

# Sustainability statement

## General information

### Basis for preparation

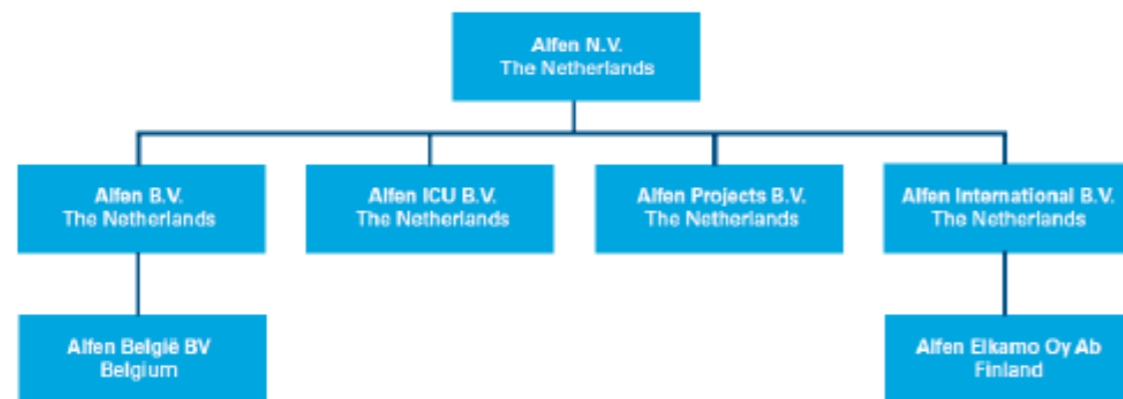
#### Level of reporting

The Sustainability Statement of Alfen N.V. is prepared on a consolidated basis and incorporates information for the reporting period equal to the financial statements, from 1 January 2025 to 31 December 2025. This statement covers Alfen's entire operations, as well as the upstream and downstream value chain. Alfen has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

All Alfen subsidiaries are consolidated for sustainability reporting. Administrations of all entities except Alfen Elkamo Oy Ab are driven by its headquarters. Alfen uses the same measurements for all entities throughout the statements.

Material impacts, risks and opportunities (IROs) have been assessed through a double materiality assessment, serving as a cornerstone for the ESRS disclosures. This assessment determines the scope of disclosure.

#### Material subsidiaries of Alfen



In 2025, Alfen reviewed its existing materiality assessment, and updated this in alignment with the July 2025 draft guidelines from the ESRS. A description of the process and its outcome are included in the impact, risk and opportunity section of this statement. The EU Taxonomy is included as a separate identifiable section at the end of this Sustainability Statement. The contents of the Sustainability Statement were not audited by a third party, as the submission of this statement is voluntary and CSRD is not yet transposed into Dutch law.

#### Judgement, uncertainties, exemptions and value chain estimations

In applying reporting requirements, Alfen needs to make judgements and estimates that may be critical for the data reported. Therefore, metrics used can be based on certain estimates, averages or assumptions that management believes to be reasonable under the circumstances. The underlying data either comes directly from its suppliers, its own readings or is sourced from external data vendors. The latter, being secondary data such as industry/sector averages, are used if no relevant information is available within its value chain. This statement includes prospective information such as ambitions, objectives, targets and expectations. Inherent to this information is the fact that the actual results may differ in the future and that information is therefore uncertain. A description of used definitions can be found alongside each metric in the respective environmental, social and governance sections.

In particular, Alfen sees the largest uncertainties in reporting scope 3 emissions related to Alfen's up- and downstream value chain partners. At this stage, Alfen often needs to rely on industry/sector averages for emission calculations when suppliers cannot yet deliver primary data. Alfen expects that the accuracy of scope 3 emissions will improve over time as calculations become more granular with more detailed modelling and supplier-specific data. In addition, a key assumption made regards the rate at which electricity grids decarbonise over time, which influences the emissions intensity of the efficiency losses during the use of its sold products. As all of Alfen's products are currently sold in countries where governments are either legally bound to net zero in 2050 or have set net zero 2050 as a stated goal for their electricity grid, Alfen has assumed a linear reduction in electricity grid intensity between 2025 and 2050. To ensure accuracy as much as possible, Alfen's restated 2021 and 2024 scope 3 emissions have included historical electricity emissions intensity for the years leading up to 2025, and have then used the same projections for 2026 onwards.

The data used to compile Alfen's sustainability metrics is subject to continuous improvement, given that sustainability-related regulation will also result in more standardised data being available in the future. Alfen aims to be transparent in its disclosures and any changes in underlying data or assumptions in order to explain movements. This results in the appropriate context to readers of the statement.

#### Applied time horizons

Alfen has assessed material impacts, risk and opportunities over short-, medium-, and long-term. Since the nature of sustainability matters generally materialise over time these topics often require forward-looking statements. In this statement, Alfen refer to the following time horizons:

*Short term = less than 1 year*

*Medium term = between 1 and 5 years*

*Long term = more than 5 years*

Alfen provides an additional specification for the long term horizon when impacts or actions are expected in a period longer than 5 years to provide relevant context. Deviations from the stated time horizons are clearly indicated.

#### Incorporation by reference

Where information has been published in other parts of the annual report, Alfen has made use of the "incorporation by reference" concept to prevent duplications. Specifically, Alfen has chosen to incorporate the corporate governance disclosures of ESRS 2 relating to role and responsibilities (other than on sustainability) and composition in the corporate governance section of this report. These can be found in paragraphs Members of the Management Board and Members of the Supervisory Board. Additionally, a description of risk management and control process as well as the incorporation of sustainability risks in this process can be found in the Risk management section, paragraph Risk assessment process, including fraud and sustainability risks. In these cases, Alfen believes that the information is best read in conjunction with other information in these sections.

#### Reporting adjustments related to prior periods

Following a comprehensive review of Alfen's historical emissions related data, Alfen has restated emission figures for all years across scopes 1, 2, and 3. As a result of this review, the emissions baseline for each of its respective scopes has deviated by more than 5% compared to the current baselines. In accordance with SBTi methodology, Alfen has therefore restated its emissions baseline, and used the SBTi target setting approach to determine its revised targets.

For scopes 1 and 2, the restatements cover the years 2019 through to 2024, while for scope 3, the restatement covers the years of 2021 and 2024, as these are the only two prior years over which Alfen has published full scope 3 information.

For scopes 1 and 2, restatements have been related primarily to updating emission factors and methodologies. For scope 3, the restatement has primarily been related to a change of scope. Alfen has excluded the subset of transformers from its scope 3 emissions which are provided by its customers and remain legally in their ownership at all times, and are therefore not part of its value chain. Alfen has verified this approach with SBTi to ensure this is consistent with standards set in the GHG Protocol.

Where metrics have been reported previously or where historic data was available, comparative information has been presented.

### Use of phase-in provisions

For some of the newly introduced metrics, Alfen has made use of the transitional provisions in accordance with Appendix C ESRS 1. As Alfen's reporting is currently voluntary, Alfen has extended the use of some of these transitional provisions this year. For phase-in provisions last year that pertained only to Alfen Elkamo Oy Ab, Alfen has now included metrics as prescribed under the July 2025 ESRS draft guidelines.

### Use of phase-in for all entities:

- Anticipated financial effects of Alfen's impact, risks, and opportunities on its financial position (ESRS 2 SBM-3 paragraph 23)
- Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (ESRS E1-11)

## Business model and strategy

### Alfen's business model and value chain

Alfen operates at the heart of the energy transition with its 3 business lines: Smart Grid Solutions, EV Charging, and Energy Storage Systems. Revenue from all its business activities can be

allocated to ESRS sector: C27 - Manufacturing of electrical equipment. During 2025 there were no significant changes in its product portfolio or services.

Alfen is headquartered in Almere, the Netherlands, where it resides in eight buildings with associated production facilities that are either owned or leased. Alfen has additional offices with production locations in Belgium and Finland and physical sales offices in Germany, Sweden and France. As of December 31st 2025, Alfen had a headcount of 950 employees across Europe, with presence in 9 countries: Belgium, Finland, France, Germany, Italy, the Netherlands, Spain, Sweden, and the United Kingdom, and serves the rest of Europe through its partners and resellers.

For a detailed breakdown on revenue per sector and geographical area, please refer to statistics in the financial summary. Across all of Alfen's business lines there are no products that have been banned in certain countries. Given the nature of Alfen's products, sales to all its markets and customer groups help enable decarbonisation.

**Smart Grid Solutions:** Alfen develops, produces and assembles a range of transformer substations for two segments: 1) distribution grid operators and 2) private companies, and Alfen does so with a range of suppliers of concrete housing, transformers and medium voltage switchgear, among others.

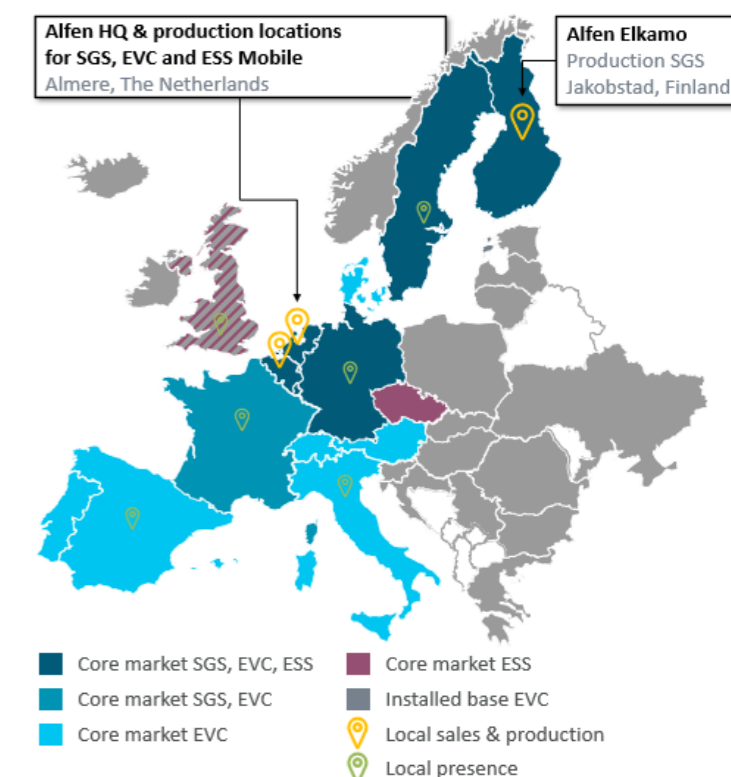
For both segments the majority of sales occur in its core focus countries for 2025, which were the Netherlands, Belgium, Finland and Sweden.

The grid operator segment can be characterised as concentrated, given the top 3 grid operators in the Netherlands hold 95% market share in the distribution grid. Alfen's solutions support strengthening the distribution grid to cope with the energy transition.

Additionally, Alfen supplies microgrids, including substations and supplementary offerings to connect the private networks with so-called "sub-segments", being (1) renewables (PV, wind farms), (2) EV fast charging or logistic hubs, (3) horticulture, and (4) industrial companies. The former two have a mix of concentrated end-customers, while the latter two are more fragmented, being one-offs with an occasional expansion.

Alfen's substations are a critical building block in the electrification of our society by facilitating a robust electricity grid. Moreover, Alfen enables the supply of renewable energy, thereby facilitating the decarbonisation of power supply.

**EV Charging:** Alfen develops and produces a range of smart and connected chargers for electric vehicles (EV) for use at destinations such as homes, retail, workplaces and public locations across Europe. Additionally, Alfen offers remote service & maintenance both remote and on-site through our



field service partner network. Alfen works with a wide variety of suppliers that deliver electrical components such as printed circuit boards and kWh meters.

The customer landscape can be characterised as fragmented. Alfen is a pure B2B player, and so does not directly deliver to end-users. Alfen's main customers are utilities, charge point operators, system integrators, retailers, and wholesalers.

	UPSTREAM (SCOPE 3)		OWN OPERATIONS (SCOPE 1 & 2)				DOWNSTREAM (SCOPE 3)		
VALUE CHAIN STEP	Raw material extraction & component suppliers	Inbound logistics	Research & development	Production & assembly	Services & maintenance	Sales & marketing	Outbound logistics	Use-phase	Scrap & recycle
BUSINESS LINE	<b>SGS</b> Main components are made of steel, copper, and concrete. Alfen does not source raw materials directly	Logistic partners are used to deliver components to Almere	Alfen develops a variety of low- and medium voltage transformer substations	In-house assembly located in the Netherlands and Finland	Alfen delivers services to its customers	Alfen has its sales forces in the Netherlands, Belgium, Finland and Sweden	Alfen arranges transport to project location or depot	Alfen does not operate substations	Alfen currently has no active role in decommissioning and recycling
<b>EVC</b> Alfen sources electrical components from a wide variety of suppliers	Logistic partners are used to deliver components to Almere	Alfen develops and designs hardware and software	In-house production and assembly located in the Netherlands	Alfen delivers services to its customers and through field service partners	Alfen has sales presence in 10 countries in Europe and covers rest of Europe from HQ	Alfen arranges transport to warehouse B2B customers depending on delivery terms	Alfen does not operate EV charging equipment	Alfen currently has no active role in decommissioning and recycling	
<b>ESS</b> Alfen sources batteries at Tier 1 suppliers and uses LFP chemistry. Alfen also sources inverters	Logistic partners are used to deliver components to Almere or directly to the project site	Alfen develops hardware and software, additionally delivers EPC work on project site	In-house assembly for the battery mobile, and assembly on project location for battery elements	Alfen delivers services and maintenance via long-term contracts on projects	Alfen has sales presence in Netherlands, Belgium and Sweden and covers rest of Europe from HQ	Alfen arranges transport of components to project site	Alfen does not operate battery systems	Alfen currently has no active role in decommissioning and recycling	
ACTORS	Tier 1 & 2 Business relations	Logistic partners	Own workforce, partnerships with agencies for flexible work				Logistic partners	B2B customer End users	End-customer
GEOGRAPHIES	Global		Netherlands Finland		Europe		Europe		

Alfen's installed charge points power electric vehicles, decarbonising transportation and thereby avoiding harmful emissions.

**Energy Storage Systems:** Alfen develops, manufactures, assembles, and installs a range of stationary utility scale and mobile battery energy storage solutions. Alfen's systems are used for applications such as load balancing, peak shaving, grid frequency control and energy trading. Additionally, Alfen provides long-term service and maintenance on installed systems. Alfen works with suppliers of batteries, transformer, control cabinets and inverters, among others.

For utility scale systems, Alfen's main customers are independent power producers, flexibility service providers, developers, as well as commercial and industrial companies.

For Alfen's mobile systems, Alfen sells either to power rentals who use its systems in their proposition towards a variety of end-segments, or directly to end-segments such as construction companies, energy companies, events, EV fast charging or transportation hubs, industry and commercial companies, renewables, and marine applications.

Alfen's Energy Storage Systems enable the integration of renewables into the grid by preventing intermittency of these renewables becoming an issue. Most of Alfen's sales occur in the Netherlands, Belgium, Sweden and Finland.

### Interaction business model and sustainability

Sustainability is inextricably linked to Alfen's operations as all business lines contribute to society's electrification by replacing alternatives that have a negative impact on the environment.

In 2024, Alfen initiated the Alfen Sustainability Program, as explained in Alfen's approach to sustainability of the management report. This program is currently focused on decarbonisation targets that have are aligned with the Paris Agreement and validated by SBTi. Alfen has this year started to roll out the initiatives that will contribute to its overall sustainability and wider business strategy.

Alfen will work to align the material topics related to its own operations and its business strategy. To intertwine sustainability even deeper with its business strategy, Alfen has set clear annual targets related to sustainability objectives, and ensures that these efforts are incorporated into its broader Annual Business Review. In addition, Alfen has integrated sustainability into the variable remuneration of its Management Board members, by setting both annual targets (in the Short Term Incentive Plan), and three year targets (in the Long Term Incentive Plan).

Alfen's approach to sustainability increasingly shapes its interactions with suppliers as well as customers, as it believe challenges to decarbonise its value chain can be best solved together. Furthermore, continued R&D investments demonstrate its commitment to driving technology forward to remain a leader in the energy transition.

### Alfen's engagement with stakeholders

In 2023, Alfen adopted its stakeholder (dialogue) policy and has since started reporting on stakeholder engagements in its annual report. Alfen values the mutually beneficial interaction with each of its stakeholders.

As part of the stakeholder policy, Alfen has mapped employees, customers, investors, suppliers, local communities and society as key stakeholders. These selections are based on who has the greatest influence on Alfen's activities and who is most affected.

**Alfen's employees** are an important stakeholder because their commitment, efforts, collective knowledge, performance and development are the basis for its business and how it creates value for its customers and thereby for its investors and society. Alfen's employees are integral to achieving its sustainability goals.

**Alfen's customers** are an important stakeholder because satisfied customers are the foundation for long-term sustainable growth and profitability. There is recognition that within Alfen's sectors there is increasing attention for sustainability.

**Alfen's investors** are an important stakeholder because together they are the owners of the company. Alfen knows sustainability efforts are increasingly seen as a subject that influences investment decisions.

