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Report
on the approval of the Diversity Policy of the Board of Administration and Executive Management

SUMMARY

By the revision of the Corporate Governance Code by the Bucharest Stock Exchange (BSE) and the European Bank for Reconstruction and Development (EBRD), aligning it with recent regulatory changes, current international standards, and market participants' priorities, a series of regulations and amendments are envisaged for listed companies, including:

- The obligation to draw up a **Diversity Policy of the Board of Administration and Executive Management** ;
- **The Diversity Policy of the Board of Administration and Executive Management** must be submitted to a vote by shareholders, revised upon each significant change and at least once every four years, and published on the company's website.

PROPOSAL

- Pursuant to the provisions of Chapter V, Article 15, paragraph 3, letters a and w of the **updated Articles of Incorporation**;
- Pursuant to the provisions of **Principle A2** of the **BSE Corporate Governance Code, updated in 2025**, there is a requirement to develop a policy to ensure *an appropriate balance of skills, experience, gender diversity, knowledge, and independence at the Board level in order to effectively fulfil its duties and responsibilities*.

We submit for approval the **Diversity Policy of the Board of Administration and Executive Management by the Ordinary General Meeting of Shareholders**.

DETAILED CONTENT

The Board of Administration of SNTGN TRANSGAZ S.A. operates in accordance with the provisions of Government Emergency Ordinance No. 109/2011 on the corporate governance of public companies, as amended and supplemented, Company Law No. 31/1990, republished, as amended and supplemented, the Articles of Incorporation of SNTGN "TRANSGAZ" S.A., as updated, the Corporate Governance Code of the Bucharest Stock Exchange, and the Rules of Organization and Operation. The Board of Administration has established a Nomination and Remuneration Advisory Committee, which develops the ***Diversity Policy for the Board of Administration and Executive Management*** (the "Policy").

The corporate governance codes are an important element of the corporate governance framework. The purpose of the Bucharest Stock Exchange Corporate Governance Code is to promote effective governance and accountability in companies whose shares are admitted to trading on the regulated market of the Bucharest Stock Exchange. Firstly, ensuring that a company's board of administration and management have the necessary power and responsibilities, as well as the skills, experience, and objectivity required to perform their duties, is essential for the effective development of the company's strategy and the supervision of its implementation.

Thus, according to the provisions of **Principle A.2. of the Corporate Governance Code – revised edition 2025**, the Board must have an adequate balance of skills, experience, gender diversity, knowledge, and independence in order to effectively fulfil its duties and responsibilities.

Therefore, at the Board level, there should be a policy on diversity of the Board and executive management and ensure that diversity in terms of gender, age, experience, and skills is incorporated into the Nomination Policy.

The purpose of this policy is to establish a coherent and sustainable framework for preventing and eliminating all forms of discrimination and promoting a professional environment in which members of the Board of Administration and the executive management team, regardless of sex, gender, age, ethnicity, sexual orientation, disability, religion, social status, or personal beliefs, have equal access to opportunities, development, and professional recognition within S.N.T.G.N. Transgaz S.A.

The Diversity Policy for the Board of Administration and Executive Management is a dynamic tool, subject to ongoing monitoring and regular review.

S.N.T.G.N. Transgaz S.A., a company traded on a regulated market, has to meet one of the following objectives:

- a) Members of the underrepresented gender shall hold at least 40% of the non-executive administrator positions.
- b) Members of the underrepresented gender should hold at least 33% of all administrator positions, both executive and non-executive administrators.

The number of non-executive administrators deemed necessary to achieve the objective set out in (a) is the number closest to 40%, but not exceeding 49%.

S.N.T.G.N. Transgaz S.A. considers that the compliance with diversity and inclusion is not only a legal responsibility, but also a strategic commitment to the sustainable development of the company. In a

dynamic European economy, long-term success is directly linked to an organization's ability to leverage diversity, cultivate a climate of inclusion, and build relationships based on trust and fairness.

Annex: **The Diversity Policy for the Board of Administration and Executive Management**

Chairman of the Board of Administration

Nicolae MINEA

BOARD OF ADMINISTRATION

Nomination and Remuneration Committee

Diversity Policy of the Board of Administration and Executive Management



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1. Introduction

Diversity is an essential factor in the sustainable and successful development of any organization. This policy aims to promote an inclusive framework within the management structures of SNTGN Transgaz SA, ensuring balanced representation based on criteria such as gender, age, professional experience, skills, cultural backgrounds, and other relevant factors.

