



Corporate **Management Policy**

TALUM Tovarna aluminija d.d. Kidričevo

Kidričevo, May 9, 2024

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Začetek veljavnosti: May 5, 2024





On 9 May 2024, the Management Board of TALUM Tovarna aluminija d.d. Kidričevo and the Supervisory Board of TALUM Tovarna aluminija d.d. Kidričevo, adopted the following

Corporate Management Policy TALUM Tovarna aluminija d.d. Kidričevo

1. Main management policies with consideration of the set goals and values of the company and its responsibility towards the wider social environment

With the Management Policy, the Management Board and the Supervisory Board of TALUM Tovarna aluminija d.d. Kidričevo determine the main directions of the Company's management by taking into account the set vision and the realisation of the mission, and with the established corporate culture and values of the Company, they promote the achievement of the set strategy and goals of the Company.

The Management Policy of the Company refers to the controlling company TALUM Tovarna d.d. Kidričevo (hereinafter TALUM or Company) and all subsidiaries forming the Talum Group.

TALUM d.d. Kidričevo is a high-tech production company that belongs to the narrow circle of the most efficient producers of aluminium products on a global scale, and ranks among the most important and largest exporters in Slovenia. With the set strategy of the Talum Group, which is based on green transformation, with the increase of recycling and processing of aluminium on the way to carbon neutrality and long-term development, the long-term success, sustainable operation and sustainability of the business operations of the companies are encouraged. The vision of the Talum Group is based on an increase in the recycling and processing of aluminium, which will be used as the foundation of the green transformation for the further production of products with higher added value, in order to maintain its position among Slovenia's largest exporters. We are aware that we need to offer our customers comprehensive solutions in the form of more complex services and products, with which we solve their challenges while making it possible for us to develop and grow added value. The basis for achieving this is the knowledge, creativity and innovation of our employees, as well as development partnerships with which we build new forms of cooperation and networking. By setting strategic goals, we are gradually transforming into a smart factory with a high degree of automation, robotisation and digitisation, which will allow us to maximise the value of the company in the long run and create value for shareholders.

In fulfilling our strategy, vision and goals at all levels, we fully follow our corporate culture and values, which are the foundation of our sustainable transformation and which guide us in performing our work and managing mutual relations, as well as relations with our business partners. Our values are trust, innovation, flexibility and productivity, which is why we connect our operations according to the principles of **TALUM.ZIP**². Our mission is to co-create a sustainable future with aluminium. Our corporate signature is **Lightness of the Future**.

With the adoption of the Code of Ethics and the Corporate Integrity Code, which are published on the Company's website, we have introduced a system of values and established a system of accountability (from the management bodies to the employees and the employees to the Company and the shareholders, to the business partners and the public and the wider social community). We operate in a socially responsible manner, which is why we pay special attention to activities in the local environment in which we operate, and contribute to the development of humanitarian organisations, education, sports, culture and wider social development.

In the adopted Sustainable Development Policy of the Talum Group and the Sustainable Development Report we present the areas of management, social responsibility and responsibility towards the environment (ESG content), which are important for achieving strategic goals.

The Company's management continues to be in line with the applicable legal and statutory provisions, by considering the provisions of the Articles of Association and the internal acts of the Company, the organisational regulations and work instructions, all with the aim of having sustainable development and operations in the framework of quality standards, environmental management, and the safety and health at work, energy efficiency and information security.

The Company's bodies are the General Assembly, the Supervisory Board and the Management Board.

The Company's management is a two-tier management system on the basis of which the Company is managed by the Management Board, and its operations are monitored by the Supervisory Board. Based on the provisions of the Articles of Association, the Management Board consists of the Chairperson of the Management Board and 3 Members and operates in the composition of the Chairperson and two Management Board members. The Supervisory Board consists of 9 members, it operates in the composition of 8 members.

2. Reference Code of Management

TALUM d.d. Kidričevo uses the Corporate Governance Code with State Capital Investment (KKUDD or SDH Code, published in December 2023) as a reference code.

3. Stakeholder groups and the strategy of communication and cooperation with them

The basic purpose of communication activities is to ensure transparency and strengthen the reputation of Talum Group companies and the TALUM brand. We ensure consistent internal and external communication. We communicate timely, accurate and coherent information to our stakeholders: employees, customers, suppliers, shareholders, the media and the wider community.

