

No 105513/09.12.2025

Submitted for analysis and approval in the OGMS of 28/29 January 2026

Report

on the approval of the Consolidated sustainability reporting policy

SUMMARY

SNTGN Transgaz SA, as the strategic operator of the national natural gas transmission infrastructure and a company listed on the Bucharest Stock Exchange, is strengthening its commitment to transparency, accountability, and sustainable development by adopting a consolidated sustainability reporting policy.

The consolidated sustainability reporting policy establishes the framework for annual reporting of ESG performance at a consolidated level, covering both own operations and the impact across the entire value chain, including subsidiaries Eurotransgaz, Vestmoldtransgaz, and Petrostar. Reporting is carried out in accordance with the European Sustainability Reporting Standards (ESRS) and aims to ensure transparency, comparability, and verifiability for all stakeholders: shareholders, authorities, investors, employees, business partners, and local communities.

PROPOSAL

We submit for approval to the Ordinary General Meeting of Shareholders of SNTGN Transgaz SA, pursuant to the provisions of Art. 15, paragraph (3) letter a of the updated Articles of Incorporation of SNTGN Transgaz SA, the Consolidated Sustainability Reporting Policy.

Detailed content

Considering the provisions of the Bucharest Stock Exchange Corporate Governance Code, applicable as of 1 January 2025, as well as the status of SNTGN Transgaz SA as a Premium Category listed company, the Company is required to adapt and update its corporate governance practices in accordance with the new regulatory framework. In this context, the Consolidated Sustainability Reporting Policy contributes to compliance with the provisions of Principle E1, point 2 of the BSE Corporate Governance Code (version 2025), which stipulates that the company's operations must be conducted in accordance with

national and international environmental and social standards, based on appropriate internal policies and procedures.

The applicable legal framework comprises Directive (EU) 2022/2464 of the European Parliament and of the Council (CSRD), Order of the Minister of Finance No. 85/2024, Regulation (EU) 2020/852 establishing a framework to facilitate sustainable investment (EU Taxonomy), Law No. 11/2017 on non-financial reporting, as well as the European Sustainability Reporting Standards (ESRS). These regulations provide the framework for consolidated sustainability reporting, covering both retrospective and prospective aspects, in the short, medium, and long term.

The policy's action lines include, among other things, running regular ESG training programs, building an organizational culture based on innovation and responsibility, and publishing an annual consolidated sustainability report in an accessible digital format and, where appropriate, in multiple languages. The policy also provides for the regular review of the double materiality analysis methodology, continuous monitoring of relevant legislative and market changes, and automation of data collection and reporting processes to ensure the traceability and accuracy of the information reported.

Monitoring and evaluation of policy implementation will be carried out annually, and the results will be reflected in the consolidated sustainability report, a public document accessible to all stakeholders. The reporting process will be subject to independent external audit to ensure the compliance and accuracy of the reported data.

The policy will be communicated internally to all employees and published on the internal platform and on the company's website, in the Corporate Governance section, ensuring easy access to relevant information for all categories of stakeholders and strengthening the confidence in Transgaz' commitments on sustainability.

Attached herewith:

Consolidated Sustainability Reporting Policy

Chairman of the Board of Administration

Nicolae MINEA



S.N.T.G.N. TRANSGAZ S.A. CONSOLIDATED SUSTAINABILITY REPORTING POLICY

Responsibility for the future: sustainable performance, transparency in reporting, and commitment to environmental, social, and governance factors.

SNTGN TRANSGAZ SA CONSOLIDATED SUSTAINABILITY REPORTING POLICY
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I. Introduction

This policy defines the framework for consolidated reporting of ESG (environmental, social, governance) performance by SNTGN Transgaz SA and the companies in which it is the majority shareholder, in accordance with the requirements of *Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU as regards sustainability reporting by companies (CSRD) and Order of the Minister of Finance No. 85/2024 (OMF 85/2024)*.

The policy reflects the commitment of SNTGN Transgaz SA to integrate sustainability principles into all its activities and to ensure transparency and accountability towards stakeholders – shareholders, authorities, investors, employees, business partners, and local communities.

The policy implementation begins on the date of approval by the Ordinary General Meeting of Shareholders and concerns SNTGN Transgaz SA, including its subsidiaries Eurotransgaz and Vestmoldtransgaz in the Republic of Moldova, Petrostar SA, as well as the entire value chain, from suppliers to contractual partners. Sustainability reporting is carried out in accordance with the European Sustainability Reporting Standards (ESRS), covering both own operations and the impact on the entire value chain, with a retrospective and prospective approach, in the short, medium, and long term.