Key stakeholders	Purpose	What matters to them?	How Alfen engages?	Highlights in 2025
<b>Employees</b>	Alfen acknowledges that satisfied and engaged employees are key for successful growth as well as key-contributor for reaching sustainability goals. On the other side, they will be affected by actions from the organisation.	<ul style="list-style-type: none"> <li>(1) Engaging workplace</li> <li>(2) Personal and professional development</li> <li>(3) Safe and healthy working conditions</li> </ul>	<ul style="list-style-type: none"> <li>(1) Works Council Meetings</li> <li>(2) Employee survey</li> <li>(3) Open dialogue between manager and employee</li> <li>(4) Townhall meetings</li> <li>(5) Intranet &amp; monitors throughout buildings</li> </ul>	<ul style="list-style-type: none"> <li>(1) Multiple work council meetings to discuss employee policies and restructuring</li> <li>(2) Feedback of employee survey cascaded throughout the organisations</li> <li>(3) Set-up cadence of monthly townhalls</li> </ul>
<b>Customers</b>	Alfen aims to create strong and long-lasting relationships with customers to strengthen its brand, drive business growth and build sustainable supply chain together.	<ul style="list-style-type: none"> <li>(1) Engineering, manufacturing, integrating and connecting high quality energy solutions that are innovative, reliable and smart</li> <li>(2) Product Compliance of the deliverables and Certified production</li> <li>(3) Communication and cooperation based on mutual trust and clarity</li> <li>(4) Knowledgeable advice based on the customer situation</li> <li>(5) Deliver (timely) what has been promised</li> <li>(6) Provide quick and knowledgeable customer support</li> </ul>	<ul style="list-style-type: none"> <li>(1) Sales process interactions</li> <li>(2) Regular meetings</li> <li>(3) After sales support</li> <li>(4) (Social) media</li> <li>(5) Customer communications and events</li> </ul>	<ul style="list-style-type: none"> <li>(1) Extended the customer satisfaction surveys to EU scope and all business lines</li> <li>(2) Hosted 200 customers and partners on the homegrown customer launch event for the new EVE Plus range chargers in Almere</li> <li>(3) Launched a new full integrated brand campaign for EVC: Built to move what matters, and a new brand look &amp; feel for Alfen</li> <li>(4) Hosted largest number of factory tours and visits in Almere</li> <li>(5) Engaged with thousands of customers, prospects and partners on Tradeshows, channel events and local customer events at Alfen, e.g., Solar Solutions, Smarter, Drive to Zero, Vakbeurs energie etc.</li> <li>(6) Reached an audience of over 40,000 followers on LinkedIn</li> </ul>
<b>Investors</b>	Shareholders and investors expect Alfen to protect their investment with increasing interest for its ESG performance	<ul style="list-style-type: none"> <li>(1) Transparent financial and non-financial reporting</li> <li>(2) Compliance with laws and regulations</li> <li>(3) A management board with strong oversight that runs the company as efficiently as possible</li> <li>(4) Return on investment</li> </ul>	<ul style="list-style-type: none"> <li>(1) Quarterly earnings</li> <li>(2) Half year results and annual report</li> <li>(3) Annual General meeting</li> <li>(3) Analyst and investor calls</li> <li>(4) Conferences and road shows</li> </ul>	<ul style="list-style-type: none"> <li>(1) Organised 2 roadshows and attended 9 conferences</li> <li>(2) Nominated for best ASCX company in 2025 in Dutch IR awards</li> <li>(3) Organised large number of site visits in Almere for investors</li> </ul>
<b>Suppliers</b>	Alfen believes in maintaining a responsible supply chain which can only be realized with the support of its partners. Alfen aims for long-term relationships and ensures that its partners match its environmental and ethical standards	<ul style="list-style-type: none"> <li>(1) Ethical business conduct,</li> <li>(2) Long-lasting partnerships based on trust and mutual feedback</li> <li>(3) Clear communication and cooperation</li> <li>(4) Share our vision</li> </ul>	<ul style="list-style-type: none"> <li>(1) Business Review Meetings</li> <li>(2) Supplier Audits</li> <li>(3) Regular meetings and purchase process interactions</li> <li>(4) After purchase support</li> </ul>	<ul style="list-style-type: none"> <li>(1) Increased use of EVs by downstream transport suppliers</li> <li>(2) Continued contracting according to Alfen's format, including Supplier Code of Conduct</li> <li>(3) Continued discussions with key suppliers to reduce footprint</li> <li>(4) Tuned future capacity requirements with our key suppliers</li> </ul>
<b>Local communities and society</b>	Alfen relies on the health, wellbeing and stability of local communities and broader society. In return Alfen delivers its part in a cleaner and more reliable energy systems for future generations	<ul style="list-style-type: none"> <li>(1) Respect national and international laws and regulations,</li> <li>(2) Provide employment and education opportunities</li> <li>(3) Minimise environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>(1) Various sector associations (e.g. Elaad, Energy Storage NL)</li> <li>(2) Events</li> <li>(3) Sponsorship and contributions</li> <li>(4) Alfen Academy</li> <li>(5) Press</li> </ul>	<ul style="list-style-type: none"> <li>(1) 20 BBL students received their diploma from the Alfen Academy</li> </ul>

Furthermore, Alfen has scanned ESG rating agencies for (1) Alfen’s current performance on sustainability disclosures, and (2) as a proxy for most important parameters of the sustainability disclosures from an investor’s perspective.

**Alfen's suppliers** are an important stakeholder because they provide high-quality raw materials and components that need to be delivered timely to create the solutions for its customers. From a sustainability perspective, improvements are driven by the entire value chain, which is why Alfen is dependent on its suppliers. In turn, its suppliers are dependent on signals from customers and end-users downstream.

**Local communities and broader society** are an important stakeholder because many of Alfen’s employees come from the local community and surroundings, and community involvement helps Alfen to maintain a good connection with innovation partners, schools, and results in employee satisfaction.

An overview of the purpose, expectations, methods, and highlights of Alfen's interactions over the past year with key stakeholders can be found in the previous table. These stakeholder views shape Alfen's strategic decision-making process.

Alfen has experienced differences in maturity levels among stakeholders on CSRD regulations and material sustainability matters. Some interactions around sustainability are therefore part of a broader engagement (e.g., customers express their needs of which some have a sustainability angle).

With investors and employees, Alfen has had direct engagements on sustainability. For future stakeholder engagement Alfen aim's to increase the sustainability-specific involvement of customers, suppliers and local communities and broader society in its materiality assessment, data maturity, and sustainable development of new products and services.

Alfen has processes in place to inform its Management Board and Supervisory Board with the views and interests of its affected stakeholders as many interactions take place in the wider organisation. In 2025, information was shared during monthly updates between the Management Board and the Sustainability department. The Supervisory Board was also informed on sustainability matters on a bi-annual basis. This ensures that Alfen's management takes the outcome of its engagement

efforts into account when making decisions on its business model and strategy.

During 2025, no material changes were made to its business strategy.

## Material sustainability matters

Alfen performed a double materiality assessment (“DMA”) in line with the principles and requirements of the ESRS to identify and assess its material impacts, risks and opportunities (“IROs”) across environmental, social and governance matters. Alfen's DMA considers both impact materiality—how its activities affect people and the environment—and financial materiality—how sustainability matters may affect Alfen’s financial performance, position and future prospects. The assessment covers its operations as well as its upstream and downstream value chain.

The following section provides a summarised overview of the baseline DMA conducted in 2024, to explain how the initial assessment was performed and to provide context for the update applied in 2025. Further detail on the 2024 methodology, scoring and stakeholder engagement is included in its 2024 Annual Report.

### Baseline DMA - summary of 2024 process

In 2024, Alfen performed a comprehensive DMA reviewing all ESRS sustainability matters at sub-sub-topic level. The mandatory ESRS topics were deemed sufficient to capture its sustainability-related IROs, and no additional entity-specific topics were identified. No sector-specific ESRS standards applied to its sector under the regulatory framework in force at that time.

The assessment combined desk research—drawing on previous Alfen materiality assessments, ESG guidance and peer benchmarking—with cross-functional internal input to assess relevance across its value chain and document rationale for inclusion or exclusion of topics.

Actual and potential impacts, risks and opportunities were identified through workshops and interviews with internal subject matter experts. Impacts were prioritised based on severity and likelihood, while sustainability risks and opportunities were assessed based on their expected financial magnitude,

likelihood and time horizon, in alignment with Alfen's broader risk management approach.

Stakeholder perspectives were incorporated through engagement with both internal and external stakeholders, including employee representatives, investors, customers, suppliers and local community representatives. The resulting list of material sustainability matters was reviewed by senior management, endorsed by the Management Board, and discussed with the Supervisory Board, with validation by the Audit Committee.

### Update of the DMA for 2025

For the 2025 reporting cycle, Alfen used the 2024 DMA as a baseline and conducted a focused review to reflect updated regulatory guidance and strengthen the robustness of its assessment. In line with the July 2025 ESRS draft guidance, Alfen reviewed sustainability matters at sub-topic level. The underlying methodology and scoring mechanisms applied in 2024 were retained, ensuring consistency and comparability over time.

To enhance the quality of the assessment, Alfen engaged an external organisation specialised in ESRS-aligned double materiality assessments. This organisation performed an independent review of Alfen's DMA and provided additional input from a broader societal and sustainability perspective.

As a result, the incorporation of external stakeholder viewpoints and validation of impacts, risks and opportunities was strengthened compared to previous years.

Based on this review, Alfen identified and documented proposed changes to the prioritisation and rationale of certain IROs. These proposals were first discussed and agreed within the Sustainability department, subsequently aligned with the Management Board, and thereafter shared with the Supervisory Board, which was informed of the proposed update to Alfen's DMA for 2025.

Alfen reviews its DMA annually to ensure it remains aligned with ESRS requirements and responsive to developments in its business, value chain and external environment. The updated DMA forms the basis for Alfen's sustainability disclosures and the integration of material sustainability matters into its strategy and risk management processes.

### Metrics of materiality assessment

This year's materiality assessment has first used Alfen's previous scoring as a baseline. That assessment was first reviewed in conjunction with a third party to a) validate whether scoring from the prior year had been consistent, and b) whether any changes in the economic, political or regulatory environment necessitated a change in Alfen's assessment. In the figures below Alfen's scoring mechanisms, categories used, and thresholds are shown in detail.

SCORING MECHANISM	
Assesment	Scoring formula
Positive impact	Scale + Scope × Likelihood
Negative impact	Scale + Scope + Irremediability × Likelihood
Risk assesment	Size × Likelihood
Opportunity assesment	Size × Likelihood

### Impact materiality

Alfen assessed the severity of identified matters by scoring the elements of scale, scope, and irremediability. Irremediability is only deemed relevant for negative impact. These elements are scored from 0 to 4. Subsequently an assessment is made on the likelihood of the impact to occur, ranging from unlikely (<10%) to actual (100%). The impact score is calculated by summing together scope, scale, irremediability, and then multiplying that score with the likelihood.

Alfen applied a threshold of 7 out of a maximum score of 12 for negative impacts and a threshold of 5 out of 8 for a positive impact, and hence correct for the absence of irremediability with positive impacts.

### Financial materiality

Alfen assessed the size of the potential financial effects associated with a potential opportunity or risk on a 5-point scale. This scale is based on a percentage of revenue gain or loss, which would consequently also affect EBITDA. Subsequently, an assessment is made on the likelihood of the impact to occur ranging from unlikely (<10%) to actual (100%). The opportunity or risk score is then calculated by multiplying the score of size by the likelihood.

Alfen applied a threshold of 3 out of a maximum score of 5 for financial materiality. Alfen deemed a matter material when either the opportunity or risk score is on or above the threshold.

### Impact materiality

SEVERITY		
Scale <i>How serious or beneficial the impact might be</i>	Scope <i>How widespread the impact might be</i>	Irremediable character (only for negative) <i>How difficult it is to restore (potential) negative imposes back to their original state</i>
Critical	Global	Non-remediable
High	Regional	Very Difficult to remediate
Moderate	National	Difficult to remediate
Low	Local	Relatively easy to remediate
None	None	Very easy to remediate

### Financial materiality

SIZE OF THE POTENTIAL FINANCIAL EFFECTS	
Scale	Interpretation
Critical	Critical (40% or more) loss/gain of financial performance
High	High (20-40%) loss/gain of financial performance
Medium	Moderate (10-20%) loss/gain of financial performance
Low	Limited (5-10%) loss/gain of financial performance
Very low	Almost no (0%-5%) loss/gain of financial performance

### Relevant for both impact and financial

LIKELIHOOD	
Score	Interpretation
Actual	100% chance of occurrence
Very likely	85% chance of occurrence
Likely	55% chance of occurrence
Reasonably likely	30% chance of occurrence
Unlikely	<10% chance of occurrence

TIME HORIZON	
Period	Time
Short-term	1 year
Medium-term	1 to 5 years
Long-term	More than 5 years

MATERIALITY THRESHOLD		
Materiality	Threshold	Maximum score
Negative impact	7 or higher	12
Positive impact	5 or higher	8
Financial	3 or higher	5

## Overview of material topics

While aiming to include topics where its impact is material, Alfen also recognises that too many topics would result in a loss of focus, potentially affecting the strategy execution.

A dialogue with senior leadership and topic experts helped develop a view of the material matters. As all material topics are applicable in the short term, there is no distinction between current and anticipated effects of Alfen's material topics' impacts, risks and opportunities on its business model, value chain, strategy, and decision-making.

Given Alfen's business model operates on the basis of the energy transition, Alfen has a built in resilience in its business model and strategy with regards to its capacity to address its material impacts, risks, and opportunities.

Alfen currently estimates that there is no significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements due to the current financial effects of its material topics' risks and opportunities.

Material sub-topics	Value chain	Rationale of impact	Rationale: Risk (R) or Opportunity (O)	Impact or financial materiality	Timeframe
<b>E1 Climate change:</b> Climate change mitigation		<b>Upstream and own operations</b> – We are a capital goods company, and use a variety of energy intensive materials and components in our solutions and sources these globally <b>Downstream</b> – Additional emissions result from electrical efficiency losses during the lifetime use of our products	<b>Upstream</b> – (R) Suppliers unable to reduce GHG emissions which influences our overall emissions. <b>Downstream</b> – (R) Governments limit action in decarbonising electricity grids, keeping emissions from efficiency losses higher <b>Own operations</b> – (O) Decarbonisation is a key revenue driver of all our business lines; a greater harmonised push for decarbonisation by governments would increase demand for our products		
<b>E1 Climate change:</b> Energy		<b>Own operations</b> – We consume a significant amount of energy in our production processes and our buildings, some of which is not yet electrified and therefore not covered by our renewable electricity certificates	<b>Own operations</b> – (R) New regulation which either restricts or raises the cost of using non-renewable energy and is implemented before our full transition to renewables would (temporarily) raise business costs		
<b>E5 Resource use and circular economy:</b> Resource use		<b>Upstream</b> – Our demand for purchased materials contributes to upstream greenhouse gas emissions, resource depletion, and other environmental effects across our supply chain	<b>Upstream</b> – (R) Rising prices or shortages of steel, copper, lithium, and other critical components could delay production or increase costs for our products, while regulatory pressure—including the CS3D due diligence requirements—adds compliance challenges <b>Upstream</b> – (O) Alfen can strengthen its market position as a sustainable leader by increasing the use of recycled or lower-impact materials, improving material efficiency, sourcing responsibly, and collaborating with suppliers on circularity and decarbonisation		
<b>S1 Own workforce:</b> Labour relations <sup>1</sup>		<b>Own operations</b> – Supporting labour relations (e.g., through the existence of our Collective Labour Agreement (CLA) can positively contribute to employee welfare. <b>Own operations</b> – Effective social dialogue improves employee morale, satisfaction, and positive work culture, enhancing overall employee well-being	<b>Own operations</b> – (O) Constructive collective bargaining can enhance employee satisfaction and engagement, potentially reducing turnover and absenteeism, improving productivity, and contributing to a positive company culture, which can positively impact the company's financial performance over the long term <b>Own operations</b> – (R) Lack of open communication through social dialogue can lead to employee dissatisfaction and disengagement. Leading to problems in collaboration, which could result in bad decision making, lower productivity, as well as higher turnover rates		
<b>S1 Own workforce:</b> Health and safety		<b>Own operations</b> – Given the nature of our products and services, our employees work with electrical components that can contain voltages within our production environment, during grid integration or in work on project sites. Health and safety measures are critical to minimise workplace accidents, injuries, and occupational illnesses	<b>Own operations</b> – (R) Health and safety incidents could lead to financial consequences, such as costs associated with workplace accidents, worker compensation claims, legal liabilities, increased insurance premiums, and damage to the company's reputation <b>Own operations</b> – (O) A robust safety record is an opportunity to differentiate in the manufacturing and electrical installation industry, making us the preferred partner for clients and contracts		
<b>S1 Own workforce:</b> Training and skills development		<b>Own operations</b> – Our focus on training and development means employees receive the education and resources to improve their knowledge, abilities, and job performance	<b>Own operations</b> – (O) Training and development enables our R&D department, to be better adapted to the rapidly evolving regulations and technologies of the energy transition		
<b>S1 Own workforce:</b> Diversity and equal treatment		<b>Own operations</b> – A diverse and inclusive work environment brings multiple perspectives which enhance creativity and innovation, and creates a workplace where all employees feel valued, respected, and supported <b>Own operations</b> – Rewarding employees equally for the same work, regardless of gender or background, creates a more just workplace. Doing so positively impacts individuals by increasing their job satisfaction, earning potential, and employability, and reducing safety hazard risk <b>Own operations</b> – Violence and harassment can lead to a negative work environment, employee stress, decreased productivity, and potential harm to physical / mental health	<b>Own operations</b> – (O) We see diversity as an opportunity to attract and retain the best and brightest talent as it broadens our pool of potential candidates, letting us be the employer of choice in a tight labour market <b>Own operations</b> – (R) As we already have a very diverse workforce (51 nationalities), not addressing diversity properly can make employees feel excluded, increasing the risk of disengagement in the organization <b>Own operations</b> – (O) Operating with an environment of equal pay strengthens our organisational culture of trust, transparency and fairness <b>Own operations</b> – (R) Violence and harassment not only have a detrimental impact on workplace atmosphere and productivity, but can also result in costs such as legal liabilities, as well as potential damage to our reputation		
<b>S2 Workers in the value chain:</b> Working conditions – Health & Safety		<b>Upstream</b> – We need to ensure that health and safety standards are high and upheld in our upstream value chain, in particular for our electrical components, as well as the procurement of raw minerals, as processes related to their production have a greater risk to physical health <b>Downstream</b> – We need to ensure that our own product specification is held to a high standard to ensure our own products are built safely so both that technical engineers who operate and/or fix our products are safe.	<b>Upstream and downstream</b> – (R) Health and safety incidents pose a risk to Alfen regardless of their origin in the value chain. Poor health and safety practices can result in financial risks, including costs associated with workplace accidents, workers' compensation claims, legal liabilities, increased insurance premiums, and potential damage to our reputation.		
<b>S2 Workers in the value chain:</b> Other work-related rights – Forced labour		<b>Upstream</b> – We recognise that not all regions in our global supply chain adhere to human rights and labour standards to the same degree. This is mostly relevant for our non-European suppliers, including tier 2 suppliers involved in the production of raw materials. The negative impact of forced labour on value chain workers is self-evident given the fundamental violation of their human rights	<b>Upstream</b> – (R) Engaging with suppliers who may use forced labour runs clear risks; companies engaging in or tolerating forced labour in their own workforce face financial risks, including legal penalties, reputational damage, and potential disruptions in operations due to protests, strikes, or regulatory interventions.		
<b>G1 Business conduct –</b> Corporate culture			<b>Own operations</b> – (R) A strong corporate culture the protection of whistleblowers, and the prevention and detection of corruption and bribery are all essential prerequisites for a sound corporate governance. Alfen has zero tolerance for incidents regarding corruption and bribery. Without all of this, we lose our 'license to operate'. Also reflected by other standard setters, such as Commission Corporate Governance. Furthermore, such instances could lead to significant reputational damage.		