Employees

We are aware that committed and motivated employees are key to achieving long-term success and the Company's set strategy, so we follow the needs for the development of employee competencies at all levels, permanently improve working conditions and reward employees according to the benefit and contribution to increasing productivity and profitability.

Employees are informed about news and important events through announcements on the Company's intranet page, which is accessible for employees at infomats and specially established info points for this purpose, through the internal newspaper *Aluminij*, by e-mail, special internal news, notices served in personal e-HR folders and postings on bulletin boards (e-bulletin board and bulletin boards in the Company's premises). We especially communicate with employees at organised events, which are the basis for strengthening the commitment and belonging of employees of the Talum Group. We exchange information with employees at meetings with heads of organisational units.

We also communicate through elected labour representatives, i.e. the Workers' Council of TALUM d.d. Kidričevo and the Employees' Council of the companies of the Talum Group, as well as by informing the representative union in the companies.

Customers

Customers are key to achieving all of the Company's goals, which is why we build partnerships with our customers that increase profitability and added value. For this purpose, we offer more demanding products, services and knowledge to satisfy the demands of customers of more complex services and carbon-neutral products, the necessary technologies and procedures. We are aware that it is necessary to provide customers with excellent services and user experience, as it is decisive that our customers are satisfied. We nurture and strengthen relationships with customers through regular personal contacts and visits, we also communicate through all available electronic information systems, occasional organisation of events and participation in fairs and conferences at home and abroad.

Shareholders

Creating a company's value and higher returns for shareholders in the long term is the fundamental mission of every company. When communicating with shareholders, we follow the principles of timeliness and accuracy of information. Communication with shareholders takes place through annual shareholders' meetings, through public announcements on the TALUM website and in accordance with the recommendations and expectations of the Slovenian Sovereign Holding and as specified in the Company's internal rules.



Suppliers and other business partners

We maintain a partnership relationship with suppliers and business partners, ensure consistent settlement of obligations and compliance with accepted business agreements, which enables us to have verified and reliable supply channels, quality of goods and services, and an appropriate price. The Company has adopted a Code of Conduct for business partners, where it expects business partners to treat all stakeholders in their value chain in the same way as TALUM.

Media

We build transparent, equal and comprehensive communication with national and local media. We maintain regular communication with interested media by answering journalist's questions and providing real-time information about business operations and innovations in the Company. We publish messages for the media or various audiences on the Company's website and on social networks, we mainly prepare statements for the media or press releases and we invite them to individual events and organise occasional press conferences. Communication with the media is organised through the Public Relations Department.

Local and broader community

We are aware that the foundation of sustainable development in our society is also the promotion of social responsibility with the goal of ethical action and responsibility towards the wider society and the environment in which we operate.

For this, donor and sponsor funds are allocated to various associations, institutions, public institutes and various organisations that operate primarily at the local and regional level, various projects and initiatives whose goal is broader social responsibility and coincides with the goals and strategy of the Talum Group. For this purpose, we have adopted Rules on the allocation of sponsorship and donor funds of companies of the Talum Group.

When deciding on sponsorship, we follow the purpose and goal of strengthening the recognition of the TALUM brand / Talum Group and the image of the companies of the Talum Group, as well as individual brands of subsidiaries in the local and wider social environment.

By deciding to donate, we support non-profit activities and projects and allocate funds for humanitarian, scientific, educational, sports, cultural, ecological and other relevant purposes.

4. Policy on connections between the Company and its subsidiaries

The controlling company TALUM d.d. Kidričevo with subsidiaries, where it has a 100% business share based in the Republic of Slovenia (except for the subsidiary EKOTAL PRO d.o.o. and 3 subsidiaries based abroad) on the basis of the Agreement on the control and transfer of profits and the Act on concern operations forms a contractual concern, where the operation of all those involved in the processes of the Talum Group is uniformly regulated. The unified regulation covers the subsidiaries in the Talum Group with all processes and employees, where they are subordinated to the management of the controlling company, which has the right to give instructions to the subsidiary company for business management. Business between companies in the Talum Group is regulated in accordance with the Group's business policy, mutual agreements and legislation. Prices are determined in accordance with tax and other legislation governing transfer prices. The companies have adopted the Rules on transfer prices of Talum Group companies. In accordance with the applicable legislation, a consolidated annual report covering all subsidiaries is prepared. The parent company ensures the control of the subsidiaries so that the management of the parent company or the authorised representatives of the management of the parent company, at the general meetings of the directly subsidiary companies, with appropriate general meeting decisions, ensure the unity and integrity of the entire Group's operations. The process of familiarising subsidiaries and shareholders with the strategy and management standards of the Talum Group

The operation of subsidiaries in the Talum Group is regulated by legislation and the Act on the operation of a contractual concern, where general rules for the operationalisation and supplementing of the provisions of the Company's Statute are determined with the starting points for the operation of the Talum Group by individual sections or processes, methods of operation of managers and other employees, methods of business between companies of the Talum Group, the content, form and frequency of reporting, controlling and the method of management of the Talum Group. It is stipulated that for all Talum Group companies and employees, the values, goals and strategy are defined in the Talum Group Strategy.



