews and prioritization assessment:** We conducted structured interviews and workshops combining qualitative and quantitative approaches. The subsequent data analysis provided an overview of stakeholder priorities and expectations.
4. **Identification of ESG areas:** Based on the insights gained, we defined key ESG areas that reflect regulatory requirements and stakeholder needs, ensuring that our strategy addresses current sustainability challenges.



STAKEHOLDERS AND THEIR ENGAGEMENT IN ESG

Engaging stakeholders is key to implementing our ESG strategy. That's why we actively collaborate with them on these topics, maintain open dialogue, and collect their feedback. Employees across ARMEX Group are involved in these activities, utilizing a wide range of channels—from articles and regular surveys to in-person workshops, training sessions, and conferences.





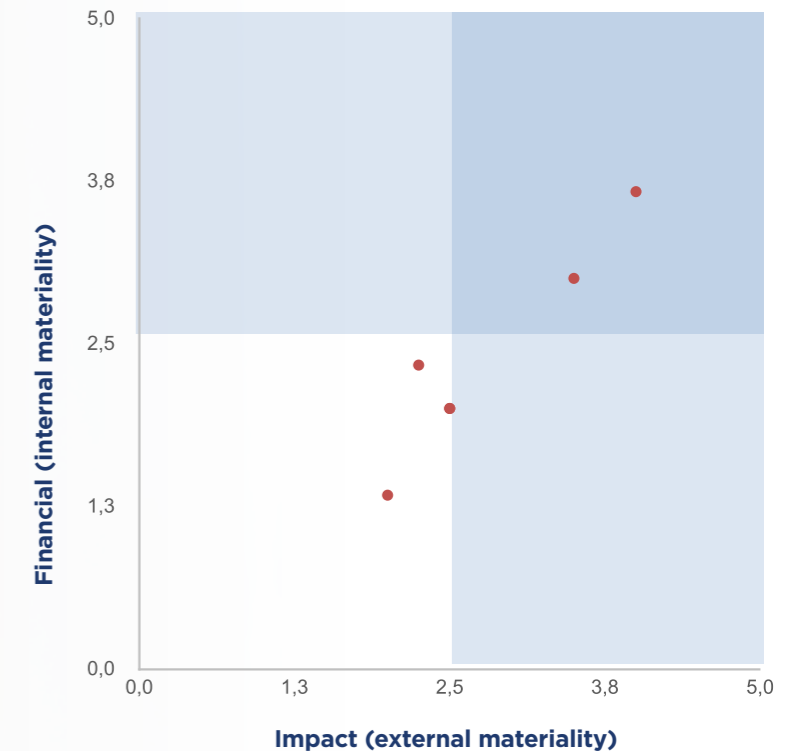
RESULTS OF THE DOUBLE MATERIALITY ANALYSIS

Stakeholders assessed the sustainability areas in terms of impact and financial significance. In terms of financial materiality, the sustainability areas were rated on a scale of -5 to 5, i.e. critical financial risk to strategic financial opportunity. For the purposes of clearer visualization, the resulting values were converted into absolute figures, thereby reducing the distinction between financial risk and financial opportunity.

Based on the impact and financial materiality results obtained from the ARMEX Group stakeholder survey, the materiality threshold was set at 2.5.

Relevant ESRS topics for reporting:

- E1 - Climate Change
- E2 - Pollution
- S1 - Own Employees
- S4 - Consumers and End Users





ENVIRON- MENTAL MATTERS





ARMEX GROUP'S ENVIRONMENTAL APPROACH

In the environmental sphere, we focus **on the reduction of the Group's carbon footprint, optimizing operational processes, and expanding greener alternatives** in the energy sector. We support modern technologies that help reduce the impact of our activities on the planet while also contributing to the development of the Czech energy infrastructure.

This section presents key environmental initiatives undertaken by ARMEX Group. One of the most significant steps was the launch of carbon footprint measurement, which we consider a fundamental element of our approach to environmental sustainability. Monitoring emissions allows us to identify opportunities for improvement, enhance process efficiency, and serves as the foundation for future plans in decarbonization and sustainable business operations.