Value chain Upstream Own operations Downstream

Materiality Time horizon

<sup>1</sup>Includes: social dialogue, freedom of association, works councils, participation rights of workers and collective bargaining

## Sustainability Governance

### Supervisory and Management Boards' roles and responsibilities with regard to sustainability

Alfen's Supervisory Board provides oversight on sustainability performance and strategy, including the consideration of sustainability related impact, risks, and opportunities and risk management. Alfen has set up specific committees which involve a subset of the Supervisory Board, of which two involve responsibilities related to sustainability. The Audit Committee meets on a more regular basis, and is updated on progress with regards to sustainability, while the HR Committee determines the sustainability-related short- and long-term incentives for the Management Board. In December 2025 the Supervisory Board reviewed and endorsed the selection of material topics for this year's DMA. In addition, it also reviewed performance on targets related to the 2025 Short Term Incentive Plan (STI-P), and the 2023-2025 Long Term Incentive Plan (LTI-P).

Alfen's Management Board is responsible for shaping its sustainability strategy, intertwining it with Alfen's company strategy, as well as monitoring and reviewing its progress. This includes considering impacts, risks, and opportunities of sustainability matters as well as risk management. Such risk management is also extended to addressing issues related to anti-bribery, corruption, and conflicts of interest, and compliance. Given the importance of sustainability and its company-wide character, Alfen's CEO is the lead responsible. Additionally, responsibility for the Alfen Sustainability Program and its Sustainability Initiatives is shared among Management Board members and linked to their specific responsibilities. Furthermore, as outlined in the material sustainability matters section, the Management Board reviews the outcome of the DMA and the associated impacts, risks, opportunities of its material topics and will continue to do so on an annual basis.

The Management Board is supported by the Sustainability department, who further develop and execute the strategy and plans. The Sustainability department reports to the CEO and leads its Sustainability Program. While led by the Sustainability department, the efforts to execute its sustainability initiatives are undertaken by a multi-disciplinary group composed of leaders and subject matter

experts from across the company, including departments such as Strategy, R&D, Procurement, Operations, Marketing, HR and Finance. Key decisions to progress sustainability initiatives are made with the Management Board at minimum on a quarterly basis.

Responsibilities of the Sustainability department include:

- Running annual DMA process and include perspective of external stakeholders
- Implementing the Sustainability Program and its initiatives across the organisation
- Identifying and monitoring impacts, risks and opportunities of sustainability matters
- Monitoring progress on action plans, targets, and KPIs of material sustainability matters
- Implementing due diligence on sustainability matters
- Identifying sustainability reporting requirements and subsequent preparation of reporting

With this governance structure in place, the Management Board can leverage internal sustainability expertise which can be complemented by external expertise if necessary. Each member is responsible for their personal development by attending relevant meetings and training courses. Alfen believes this set-up ensures the appropriate skills and expertise are available to oversee impacts, risks, and opportunities regarding sustainability matters. Alfen's management believes they are able to fulfil their roles and responsibilities as described above.

Currently Alfen does not have direct representation for employees and other workers in its management and supervisory bodies.

### Sustainability-related performance in incentive schemes

Alfen has short- and long-term sustainability-related performance incentives for its Management Board members, as it believe this is core to its business. Based off proposals provided by the Sustainability department, the HR Committee of the Supervisory Board determines the incentives for the Management Board. For 2025, the short-term incentives that are sustainability matter related were based on:

1. Absolute reduction in Q4 2025 Scope 1 tCO<sub>2</sub>eq emissions vs the previous year from a) Alfen leased vans based in the Netherlands, and b) natural gas consumption for its Dutch and Belgian offices . Initiatives in place to address these emissions included using HVO100 as a replacement to diesel, and installing heat pumps to reduce the need for natural gas use.

2. Absolute reduction in 2025 Scope 2 tCO<sub>2</sub>eq emissions vs 2024, assuming no structural change in the feedstock used for district heating in Finland (and over which Alfen has no influence or control). The initiative brought in place was procuring Guarantee of Origin credits for all offsite EV energy consumption, to ensure that all energy consumed by leased EVs can be considered as renewable energy under GHG Protocol and SBTi methodologies.

The short-term incentives are equal for all Management Board members and together make up 11.67% of the total short-term incentives per individual. Sustainability-related considerations are currently not factored into the remuneration of Supervisory Board members.

For the year under review the long-term non-financial incentives that are sustainability matter related are based on:

1. Reduction in Scope 1 + 2 + 3 (Business travel only) emissions per FTE, comparing performance in 2025 vs 2019 baseline due to the impact of COVID-19 on 2020-2021.

The long-term incentives are equal for all Management Board members and together make up 11.67% of the total long-term incentives.

### Statement of due diligence

Alfen's sustainability due diligence process is an ongoing process to identify, prevent, mitigate and account for how Alfen addresses the actual and potential positive and/or negative impact on the environment and/or people connected with its business as well as any actual or potential risks and opportunities that arise from sustainability matters, noting that these efforts encompass its entire value chain. This process informs Alfen's assessment of its material impacts, risk and opportunities of sustainability matters and may trigger changes in its business model and strategy. For the latter Alfen prioritises based on severity, scope and likelihood of the impact.

For more information on the due diligence processes that was carried out in relation to sustainability topics in 2025, see the sections on stakeholder engagement, materiality assessment process, overview of material topics, stakeholder dialogue and workers in the value chain. For information on actions identified and/or taken to address negative impacts, see the strategy, governance and action plan paragraphs of each material topic.

### Risk management and internal controls over sustainability reporting

The Management Board is informed on sustainability matters at least on a quarterly basis, while the Supervisory Board is informed at least on an annual basis, particularly for the setting / review of ESG targets for the performance incentives for the Management Board. Alfen's sustainability reporting is exposed to risk of material misstatement due to human error, incomplete data, or fraud. In response to these risks Alfen has implemented several internal processes to ensure that all relevant information is captured and accurately represented in its sustainability statements.

**Internal control processes:** Sustainability information is collected from various departments in the organisation, mainly by Finance, Sustainability, and HR. Internal control processes are in place and executed by Alfen's Finance and Sustainability departments.

**Risk identification and assessment:** In 2025, Alfen performed its second DMA process, in accordance with the updated draft ESRS guidelines published in July 2025. Alfen again chose to integrate the identified risks within its general risk management process described in the risk management section of this annual report. Alfen's DMA was reviewed externally by a third party, the Impact Institute, to ensure a holistic stakeholder perspective was taken into account when reviewing its DMA, and reduce the risk of internal bias impacting the selection.

**Alignment with financial reporting:** To ensure consistency and coherence, Alfen's sustainability data is aligned with its financial reporting, where appropriate. Alfen's environmental data is based on products delivered and monetary amounts that are derived from the same source as its financial reporting.

The majority of the social data is based on the payroll systems which are identical to the ones used in the financial statements.

**Systems:** Currently, Alfen's data collection processes are a mix of data management platforms (e.g., Alfen data management system) and manual processes (e.g. meter readings). Alfen is continuously examining how it can make these processes more efficient, which could include using platforms to further automate its data collection, especially to cope with increasing primary data from its suppliers and logistics providers.

As this is Alfen's second year reporting according to the ESRS, Alfen has set-up a multidisciplinary team to ensure compliance. The team, led by Alfen's Sustainability department, works with the support of subject matter experts throughout the organisation, particularly in Finance and HR.



# Environmental information

## Introduction

Environmental sustainability covers a wide range of topics reflecting how economic activities interact with natural systems, including climate change, energy use, resource consumption, biodiversity, water, pollution, and waste.

While all of these areas are important, Alfen has identified climate change, energy use, and resource inflows as the environmental topics most material to its activities and impacts, and therefore as the focus of its environmental strategy and reporting.

These topics are closely interconnected, and Alfen thus views addressing climate change not as a standalone objective, but as a key pathway to advancing broader environmental sustainability. Effective climate action requires both a reduction in energy use and a more responsible approach to resource inflows across its value chain, helping to reduce emissions, resource depletion, and other upstream environmental impacts.

Climate change remains one of the most pressing global challenges. Its impacts are already being felt with increasing frequency and severity. In 2025, global temperatures reached their third-highest level on record, following 2023 and 2024—the first year in which annual global temperatures exceeded the +1.5°C pre-industrial threshold referenced in the 2015 Paris Agreement. Reinforcing efforts to limit global warming is therefore more critical than ever.

As a company at the forefront of sustainable energy solutions, Alfen is committed to contributing to the transition to a low-carbon economy while addressing its broader environmental footprint. Alfen recognises the critical role of the electricity grid in enabling this transition, including the integration of renewable energy sources, the electrification of transport and industry, and the deployment of energy storage technologies. At the same time, Alfen acknowledges that the environmental benefits of these solutions depend on how they are designed, procured, produced, delivered, operated, and managed at end-of-life. By addressing climate change, energy use, and resource inflows in an integrated manner, Alfen aims to support a more resource-efficient and resilient energy system.

## Material environmental topics and related IROs

Based on Alfen's DMA, three environment-related sustainability topics have been identified; two within ESRS E1 Climate Change: climate change mitigation as well as energy consumption & mix, and one within ESRS E5 Resource use and circular economy: resource inflows.

### Climate change mitigation

Alfen's impact on climate change can best be measured through the scale of its Greenhouse gas (GHG) emissions. Alfen measures its GHG footprint in accordance with the Greenhouse Gas Protocol standard. In sum, this GHG footprint measures the total GHG emissions caused directly and indirectly by Alfen, using the metric of tonnes of carbon dioxide equivalent (in tCO<sub>2</sub>eq). The Greenhouse Gas Protocol categorises GHG emissions into three "scopes".

**Scope 1:** Total direct emissions (in tCO<sub>2</sub>eq) from owned/controlled operations, including warehouses, production facilities and offices, e.g. the direct consumption of fossil fuels, biogenic-based fuels, and refrigerants (considered as fugitive emissions).

**Scope 2:** Total indirect emissions (in tCO<sub>2</sub>eq) from owned/controlled operations associated with the purchase of electricity, steam, heat, or cooling. Scope 2 is reported both on the basis of location-based (using emission factors that reflect the emissions intensity of the national electricity market), and market-based (using the emissions factors of Alfen's electricity contracts and certificates).

**Scope 3:** Total indirect emissions (in tCO<sub>2</sub>eq) from Alfen's upstream and downstream value chain. These emissions arise as a result of Alfen's activities but are from sources that are neither owned nor controlled by the company. Examples are emissions from manufacturers of purchased products and emissions from waste processors.

Alfen's operations have a negative environmental impact through scope 1, 2 and 3 GHG emissions associated with its business activities. As a producer of capital goods, Alfen uses a variety of energy intensive materials and components in its solutions and sources these globally. Further emissions result from electrical efficiency losses when these solutions are operational in the field.

In a scenario where the world achieves net zero by 2050, Alfen must also be on this reduction path. Consequently, Alfen has already worked hard to mitigate its negative impact, realising an absolute emission reduction of -37% in Scope 1 and -91% in Scope 2 (market based) emissions relative to its 2019 baseline (see metrics, targets and performance for more details on Alfen's SBTi targets). Given this strong progress, Alfen is now ahead of its 2030 Scope 1 and 2 targets, and additional decarbonisation efforts will now focus on its Scope 3 emissions.

Simultaneously, a scenario in which the world moves along this reduction path presents an opportunity for Alfen, as the need to decarbonise is a key growth driver in all markets that Alfen serves.

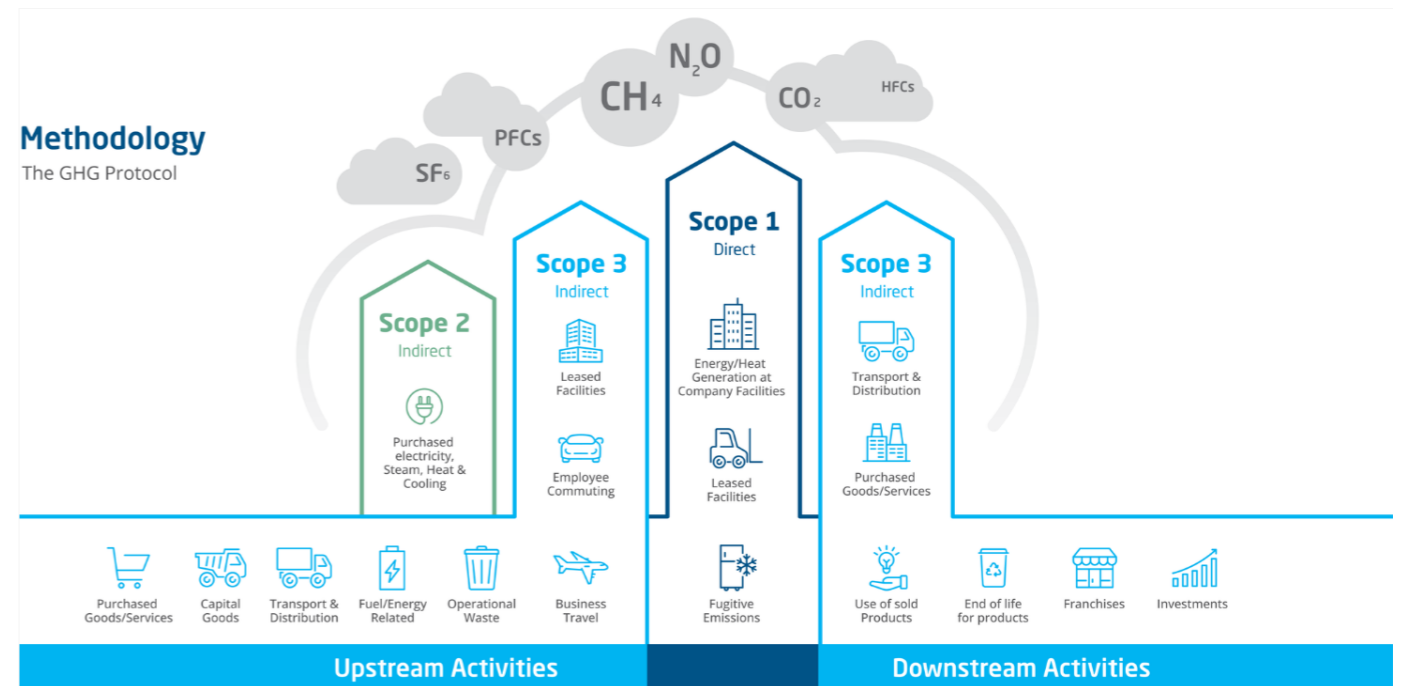
Given the nature of Alfen's products, further environmental regulation is unlikely to pose a material risk to Alfen. However, should new environmental regulations arise which either raise prices or reduce the ability to use high emissions intensity materials (such as cement) that are part of Alfen's products, reassessments of what materials Alfen's products use may be necessary.

As Alfen has not deemed climate change adaptation a material topic for Alfen, Alfen has incorporated its disclosure requirements on business resilience within its broader strategy, governance and actions plans on climate change.

Material topics	Value chain	Impact materiality		Financial materiality	
		Positive	Negative	Opportunity	Risk
<b>Climate Change</b>					
Climate change mitigation GHG emissions	▶▶▶	🌍🌍🌍	🌍🌍🌍	📈📈📈	📉📉📉
Energy Energy consumption and mix	▶▶	🌍🌍🌍	🌍🌍🌍	📈📈	📉📉
<b>Resource use</b>					
Resource use Purchased materials	▶▶▶	🌍🌍🌍	🌍🌍🌍	📈📈📈	📉📉📉

Legend:  
**Value chain** ▶▶▶ Upstream ▶▶ Own operations ▶ Downstream  
**Materiality level** 🌍🌍🌍 Low below 60% 📈📈📈 Medium 60 to 79% 📉📉📉 High 80% and above

**Note:** Alfen has a materiality threshold of ~60% of the total score, for all categories. Refer to section - metrics of the materiality assessment in the General information for more detail.



## Energy consumption and mix

Alfen consumes a significant amount of energy in its production processes and buildings, and not all of this energy consumption is renewable. Consequently, this non-renewable energy consumption has a direct negative environmental impact.

Reducing this consumption is therefore a key decarbonisation lever to limit Alfen's negative environmental impact (see metrics, targets and performance for key actions taken in 2025).

