Approved version

Materiality Analysis

1. Materiality Analysis Conducted/Reviewed

The Company conducts a comprehensive materiality assessment **at least annually** as part of its strategic planning, risk management, and sustainability reporting cycle. The annual review ensures that material topics remain aligned with evolving regulatory requirements, market conditions, technological developments, and stakeholder expectations.

The materiality assessment is reviewed whenever there are significant changes in the Company's operations, business model, geographic footprint, or strategic priorities. This ensures that emerging risks, opportunities, and stakeholder concerns are continuously captured.

The methodology is consistent with international standards, including GRI Standards, CSRD, and S&P Global Corporate Sustainability Assessment methodology. It involves a structured process of data collection, peer benchmarking, internal expert consultations, and review of external ESG trends.

Results of the annual materiality assessment are disclosed publicly through the Company's Annual Report, Sustainability Report, and official website. This ensures transparency and allows stakeholders to understand the company's approach to ESG issues.

Regular review supports proactive management of sustainability risks, facilitates informed decision-making, and demonstrates accountability to stakeholders.

2. Involvement of External Stakeholders in Identifying Material Issues

External stakeholders are actively involved in the identification and validation of material topics. Key groups include customers, suppliers, investors, creditors, regulators, local communities, NGOs, and industry associations.

The Company uses multiple engagement methods such as structured surveys, bilateral interviews, multi-stakeholder workshops, and written consultations. This ensures a broad and balanced perspective on ESG issues.

Stakeholder feedback is systematically analyzed based on criteria including relevance to business activities, severity of impact, and likelihood of occurrence. This feedback directly informs the prioritization of material issues.

Documenting stakeholder input and incorporating it into the assessment process strengthens the credibility and robustness of the materiality evaluation, ensuring alignment with stakeholder expectations and external best practices.

3. Prioritization of Material Issues and Materiality Matrix

Material issues are prioritized based on a dual assessment: the **internal impact on the business** and the **external impact on society and the environment**. Each issue is scored according to its potential effects on financial performance, operations, compliance, and reputation.

The results are presented in a **materiality matrix**, where the X-axis represents internal business impact and the Y-axis represents external stakeholder impact. High-priority issues are clearly distinguished and receive strategic focus.

High-priority topics are integrated into strategic objectives, corporate policies, and key performance indicators (KPIs). Disclosure of the materiality matrix and top-priority topics is made publicly in the sustainability report.

This prioritization ensures efficient allocation of resources and management attention toward the most significant ESG risks and opportunities.

4. Integration of Materiality Assessment into Enterprise Risk Management (ERM)

The results of the materiality assessment are fully integrated into the Company's ERM framework. Each material topic is mapped to relevant strategic, operational, financial, compliance, and reputational risks.

Risk owners are assigned, and mitigation measures are defined and monitored through internal control and reporting systems. This ensures that ESG risks are actively managed as part of the broader corporate risk governance process.

Integration into ERM enables scenario analysis, supports business continuity planning, informs capital allocation decisions, and enhances resilience against sustainability-related risks.

By embedding material topics into ERM, the Company ensures that ESG considerations are systematically considered in decision-making at all levels.

5. Application of the Double Materiality Principle

The Company applies the principle of **double materiality**, assessing both:

1. **Financial materiality** – the impact of ESG issues on the Company's financial performance, cash flows, and business value.
2. **Impact materiality** – the effect of the Company's operations on society, the environment, and human rights.

This dual perspective ensures that risks and opportunities are identified from both internal and external viewpoints. The methodology aligns with CSRD, GRI, and EFRAG guidance.

Double materiality allows management to prioritize topics that are material not only to the company but also to stakeholders and the broader ecosystem, supporting sustainable long-term value creation.

6. Verification by a Third-Party Assurance Provider

The materiality assessment process is subject to independent verification by an external assurance provider. The assurance covers the methodology, stakeholder engagement process, and prioritization criteria.

The assurance statement confirms the **reliability, completeness, and accuracy** of the materiality assessment. The statement is publicly disclosed as part of the Company's sustainability reporting.

This independent verification enhances stakeholder confidence in the company's ESG disclosures and demonstrates commitment to transparency and accountability.

7. Governance and Approval by the Board of Directors

The results of the materiality assessment are formally reviewed and approved by the **Board of Directors**.

The Board ensures alignment of material topics with corporate strategy, risk appetite, and long-term value creation objectives. Oversight responsibility is often delegated to a dedicated Board Sustainability Committee.

Formal sign-off by the Board embeds accountability at the highest level, ensuring that ESG risks and opportunities are integrated into corporate governance, strategic planning, and performance monitoring systems.

This governance structure supports continuous improvement, effective oversight, and transparency in the Company's sustainability performance.