The policy is applicable for the period 2025–2029 and may be reviewed annually.

Diversity in leadership structures is an essential factor for effective and responsible corporate governance. In the current context of globalization, socio-economic changes, and increased pressure from investors and regulators to apply ESG principles, companies are called upon to reflect the diversity of the company they serve in their leadership structures.

Through this policy, our organization is committed to creating a strategic, operational, and value-based framework for integrating diversity and inclusion principles at the Board of Administration (BoA) and executive management team levels.

Equal opportunities and treatment are a fundamental right and one of the core values promoted internationally and at European Union level, as enshrined in the Universal Declaration of Human Rights and the Treaty on the Functioning of the European Union, consolidated version.

S.N.T.G.N. Transgaz S.A., as a strategic operator in the national and European energy sector, undertakes to promote a working environment in which every person is treated with respect, fairness, and dignity. In a constantly changing society, equal opportunities and gender equality are not only a legal obligation, but also an expression of our commitment to sustainable progress, diversity, and inclusion.

In accordance with the European Union Strategy on Gender Equality for 2020-2025, the National Strategy on Promoting Equal Opportunities and Treatment between Women and Men and Preventing and Combating Domestic Violence for 2021-2027, Law No. 202/2002 on equal opportunities between women and men, republished, as amended and supplemented, and the provisions of the Labour Code (Law No. 53/2003, republished, as amended and supplemented), The **Diversity Policy of the Board of Administration and Executive Management** defines the principles and directions of action through which S.N.T.G.N. Transgaz S.A. supports equity in all its internal and external processes.

This policy supports the company's commitment expressed in the Collective Labor Agreement, Internal Regulations, Code of Ethics, and General Policy Statement, and is backed by concrete measures and actions presented in the company's Annual Sustainability Report. Transgaz understands that diversity generates added value and is essential for adapting to the challenges of Europe's energy future.

The implementation of the **Diversity Policy by the Board of Administration and the Executive Management** is subject to regular monitoring and evaluation, which contributes to improving the directions of action in this area and, implicitly, to strengthening responsibility towards human resources and ensuring effective management of the company.

2. Current situation

An internal assessment of the current composition of the Board of Administration and the executive team shows a balanced representation in terms of gender (60% men, 40% women), age (predominantly over 50) and professional experience.

This balance stimulates innovation, strategic adaptability, and the ability to understand the complexity of today's markets.

3. Regulatory framework

National legislative context

- The Constitution of Romania;
- Company Law No. 31/1990, republished, as amended and supplemented;
- Decree No. 342/1981 ratifying the Convention of 18 December 1979, on the elimination of all forms of discrimination against women;
- Law No. 210/1999 on paternity leave, as amended and supplemented;
- Ordinance No. 137/2000 on the prevention and punishment of all forms of discrimination, republished, as amended and supplemented;
- Law No. 202/2002 on equal opportunities and treatment between women and men, republished, as amended and supplemented;
- Law No. 53/2003 on the Labour Code, republished, as amended and supplemented;
- Law No. 24/2017, republished, on issuers of financial instruments and market operations, as amended and supplemented;
- Government Emergency Ordinance No. 96/2003 on the protection of maternity at work, as amended and supplemented;
- Government Emergency Ordinance No. 67/2007 on the application of the principle of equal treatment between men and women in occupational social security schemes;
- Government Emergency Ordinance No. 61/2008 on the implementation of the principle of equal treatment between women and men in terms of access to goods and services and the provision of goods and services, as subsequently amended and supplemented;
- Government Emergency Ordinance No. 111/2010 on leave and monthly allowance for raising children;
- Law No. 23/2015 declaring May 8 as Equal Opportunities Day between women and men;
- Law No. 22/2016 declaring March 8 as Women's Day and November 19 as Men's Day;

- Government Decision No. 877/2018 on the adoption of the National Strategy for Sustainable Development of Romania 2030, as subsequently amended and supplemented;
- Government Decision No. 262/2019 approving the methodological norms for the application of Law No. 202/2002 on equal opportunities between women and men;
- Government Decision No. 1547/2022 approving the National Strategy on the promotion of equal opportunities and treatment between women and men and the prevention and combating of domestic violence for the period 2022-2027;
- Government Decision No. 970/2023 approving the Methodology on preventing and combating sexual harassment and moral harassment in the workplace;
- EU Directive 2022/2381 on gender balance on boards of administration.