The methods of familiarising shareholders with the strategy and management standards of the Talum Group can be seen above all from point 3, which describes the methods and forms of communication with shareholders.

5. Commitment on determining the conflict of interests and independence of the members of the Supervisory Board and the Management Board of TALUM d.d. Kidričevo

Supervisory Board

Each member of the Supervisory Board, upon appointment and upon each change, completes and submits to the Supervisory Board a Statement of Independence and Absence of Conflict of Interest, as prescribed by the SDH. The signed declarations of the members are made public.

In their work, members of the Supervisory Board are not bound by the opinions or instructions of those who elected, proposed or appointed them, but act in their capacity completely independently and assumes full personal responsibility.

In the event of a conflict of interest arising or likely to arise in the performance of the duties of a member of the Supervisory Board, the member of the Supervisory Board must inform the Supervisory Board without delay, and in the event of a decision of the Supervisory Board on dealings with companies in which individual members may have a conflict of interest, such member shall be excluded from receiving material, debating and voting.

Management Board

The members of the Management Board are obliged to immediately disclose the existence of a conflict of interest that occurs or could occur in the performance of their function to the Supervisory Board, or to ask it for the necessary consent.

6. The Supervisory Board's commitment to evaluate its own effectiveness

The Supervisory Board conducts a self-assessment of its effectiveness once a year. As part of the procedure, it assesses its composition, operations, possible conflicts of interest of individual members, the performance of individual members and the Supervisory Board as a whole, and cooperation with the Company's Management Board. During the evaluation of its work, the Supervisory Board also evaluates the work of the Supervisory Board's committees. When assessing its work, the Supervisory Board takes into account the Manual for evaluating the effectiveness of supervisory boards, adopted by the Slovenian Directors' Association.

7. Supervisory Board Committees

In accordance with the applicable legislation, the Supervisory Board formed the Audit Committee of the Supervisory Board of TALUM d.d. Kidričevo with the aim of improving the effectiveness of the Supervisory Board's operation. Its tasks are defined in the Companies Act and in the Rules of Procedure of the Audit Commission.

The composition and operation of the Supervisory Board and the Audit Commission in an individual year are presented in the report on the work of the Supervisory Board for an individual year, which is part of the annual report for an individual business year.

8. The system of distribution of responsibilities and powers between the Management Board and the Supervisory Board of TALUM d.d. Kidričevo

Responsibilities and powers of the members of the Supervisory Board and the Management Board are determined by legislation, the Statute of TALUM d.d. Kidričevo and the Rules of Procedure on the work of the Supervisory Board. The Company is managed by the Management Board, and its work is supervised by the Supervisory Board.



The Company is represented and managed by the Management Board independently and on its own responsibility for the benefit of the Company. The Management Board consists of the Chairperson of the Management Board and three members of the Management Board. The Chairperson of the Management Board is appointed and dismissed by the Supervisory Board, while the members of the Management Board are appointed by the Supervisory Board at the proposal of the Chairperson of the Management Board. The Chairperson and individual members of the Management Board are appointed for a term of office of at least one year and at most six years. After the end of the term, the same person can be re-appointed to the Company's Management Board. The Management Board manages the business arising from the nature of the Company's activities, and in particular implements the adopted business strategy of the Company. Decisions are made by majority vote of all Board members. The Management Board carries out all business for which the law or the statutes do not provide that it falls within the competence of the General Assembly or the Supervisory Board. The Company's Articles of Association specify for which transactions the Management Board must obtain the prior consent of the Supervisory Board. The decision of the Supervisory Board determines the areas in which the Company is represented by the Chairperson and members of the Management Board alone or jointly with another member.