The main risk Alfen faces is that new regulation is implemented that either restricts or raises the cost of using non-renewable energy. However, given Alfen's aim to increase its renewable energy consumption share, this risk is deemed as relatively negligible.

## Resource inflows

This year Alfen also identified resource inflows (ESRS E5-1) as a material topic due to its significant reliance on purchased materials across its operations and value chain. By volume, the materials Alfen procures most are steel, copper, aluminium and cement, whose extraction and processing are resource- and energy-intensive and contribute to greenhouse gas emissions, water use and other environmental impacts. In addition, Alfen's different product lines also incorporate components such as PCBAs (assembled printed circuit boards) and lithium batteries, which require components and critical minerals that have a high emissions intensity and are associated with heightened environmental and supply-chain risks.

Purchased inputs also account for 37% of Alfen's Scope 3 greenhouse gas emissions (see the Performance section for a full breakdown of Scope 3 emissions), highlighting the close link between resource inflows and its climate-related impacts. From an impact perspective, Alfen's demand for these materials contributes to upstream emissions and resource depletion. From a risk perspective, increasing resource scarcity, price volatility, geopolitical dependencies and evolving regulatory and stakeholder expectations regarding responsible sourcing, decarbonisation and circularity may affect Alfen's cost base, security of supply and compliance obligations. At the same time, resource inflows represent a key opportunity to reduce both Alfen's environmental impacts and emissions, by improving material efficiency, increasing the use of recycled or lower-impact materials, supporting responsible

sourcing practices, and working with suppliers to drive emissions reductions and circular solutions across the value chain.

## Strategy, governance, and action plans

Alfen's strategy and business model are compatible with the transition to a sustainable economy and the limiting of global warming to 1.5 °C in line with the Paris Agreement and the objective of achieving net zero by 2050. Alfen has validated SBTi near- and long-term targets and participates with the UN Global Compact programme to demonstrate its commitment to all stakeholders. To ensure that the climate related policy objectives and targets Alfen has set will be met, Alfen has (1) developed a transition plan that sets out its actions related to climate change mitigation, energy use, and resource inflows, (2) conducted a business resilience analysis to further understand the impacts, risks and opportunities as identified in Alfen's DMA, and (3) put in a place an environmental management system to manage these impacts, risks, and opportunities related to these material topics. Alfen believes the urgency of climate change necessitates a combined strategy, and hence has developed a strategy, governance, and action plans that collectively address both material topics.

Beyond this transition plan, Alfen is also committed to reducing the impact of its energy consumption on the grid through the installation of on-site batteries.

## Transition plan

Alfen's transition plan – updated this year and approved by the Management Board – explains how Alfen's decarbonisation levers will meet the near term 2030 SBTi targets that have been set. The transition plan is being implemented by the Sustainability department and a multi-disciplinary group depending on the specific lever. These levers form Alfen's climate change mitigation and resource inflow actions, and detail the key actions taken and planned to achieve climate-related policy objectives and targets.

Two such levers are 1) the decarbonisation of purchased components and goods, and 2) improving the recyclability of products to integrate circularity and eco-design principles. These levers in particular enable Alfen to systematically address both climate

change mitigation (by reducing emissions) and resource inflows (by reducing resource use).

The full set of levers take Alfen's whole value chain and all geographies into consideration. Alfen has considered a climate scenario compatible with limiting global warming to 1.5°C to conceive these levers.

Alfen's decarbonisation levers are split between scope 1, 2 and 3 emissions. Levers listed below are per scope ranked from highest to lowest impact and are detailed further in the transition plan. As Alfen's levers for scope 1 and 2 are most advanced in both planning and execution, going forwards Alfen will be pivoting its focus to reducing Scope 3 emissions.

### Scope 1:

#### 1. HVO100 use in diesel vans with suitable engines:

Alfen is investing in replacing its leased diesel engine vans with electric alternatives as leases expire. In the meantime, Alfen has developed and started implementing a policy this year whereby Alfen ensures all diesel vans with suitable engines use renewable hydrotreated vegetable oil (HVO100) fuel to reduce emissions intensity in the immediate term.

#### 2. Replace gas boilers with heat pumps:

In 2025, Alfen created a long term roadmap of existing gas boilers across all its locations in the Netherlands, laying out on a year by year basis when individual gas boilers will be replaced with heat pumps. This roadmap considered both volumes of natural gas (and therefore potential emissions reduction impact), as well as when individual boilers would reach their economic end of life.

#### 3. Replace fossil fuel powered lease cars with EVs

Alfen already has a policy in place of replacing all fossil fuel powered lease cars with electric alternatives once leases expire. Based on the current fleet, all lease cars should be electric by the end of 2029.

### Scope 2:

#### 1. Cover off-site EV charging with GoO certificates

In 2025, Alfen expanded the use of Guarantee of Origin (GoO) certificates to also cover off-site EV charging. A GoO certificate represents 1 MWh of renewable energy production, and when this is generated, a corresponding GoO is issued into a

central registry. Because Alfen cannot trace specific electrons on the grid, GoOs enable Alfen to verify that its electricity use is matched by renewable energy generation. Alfen already use these certificates for on-site electricity use in the Netherlands. Guarantee of Origin credits are recognised under the GHG Protocol and SBTi carbon accounting methodologies.

### Scope 3:

#### 1. Improve energy efficiency in products use phase:

Around 52% of Alfen's Scope 3 emissions arise from efficiency losses during the use of Alfen's products. Since these emissions are primarily derived from the electricity consumption from national grids, Alfen expects this figure to decline as more renewables are added to the mix.

Reducing emissions from efficiency losses further will for now prove challenging as EU regulations (through EU Directive Tier 2 Eco Design 2019/1783) set the efficiency standards of Alfen's transformers, which incur the majority of Alfen's efficiency losses. Only once EU regulators introduce a new Tier 3 (for which there is currently no timeline) does Alfen expect the efficiency of these transformers in the market to improve.

#### 2. Decarbonise purchased components and goods:

Alfen will step-by-step reduce its environmental impact from its own purchases by adopting alternative materials with a smaller environmental footprint (e.g., lower carbon intensity). Examples of such materials include green concrete, green steel, or virgin-free rare earth batteries. To do so, Alfen is introducing material passports for its products, which give insight into emission "hot spots" and opportunities for reduction. Alfen is also developing Environmental Product Declarations (EPDs), which are also publicly available on its website.

To date, Alfen's achievements have come from both its suppliers and by improving its product design. For example, its supplier of metallic frames for the Energy Systems Storage solutions has already increased the use of recycled aluminium in their products to over 30%. Likewise, its supplier of cement has already substantially reduced the share of clinker in the mix relative to the market average. With regards to Alfen's product design choices, the removal of selected 'active' components this year (so-called due to their high emissions intensity) led to an 11% decline in the emissions associated with purchased components for Alfen's Eve Single Pro Line.

Alfen is also working to incorporate mandatory sustainability requirements into the system requirements of new products during the design phase, as well as include sustainability as a selection criterion during the procurement of goods and materials. The timeline for when these materials will be adopted is subject to customer demand, regulatory requirements, technical feasibility, and cost.

Alfen's products do not innately have 'locked-in' emissions, which are future emissions that a company is already committed to because of existing assets, technologies, or long-term contracts. These emissions occur over the remaining lifetime of those assets unless the company retires these assets early or fundamentally changes how they are operated. For example, a company operating gas-heated buildings has emissions locked in for the lifetime of those heating systems unless it retrofits them with low-carbon alternatives.

Given Alfen's products run on electricity, and so as electrical grids decarbonise over time, the emissions caused by efficiency losses in these products will also decline; in a country with a net zero grid Alfen's products would therefore also have zero scope 3 category 11 (use of sold products) emissions.

**3. Improve recyclability of products:** Improving the recyclability of Alfen's products enables Alfen to reduce the environmental impacts and greenhouse gas emissions associated with the end-of-life treatment of its products. While end-of-life emissions occur in Alfen's downstream value chain, Alfen considers product design choices to be an important lever through which it can influence material recovery rates and support a more circular use of resources. Given the technical complexity of Alfen's products, implementing recyclability-by-design principles will require phased implementation over time and integration into product development cycles.

Alfen will pursue this objective by increasing the use of materials with higher recyclability potential, designing and assembling products in ways that facilitate disassembly and material separation, and engaging with customers and other value chain partners to support appropriate collection and recycling at end of life. In addition, Alfen is developing an eco-design process that will enhance the sustainability and future recyclability of its products by systematically addressing hazardous substances during the design stage. The feasibility and timing of these measures are partly dependent on customer

requirements, product performance specifications and regulatory constraints.

**4. Improve logistics and decarbonise transport:** Alfen will work with its transport partners (both on land and sea) to adopt more sustainable and lower carbon footprint transport modes. Examples could include vehicle electrification, increased biofuel adoption, and alternative transport modes adoption (e.g., truck vs flight). In addition, improved planning and stock control will reduce ad-hoc orders requiring urgent delivery (typically more energy intense).

**5. Reduce packaging and waste:** Alfen is in ongoing conversations with its suppliers to assess where and when it can decrease packaging materials without compromising the quality of goods and components. In addition, Alfen has tightened the use of non- or difficult recyclable packaging materials as part of its environmental policy requirements.

### Business Resilience Analysis

In 2023, Alfen conducted a business resilience analysis covering its entire business to assess climate-related impacts, risks and opportunities identified through its DMA. This assessment was based on a 1.5°C scenario aligned with the Paris Agreement. As there have been no material changes to its risks, business model or value chain affecting physical or transition risks, Alfen will continue to rely on this analysis. The resilience analysis will be repeated if future changes materially affect these risks.

Physical climate risk is defined as the potential for physical damage or disruption to business activities due to climate hazards. Alfen assessed the vulnerability of its six production locations in the Netherlands and Finland using four Representative Concentration Pathways (RCP 2.6 to RCP 8.5), reflecting uncertainty in climate trajectories. The assessment covered both chronic (e.g. temperature change, heat stress, sea-level rise, water stress) and acute (e.g. heatwaves, heavy precipitation, storms) hazards, with a spatial resolution of at least 0.7° × 0.7° and up to 100 m × 100 m where available, over a 30-year time horizon in line with the EU Taxonomy.

No 'red flag' physical risks were identified for Alfen's Finnish locations. Alfen's Dutch locations show elevated long-term coastal flooding risk under high-emissions scenarios; this risk is currently considered acceptable given the long time horizon and expected continued public investment in climate adaptation.

Type	Time horizon <sup>1</sup>	Risk and/or opportunity	Business impact	Value chain impact	Mitigation response
Transitional risk	Short, medium and long-term	Changes in policy related to energy transition	In the maturing energy transition markets such as EV charging equipment and energy storage, policy change can have a significant impact on market demand (positively and negatively)	Upstream and downstream	Maintain diversified product portfolio across multiple geographies to be more resilient
Physical risk	Long-term	Impact of acute and chronic climate hazards	Potentially significant impact on Alfen's production (locations) in Almere (the Netherlands) in high-emission scenario if no additional climate change adaptation measures are taken by the government	Direct impact on Alfen people and production process	Regularly assess Alfen's risk exposure to climate events (especially how this trends over time) and governmental actions taken to mitigate coastal flood risk. Relocate if necessary (possible over 30-year timeframe).

<sup>1</sup> Please see Applied Time Horizons in the General Statement for definitions

Transition risk is defined as the potential business impact arising from the transition to a low-carbon economy, driven by policy and legal, technological, market and reputational changes.

Alfen assumes a transition characterised by increasing renewable energy, energy efficiency and deployment of energy management technologies, without materially altering macroeconomic trends.

While policy developments such as EV subsidy changes may affect specific markets, Alfen does not identify material transition risks, as its product portfolio is fully aligned with the energy transition.

Alfen's transition plan mitigation actions do not materially affect this analysis, as they address value-chain emissions rather than broader policy or climate system changes. Alfen has not identified assets or activities that are incompatible with a climate-neutral economy.

Overall, Alfen does not expect material challenges to its strategy or business model from the climate transition, and Alfen expects transition risks to decline over time as the energy transition becomes increasingly economically driven.

### Environmental Management Policy Statement

Alfen manages its material impacts, risks and opportunities related to climate change mitigation, energy use, and resource inflows through a continuous improvement approach to reducing energy consumption and greenhouse gas emissions.

This ambition is stated in Alfen's Environmental Management Policy Statement, which was updated this year and signed off by its Management Board.

The Sustainability department is responsible for implementing the Environmental Management Policy, which covers all of Alfen's value chain emissions. This statement is publicly available online to ensure all Alfen's stakeholders can access it.

The Environmental Management Policy Statement is part of the Alfen Integrated Management System (AIM) which includes processes that meet the requirements of the environmental management standards laid out in ISO 14001:2015. The standard is applicable for all Alfen entities except Alfen Elkamo, which has its own management system and certification. The embedded policies in AIM cover:

**Climate change mitigation:** Alfen adopted the ISO 14001:2015 Environmental Management standard to

enable the CO<sub>2</sub> reductions needed to achieve its SBTi approved targets. The Alfen Integrated Management (AIM) System that includes these ISO 14001 requirements provides a structured way to minimise and mitigate Alfen's impact on climate change and the broader the environment, and is detailed further in the transition plan. Alfen also participates with UN Global Compact, and reports its progress to rating agencies like EcoVadis and Sustainalytics to demonstrate its commitment towards a sustainable future.

**Renewable energy deployment:** Alfen prides itself on using 100% renewable electricity contracts. In addition, Alfen is taking initiatives at its existing locations to replace gas heating with electric heating. Alfen's aim is to be fully self-sufficient in electricity through its own PV installation in combination with its energy storage system(s).

To date, measures to reduce its emissions include:

- Improving building energy efficiency
- Increasing the use of self-generated renewable energy (e.g. 6,000+ solar panel installation and 150+ BEV charge points on all sites)
- Electrifying its building climate systems
- Investing in a new and modern BREAAAM certified headquarters
- Electrifying its company fleet (and equipment)
- Adopting HVO100 as a renewable fuel source in its diesel powered vans until they are replaced with electric vehicles

In its 2026 budget, Alfen has planned approximately €0.3 million of CAPEX for this transition plan (€0.3 million in 2025). Key items are a battery energy storage system for its production site, and heater replacements. Alfen has also budgeted approximately €1.5 million of OPEX (excluding labour costs), which includes its company EVs (€1.5 million in 2025), and the premium for HVO100 vs regular diesel (<€10K in 2025). All its identified current and future financial resources allocated to this action plan are not contingent on any specific preconditions.

## Climate change – Climate change adaptation: metrics, targets, and performance

### Metrics and targets:

In line with a 1.5°C trajectory, Alfen set in 2024 the below emissions reduction targets to manage material climate-related impacts, risks and opportunities. These targets were based on the SBTi methodology, and have been validated by SBTi.

In establishing its emissions baseline, the selection of the base year is guided by the availability of historical data and the representativeness of activities.

For Scope 1 and 2, Alfen selected the year 2019 because this was the first year its Finnish entity Elkamo was included. Because of the impact of the COVID-19 pandemic, Alfen chose to set 2021 as its Scope 3 base year.

Near-term targets – by 2030 Alfen N.V. commits to:

- Reduce absolute scope 1 and 2 emissions in tCO<sub>2</sub>eq by 46.2% from a 2019 base year
- Reduce scope 3 emissions by 51.6% in tCO<sub>2</sub>eq per EUR value added from a 2021 base year
- Source all on-site electricity consumption from renewables through to 2030

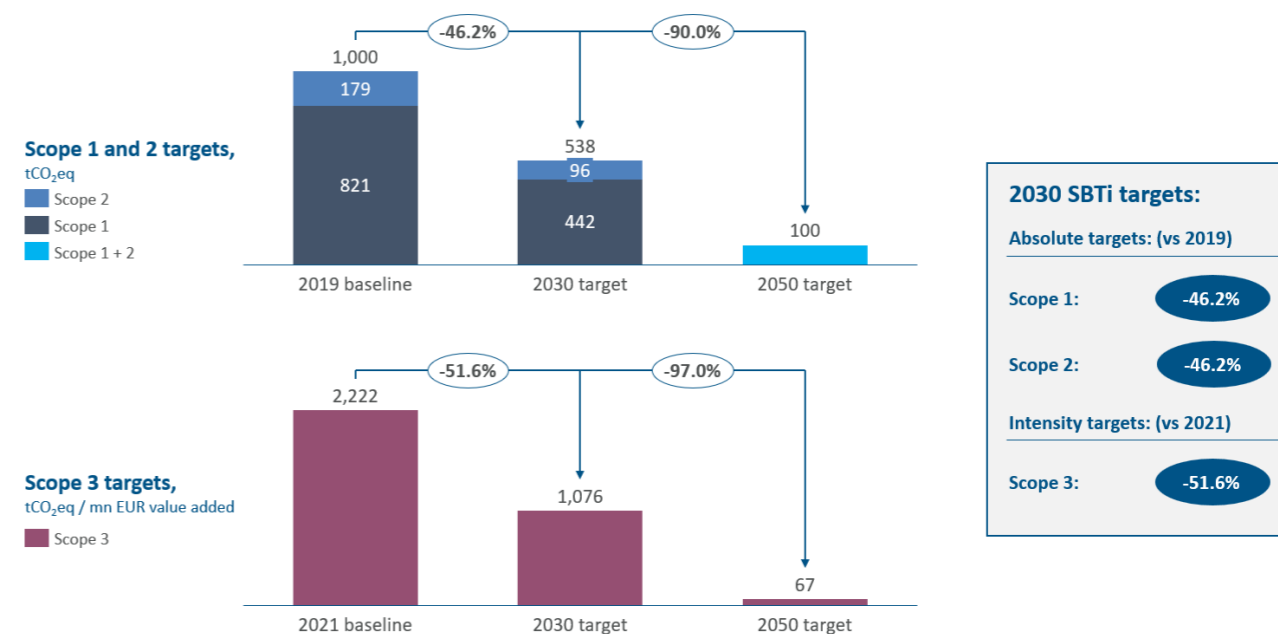
Long-term targets – by 2050 Alfen N.V. commits to:

- Reduce absolute scope 1 and 2 emissions in tCO<sub>2</sub>eq by 90% from a 2019 base year
- Reduce scope 3 emissions by 97% in tCO<sub>2</sub>eq per EUR value added from a 2021 base year

For 2026, Alfen has set the following targets to meet / accelerate the above goals:

- Achieve its near term 2030 absolute scope 1 emissions target (4 years early)
- ISO 14001 recertification

This year, Alfen performed a comprehensive review of its historical emissions related data, with both direct energy consumption and supply chain data in scope of this review. Alfen also reviewed its methodology across scopes 1, 2, and 3, and implemented improved approaches, particularly regarding emission factors.