International legislative context

- The European Union's Strategy for Gender Equality 2020-2025;
- The Treaty on European Union (Articles 2 and 3(3) enshrine the right to equality between women and men as one of the Union's core values);
- Treaty on the Functioning of the European Union (Articles 8 and 10 provide for the EU's commitment to eliminating inequalities and promoting equality between women and men, as well as combating discrimination based on sex in all its policies and actions);
- Directive (EU) 2023/970 of the European Parliament strengthening the principle of equal pay for the same work or work of equal value between men and women through salary transparency and law enforcement mechanisms.

4. Purpose of the policy

The purpose of this policy is to establish a coherent and sustainable framework for preventing and eliminating all forms of discrimination and promoting a professional environment in which members of the Board of Administration and the executive management team, regardless of sex, gender, age, ethnicity, sexual orientation, disability, religion, social status, or personal beliefs, have equal access to opportunities, development, and professional recognition within S.N.T.G.N. Transgaz S.A.

The diversity policy of the Board of Administration and executive management aims to comply with and implement the provisions of Law No. 202/2002 on ensuring equal treatment in access to employment, vocational training, promotion, and working conditions. The Labor Code also requires employers to guarantee non-discriminatory treatment and equal conditions. S.N.T.G.N. Transgaz S.A. aims to provide a model of good practice in the field of professional inclusion, while also complying with the principles of the ANES Guide on gender diversity in public companies.

5. Guiding principles

The diversity policy of the Board of Administration and executive management of SNTGN Transgaz S.A. is based on a set of fundamental guiding principles, aligned with national and international regulations in this field. The policy establishes rules of conduct and institutional standards for promoting diversity, equal opportunities, and gender equality. According to the provisions of Law No. 202/2002, employers are required to promote equal treatment between women and men in all aspects of professional life. In the same sense, the aforementioned law expressly provides for institutional responsibility for the prevention of harassment and discrimination in the workplace.

5.1. Non-discrimination

S.N.T.G.N Transgaz S.A. adopts a firm policy of non-discrimination, applicable in all areas of activity, including recruitment, promotion, remuneration, professional training, and working conditions. This means eliminating any form of differential treatment based on criteria such as sex, gender, age, ethnicity, religion, sexual orientation, disability, or any other individual characteristic. In accordance with the provisions of Law No. 202/2002, any behaviour or action that produces a direct or indirect discriminatory effect is sanctioned. The company applies clear procedures for identifying and correcting any deviations from the principle of equal treatment, ensuring an inclusive and fair working environment.

5.2. Gender equality

Gender equality is a strategic objective within S.N.T.G.N. Transgaz S.A., reflected in concrete measures that ensure the balanced participation of women and men at all levels of the organisation. The company promotes equal access to management positions, professional development opportunities and participation in decision-making processes. In accordance with the provisions of Law No. 202/2002, S.N.T.G.N. Transgaz S.A. is committed to combating gender stereotypes and encouraging diversity in leadership. Periodic assessments of the personnel structure help to identify imbalances and develop effective corrective policies.

5.3. Respect and dignity

S.N.T.G.N. Transgaz S.A. considers respect and human dignity to be fundamental values of its organizational culture. Members of the Board of Administration and the executive management team are treated with respect, regardless of their hierarchical or professional status. The company promotes interactions based on politeness, active listening, cooperation, and mutual support. Any form of offensive, insulting, or degrading behaviour is incompatible with the values of S.N.T.G.N. Transgaz S.A. and is treated with the utmost seriousness, in accordance with internal disciplinary procedures and the provisions of Law No. 202/2002.

5.4. Diversity and inclusion

Diversity is recognised by S.N.T.G.N. Transgaz S.A. as a strategic advantage and a source of organisational innovation. The company's policy supports the inclusion of all, regardless of individual or cultural differences. This principle is reflected in the selection, evaluation, and training processes for personnel, where the emphasis is on skills and potential, not on belonging to a particular gender or group. S.N.T.G.N. Transgaz S.A. collaborates with institutions and organizations that promote the rights of people from vulnerable groups and supports their active participation in the professional environment.

5.5. Fair access to professional development

S.N.T.G.N. Transgaz S.A. ensures equal access to professional training, development, and qualification programs. The company applies objective evaluation and selection criteria in granting these opportunities, avoiding any subjective or discriminatory influence. Performance evaluation is transparent and based on measurable results and professional behaviour. In accordance with the provisions of Law No. 202/2002, the employer has the obligation to guarantee equal opportunities in access to professional development, as an essential factor of organizational fairness.

