
Modern Slavery Statement

Financial Year 2023

— Introduction

This Modern Slavery Statement has been published in accordance with the UK Modern Slavery Act 2015 (MSA) as in the previous years. This statement explains the steps that Efacec has taken to prevent modern slavery in its business and supply chains during the financial year 2023. Efacec is committed to building a more sustainable future and has a zero-tolerance approach to all forms of Human Rights abuse.

— Our Business

The year 2023 was marked by the conclusion of the reprivatization process with 100% of Efacec Power Solutions SGPS (Efacec Group) share capital being acquired by Mutares SE & CO. KGaA - a German holding company listed on the Frankfurt Stock Exchange. The reprivatization occurred towards the end of 2023, specifically on October 31st, therefore much of the year was still lived under the financial constraints and difficulties that the company had experienced in the last years. Nonetheless, in 2023 Efacec continued to develop and deliver a portfolio of solutions with high technological capacity all over the world in relevant sectors for the energy transition.

Efacec is a signatory to the UN Global Compact and considers human rights to be a fundamental principle that it has always respected and promoted. In 2023 it celebrated its 75th anniversary and in the future, it aims to continue its activity in energy transition and product innovation, promoting sustainability throughout its value chain.

— Our Policies

Efacec understands its responsibility and continues to evolve its management model based on the fundamental sustainability principles. Its Sustainability Policy defines three essential pillars – Environment, Social, Governance – which are an important foundation to integrate sustainability in a holistic organizational approach, from innovation to creation, development, and delivery.

Efacec's Board of Directors promotes a culture of compliance and ensures that management bodies, functional structures, employees, and entities who act on behalf of the company comply with the legislation, rules of conduct and ethical principles that guide Efacec's activity.

In 2023 Efacec continued its journey in implementing continuous improvement initiatives and incorporating ESG principles into organizational processes. The modifications that are most relevant for the subject of this declaration are the following:

- The Risk Management Policy was revised because Efacec believes that continuously enhancing risk management allows the company to optimize results, create value and obtain competitive advantages in the market through efficient risk mitigation initiatives.
- The Procurement and Purchasing area has continued the improvement and promotion of the Qualification and Evaluation Process that reinforces ethical, environmental, social and human rights aspects in the supply chain process, and specifically the relationship with partners and 3rd party suppliers.
- Efacec published a new Labor Relations Policy and Working Conditions & Employment Policy to reinforce awareness of fundamental values and behaviors at work.
- Efacec developed a Diversity, Equality and Inclusion Policy that applies to all Efacec stakeholders and aims to contribute to the development of a culture of social compliance in the workplace, an environment of respect to freedom of association, and the promotion of diversity and nondiscrimination practices.

— Risk Assessment

During 2023 there were no risks of Modern Slavery identified.

Efacec's operations are primarily based in Portugal, a European Union member with a robust legal framework for Human Rights, adhering to International Labour Organization (ILO) recommendations. Since joining the United Nations Global Compact in 2021, Efacec has committed to integrate the 10 principles into its business strategy, reinforcing its commitment to Human Rights and Labour Relations.

With regards to Efacec operations, company's recruitment process continues to follow strict criteria to ensure compliance with Human Rights and ILO standards. International subsidiaries are supported by accredited local entities, as well as by the Human Resources Department in Portugal to ensure compliance with the company standards.

Regarding the supply chain, Efacec's sustainable procurement program imposes requirements in the three pillars of sustainability (ESG) to all suppliers. Not only by requiring them to remain in compliance with all applicable laws including Efacec ethical and sustainability policies and applicable local legislation, but also by conducting Qualification and Evaluation processes that promotes the adoption of ESG requirements among the supply chain.

In conclusion, all Efacec operations are carried out in an environment that promotes Human Rights and healthy Labour Relations, minimizing the risks of Modern Slavery throughout the value chain.

— Due Diligence Measures in Place

Efacec has in place a range of measures that prevent Modern Slavery, namely:

- Social requirements are integrated in the existent ethical declarations such as the Sustainability Policy and the Corporate Code of Conduct. These declarations are used in formal and mandatory training courses and are applicable to all Efacec employees.
- Recruitment processes have criteria that prevent the occurrence of Modern Slavery.
- Onboarding process has a sustainability module that addresses in detail ESG principles.
- Labour legislation is a required commitment for all Efacec suppliers.
- New Risk Management framework enhances mitigation efforts.
- Evaluation process is in place for Business Partners (agents, consultants and distributors) which includes their validation through a Compliance Due Diligence.

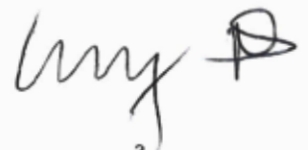
— Performance Indicators

Efacec actively monitors Human Rights using specific indicators that address issues like discrimination, child labour, forced labour, freedom of association, safety, and diversity. These indicators are reported transparently in the Annual Report, under Social Indicators.

— Training

Efacec offers valuable training on Efacec's Code of Conduct and sustainability principles for all employees. In the Onboarding process, Efacec has a specific session dedicated to the company's ESG principles.

During 2023, Efacec promoted the possibility for workers to acquire professional certification and personal education, therefore promoting Sustainable Development Goal 8 of Decent Work.



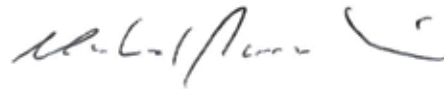
— Plans

For 2024 Efacec plans to:

- Put into force a new Code of Conduct for suppliers;
- Improve reporting and disclosure regarding non-financial management, including Environmental, Social and Governance indicators;
- Continue to include ESG training in the Onboarding Process for new employees;
- Continue to improve internal processes with the aim of implementing sustainability criteria into them;
- Maintain due diligence procedures to prevent Modern Slavery in the value chain;
- Enhance Risk Management framework and policy, namely in what regards to Human Rights and the mitigation measures to address the risk of modern slavery, among other ESG indicators.



Ângelo Ramalho
Chief Executive Officer (CEO)
27 June 2024



Michael Silva
Chief Commercial Officer (CCO)
27 June 2024