The carbon footprint for 2024 was assessed in 2025. The calculation included emissions from both direct and indirect energy sources and was conducted in accordance with GHG Protocol and ISO 14064 standards, with caOtegorization into three emission scopes.

At this stage, while reporting is not yet mandatory, we have unfortunately not been able to find a suitable corporate group for comparison that has already published its data. The companies within ARMEX Group also have a rather unique combination of business activities, which makes them relatively uncommon in the market from a corporate group perspective.





CARBON FOOTPRINT OF ARMEX GROUP

SCOPE 1



Direct greenhouse gas emissions originate from sources that are owned or controlled by the company. These include emissions from fuel combustion in company-owned or controlled boilers, furnaces, and vehicles, as well as emissions from chemical production in company-owned or controlled processing facilities.

SCOPE 2



Indirect emissions from purchased energy. Purchased electricity is defined as electricity that is bought or otherwise brought within the organizational boundaries of the company. In addition to electricity, **Scope 2** includes emissions from steam, heating, and cooling.

SCOPE 3



Scope 3 is an optional reporting category that enables the processing of all other indirect emissions resulting from the company's activities but originating from sources it neither owns nor controls.

Greenhouse gas emissions were calculated in accordance with the GHG Protocol Corporate Standard. Emissions were classified into Scope 1, Scope 2, and Scope 3. Emission factors were derived from publicly available databases and relevant methodological sources.



OVERVIEW OF SCOPE 1+2 EMISSIONS



1,42 K
Company
emissions
in tCO₂e

3,73
Average emissions
per employee
in tCO₂e/FTE

0,13
Emissions in tCO₂e
per CZK 1 billion
in revenue



SCOPE 3 EMISSIONS OVERVIEW



819,42 K

Company
emissions
in tCO₂e

2 150,71

Average emissions
per employee
in tCO₂e/FTE

77,74

Emissions in tCO₂e
per CZK 1 billion
in revenue

At **ARMEX Group**, these emissions make up the majority of the company's carbon footprint, which is driven by the nature of its operations and its key role in supplying energy and fuels to the Czech market. The high Scope 3 emission value is largely due to the sale of fuels, where the calculation includes their entire life cycle.



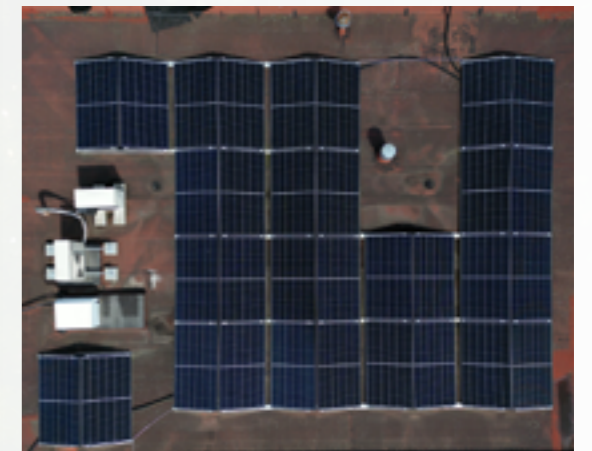
CONSTRUCTION OF PHOTOVOLTAIC POWER PLANTS

The **ARMEX Group** has successfully completed the construction of sixteen photovoltaic power plants on the roofs of its petrol stations and other buildings throughout the Czech Republic. This pilot project is an important part of the group's strategy for sustainability and energy independence, with an emphasis on the use of renewable energy sources in less common places such as petrol stations.

Under the leadership of Jaroslav Stránský, Project Director of ARMEX INVEST, the photovoltaic power plants were successfully commissioned with the aim of increasing the energy efficiency of filling stations and reducing their dependence on fossil fuels. The uniqueness of this project lies not only in its scope, but also in the installation of solar systems on buildings that were not normally used for the installation of photovoltaic systems.