For example, in scope 1 Alfen's fossil fuel emission factors now reflect annual changes in the average life cycle emissions. Likewise, Alfen's scope 3 purchased materials emissions related to its EV charging business line now uses much more detailed modelling based on EPDs developed this year for Alfen's Eve Single Pro-Line and Eve Double Pro-Line. As a result of this, the emissions baseline for each of Alfen's respective scopes has deviated by more than 5% compared to the current baselines. In accordance with SBTi methodology, Alfen has therefore restated its emissions baseline, and used the SBTi target setting approach to determine its revised targets. For consistency and transparency, Alfen has also updated emissions related data for interim years.

If in the future additional enhancements in data quality or methodological changes lead again to an emission deviation exceeding 5% compared to Alfen's new baseline emissions, Alfen will again restate its historical emissions. Alfen will monitor progress on emission reductions and adapt - if necessary - policies and actions accordingly.

The aforementioned targets take the following assumptions into account:

- Alfen's ongoing growth as a company that tailors products to the ongoing energy transition
- Introducing known but not yet (fully) implemented legislation (e.g. CS3D, EU battery regulation, etc.)

- Government commitments to decarbonise
- electricity grids in countries where Alfen does business
- Removals and/or carbon credits are not under consideration

### Alfen's performance

In 2025, Alfen reduced its scope 1 emissions by 23% vs 2024, which was driven through its initiatives on HVO100 use, replacing gas boilers with heat pumps, and replacing fossil fuelled lease cars with electric alternatives. These initiatives will also be the key drivers of how Alfen continues reducing its scope 1 emissions over the coming years.

In 2025, Alfen installed 10 heat pumps across two of its sites in 2025. In particular, Alfen installed sufficient heat pumps at Vlotbrugweg 24 to fully wean the site off natural gas, and will monitor energy consumption at the site for the next two to three years before considering to fully disconnect.

In 2025, Alfen reduced its scope 2 emissions by 88% vs 2024, which was primarily driven by expanding the use of Guarantee of Origin (GoO) certificates to also cover off-site EV charging.

This year's reduction means Alfen has already achieved its 2030 near-term scope 2 emissions reduction target, five years earlier than the target date.

Emissions footprint in tCO <sub>2</sub> eq <sup>1,2,3</sup>		2019	2020	2021	2022	2023	2024	2025	Δ vs baseline <sup>13</sup>
Scope 1 <sup>4,7</sup>	Gross emissions	821	676	672	595	591	678	521	(36)%
	Emissions from regulated ETS (%) <sup>5</sup>	—	—	—	—	—	—	—	—
Scope 2 <sup>4,7</sup>	Gross market based emissions <sup>6</sup>	179	45	53	80	119	137	16	(91)%
	Gross location based emissions	440	488	582	577	564	657	224	(49)%
Scope 3 <sup>7</sup>	1A. Purchased goods, product related			44,117			72,178	77,409	75 %
	1B. Purchased goods, non-product related			3,119			6,165	4,640	49 %
	2. Capital goods			770			1,117	397	(48)%
	3. Fuel and energy related activities			190			225	184	(3)%
	4. Upstream transport			806			1,566	1,679	108 %
	5. Production waste			403			574	1,028	155 %
	6. Business travel			125			216	373	199 %
	7. Employee commuting			690			1,124	755	9 %
	8. Upstream leased assets			291			1,056	512	76 %
	9. Downstream transport			756			1,159	2,678	254 %
	10. Processing of sold products <sup>8</sup>			—			—	—	— %
	11. Use of sold products			111,975			129,954	107,726	(4)%
	12. End-of-life treatment of sold products			7,631			10,378	9,570	25 %
	13. Downstream leased assets <sup>9</sup>			—			—	—	— %
	14. Franchises <sup>9</sup>			—			—	—	— %
15. Investments <sup>9</sup>			—			—	—	— %	
<b>Total</b>			<b>170,872</b>			<b>225,710</b>	<b>206,951</b>	<b>21 %</b>	
Total emissions (1+2+3) <sup>10,11</sup>	Total emissions, market based			171,597			226,525	207,488	21 %
	Total emissions, location based			172,126			227,046	207,696	21 %
	SF6 emissions, in tCO <sub>2</sub> eq <sup>12</sup>			1,539			1,611	1,562	2 %

<sup>1</sup>The inventory boundary for Alfen's emissions footprint is in line with Alfen's general disclosure and is calculated according to the Greenhouse Gas Protocol, the GHG Scope 2 guidance: 2015 and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard: 2011.

<sup>2</sup>As a guide, emission intensity factors for fuel consumption are sourced from emissiefactoren.nl, those for electricity are on a country by country basis and sourced from Ember, and those for materials are from Ecolnvent. Alternative sources may be used, either due to a lack of data from these sources, or due to access to better data (e.g., using supplier specific emissions factors). Because most of Alfen's emission factors are largely non-company specific, Alfen does not expect any events between the reporting dates and the release of this annual report to have an impact of its emission values.

<sup>3</sup>All of Alfen's reported figures include its Elkamo subsidiary

<sup>4</sup>Scope 1 and 2 cover all energy consumption sources reported in ESRS E1-5

<sup>5</sup>Alfen has no installations subject to the regulated Emission Trading Schemes (ETS)

<sup>6</sup>Covered by guarantees of origin or contractual agreements

<sup>7</sup>Biogenic emissions of CO<sub>2</sub> from the combustion or biodegradation of biomass that occur in Alfen's upstream value chain are not known; these are covered as part of average lifecycle emission figures

<sup>8</sup>Not in scope for Alfen as its products are sold in a final state, and spare parts can be re-incorporated into its products without the need for additional electricity use

<sup>9</sup>Not in scope for Alfen as it does not have any downstream leased assets, franchises, or investments

<sup>10</sup>The total measurement of gross Scope 1, 2, 3 and total emissions has not been validated by an external body

<sup>11</sup>Total sum may not add up due to rounding

<sup>12</sup>SF6 emissions identified in category 11 of scope 3

<sup>13</sup>Comparative for scope 1 and 2 is 2019, for scope 3 this is 2021

Alfen's sole remaining scope 2 emissions are associated with district heating used by Alfen's Finnish entity Elkamo. As there is a sole supplier of district heating at the site, Alfen does not have control over the emissions intensity of this district heating, and is reliant on the supplier reducing emissions in line with Finland's own CO<sub>2</sub> reduction targets.

Alfen's accelerated performance in its scope 1 and 2 emissions reductions means that going forwards it will also report on these in relation to its 2050 targets.

In 2025, Alfen reduced its scope 3 emissions by 8% vs 2024. In terms of Alfen's target for scope 3, which is based on tCO<sub>2</sub>eq / € net value added (where net value added is defined as adjusted EBITDA plus total labour costs), Alfen reduced emissions by 14% vs its 2021 baseline, and 7% vs 2024. The decline compared to 2024 is in line with the annual decline required to meet Alfen's 2030 Scope 3 SBTi target.

Nevertheless, the emissions intensity of several products also decreased this year. Alfen's latest EV chargers for example have updated PCBs which have a smaller amount of active components, a key driver of purchased material emissions. For Alfen's SGS product line, the use of SF6 gas is increasingly being phased out, which also reduces emissions. In Alfen's ESS line, the electricity its suppliers use to produce its batteries is increasingly renewable.

The preceding table summarises Alfen's overall emissions, aggregated into Scopes 1,2 and 3. For reporting consistency, Alfen also includes in the following table its baseline and the progress made since its baseline year. Alfen's figures include, but do not separately disclose biogenic CO<sub>2</sub> emissions. For information on its direct energy consumption, please see the section "Energy Consumption and Mix".

## Scope 1 and 2 methodology and definitions

**Scope 1:** Includes fuel consumption of leased cars (both diesel and petrol), natural gas, propane and biofuel consumption. Solar energy production from Alfen's own buildings is also included, but it has an emissions factor of zero. Consumption is derived from meter readings and invoices, while emission factors are provided directly by Alfen's energy suppliers, or from emissiefactoren.nl.

**Scope 2:** Includes electricity consumption (including on-site, public, and private charging from leased

cars), and district heating. Consumption is derived from meter readings and invoices, while emission factors are from Alfen's energy suppliers, Ember, or emissiefactoren.nl. Alfen extrapolated 2021 and 2023 emissions intensity for district heating based on available figures for 2019 and 2024.

## Scope 3 methodology and definitions

Alfen's reporting boundary for Scope 3 emissions extends to the full value chain for all of Alfen entities and its subsidiaries (e.g., Alfen Elkamo). As businesses in the value chain are only starting to identify their own emissions intensity, almost all of Alfen's analysis to date involves secondary information; less than 1% of its total emissions in Scope 3 are derived fully from primary data obtained from suppliers or other value chain partners.

As part of Alfen's revised methodology, Alfen has excluded transformers from its scope 3 emissions which are provided by its grid operator customers and remain legally in their ownership at all times, and are therefore not part of its value chain, but that of its customer. Alfen has verified this approach with SBTi to ensure this is consistent with standards set in the GHG Protocol.

### Category 1A: Purchased goods and services, product related

Includes the emissions of all materials procured for Alfen's products. To determine total weight, Alfen considers the following categories where applicable: (1) final products sold, (2) accessories, and (3) spare parts. Emissions are calculated on the total weights of different materials procured and their respective emission factors. Alfen has developed detailed carbon footprints for its Single Pro-Line, Double Pro-Line, and Twin 5, and has used these as proxies for its remaining product lines.

### Category 1B: Purchased goods and services, non-product related

Includes the emissions from all other goods and services purchased which are not directly product related (e.g., insurance, telephony, audit, IT equipment), excluding capital equipment (e.g., machinery). Emissions are calculated on a spend-based method given their overall small emissions impact for Alfen.

### Category 2: Capital goods

Includes the emissions from all capital equipment purchased which have been identified by product line on the capex section of the balance sheet. Emissions are calculated on a spend-based method given their overall small emissions impact for Alfen.

### Category 3: Fuel and energy related activities

Includes the emissions from the extraction, production and transportation of fuels and energy purchased or acquired (known as “well to tank” emissions) that are not already accounted for in scope 1 and/or 2 (known as “tank to wheel” emissions). Emissions are calculated on the total volumes purchased of different fuels and their respective emission factors.

### Category 4: Upstream transport and distribution

Includes the emissions from transporting materials from Alfen's tier 1 suppliers to Alfen's sites in the Netherlands and Finland. As Alfen's data quality is highest for its ESS business line, Alfen has extrapolated this emissions intensity on a per kilo material transported basis to its other business lines (except for the concrete housing of its SGS substations, for which Alfen has additional information and has been calculated separately). Emissions are calculated on total freight ton kilometres travelled per mode of transport and their respective emission factors.

### Category 5: Production waste

Includes the emissions from the disposal and treatment of waste generated by Alfen in facilities which Alfen does not own or control. Emissions are based on total weights of individual waste streams and their respective emissions factors.

### Category 6: Business travel

Includes the emissions from the transportation of employees for business-related activities in vehicles not owned or operated by Alfen (and excludes commuting travel). Emissions are based on total distance travelled by each mode and their respective emissions factors.

### Category 7: Employee commuting

Includes the emissions from the transportation of employees commuting between their homes and their worksites in vehicles not owned or operated by Alfen. Emissions from BEV lease cars are covered in

scope 2, while emissions from fossil fuel powered vehicles owned/leased by Alfen are covered in scope 1. Emissions are based on total distance travelled by each mode and their respective emissions factors.

### Category 8: Upstream leased assets

Includes the emissions from rental spaces where Alfen does not control the energy supplier contract (assets where Alfen does control this are part of scope 2). Emissions are calculated based on total floor space and industry average emissions intensity per square meter of floor space.

### Category 9: Downstream transport and distribution

Includes the emissions from transporting products from Alfen's warehouses to Alfen's customer locations. Alfen's customer locations are defined as the point to which either Alfen or its transport partner delivers the product. Emissions are calculated on total freight ton kilometres travelled per mode of transport and their respective emission factors. If supplier provided emissions factors are available, these are used.

### Category 11: Use of sold products

Includes the emissions associated with electrical efficiency losses when using products. For all three business lines, this consists of determining the “stand-by” losses (i.e., when the product is not in use, such as from a monitor), and “efficiency” losses (i.e., when the product is in use, such as resistance losses). Both these losses are calculated over the total expected lifetime of each product. Alfen's emissions calculation considers the current and expected emissions intensity of each country's electricity grid for which a product has been sold, and therefore uses a location-based emissions approach. As all Alfen's products are currently sold in countries where governments are either legally bound to net zero in 2050 or have set net zero 2050 as a stated goal for their electricity grid, Alfen has assumed a linear reduction in electricity grid intensity between 2024 and 2050. For products already sold since the baseline year of 2021, Alfen has used actual emissions intensity figures for all available years. Alfen's calculations for category 11 also include estimated leakages of SF6 over the lifetime of its substations from medium voltage switch equipment. For Alfen's Smart Grid Solutions business line, the lifetime utilisation considers three business cases: residential use (using average Danish household energy use as a proxy), industrial use (using high voltage utilisation as

a proxy), and solar parks (using the north western Europe norm of utilisation equivalent to 900 hours per year). The lifetime assumption (40 years) is based on an average of market estimates for the technical longevity of transformers (20 to 60 years). For Alfen's EV charging business line, efficiency loss estimates are based on R&D product tests. The lifetime assumption (10 years) is in line with French government standard assumptions used in developing Product Passports. The lifetime assumption of Alfen's Energy Storage Systems business line (20 years) is based on the Reference Service Life (RSL) provided by its supplier of lithium iron phosphate cells.

### Category 12: End of life treatment of sold products

Includes the emissions from waste disposal and treatment of products at the end of Alfen's products' lifetimes. Emissions are based on total weights of individual waste streams, the expected end of life treatment method, and their respective emissions factors.

## Climate change – Energy consumption and mix: metrics, targets, and performance

Alfen's direct energy consumption comes from the combustion of fossil fuels in its lease cars and owned vehicles, electricity consumption from its buildings and battery powered lease cars, and district heating for the heating of some of its buildings.

In 2025, Alfen directly consumed 7392 MWh, of which 66% was renewable energy, which is 8 percentage points more compared to last year. Alfen also produced 2257 MWh of renewable energy through its solar panels.

Own energy production (MWh)	2023	2024	2025
Renewables	299	669	2257
Fossil fuel	—	—	—

Growth in solar energy production came from the first full year use of the new Hefbrugweg 79 location (and its solar panels), and the decrease in natural gas consumption came primarily from the increased adoption of heat pumps.

Energy consumption and mix	2023	2024	2025
<b>Fossil fuel consumption (in MWh)</b>			
Fuel consumption from coal and coal products	—	—	—
Fuel consumption from crude oil and petroleum products	1,867	1,979	1,505
Fuel consumption from natural gas	928	1,276	998
Fuel consumption from other fossil sources	—	—	—
Consumption of purchased electricity, heat, steam, and cooling from fossil sources	499	580	0
<b>Total Fossil energy consumption (MWh)</b>	<b>3,294</b>	<b>3,835</b>	<b>2,504</b>
<b>Nuclear consumption (in MWh)</b>			
Consumption from nuclear sources	—	—	—
<b>Renewable consumption (in MWh)</b>			
Fuel consumption from renewable sources, including biomass	551	556	700
Consumption of purchased electricity, heat and cooling from renewable sources	3,421	4,094	1,931
Consumption of self-generated non-fuel renewable energy	299	669	2,257
<b>Total renewable energy consumption (MWh)</b>	<b>4,271</b>	<b>5,319</b>	<b>4,889</b>
<b>Total consumption<sup>1</sup></b>			
Total energy consumption (MWh)	7,564	9,153	7,392
Share of fossil sources in total energy consumption (%)	44 %	42 %	34 %
Share of consumption from nuclear sources in total energy consumption (%)	— %	— %	— %
<b>Share of renewable sources in total energy consumption (%)</b>	<b>56 %</b>	<b>58 %</b>	<b>66 %</b>

<sup>1</sup> Total sum may not add up due to rounding

On a MWh / net revenue basis, Alfen consumed 17.0 MWh per million euro of net revenue (based on net revenue of €435.6 million, which is equivalent to its revenue at group level). For this comparison all of Alfen's emissions are in scope as all of Alfen's revenue is classified as being in high climate impact sectors (NACE codes C and F). When considering combined scope 1,2 and 3 emissions on a tCO<sub>2</sub>eq / net revenue basis, using market based emissions this was 476.3 tCO<sub>2</sub>eq per million euro revenue (2024: 464.5), while using location based emissions this was 476.8 tCO<sub>2</sub>eq per million euro revenue (2024: 465.6).

As Alfen grows, the expectation is that its total energy consumption will increase. However, Alfen will work to continue increasing the share of renewables in the energy mix. Future improvements in Alfen's own energy management system should result in using Alfen's own renewable energy production more effectively, reducing the amount of energy taken directly from the grid (which has a higher location based emissions intensity).