The Supervisory Board governs the Company's business operations. The duties of the Supervisory Board are determined by the Companies Act, the Company's Statute and the Rules of Procedure of the Supervisory Board. In particular, the Supervisory Board appoints and recalls the Chairperson and members of the Management Board, dismisses them in the event of a vote of no confidence by the General Assembly, gives the General Assembly opinions on the business report, requests reports from the Management Board on the Company's operations, convenes the General Assembly at its discretion, inspects and verifies the business documents in any forms and other documentation of the Company and gives consent to the conclusion of transactions when the statute so provides. The Chairperson of the Supervisory Board shall represent the Company vis-à-vis the Management Board of the Company. The Supervisory Board consists of 9 members, with 3 members of the Supervisory Board being representatives of the Company's employees, elected by the Workers' Council.

The Company's Supervisory Board adopted the Diversity Policy of the Management Board and Supervisory Board of TALUM d.d. Kidričevo, which is published on the Company's website. The Diversity Policy defines

the main principles and commitments of the Company's bodies, i.e. the Company's General Assembly and the Company's Supervisory Board, to ensure the diversity of the composition of the Supervisory Board and the Management Board regarding aspects that are more precisely defined in the policy, all with the aim of achieving greater efficiency in the functioning of both bodies as a whole with complementing each other, and above all upgrading from the point of view of the diversity of judgement and opinions when making decisions with the aim of ensuring the long-term successful operation of the Company.

9. Definition of the Company's communication policy and disclosure of business information

The purpose of communication activities is to ensure transparency and strengthen the reputation of the Company, brand, management and employees. In doing so, we strive to maintain correct, stable and long-term relations with all stakeholders. With communication, we want the messages to reach the target audience on time and for the information to be understood correctly. Communication with stakeholders includes external communication or communication with external stakeholders as well as internal communication relating to employees. The purpose of communication is adapted to the individual field of communication, which is defined in more detail in the previous chapters.

10. Protecting the interests of employees in the Company and respecting human rights and equal opportunities

The business success of the Talum Group is provided by us, employees, since we are the holders of work and business. Motivated and skilled employees are a key element in the development of each individual company and all companies together.

The Talum Group treats its employees with respect and fairness, while respecting the human rights defined in the United Nations Universal Declaration of Human Rights.

Equal treatment of employees is a fundamental principle of the company.



We also respect internationally recognised human rights by following the standards of the United Nations and the International Labour Organization (henceforth: ILO).

All employees have the right and duty to be fair, equitable, honest and respectful in relationships with co-workers, superiors and subordinates.

We are committed to preventing situations that may arise due to a conflict between personal interests and the interests of individual companies. Employees reconcile their own personal interests with the interests of the companies in the Talum Group.

We operate in accordance with applicable laws and regulations and internal acts and rules. Discrimination based on the personal circumstances of each individual is prohibited in recruitment, defining salaries, promotion, training, or terminating an employment relationship. We do not tolerate any form of violence, harassment and mobbing at work. We do not condone any form of harassment and discrimination based on gender, religion, race, skin colour, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital and family status, age, or political view and membership in a union and other labour representations.

We are bound to create inclusive working environment, to appreciate and acknowledge uniqueness and worthiness of all people. We respect people's individual abilities and perspectives.

We observe international standards and have a zero-tolerance policy toward child labour in accordance with ILO 138. The minimum age of employees is 15 years in accordance with the provisions of the Employment Relationships Act (ZDR-1), whereby special protection is provided for employees under 18 years of age, in accordance with the legal provisions and international standards.

We do not tolerate any form of violence, harassment and mobbing at work.

The Talum Group does not tolerate any form of forced labour or slavery and observe all the applicable laws and regulations relating to the prohibition of forced labour and human trafficking. We respect the free choice of employment.

We guarantee and we are mutually obliged to maintain working conditions and environment in accordance with the applicable legislation in the field of health and safety at work and respect and implement regulations on health and safety at work.

We operate proactive with commitment that personal behaviour contributes to successful health and safety working environment. We report each working accident or incident which may cause various injuries.

Employees participate in the management of the Company through their representatives in the TALUM d.d. Workers' Council and the Supervisory Board, the Talum Group Companies' Council of Employees, and through membership in a representative trade union, thus asserting their positions, proposals and opinions through their representatives.

11. Final provisions

The management policy of TALUM d.d. Kidričevo comes into force on the day it is adopted by the Company's Management Board and Supervisory Board.

The Company's management policy is published on the Company's website.

Kidričevo, May 9, 2024



TALUM