„We want to be an inspiration for others and show that photovoltaic projects can be successfully implemented even in more demanding conditions with stricter criteria, especially for fire safety,“ said Stránský.

Photovoltaic power plants generate clean, renewable energy that is primarily used to power the filling stations' own operations. Any surplus electricity is sold to the sister company ARMEX ENERGY, which integrates this sustainably produced power into the broader energy mix of the Czech Republic.





OUR FURTHER STEPS IN ENVIRONMENTAL RESPONSIBILITY

As part of our long-term efforts to reduce energy performance and carbon footprint, we have carried out a comprehensive assessment of selected buildings that we use for administrative and operational purposes. We focused on the buildings in Děčín, Brno and Ostrava, where we have been operating for a long time and which fundamentally affect our operational energy footprint.

Through this step, we have gained a detailed overview of the technical and energy condition of the buildings we use, as well as where the greatest opportunities for further savings lie.

Thanks to the assessment, we know where we still do not have sufficient levels of insulation, where central ventilation is not installed, or where lighting or cooling is solved by older technology. We are interested in how to gradually change these measures, where it is possible to use renewable sources, and where, on the contrary, it is necessary to focus on operational modifications or alternative solutions, such as the consumption of green electricity in places where the installation of photovoltaics is not possible.

Overall, we have gained an overview that allows us to better plan future investments, follow-up steps to reduce our carbon footprint, and also decide which technological modifications are most beneficial for us. The study is also an important basis for our planning in the field of ESG and further development of sustainable business.



SOCIAL MATTERS





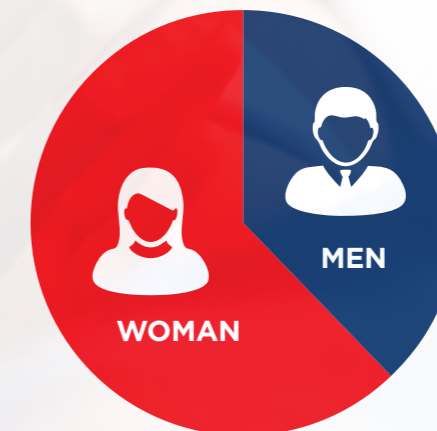
ARMEX GROUP'S SOCIAL RESPONSIBILITY

The ARMEX Group sees business not only as an opportunity but also as a responsibility. Our goal is to support the development of regions — especially the Ústí Region, where we have our roots — while also contributing to nationwide projects that bring positive impact to society. We view social responsibility as a key pillar of our business, with a focus on culture, sports, education, and charity.

In 2023, the ARMEX Group donated CZK 3,810,554 to charitable causes; in 2024, this amount increased to CZK 4,153,600. Over these two years, **the Group contributed more than CZK 7,960,000 to projects aimed at improving living conditions, promoting healthy lifestyles, and strengthening community bonds.**

Our approach to corporate social responsibility also places strong emphasis on employee well-being and the development of human capital. We focus on creating skilled and well-paid jobs, ensuring equal employment opportunities and fair compensation. Our priorities include supporting employees' professional and qualification development, as well as continuously improving workplace safety.

ARMEX Group employs **64 % woman** and **36 % men**





EMPLOYEE EDUCATION

Our employees are our most valuable resource - which is why we support their personal and professional development. In line with our ESG strategy, we offer employees the opportunity to participate in professional training - both in soft skills and hard skills - with the choice of specific training tailored to their professional specialisation. Employees from technical, project or legal departments have access to training related to their field of expertise - for example, technology, construction law, geothermal or project management.

In addition to professional training, the ARMEX Group supports a corporate culture that emphasizes long-term development, stability and a positive work environment, which together provide employees with a wider scope for career growth and professional development.





SUPPORTING CULTURE AND REGIONAL INITIATIVES

Community and Region

We support local communities, social and charitable projects, sport, culture and education, and actively contribute to regional development, improving quality of life and strengthening community cohesion

Support for Sports and Leisure Activities

We actively support sports clubs and projects in the region. As long-term partners of the basketball club BK ARMEX ENERGY Děčín, we contribute to the development of sport, healthy lifestyle and regional identity.