## Resource use and circular economy – Resource inflows: metrics, targets, and performance

Responsible management of Alfen's resource use is central to its sustainability strategy, as it shapes both the environmental footprint and long-term resilience of its products and supply chain. Alfen has a strong understanding of the key materials driving the weight and environmental impact of its products, with steel, copper, cement, and aluminium forming the largest shares. These materials are primarily used in the housing of its battery systems and substations, which account for most of the weight of its product lines—a single substation can weigh over 1,000 times more than Alfen's EVC Single Pro-Line charger.

Under the EU Critical Raw Materials Act, selected materials have been identified as critical, of which a subset are also deemed strategic. For Alfen, aluminium and copper are the two key materials which fall under this classification as both critical and strategic.

Alfen has been improving its understanding of the proportion of virgin versus secondary materials in its products, and is now refining this knowledge through a more granular analysis to identify targeted opportunities to enhance circularity and reduce emissions.

As resource use was not classified a material topic last year, Alfen did not set any metrics or targets for 2025. For 2026, Alfen's target is to develop a roadmap for Scope 3 emissions reductions, focusing on resource use and circularity. The roadmap will assess the components and materials Alfen sources, and identify opportunities to reduce associated emissions. For example, it will consider increasing the share of secondary or recycled materials, adopting alternative lower emissions intensity materials, addressing the use of hazardous substances to improve circularity, and implementing greener production methods such as renewable electricity. Once this analysis is complete, Alfen will consider setting quantitative targets for the desired share of secondary materials, focusing on key materials where it can have the greatest impact.

Year-on-year differences in material inflows largely reflect variations in product volumes across Alfen's different product lines, which have distinct material compositions. This is particularly relevant for the amounts of purchased steel, copper, cement, and aluminium, where product mix strongly influences total material volumes. Alfen's granular analysis will enable it to track progress precisely and set measurable, material-specific targets in future reporting cycles.

Alfen is also strengthening its approach to product end-of-life management as part of its broader circularity strategy. For products that fall under the scope of the EU Waste Electrical and Electronic Equipment (WEEE) Directive, Alfen participates in recognized collective compliance schemes in relevant markets to support responsible end-of-use collection and recycling.

With the introduction of the EU Battery Regulation, Alfen is committed to further defining its approach to battery end-of-life management. As industry practices and regulatory expectations continue to develop, Alfen will look to work with stakeholders and industry partners to shape a strategy that supports responsible processing and recycling of batteries associated with its products.

Alfen monitors implementation through indicators such as participation with collective schemes, the inclusion of end-of-use instructions in product documentation, and the mapping of regulatory obligations across product groups and markets.

Key material weights (in tonnes)	2021	2024	2025
Cement	1,788	2,976	2,563
Steel	3,295	4,264	5,253
Copper <sup>1</sup>	1,522	1,299	1,439
Aluminium <sup>1</sup>	340	283	298
<b>Critical &amp; Strategic raw materials % of total weight)</b>			
Copper <sup>1</sup>	7 %	4 %	4 %
Aluminium <sup>1</sup>	2 %	1 %	1 %
<b>Secondary resourced materials (% of total weight)<sup>2</sup></b>			
All secondary resourced materials	< 1 %	< 1 %	< 1 %
<b>Biological materials (% of total weight)<sup>2</sup></b>			
All biological materials	< 1 %	< 1 %	< 1 %

<sup>1</sup>Minimum amount; as many of the components we source in are complex and part of long value chains, these materials may be present in small amounts in components of which we are not aware

<sup>2</sup>Minimum amount; this percentage is only based on components where we know the breakdown of these materials from suppliers. For suppliers who cannot inform of us this, we have assumed the percentage is zero.

# Social information

## Introduction to social information

Alfen is committed to maintaining a socially sustainable workplace that respects human rights, promotes well-being, and values diversity and inclusion. This commitment reflects both Alfen's responsibility as an employer and its belief that an inclusive workplace strengthens its organisation.

By focusing on individual strengths, Alfen fosters a culture in which people collaborate effectively and diverse perspectives drive progress. Inclusion is therefore not only central to social responsibility, but also fundamental to achieving its strategic objectives and organisational resilience.

Alfen's Code of Conduct and Supplier Code of Conduct reflect its commitment to safe, respectful, and equitable working conditions. Alfen expects all employees, business partners, and suppliers to uphold these principles across its operations and value chain.

In 2024, Alfen implemented an organisational right-sizing initiative, resulting in a headcount reduction of approximately 12%. As most affected employment contracts ended in the first quarter of 2025, this restructuring negatively affected headcount levels and employee turnover during the reporting period.

Based on Alfen's Double Materiality Assessment (DMA), several social sustainability topics were identified as material under ESRS S1 (Own Workforce) and ESRS S2 (Workers in the Value Chain).

Within ESRS S1, the material subtopics identified are labour relations, health and safety, training and skills development, and diversity and equal treatment. Labour relations cover social dialogue, freedom of association, works councils, employee participation rights, and collective bargaining. Alfen's own operations do not present a significant risk of forced labour, compulsory labour, or child labour, nor does Alfen identify significant negative impacts on its own workforce arising from its operations.

Within ESRS S2 (Workers in the Value Chain), health and safety is identified as a material sub-topic under working conditions, while forced labour is identified as a material component under the material topic other work-related rights. The related impacts, risks, and opportunities are outlined below and analysed in more detail in subsequent sections.

Alfen's policies for employees and suppliers explicitly prohibit trafficking in human beings, forced labour, and child labour, reinforcing its commitment to responsible business conduct throughout its operations and value chain.

Given the differing disclosure requirements and number of material topics identified, this section is structured differently to enhance clarity and readability. It first outlines processes applicable across ESRS S1, followed by an overview of workforce characteristics and a sequential discussion of each material topic.

In 2024, some metrics did not include Alfen's subsidiary Elkamo (e.g., training hours), resulting in discrepancies between the 2024 and 2025 figures. Alfen has highlighted where this is the case. All employee headcount figures are year-end, unless specified otherwise.

## Processes related to policies, target setting and action plans for Alfen's own workforce

At the start of each year, HR leadership reviews the performance of social metrics from the previous year and defines actions to achieve targets for the coming year(s). All social targets and related action plans for the forthcoming year are presented to the Management Board.

In 2025, an internal HR report was established to monitor the effectiveness of action plans. Going forward, effectiveness will be tracked on an ongoing basis, allowing corrective measures to be taken during the year where necessary. At year-end, target achievement is assessed, and lessons learned are incorporated into the subsequent year's target setting and reporting process.

Currently, none of Alfen's action plans require significant financial resources for implementation.

All internal policies are available to employees via the intranet. Where relevant, policies are also published on its website to inform external stakeholders.

## Characteristics of own workforce

Alfen defines employees as all colleagues with an employment relationship with Alfen, regardless of the country in which they work. This includes permanent, temporary, and non-guaranteed hours contracts, and excludes individuals engaged via third parties, such as temporary recruitment agencies.

Alfen's employment figures are aligned with those presented in the financial statements of this Annual Report, noting that financial reporting is based on full-time equivalents (FTEs). Following the right-sizing initiative, total headcount declined by 12%, compared to a growth of 12% in 2024. At year-end, Alfen employed 950 people, of whom 86% had a permanent contract (2024: 79%).

Headcount by country <sup>1</sup> , #		2025		2024	
Country	Number	%	Number	%	
Netherlands	809	85 %	945	87 %	
Finland	89	9 %	84	8 %	
Other	52	5 %	54	5 %	
<b>Total</b>	<b>950</b>	<b>100 %</b>	<b>1,083</b>	<b>100 %</b>	

Non-guaranteed hours contracts are generally used only for students working at Alfen alongside their higher education.

## Turnover rate

In 2025, a total of 248 employees (2024: 165) left Alfen, including both voluntary and involuntary departures. This corresponds to a turnover rate of 26% (2024: 15%), calculated as the number of employees leaving during the year divided by total headcount at year-end.

The significantly higher turnover rate compared to the previous year is primarily attributable to the restructuring effectuated early in the year.

## Non-Employees

Alfen engages two types of non-employees: self-employed contractors and temporary labour (individuals contracted via third parties, typically for short-term work).

In 2025, Alfen engaged a total FTE of 91 non-employees. Approximately 93% of these were temporary labour hired through contracting agencies (2024: 90%).

Self-employed non-employees are generally engaged for short-term assignments requiring specific expertise, while temporary labour is primarily used in production assembly roles to enable workforce flexibility. For reporting purposes, temporary labour includes only individuals whose line manager is directly employed by Alfen.

Headcount per contract type and gender, #			2025			2024		
Type	Female	Male	Total	Total %	Female	Male	Total	Total %
Permanent contract	140	674	814	86 %	153	701	854	79 %
Temporary contract	26	110	136	14 %	39	190	229	21 %
<b>Total</b>	<b>166</b>	<b>784</b>	<b>950</b>	<b>100 %</b>	<b>192</b>	<b>891</b>	<b>1,083</b>	<b>100 %</b>

Material topics	Value chain	Impact materiality		Financial materiality	
		Positive	Negative	Opportunity	Risk
<b>Own workforce</b>					
Labour relations	Upstream	Low	Medium	High	High
Health & safety	Own operations	Low	Medium	High	High
Diversity & equal treatment	Downstream	Low	Medium	High	High
Training & development	Own operations	Low	Medium	High	High
<b>Workers in the value chain</b>					
Health & safety	Upstream	Low	Medium	High	High
Other work-related rights: Forced labour	Own operations	Low	Medium	High	High

Legend: Value chain: Upstream, Own operations, Downstream. Materiality level: Low (below 60%), Medium (60 to 79%), High (80% and above).

Note: Alfen has a materiality threshold of ~60% of the total score, for all categories. Refer to metrics of the materiality assessment in the General information section for more detail.

Non-employees by average <sup>1</sup> FTE, #			2025			2024
Type	Direct	Indirect	Total	Direct	Indirect	Total
Temporary labour	75	10	85	116	17	133
Self-employed	—	6	6	—	16	16
<b>Total</b>	<b>75</b>	<b>16</b>	<b>91</b>	<b>116</b>	<b>33</b>	<b>149</b>

<sup>1</sup> Average FTE calculated as average of each month's figures; FTE is full time equivalent of 40 hour work week

## Own workforce: Labour relations

### Impacts, risks and opportunities

Labour relations at Alfen encompass collective bargaining, freedom of association, social dialogue, works councils, and employee participation rights. These elements determine how employment conditions are set, how employees are represented, and how they are informed, consulted, and involved in decisions affecting their employment and the organisation.

Freedom of association and collective bargaining are legally protected in all countries in which Alfen operates. Collective labour agreements (CLAs) are in place in the Netherlands, Finland, Belgium, and Spain. In the Netherlands, the applicable CLA results from participation in the Metalektr sector, governed by the sector-level Metalektr CAO. This agreement applies to all employees except those whose remuneration exceeds the applicable threshold.

#### Collective bargaining and freedom of association

Alfen recognises collective bargaining and freedom of association as fundamental labour rights. The company operates in sectors where employment conditions are largely determined through sector-level collective bargaining.

In the Netherlands, minimum employment standards are defined by the Metalektr CAO, which establishes agreements on pay, working hours, leave entitlements, and employment contracts.

Sector-level collective bargaining provides employees with social protection, fair remuneration, and predictable working conditions, contributing positively to employee well-being, job satisfaction, and trust. It also promotes transparency and consistency across the sector.

From an organisational perspective, sector-level collective bargaining presents risks, including limited influence over negotiated outcomes, labour cost increases resulting from collectively agreed wage developments, and reduced flexibility in adjusting employment conditions.

Ineffective bargaining outcomes or industrial disputes at sector level could result in work stoppages, potentially affecting operational continuity and financial performance.

#### Social dialogue

Social dialogue at Alfen refers to ongoing communication, consultation, and cooperation between management and employees or their representatives on workplace-related matters, particularly in the context of major organisational decisions.

Effective social dialogue supports employee morale, trust, and engagement, contributing to collaboration, productivity, and reduced turnover and absenteeism. Conversely, insufficient or poorly managed dialogue may lead to dissatisfaction, increased absenteeism, industrial action, or legal disputes, negatively affecting productivity, reputation, and business performance. Social dialogue played an important role during the right-sizing initiative implemented earlier in the year.

#### Works council and participation rights

Employee participation rights refer to formal mechanisms through which employees are informed, consulted, and able to provide advice on organisational decisions affecting their employment.

In the Netherlands, employee participation is primarily organised through the Works Council, serving as a key forum for structured consultation between employee representatives and management.

Effective functioning of the Works Council supports transparency, mutual understanding, and trust,

improves decision-making by incorporating employee perspectives, and enhances acceptance of organisational change.

Conversely, ineffective consultation may delay decision-making, lead to internal conflicts, or result in legal challenges, potentially affecting morale, productivity, and business performance. Alfen therefore actively works to ensure timely consultation of the Works Council.

### Strategy, governance, and action plans

#### Collective bargaining and freedom of association

Alfen's approach to labour relations is informed by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, which outline the corporate responsibility to respect human rights. These frameworks, together with applicable labour laws and collective bargaining agreements, form the basis of Alfen's policies and practices.

Local labour laws and collective bargaining agreements, which are often more stringent than international guidelines, provide minimum requirements for pay, social security, leave, pensions, and working hours. Compliance with these requirements is overseen by the HR function and, where relevant, supplemented by company-specific policies.

In 2025, 95% (2024: 95%) of Alfen's headcount was based in the Netherlands and Finland. In the Netherlands, the Metalektr CLA applies, consisting of a standard CLA and a separate CLA for senior staff. In Finland, the Technology Industry Union CLA applies to Alfen Elkamo Oy Ab. Collective labour agreements are also in place in Belgium and Spain. Employees outside these countries are not covered due to the absence of applicable agreements in the respective jurisdictions. Alfen operates exclusively in countries with strong labour legislation and social security systems.

In January 2026, employers' organisations and trade unions agreed on the 2026 Metalektr CLA, including a general salary increase of 2% and a structural increase of EUR 43 per month. For further details, reference is made to the FNV website. Employees not covered by a CLA are subject to annual inflation corrections where applicable.

### Social dialogue, works council, and participation rights

Alfen places strong emphasis on employee engagement and maintains multiple channels to facilitate effective communication between management and employees. While no standalone policy on social dialogue exists, engagement is embedded in daily practice.

Alfen has also set-up a dedicated way for employees to submit questions anonymously on an ongoing basis and held multiple Q&A sessions with the opportunity to send questions beforehand.

Responsibility for employee engagement rests with the CHRO, supported by the internal communications function.

#### Town hall meetings

Monthly company-wide town halls were introduced during the year to inform employees about key developments. Separate monthly town halls are held for Alfen Elkamo employees, with opportunities for participation by union representatives. In both cases employees can engage directly (either in person or online) with leadership - for Elkamo employees this is the Elkamo Managing Director, and otherwise this is the Alfen CEO.

#### Works Council

Depending on country-specific regulations, Alfen maintains active engagement with employee representative bodies, including works councils and trade unions. In the Netherlands, employees of Alfen N.V., Alfen B.V., and Alfen ICU B.V., as well as temporary personnel, are represented by a Works Council operating under the Dutch Works Councils Act. The Council consists of nine members.

In the Netherlands, at least four formal meetings per year are held with employee representatives and senior management to share information, explain decisions, and, where required, seek approval or advice, including on matters affecting vulnerable or marginalised groups.

In Finland, engagement occurs through a union representative who is part of the workforce. Engagement with the Dutch Works Council is led by the CEO, supported by the CHRO, while engagement in Finland is led by the Managing Director.

### Engagement surveys

Annual engagement surveys assess employee experience at Alfen, including specific questions on unwanted behaviour such as violence, harassment, and discrimination. These surveys ensure that feedback from all employees, including vulnerable or marginalised groups, is captured. Additional communication channels include the intranet, company-wide emails, and digital displays in production facilities.

### Exit surveys

Employees leaving Alfen are invited to complete an exit survey covering work climate, relationships, and other relevant topics. Feedback from exit surveys, together with other engagement channels, informs the evaluation and improvement of policies and practices.

## Metric, targets, and performance

### Collective bargaining and freedom of association

In 2025, 93% (2024: 95%) of employees were covered by a collective labour agreement. This metric is calculated by dividing the total headcount of employees covered by CLAs by total headcount (i.e., all employees in Finland, Belgium, Spain, and all Dutch employees covered by the CLA). The decrease reflects the relative change in the size of the Dutch workforce following restructuring.

### Social dialogue

In 2025, 81% (2024: 87%) of Alfen's workforce is covered by the Dutch Works Council. Similarly, this decline is linked to the restructuring primarily impacting workers in the Netherlands, increasing the relative proportion of workers outside the Netherlands (particularly in Finland), who are not covered by the Dutch Works Council.

In addition, as Alfen moves towards annual engagement surveys, Alfen will set a target in the coming year for expected minimum response rates.

## Own workforce: Health & safety

### Impacts, risks, and opportunities

Given the nature of Alfen's products and services, employees work with electrical components that may involve hazardous voltages in production

environments, during grid integration, and on project sites. As a result, Alfen operates in a higher-risk sector with respect to employee health and safety. Without appropriate management and controls, these activities may pose significant risks to employee well-being and to the organisation.

Effective health and safety measures are critical to preventing workplace accidents, injuries, and occupational illnesses. Such measures positively impact employees by supporting physical and mental well-being and reducing absenteeism. Conversely, inadequate safety management may lead to unsafe working conditions, increased stress and dissatisfaction, higher turnover, and an elevated risk of serious incidents. It may also result in financial impacts, including accident-related costs, compensation claims, legal liabilities, higher insurance premiums, and reputational damage.