The Consolidated Sustainability Reporting Policy (CSRP) responds to the need to ensure transparent, comparable, and verifiable reporting of sustainability performance, both to support responsible investment decisions and to contribute to the achievement of European objectives for the transition to a climate-neutral economy and sustainable development.

CSRP aims to ensure compliance with the highest standards of business conduct, minimize climate change risks, and maximize positive impact on the environment and society.

Through this policy, SNTGN Transgaz SA consolidates its leading role in the Romanian energy sector in terms of sustainability reporting and performance, promoting innovation, digitalization, and collaboration with all stakeholders for a sustainable future.

II. Current situation

Transgaz, as the strategic operator of the national natural gas transmission infrastructure, is in a continuous process of aligning itself with the best international and European practices regarding consolidated sustainability reporting. The company recognises the importance of integrating ESG (environmental, social, governance) criteria into all business processes and decisions, both for its own operations and for the entire value chain, in line with stakeholder expectations and new regulatory requirements.

Transgaz currently has a robust corporate governance system in place, with dedicated structures for managing risks and opportunities associated with sustainability, as well as processes for consulting and engaging stakeholders.

From a performance perspective, SNTGN Transgaz SA monitors and reports on relevant indicators regarding environmental impact (greenhouse gas emissions, energy efficiency, resource consumption), social aspects (working conditions, safety, diversity, and inclusion), and governance (ethics, compliance, transparency in decision-making). The climate and decarbonisation strategy of SNTGN Transgaz SA, finalised with the support of the European Investment Bank (EIB), sets dual objectives of reducing greenhouse gas emissions and adapting to climate risks by upgrading infrastructure and integrating low-emission gases. The company has also initiated projects to reduce its carbon footprint, upgrade infrastructure for the integration of low-carbon gases, and promote technological innovation.

However, there are challenges related to extending reporting across the entire value chain, strengthening internal ESG data analysis capabilities, and rapidly adapting to legislative developments and the increasingly high expectations of investors and the community. Transgaz continues to invest in employee skills development, digitalization, and collaboration with partners to ensure relevant, comparable, and verifiable sustainability reporting at a consolidated level.

III. Legal reference framework

Within SNTGN Transgaz SA, consolidated sustainability reporting is based on a legal framework that integrates both national legislation and relevant European regulations. This framework ensures compliance with current requirements for transparency and accountability in the field of sustainability.

The national legal framework for sustainability reporting is consolidated by **Law No. 11/2017**, as amended and supplemented, which regulates the structure of the sustainability report and the responsibilities of entities in collecting and validating ESG data. **Order of the Minister of Public Finance No. 85/2024 (OMF 85/2024)** transposes the **CSRD Directive (EU) 2022/2464** into Romanian law and establishes the framework for consolidated sustainability reporting, including materiality criteria, external verification requirements, and the implementation timetable for Romanian companies

The applicable European legal framework comprises **Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU with regard to sustainability reporting by companies**, which requires extensive and detailed reporting on environmental impact, social aspects and corporate governance, including across the value chain, and **Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088**, which defines the criteria for sustainable economic activities and the reporting requirements for the alignment of investments with those criteria

IV. Problem definition

The consolidated sustainability reporting policy for SNTGN Transgaz SA addresses a number of structural and operational challenges that reflect both the specific nature of the energy sector and the complexity of regulatory requirements at national and European level.

A major aspect is the sector-specific risks of the energy industry, such as the transition to low-carbon technologies, which requires the constant recalibration of performance indicators, the adaptation of infrastructure, and the development of new skills among staff. These risks are amplified by economic volatility, legislative uncertainties, pressure for accelerated decarbonisation and the need to manage the social and economic impact of technological transformations.

Sustainability reporting also involves integrating and harmonizing multiple standards and requirements—national, European, and international—which can lead to overlaps, ambiguities, or interoperability difficulties between reporting systems.

Through this policy, the Company aims to respond to these challenges, reduce compliance gaps, and create the conditions for consolidated, transparent, and relevant reporting that supports strategic decisions and contributes to the sustainable development of the company and the energy sector.

V. Objectives:

Transgaz' consolidated sustainability reporting policy sets out the following strategic and specific objectives, aligned with both European and national requirements, as well as with stakeholder expectations and the specific nature of the energy sector:

Strategic objectives:

- Preparing the annual sustainability report, in accordance with the provisions of the legislation in force;
- Integrating the principles of double materiality into reporting processes, so that both the impacts of SNTGN Transgaz SA on the environment and society and the ESG risks/opportunities on the company's performance are reflected, with annual review;
- Developing and implementing a centralized digital system for collecting, monitoring, and reporting ESG data at a consolidated level, covering at least 80% of relevant indicators by 2028;
- Promoting an organizational culture focused on sustainability, innovation, and responsibility, with the active involvement of all stakeholders;
- Continuously improving the double materiality assessment methodology, with annual updates taking into account stakeholder feedback and legislative changes;
- Maintaining the transparency and accessibility of ESG reports by publishing them in digital and multilingual format, annually, on dedicated platforms.