SUPPORT FOR NON-PROFIT ORGANIZATIONS

Charity and Philanthropy

Philanthropy is a natural part of our business. We actively support non-profit organizations and charitable projects that help people in difficult life situations — including the sick, seniors, children, and families in need. We provide both financial and in-kind support and engage our employees in volunteer activities to collectively create a long-term positive impact in the communities in which we operate. Since 2024, we have expanded our support to include financial contributions to the non-profit projects Zdravotní klaun, Linka bezpečí, and Popálky:

- **Zdravotní klaun** - a charitable organization that has been helping paediatric and geriatric patients cope with treatment through laughter since 2001
- **Linka bezpečí** - providing assistance for 30 years to children and students facing difficult life situations or everyday problems they cannot resolve on their own.
- **Popálky, o.p.s.** - offering continuous, comprehensive support to adults and children who have suffered burn injuries, as well as their families and loved ones. The organization arranges meetings, workshops, and summer camps that help children with burns better cope with their situation.





ARMEX GROUP'S SOCIAL RESPONSIBILITY

Education and youth support

In 2015, we established the **ARMEX ENERGY Charitable Donor Fund**, through which we support children and young people in difficult life and social situations on their path to education. We are the general partner of the Education for All program and provide financial support to more than 30 students annually in the districts of Děčín, Litoměřice, Teplice, and Ústí nad Labem.

Through this initiative, we help develop the talents of gifted children who, due to challenging life or family circumstances, do not have the same starting opportunities as others. The financial assistance can be used to cover the cost of educational materials, school activities, and extracurricular courses.





ARMEX



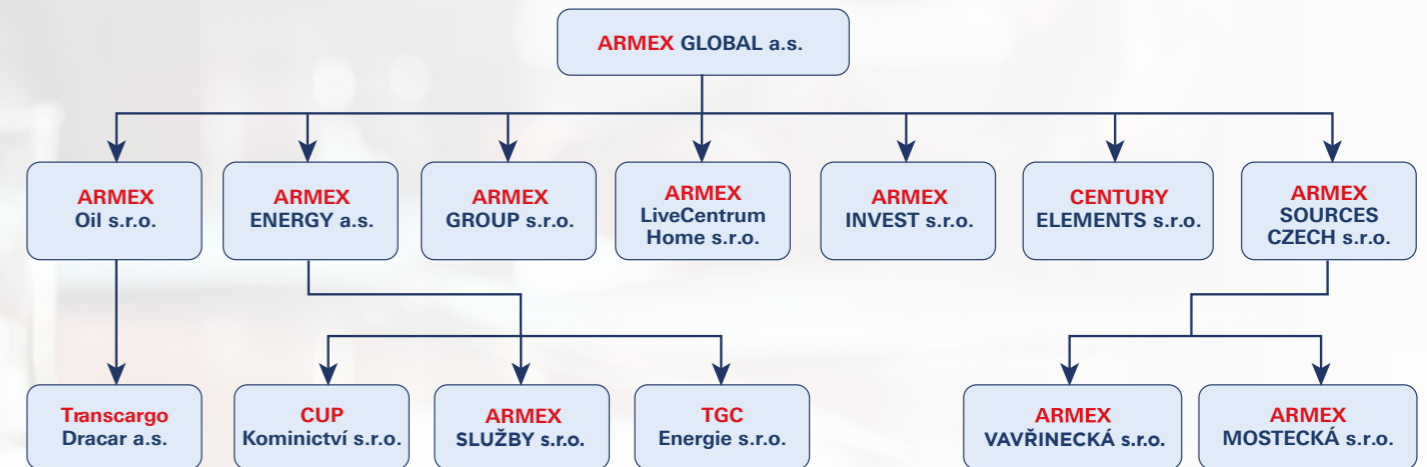


CORPORATE GOVERNANCE



GROUP STRUCTURE

ARMEX





RESPONSIBILITY AND VALUES WITHIN THE GROUP

Responsibility for sustainability within the ARMEX Group lies with the Group's management in cooperation with the responsible managers of individual companies. The ESG agenda is gradually being integrated into the Group's risk management processes, strategic planning, and internal policies.