Alfen aims to provide a safe working environment for all employees and extends this objective to external workers present on project sites. A strong safety record also represents an opportunity to differentiate Alfen within the manufacturing and electrical installation sector, supporting its position as a preferred partner for customers and suppliers.

### Strategy, governance, and action plans

Alfen recognises that safe, effective, and efficient execution of its activities is essential to business success. Given the inherent risks associated with working with electrical components, Alfen has implemented a comprehensive health and safety management approach (ISO 45001 certified) to minimise the likelihood and severity of incidents.

### Health and Safety Management System

Alfen maintains an incident management policy embedded within the Alfen Integrated Management System (AIM), which is certified in accordance with recognised occupational health and safety standards, including ISO 45001:2018. The management system applies to 100% of employees, non-employees, and all other individuals present on Alfen sites. It provides a structured framework to identify, assess, and mitigate occupational risks, defines incident investigation requirements and management responsibilities, and sets out the calculation of incident frequency rates. The policy is accessible to employees via the intranet and is actively promoted within production facilities through safety communications and visual reminders.

Implementation is supported by the PDCA (Plan–Do–Check–Act) cycle, enabling systematic monitoring and continuous improvement of safety practices. This approach supports compliance with the Dutch Occupational Health and Safety Act (Arbowet) and corresponding legislation in Belgium and Finland.

Monitoring includes regular risk assessments, incident reporting, and preventative actions to address identified hazards. Oversight responsibility lies with the Health & Safety advisor, who periodically reports key indicators to the Management Board.

In 2026, Alfen will conduct occupational risk evaluations through the Risk Inventory and Evaluation (RI&E) process, in line with ISO 45001 requirements. These evaluations will cover all work-related activities and implemented mitigation measures, with outcomes translated into a targeted action plan.

### Ensuring safety

The AIM system, in place since 2020, incorporates standard safety practices such as regular risk assessments, hazard identification checklists, maintenance protocol updates, and routine inspections of equipment and systems. Additional testing is performed in higher-risk situations by trained personnel.

Building a strong safety culture is central to Alfen's approach. Employees are provided with appropriate tools that meet current safety standards, and safe behaviour is promoted through training, workshops, and emergency response exercises. Activities involving the internal emergency response organisation (BHV) and collaboration with local fire departments further enhance preparedness and awareness.

Learning from incidents is a key element of Alfen's safety approach. All workplace accidents and near misses are documented, investigated, and shared across the organisation to support continuous improvement and prevent recurrence. Information is communicated via the intranet and visual displays in production facilities, reinforcing transparency and accountability.

### Metric, targets, and performance

The Lost Time Injury Frequency Rate (LTIFR) measures the number of lost time injuries per million hours worked. The Total Recordable Incident Rate (TRIR) includes all recordable injuries, excluding first aid cases, while the Fatality Rate (FAR) reflects the

number of fatalities per year. Calendar days are used to calculate days lost. No incidents, lost days, or fatalities were reported for non-employees. As the methodology for calculating these metrics has been updated this year, figures for 2024 have also been restated accordingly.

To reinforce a safety-first culture, Alfen has set an LTIFR target of zero, reflecting the principle that workplace incidents should be prevented at all cost.

Elkamo figures are reported separately as this is the first year these have been tracked according to ESRS standards. The number of recordable work-related ill health cases at Elkamo will be tracked as of 2026.

Alfen Health and Safety	Target 2026	2025	2024
Lost Time Injury Frequency Rate (LTIFR)	0.00	1.25	0.78
Numbers of days lost		14	10
Total Recordable Incident Rate (TRIR)		1.64	2.47
Recordable work-related incidents		13	22
Recordable work-related ill health cases		18	8
Number of fatalities (FAR)	—	—	—

Elkamo Health and Safety	Target 2026	2025
Lost Time Injury Frequency Rate (LTIFR)	0.00	5.80
Numbers of days lost		1
Total Recordable Incident Rate (TRIR)		5.80
Recordable work-related incidents		1
Number of fatalities (FAR)	—	—

## Own workforce: Diversity & equal treatment

### Impacts, risks, and opportunities

Diversity and equal treatment at Alfen focus on fair and respectful treatment of all employees. This includes gender equality, equal pay for equal work, and a working environment free from discrimination and harassment. The employment and inclusion of people with disabilities are recognised as part of the ESRS topic definition.

These principles guide decisions across the employee journey, including recruitment, remuneration, development and day-to-day working conditions. A fair, inclusive workplace supports Alfen's ability to attract, engage and retain talent in a competitive labour market.

Alfen operates primarily in the Netherlands, where strict data protection and labour laws apply. As a result, Alfen cannot collect or process disability data within its own workforce. Due to this legal limitation, the employment and inclusion of people with disabilities are not further addressed in the assessment below.

### Gender equality and equal pay for work

Remuneration at Alfen is based on clear job descriptions and a structured salary matrix, supporting consistency and transparency for comparable roles.

Alfen operates in the Metaelektro sector, which is traditionally male-dominated. According to the latest available data, in 2024 women represented 16% of the sector workforce (2018: 13%). Sector organisation FME has set a long-term ambition to increase female representation to 30%.

In this context, progress on equal pay for equal work is closely linked to improving gender equality and increasing female representation across roles and levels. Starting from a low base of female representation in a male-dominated sector means that improving gender balance requires sustained and deliberate effort over time. Limited progress may affect employer attractiveness and reputation amid rising societal and regulatory expectations.

Strengthening gender diversity supports balanced representation across teams and leadership, reinforces fair pay outcomes, and broadens access to qualified talent, supporting long-term performance.

### Non-discrimination and prevention of harassment

Alfen's workforce represents 51 nationalities, reflecting the international nature of its operations. This diversity reinforces the importance of clear and consistently applied behavioural standards.

The Code of Conduct prohibits discrimination and harassment and applies to all employees. Multiple reporting channels are available to raise concerns, enabling timely and appropriate follow-up.

Clear standards and accessible reporting mechanisms support a safe and respectful working environment, contributing to employee well-being, trust and engagement. Conversely, incidents of discrimination or insufficient confidence in reporting channels may result in legal, reputational and operational risks, including increased absenteeism or turnover.

By setting clear expectations and ensuring concerns can be raised safely, Alfen supports a positive company culture in which employees feel respected and valued. This strengthens Alfen's reputation as an employer and supports its ability to attract, engage and retain top talent over the long term.

### Strategy, governance, and action plans

Diversity and inclusion support Alfen's organisational success by enabling innovation, resilience and talent attraction and retention.

A key focus is addressing gender imbalance in a male-dominated sector by increasing female representation across all organisational levels, particularly leadership. In parallel, Alfen promotes inclusive practices by addressing unconscious bias and supporting equal treatment.

Given the broad range of nationalities at Alfen, cultural diversity is another important pillar. Diversity and inclusion considerations apply across the employee journey, including recruitment, compensation, development, promotions and, where applicable, restructuring.

### Gender equality and equal pay for work

Equal pay for work of equal value is embedded in Alfen's remuneration practices through collective bargaining agreements and the employee manual.

Roles are linked to a function classification framework and predefined salary scales based on responsibilities and complexity. Compensation is therefore determined objectively, independent of gender or background.

Improving pay equity is closely linked to improving gender equality, particularly through equal access to roles, progression and development opportunities. Governance is supported through regulatory guidance, including from the Sociaal-Economische Raad (SER), and internal remuneration frameworks.

In 2026, Alfen will complete the classification of all roles, enabling an internal salary review to assess

alignment with pay equity principles and identify potential gaps. By reinforcing the link between function profiles and salary scales, Alfen aims to ensure that pay equity is addressed consistently, including during the recruitment phase.

### Recruitment and retention initiatives

Increasing female representation is addressed through inflow and retention measures:

- **Inflow:** Alfen has refined its recruitment processes to promote gender neutrality and inclusivity. For selected functions, recruitment agencies are required to present at least two female candidates per role, and aim to include a female employee on the selection committee wherever possible. In cases of equal suitability, preference is given to female candidates for external hiring. In 2026 these requirements will be expanded to all office functions.
- **Retention:** Opportunities for promoting women to management positions are explicitly discussed and encouraged, with preference given to female candidates in cases of equal suitability.

Beyond gender, Alfen supports broader diversity initiatives, including culture workshops for senior staff and unconscious bias training for all new employees. Alfen's internal training school, the Alfen Academy, also supports diverse hiring and development efforts, including opportunities for candidates from a wide range of backgrounds.

### Behaviour, inclusion and equal treatment

Alfen's Code of Conduct and Diversity and Inclusion Policy prohibit discrimination and harassment and define expectations for respectful behaviour for employees and non-employees.

Alfen embraces and encourages its employees' differences, including differences in age, colour, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make its employees unique. These principles apply to both employees and non-employees.

All employees are expected to act with dignity and respect in all work-related contexts. Behaviour that does not meet these standards may result in disciplinary action.

Concerns can be raised through managers, HR, confidential counsellors or whistleblowing channels. Reporting procedures, including access to an external hotline, are described in the Reporting Policy.

Initial conversations with counsellors are used to discuss the matter in a non-judgmental way, without the requirement to file a formal complaint. Confidential counsellors provide support and guidance and assist with formal complaints if requested. All incidents are logged, followed up and reported. In more severe instances an investigation into the matter might be necessary which can be initiated by the CEO, CHRO or the Supervisory Board. In this case an independent research team will be appointed. For smaller offences a (formal) warning is given.

These channels are available for all employees in Alfen's workforce (including non-employees) and are extensively covered in Alfen's Personnel Manual. Alfen's confidential counsellors also offer support for non-work-related issues.

### Governance

The HR department, led by the CHRO, is responsible for implementing diversity and inclusion policies and initiatives. Managers are expected to foster inclusive team environments and are supported through leadership training.

### Metrics, targets, and performance

#### Company level

In 2025, Alfen targeted a 1 percentage point increase in female representation, from 18% to 19%. Following restructuring-related outflows, female representation remained broadly stable at 17%. The same target of 19% has therefore been set for 2026.

Headcount by gender		2025		2024	
Gender	Number	%	Number	%	
Female	166	17 %	192	18 %	
Male	784	83 %	891	82 %	
Other	—	— %	—	— %	
Not reported	—	— %	—	— %	
<b>Total</b>	<b>950</b>	<b>100 %</b>	<b>1,083</b>	<b>100 %</b>	

## Supervisory Board

The Supervisory Board currently has a 50/50 gender split, consisting of 2 women and 2 men, meeting the diversity quota of at least one-third female and one-third male. Alfen aims to maintain this ratio throughout 2026.

Gender diversity SB		2025		2024	
Gender	Number	%	Number	%	%
Female	2	50 %	2	50 %	
Male	2	50 %	2	50 %	
<b>Total</b>	<b>4</b>	<b>100 %</b>	<b>4</b>	<b>100 %</b>	

## Executive Committee

The Executive Committee (refer to section Corporate Governance for definition) composition has changed this year, with the departure of Alfen's CCO and its CHRO (filled temporarily). Of the four currently filled positions, 100% are male.

Alfen is actively reviewing female candidates for its permanent C-suite positions to improve the gender diversity of this committee.

Gender diversity ExCom		2025		2024	
Gender	Number	%	Number	%	%
Female	0	— %	2	40 %	
Male	4	100 %	3	60 %	
<b>Total</b>	<b>4</b>	<b>100 %</b>	<b>5</b>	<b>100 %</b>	

## Sub-top

As allowed under ESRS guidelines, Alfen has chosen its definition of the sub-top (called top management in the ESRS) in order to best align with the intent of the guidelines. In line with the Dutch Diversity Act, Alfen defined its sub-top to cover categories of employees in managerial positions below the Executive Committee. In practice, Alfen has therefore defined the sub-top as 1) executives who report directly to the Executive Committee and lead a team (e.g. N-1); and 2) executives that lead a team and whose direct manager reports directly to the Executive Committee (N-2). Only employees above a certain salary scale are included to best reflect Alfen's sub-top management.

The sub-top, shrank from 58 to 54 employees this year, of which 11% were female, a sharp decline since last year, and is primarily the outcome of changes in

its organisation due to its restructuring. Alfen's ambition is to raise the share of women in these roles to 20% by the end of 2027.

Gender diversity Sub-top		2025		2024	
Gender	Number	%	Number	%	%
Female	6	11 %	11	19 %	
Male	48	89 %	47	81 %	
<b>Total</b>	<b>54</b>	<b>100 %</b>	<b>58</b>	<b>100 %</b>	

## Gender pay gap

The concepts of pay equality and the gender pay gap address different aspects of workplace compensation. Pay equality focuses on ensuring that men and women in comparable roles within the same job classification and salary scale, as defined by Alfen's structured system, receive equal remuneration.

Alfen's own analysis shows that there is no significant gender pay gap for employees performing comparable jobs while performing it for the same number of years.

On the other hand, the gender pay gap as defined by the ESRS represents the disparity in average earnings between male and female employees across Alfen, regardless of the specific roles they occupy. This year the gender pay gap is 10.5%, compared to 8.0% in 2024, which is again attributed to its restructuring and changes in the sub-top. Alfen did not see significant differences between countries. To calculate the gender pay gap, Alfen compared the average hourly earnings of male employees to those of female employees, expressed as a percentage of the average hourly pay for male employees. Calculations include benefits in cash, which is the sum of the base salary and cash allowances, bonuses, commissions, cash profit-sharing, and other forms of variable cash payments as well as long-term variable equity incentive (e.g. granted performance shares).

This approach reveals pay gaps that often arise when men are disproportionately represented in senior roles. Closing this gap will therefore require achieving balanced representation of women across all levels, particularly in leadership positions.

## Total remuneration ratio

The Alfen internal pay ratio is calculated by dividing the compensation of the highest paid individual (currently the CEO) by the median employee

compensation. Employee compensation is constructed according to the same components as the pay gap.

In 2025 it was 8.3x (2024: 9.5x) which is not uncommon in organisations like Alfen's, with the ratio change largely explained through different performances in each year on the STI and LTI incentives.

Alfen does not have a specific target on the internal pay ratio. The internal pay ratio differs from the one published in Alfen's remuneration report - internal pay ratio due to differences in calculation methods prescribed by ESRS and Alfen's governance code. The latter uses the average employee compensation.

## Grievance mechanisms

In 2025, 32 consultations were reviewed through Alfen's grievance mechanisms, largely in line with last year (2024: 36). The number of consultations is the total number of consultations following incidents in the reporting period through the confidential counsellors. Four of these consultations were related to a form of discrimination, mainly harassment in the form of intimidation (2024: 6).

These consultations have been followed up on with appropriate measures. Alfen's commitment to its values, ethical behaviour and providing a workplace without any form of discrimination remain firm. None of the consultations have led to formal complaints, both through internal and external channels. No severe human right incidents reported.

Alfen's grievance mechanisms	2025	2024
Number of consultations confidential counsellors regarding discrimination	4	6
Number of complaints regarding discrimination (includes harassment)	—	—
Number of other consultations confidential counsellor	28	30
Number of other complaints	—	—
Total amount of fines, penalties, and compensation for damages related to these incidents and complaints	€—	€—
Total number of severe human rights incidents	—	—
Total amount of fines, penalties, and compensation for damages related to severe human right incidents	€—	€—

## Own workforce: Training & skills development

### Impacts, risks, and opportunities

Training and skills development at Alfen focus on ensuring that the organisation maintains the capabilities required to remain at the technological forefront of the energy transition. Rapid technological innovation and evolving regulatory requirements make continuous skills development essential, particularly in research and development (R&D) and other technical functions.

Alfen's approach encompasses technical skills, safety-related training and the development of social and professional skills across all organisational levels. A strong learning and development offering also supports Alfen's ability to attract and retain talent in a competitive labour market.

Through training and skills development, employees are supported in maintaining and enhancing their knowledge, performance and employability. This strengthens adaptability to new technologies and regulations, promotes safe working practices, and contributes to job satisfaction, particularly for employees in technical and R&D roles.

In turn, a skilled and adaptable workforce supports innovation, product quality and responsiveness to developments in the energy transition. Strong R&D capabilities contribute to future-proof solutions and long-term financial performance, while reinforcing Alfen's employer attractiveness.

If training and skills development do not keep pace with technological and regulatory change, skill gaps may emerge, particularly in critical technical and R&D functions. This could limit innovation capacity, increase compliance or safety risks and reduce competitiveness. Insufficient development opportunities may also negatively affect employee engagement and retention, increasing operational and business risks in a tight labour market.

To mitigate these risks, Alfen provides training and development resources across all organisational layers through the Alfen Academy, its internal training school, complemented by e-learning as a scalable and cost-effective solution. E-learning supports efficient knowledge sharing, continuous learning and cost management. Over time, a strong focus on training, skills development and career growth strengthens

workforce resilience, innovation capacity and competitiveness in the energy transition.

### Strategy, governance, and action plans

Training and skills development are integral to Alfen's strategy to maintain a highly skilled, adaptable and motivated workforce. By providing structured learning opportunities, Alfen supports the development of employees' technical, professional and personal capabilities, contributing to both individual growth and organisational performance.

Alfen's training policy addresses both mandatory and elective learning needs to ensure employees are equipped for their current roles and future development. The policy covers:

- **Mandatory functional training:** Role-specific training, including safety certifications, technical system training and continuous education (e.g. for legal and finance roles), coordinated by HR.
- **Elective functional training:** Non-mandatory professional skills training, such as language courses or Lean training, initiated by employees or managers through ADAPT. Group sessions are organised where sufficient demand exists.
- **Personal development:** Opportunities such as leadership programmes and diversity training are offered based on employee interest, team needs and managerial approval, informed by performance, ambition, mobility, succession and retention considerations.
- **Mandatory organisation-wide training:** Annual compliance and data security awareness training is required for all employees and delivered via e-learning through the ADAPT platform. Completion rates are monitored and reported to managers and the Management Board.