Specific measurable objectives:

- Reducing greenhouse gas emissions (including methane) by at least 30% until 2030, compared to the 2020 baseline, in line with the decarbonization and climate strategy of SNTGN Transgaz SA;
- Digitisation of ESG data collection and reporting processes by at least 80% until 2028;
- Training of all relevant employees in ESG reporting and sustainability standards, with 100% coverage until 2028.

VI. Lines of action

In order to ensure sustainable progress, relevant and effective reporting, as well as continuous alignment with current sustainability requirements, SNTGN Transgaz SA will implement the following lines of action:

- Implementing recurring professional training programs for employees, focused on ESG standards and requirements, the principle of double materiality, and best practices in annual sustainability reporting;
- Strengthening an organizational culture based on innovation, responsibility, and active involvement, which supports the achievement of sustainability objectives;
- Annual publication of the consolidated sustainability report in an accessible digital format, including sections dedicated to key performance indicators and progress made towards the targets set;
- Annual review of the double materiality analysis methodology and reporting processes to ensure compliance with new legislative regulations and relevant international standards.;
- Continuous monitoring of legislative, technological, and market changes, with proactive adjustment of internal policies and procedures, depending on the context;
- Automation of data collection and reporting processes to generate reports that comply with ESRS requirements and the EU Taxonomy Regulation, thus ensuring the traceability and accuracy of reported information.

These lines of action will be subject to a regular process of monitoring, evaluation, and adjustment.

VII. Results and indicators

The consolidated sustainability reporting policy within Transgaz aims to achieve clear, quantifiable, and relevant results, in accordance with the requirements of Order No. 85/2024 of the Minister of Public Finance and the European Sustainability Reporting Standards and international best practices. The results and indicators are structured around the three ESG pillars (environmental, social, governance) and cover both our own performance and our impact on the value chain in the short, medium, and long term.

The implementation of the proposed actions will lead to transparent, comparable, and verifiable ESG reporting at group level, including both Transgaz' activity and that of its subsidiaries. This

integrated approach will strengthen the resilience of the business model and organizational strategy towards sustainability-related risks and opportunities.

At the same time, Transgaz aims to optimize its alignment with the rigorous legal requirements in force and the increasingly demanding expectations of stakeholders regarding the impact of its activities on the environment, society, and corporate governance. By continuously improving internal processes for collecting, analyzing, and reporting ESG data, the organization will increase the accuracy, efficiency, and relevance of the information provided.

These actions will also contribute to the development of an organizational culture deeply focused on sustainability, responsibility, and innovation as defining elements of long-term performance.

VIII. Budgetary implications

The effective implementation of the sustainability reporting process requires the allocation of dedicated human resources, including sustainability experts, analysts, and other specialists responsible for collecting, validating, and analyzing relevant data. It is also essential to organize regular training and professional development programs to ensure that the staff involved in the reporting process have the necessary skills.

In order to guarantee the quality, accuracy, and compliance of reports with legal requirements and international standards, it is necessary to use specialized consulting and external audit services. These include mandatory independent audits, in accordance with the provisions of Order of the Minister of Finance No. 85/2024.

The reporting process also involves a number of operational and administrative costs associated with managing internal activities, communicating with stakeholders, and constantly reviewing and updating the methodologies, procedures, and tools used.

IX. Communication

The consolidated sustainability reporting policy will be communicated both internally and externally, through a transparent, structured approach tailored to various categories of stakeholders, in order to ensure easy access to relevant information and strengthen confidence in the sustainability commitments of Transgaz.

The policy is communicated to all employees via email and is published in the Public Area—an internal platform for distributing and storing official documents. Externally, it will be published on the company's website, www.transgaz.ro, in the Corporate Governance section.

X. Monitoring and evaluation

The implementation of this policy will be subject to a rigorous annual monitoring and evaluation process, in accordance with legal requirements and international sustainability standards. The results of the monitoring and evaluation process will be presented in the Consolidated

Sustainability Report, a public document accessible to all stakeholders, which reflects the progress made and future directions for action.

The policy will be updated regularly, based on feedback from stakeholders and findings from the assessment process, in order to increase the efficiency and relevance of internal processes. The company will conduct an annual reassessment of material topics, in accordance with the methodology set out in the ESRS standards, actively involving stakeholders in this process.

The reporting process will be subject to independent external auditing by specialized bodies in accordance with applicable legislation to ensure the accuracy, integrity, and compliance of data and related processes.

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