Company Values: fairness, transparency, stability

All company activities and the conduct of every employee are guided by the three fundamental values on which the ARMEX Group is built: fairness, openness, and stability. Fairness means that the company, its management and employees act fairly towards customers, suppliers and each other in a way that benefits both parties. We see openness as behaviour that does not represent any ulterior or hidden agenda.

In relation to customers, it is a transparent relationship without any hidden charges or arrangements. Stability in the context of the Group's operations means that the company is an entity that wants to operate in the market for the long term. It wants to be a decent and stable employer and supplier.

Responsibility for sustainability within the ARMEX Group lies with the Group's management in cooperation with the responsible managers of individual companies. The ESG agenda is gradually being integrated into the Group's risk management processes, strategic planning, and internal policies.



HIGH ETHICAL STANDARDS

ARMEX Group strictly adheres to laws and ethical principles in the prevention of corruption and bribery. Any form of corruption, including bribery, is strictly prohibited. Transparency, legal compliance, and accountability form the foundation of our policy. Employees, business partners, and suppliers are required to report any suspicious activities through secure reporting channels. Violations of these rules may lead to legal and disciplinary consequences. ARMEX Group promotes responsible business practices and trust in all relationships.

The company has implemented a whistleblowing policy that fosters transparency, ethical conduct, and accountability across all business activities. This policy provides employees, suppliers, and other stakeholders with a clear framework for reporting suspicions of unethical, unlawful, or inappropriate behavior. At the same time, it protects whistleblowers from retaliation and ensures a safe and confidential environment for reporting.

ARMEX Group is committed to maintaining an ethical workplace environment. The company's Code of Ethics establishes rules for professional conduct, truthful information sharing, data protection, and ethical behavior in customer relations. It sets standards for responsible business practices, emphasizing respect for ethics, transparency, and compliance with laws. The Code also underscores the protection of confidential information, fair dealings with partners and customers, and a zero-tolerance approach to coercion or unethical conduct. It outlines the responsibility of all individuals involved in company activities to uphold these principles.



MEMBERSHIP IN ORGANIZATIONS

- ARMEX GROUP s.r.o. is a **member of the Chamber of Commerce of the Czech Republic**, which creates business opportunities and supports measures that contribute to the development of entrepreneurship in the country, specifically through the District Chamber of Commerce in Děčín.
- ARMEX ENERGY a.s. is a co-founder and **member of the Association of Independent Energy Suppliers (ANDE)**. The association aims to establish a platform for collaboration between energy suppliers and other market participants to eliminate legislative, technical, and procedural barriers to the functioning of the liberalized market.
- ARMEX ENERGY a.s. is also a **member of the Czech Association of Local Distribution System Operators (ČAPLDS)**, which brings together local distribution system operators to coordinate activities and advocate for shared interests.





CLOSING REMARKS

The **ARMEX Group** is currently at a stage where sustainability is gradually becoming an integral part of how we manage and develop our business. By preparing for its first non-financial report in accordance with ESRS standards, developing a decarbonization strategy, and establishing a detailed ESG strategy with specific goals, we demonstrate that responsible business is our long-term priority.

„Our commitment to ESG reflects our values—fairness, quality, and responsibility towards society and the environment.“

Bc. Tomáš Horyna, MBA

Member of the Supervisory Board, ARMEX ENERGY a.s.
Director of Asset Management, Chief Sustainability Officer (CSO) of ARMEX Group

Through a combination of eco-friendly measures, energy-saving projects, and support for modern technologies, **ARMEX Group** is setting an example—not only by responding to regulatory changes but also by inspiring others. Our activities reflect the needs of a society that strives to harmoniously balance economic stability with environmental protection and community support.