In addition, the Alfen Academy addresses the scarcity of skilled technical personnel through apprenticeship programmes in cooperation with Deltion College. These programmes combine practical training with formal education and support a sustainable pipeline of technical talent. The Academy also manages technical training facilities and apprenticeships, strengthening governance and ensuring continued skills development. In 2025, 20 Alfen Academy students obtained their diplomas (2024: 22).

Performance management, as described in the personnel handbook, emphasises continuous development through structured feedback and goal setting. The performance cycle includes three formal

interactions each year: a target-setting meeting, a mid-year development check-in and a year-end appraisal. These discussions inform Personal Development Plans (PDPs) and support the identification of employees for advanced training and career development opportunities.

Overall responsibility for training, skills development and performance management policies rests with the CHRO.

### Developing Alfen's workforce

Operating in a highly innovative and safety-critical industry requires continuous monitoring and development of employee skills, covering technical expertise, safety requirements related to working with electricity, and professional and personal capabilities.

In 2026 Alfen will first finish the review of its job classifications, which will form the basis for updating the skills matrix and developing predefined development paths for functional groups.

In 2024, Alfen introduced a standardised onboarding programme for new employees. Participation increased significantly, and from 2026 onwards Alfen aims to onboard 100% of new employees in the Netherlands through this programme. The onboarding includes a full day of group training combined with online courses, covering topics such as the Code of Conduct, unconscious bias and data security awareness.

In addition, all employees with a laptop are required to complete annual online Code of Conduct and data security awareness training. Upon completion, certification is recorded in ADAPT, Alfen's learning and development system.

### Metrics, targets, and performance

#### Training and development

E-learning is widely used to support employees in preparing for and performing their roles at Alfen. In 2025, the average number of training hours per employee was 21 (2024: 29), with higher training hours for men. The decline reflects the inclusion of Elkamo employees in 2025 (2024 figures excluded Elkamo) and a temporary reduction in completed training following restructuring.

Training hours		2025		2024	
Gender	Total hours	Per employee	Total hours	Per employee	
Female	2,482	15	5,045	27.7	
Male	17,366	22.2	24,019	29.4	
<b>Total</b>	<b>19,848</b>	<b>20.9</b>	<b>29,064</b>	<b>29.0</b>	

### Performance management

Alfen continues to refine its performance management approach to ensure development conversations contribute meaningfully to personal development and long-term career growth. For 2026, Alfen aims for participation rates of over 95% for at least one performance conversation and over 80% for two conversations.

Performance management		2025		2024	
Gender	Completed reviews, #	% of employees	Completed reviews, #	% of employees	
Female	147	89 %	154	85 %	
Male	732	93 %	694	85 %	
<b>Total</b>	<b>879</b>	<b>93 %</b>	<b>848</b>	<b>85 %</b>	

In 2025, 93% of employees participated in the performance cycle as defined by the ESRS of employees participated in the performance cycle as defined by ESRS, meaning they had at least one performance conversation (2024: 85%). Participation rates did were slightly higher for men versus women. The 2024 figures did not include Elkamo employees.

### Workers in the value chain: Health & safety and Forced labour

Alfen considers that workers across its value chain should have access to fair working conditions, equal treatment and other fundamental labour rights. Alfen's value chain extends from upstream raw material suppliers, with whom Alfen often does not have direct contractual relationships (tier 2+), through to direct suppliers and logistics providers, and further downstream to customers, end-users and third-party technicians who operate or repair Alfen's products.

For the purpose of this disclosure, value chain workers are defined as all third-party workers who are not under Alfen's direct managerial oversight. The fact that many of Alfen's business partners are based in Europe generally contributes to stronger labour

protections. However, for suppliers operating further upstream or outside Europe, oversight is more challenging, and risks related to health and safety or forced labour may arise.

Both health and safety and forced labour are therefore assessed as material topics for value chain workers. While impacts, risks and opportunities are described separately below, strategy, governance and action plans are combined, as the underlying approach is the same. At this stage, Alfen will focus on further developing its approach before setting metrics and targets.

Both the use of forced labour and health & safety issues in Alfen's value chain have the potential to substantially impact its business model; were it to tolerate such practices it could face substantial financial risks such as legal penalties, reputational damage, and regulatory interventions in its operations.

Consequently, rather than address them as individual topics with suppliers and develop separate strategies, Alfen addresses these (and other) topics together in its Supplier Code of Conduct policy. This policy is Alfen's overarching approach to mitigating and monitoring material risks related to value chain workers. In its approach and policy, Alfen does not differentiate its understanding of the impacts, risks and opportunities between different demographics.

### Health & safety: Impacts, risks and opportunities

Low health and safety standards, or insufficient enforcement thereof, can have immediate and severe impacts on value chain workers in the event of an incident. Given the electrical nature of Alfen's products, such incidents could result in serious injury or harm, which is why this topic is considered material.

From Alfen's perspective, inadequate health and safety practices within the value chain may result in financial risks, including costs related to workplace accidents, workers' compensation claims, legal liabilities, higher insurance premiums and reputational damage. While the potential impact is high, the likelihood of such risks materialising is currently assessed as low.

In addition, association with suppliers or service providers involved in serious health and safety incidents may negatively affect Alfen's reputation

both upstream and downstream. Customers may avoid products linked to unsafe practices, while downstream risks are particularly relevant given that Alfen's products are operated and maintained by technicians working with live electrical systems.

Alfen does not identify specific business opportunities related to this topic, as effective health and safety practices are considered a baseline expectation for all market participants.

### **Other work related rights: Forced labour: Impacts, risks and opportunities**

Certain materials and components within global supply chains originate from countries or regions with elevated human rights risks, including the potential use of forced labour. Without adequate supply chain due diligence, procurement from such regions may directly or indirectly contribute to these practices.

The negative impacts of forced labour on affected workers are severe, involving exploitation, abuse, violations of fundamental human rights and significant physical and psychological harm. Although the number of workers potentially affected within Alfen's value chain is expected to be very limited, the severity of the impact leads Alfen to assess this topic as material.

Engagement with suppliers that use or tolerate forced labour also poses significant risks to Alfen, including legal sanctions, reputational damage and potential operational disruptions due to regulatory intervention or public scrutiny. Any suspected incidents are therefore taken seriously and investigated thoroughly.

As with health and safety, Alfen does not identify opportunities related to forced labour, as the absence of forced labour is considered a "license to operate" and a minimum expectation from customers, regulators and other stakeholders.

### **Strategy, governance, and action plans**

#### **Alfen Supplier Code of Conduct**

Alfen's primary instrument for managing risks related to value chain workers is its Supplier Code of Conduct, which is publicly available and applies to all suppliers, contractors and business partners.

The Code is based on the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and relevant ILO standards.

It sets expectations for ethical and responsible business conduct, covering human rights, labour conditions (including health and safety), environmental practices and fair business behaviour. By aligning the Code with international frameworks, Alfen aims to ensure that the interests of value chain workers are adequately reflected throughout the supply chain.

Specifically, the Code addresses non-discrimination, freedom of association and collective bargaining, labour conditions, child labour and modern slavery, including forced labour and human trafficking. In 2025, no severe human rights incidents or material negative impacts on value chain workers were reported, based on definitions from the UN, ILO and OECD frameworks.

Compliance with the Supplier Code of Conduct is mandatory for all relevant business partners. Responsibility for enforcement lies with the Director of Purchasing, whose department manages supplier relationships and conducts audits of critical suppliers.

#### **Mitigating potential impact in the value chain**

To reduce the likelihood of negative impacts on value chain workers, Alfen regularly evaluates its suppliers and has strengthened its Supplier Risk & Audit Approach.

In addition, Alfen operates on a denied party screening basis, whereby each customer and supplier ("trade partners"), whether new, ongoing, or to be re-activated, are screened on a step-by-step basis. Alfen's standard procedure is that each new and to be re-activated trade partner is screened against credit level, possible sanctions CPI Index and more.

For existing trade partners, a constant monitoring regular process will be integrated. Screening covers factors such as credit risk, sanctions lists and corruption-related indices and is supported by the GraydonCreditsafe tool, which provides automated checks against global sanctions and Politically Exposed Persons (PEPs) lists. This process was formalised in early 2025, with continuous monitoring for existing trade partners being progressively integrated.

For critical suppliers, audits are conducted by the Purchasing department and increasingly in cooperation with the Sustainability department. Audit findings are documented and retained internally, supporting follow-up where needed.

#### **Engaging with workers in the value chain**

Alfen has not yet adopted a general process to structurally engage with workers in the value chain about impacts, nor are there currently channels set up for value chain workers to raise concerns or grievances. Whilst Alfen recognises that it don't directly incorporate the perspectives of value chain workers into both activities aimed at managing the actual/potential impacts on value chain workers and as well as its broader business model, Alfen aims to do this by proxy through its external DMA review.

In addition, Alfen currently does not have targets related to managing the identified negative impacts and risks or to track performance of its suppliers on these topics; Alfen will going forwards review the feasibility and benefit of doing so.

#### **Actioning issues in the value chain**

Whilst Alfen is strongly committed to complying with its Code of Conduct and reducing negative impacts on its value chain workers, Alfen acknowledges that there is scope to further formalise how material impacts on value chain workers are identified, addressed and monitored.

Currently, the Purchasing department proactively conducts supplier audits and assesses concerns raised by third parties, such as media reports. Where issues are identified, appropriate measures may be taken, including the use of commercial leverage or, where necessary, termination of supplier relationships. To date, no supplier relationships have been terminated for this reason. Decisions are currently taken on a case-by-case basis.

Looking ahead, Alfen aims to develop a more systematic approach to tracking actions and outcomes related to value chain risks. In situations where supplier relationships may be terminated, Alfen will also consider potential adverse impacts on value chain workers and how these could be mitigated.

Future developments, including the implementation of the Corporate Sustainability Due Diligence Directive (CSDDD), are expected to further shape Alfen's approach to managing impacts, risks and governance related to workers in the value chain.

# Governance information

## Introduction to governance information

For Alfen, maintaining high ethical standards is essential not only to comply with regulatory requirements but also to build trust with stakeholders, including employees, customers, suppliers, investors and the communities in which it operates.

Ethical business conduct is the foundation for sustainable, long-term value creation. It guides its decision-making, strengthens lasting relationships with stakeholders, and fosters a sustainable, value-driven culture. By integrating ethical principles into every aspect of its business, Alfen aims to navigate challenges, seize opportunities, and contribute positively to society and the environment.

The outcome of the DMA highlights corporate culture, including the protection of whistleblowers and the prevention of corruption and bribery, as a material topic. Policies are developed and maintained to support a healthy corporate culture, strong performance and compliance. Alfen's policies include a range of procedures that guide ethical business conduct, including a Code of Conduct with specific anti-corruption and anti-bribery provisions.

Regarding its governance policies on anti-corruption and anti-bribery, no irregularities were identified in 2025.

## Material governance topics and related IROs

### Corporate culture

Corporate culture refers to the values, beliefs, behaviours, and norms within an organisation that shape its overall functioning and decision-making processes. A strong corporate culture is an essential prerequisite for sound corporate governance.

A strong corporate culture and a safe work environment are essential for an engaged and motivated workforce, while also enhancing the attraction and retention of talent. A strong corporate culture drives ethical and sustainable business practices, strengthens employee morale, and enhances reputation. Alfen mitigates risks related to unethical behaviour through its shared values and Code of Conduct.

In a strong corporate culture, openness and transparency are encouraged. Alfen encourages employees to raise concerns about suspected violations of ethical business conduct, applicable laws and regulations, the Code of Conduct or related internal policies and procedures. Alfen protects those who raise concerns or report suspected violations and does not tolerate retaliation against individuals who report in good faith. Openness, transparency and fairness embedded in the corporate culture help prevent and mitigate harm to the environment and public health.

The prevention and detection of corruption and bribery also serves as part of the foundation for a strong corporate culture. Alfen takes a zero-tolerance approach to corruption and bribery. Alfen's commitment to prevent corruption and bribery have been recorded in the Code of Conduct and related policies.

Guidance and training are provided to employees to help them recognise compliance dilemmas and raise suspected misconduct or irregularities. This approach not only mitigates legal and reputational risks but also strengthens Alfen's reputation, helping attract ethically minded investors and partners and potentially opening access to markets where responsible and ethical business practices are valued. Failure to prevent or detect corruption and bribery may lead to legal sanctions, fines, reputational damage, operational disruptions and resulting financial losses.

## Business conduct – Business ethics and corporate culture

### Strategy, governance, and action plans

While our board and senior management are responsible for fostering and enforcing a culture of honesty and ethical behaviour to ensure business is conducted in a sustainable manner, this responsibility must be embraced by each individual across Alfen.

Beyond the importance of formalised policies and procedures, Alfen is convinced that a culture of integrity starts with the right mindset and leadership example setting the tone at the top.

### Code of Conduct

The Code of Conduct provides principles of ethical behaviour and is an essential part of its corporate culture. The Code of Conduct contains obvious and universal standards and expected behaviour for all employees and helps to create a safe and respectful environment for every individual. The Code of Conduct includes key topics such as integrity, gifts and hospitality, anti-bribery and anti-corruption, corporate social responsibility, health and safety and is made readily available to all (including new) employees and can be accessed on Alfen's intranet and corporate website.

Departments involved in multinational supply chain, such as Strategic Purchasing, are classified as 'at risk functions'.

Adherence to the Code of Conduct is incorporated into employment agreements and compliance is reinforced through e-learning and in-person training for identified 'at risk functions' like Strategic Purchasing.

Last year, Alfen made its Code of Conduct e-learning (which also covers corruption, bribery and insider trading) mandatory on an annual basis for all employees with an Alfen e-mail address, including its Management Board and Supervisory Board. This year, the target group was 840 employees, with a completion rate of 66%.

No violations with the Code of Conduct were reported in the financial year 2025 (2024: no violations were reported).

### Whistleblower protection

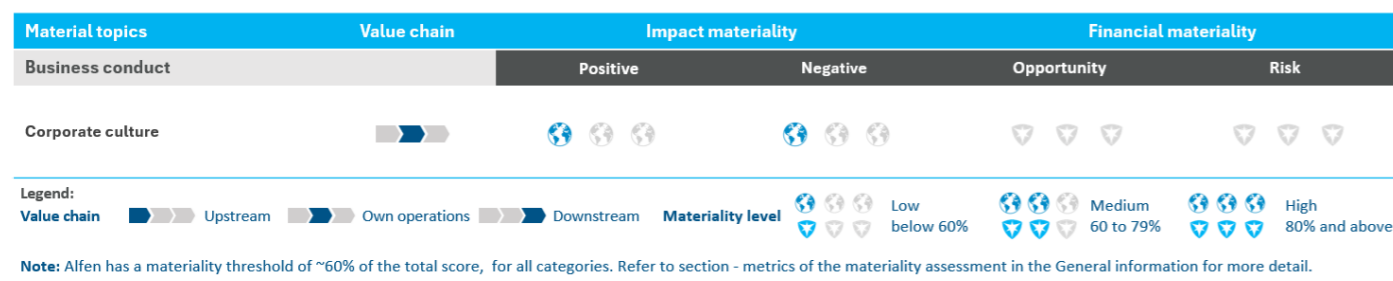
Alfen employees (as well as third parties) are encouraged to report irregularities or suspected violations of the Code of Conduct, applicable laws, safety policies, environmental standards, or any other forms of misconduct without jeopardising their position. Alfen's Whistleblower Policy, available on Alfen's intranet and corporate website, guarantees protection against reports made in good faith.

Reporting of such instances by Alfen employees and third parties can be either to designated independent 'persons of trust', which are not part of day-to-day (line)-management (for employees only). In 2026 the option for complete anonymity through a prescribed website (for both employees and third parties) will be developed. Whistleblower cases are assessed by the Compliance Committee. Depending on the nature and severity of the case, disciplinary actions can be taken. The number of reports and the status, if any, are reported to the Management Board and Supervisory Board.

No violations or irregularities were reported under the Whistleblower Policy in financial year 2025 (2024: no violations or irregularities were reported).

### Insider trading

Alfen continues to adhere to its implemented regulations covering security transactions by the members of the Management Board and Supervisory Board, the Executive Committee, independent contractors and other designated employees that have insight into market-sensitive information. The Insider Trading policy is published on Alfen's intranet and website.



During the financial year 2025, questions were asked about the Insider Trading policy and addressed by the Compliance Officer. Furthermore, and as previously described, the insider trading e-learning (part of Code of Conduct e-learning), became mandatory for everyone within Alfen that has an e-mail address, including its Supervisory Board.

No violations or irregularities were reported in financial year 2025 (2024: no violations or irregularities were reported).

#### **Anti-corruption and anti-bribery**

Alfen operates a multinational supply chain and primarily conducts business in jurisdictions that are ranked higher on the CPI. Alfen is committed to conducting its business fairly, transparently and with integrity, while applying the highest ethical and legal standards.

Alfen does not permit, offering, giving or authorising bribes nor engaging in any other form of unethical business practice.

Alfen's corruption and bribery policies are incorporated into the Code of Conduct and the Supplier of Code of Conduct. Any alleged violation of Alfen's anti-corruption or anti-bribery rules and procedures can be reported through its Whistleblower process and is subsequently investigated by the Compliance Committee. Alfen has a zero-tolerance policy for bribery and corruption incidents.

Alfen does not intend to engage in business with governments, municipalities located, or customers in countries with high CPI scores that are associated with corruption or bribery. This is embedded in its day-to-day operations through its Know Your Customer ('KYC') procedure and related approval process. The identification and monitoring of corruption and bribery risks are part of its annual fraud risk assessment process (see risk management section for more details).

No violations or irregularities with the corruption and bribery policies were reported in financial year 2025 (2024: no violations or irregularities were reported). Similarly, no convictions for violation of anti-corruption and anti-bribery laws were reported (2024: no convictions).