5.6. Balancing professional and personal life

S.N.T.G.N. Transgaz S.A. recognises the importance of a healthy work-life balance as a prerequisite for sustainable performance. The collective labour agreement and internal policies provide for benefits such as additional days off for family events, etc. These measures contribute to reducing occupational stress, increasing employee satisfaction, and strengthening loyalty to the company.

6. Objectives and measures

Objective	Measures adopted
Combating discrimination	Promoting a fair and non-discriminatory organizational culture
Promoting gender equality	Both at the level of all company employees and at the level of management positions, the total percentage of women has shown an upward trend in recent years. At the same time, remuneration for work performed is similar for women and men. Encouraging and supporting women in their career development.
Ensuring diversity and inclusion	S.N.T.G.N. Transgaz S.A. demonstrates consistency with this objective through indicators relating to: Creating an

	inclusive environment, Active involvement of leaders in diversity and inclusion initiatives, Promoting equal opportunities, Fair and diverse recruitment, Training and awareness
Ensuring equitable access to professional development	S.N.T.G.N. Transgaz S.A. ensures equal access to professional training, development, and qualification programs. The company applies objective evaluation and selection criteria in granting these opportunities, avoiding any subjective or discriminatory influence.
Ensuring a balance between professional and personal life Organizational culture	Under the collective labour agreement, negotiated and applicable at company level and in accordance with the legislation in force, members of the executive management are entitled to paid leave for special family events or other situations. Strengthening positive attitudes towards diversity and inclusion in all areas of TRANSGAZ' activity Promoting a working environment conducive to professional and personal life.
Combating gender-based violence, including harassment	S.N.T.G.N. Transgaz S.A. encourages a culture of reporting such incidents and collective responsibility for a safe and respectful working environment. The company provides clear and confidential mechanisms for reporting situations that do not comply with these principles.

In order to implement the **Diversity Policy of the Board of Administration and Executive Management**, S.N.T.G.N. Transgaz S.A. intends to regularly review internal procedures to ensure that they do not contain discriminatory provisions, as well as to provide ongoing training to managers and employees on the principles of diversity and inclusion, equal opportunities, and gender equality.

7. Responsibilities

The effective implementation of the **Diversity Policy of the Board of Administration and Executive Management** requires clear accountability at all organizational levels.

According to the provisions of Law No. 202/2002, management is directly responsible for implementing measures to promote equal treatment.

Therefore:

- The Board of Administration of Transgaz approves policies on diversity, equal opportunities, gender, etc.;
- The Executive Management validates strategic directions in the field of diversity, equal opportunities, and gender, and integrates policy principles into decision-making and strategic planning processes;
- The Organization and Human Resources Division is responsible for coordinating employee selection, evaluation, and training processes, data analysis, and operational support;
- All employees have a moral and professional responsibility to contribute to maintaining a climate of respect, collaboration, and genuine equality.

8. Prevention and resolution of discrimination and harassment

In accordance with the provisions of Law No. 202/2002, S.N.T.G.N. Transgaz S.A. applies a zero tolerance policy towards any form of harassment, discrimination, or degrading behaviour, regardless of its form: verbal, physical, psychological, or digital. Harassment is considered to be any hostile or unwanted behaviour that aims to or has the effect of undermining a person's dignity. The company provides clear and confidential mechanisms for reporting such situations, and the investigation procedures are aligned with Law No. 361/2022 on the protection of whistle-blowers in the public interest. People who file complaints are guaranteed confidentiality and are protected against retaliation, and proven cases are punished in accordance with the Guide on the prevention and combating of sexual harassment and moral harassment within SNTGN TRASNGAZ S.A. and the Code of Ethics.

9. Communication and promotion

For the **Diversity Policy of the Board of Administration and Executive Management** to become an integral part of the organizational culture, effective and continuous communication is essential. According to Law No. 202/2002, employers must periodically inform staff about their rights and obligations under the legal framework for gender equality. Thus, the policy is included in employment integration programs, professional training, performance evaluation, and internal awareness campaigns. Transparent communication contributes to increased trust and commitment.

10. Monitoring, review, reporting, and indicators

The Diversity Policy of the Board of Administration and Executive Management is a dynamic tool, subject to ongoing monitoring and regular review.

S.N.T.G.N. Transgaz S.A., a company traded on a regulated market, must meet one of the following objectives:

- a) Members of the underrepresented gender should hold at least 40% of non-executive administrator positions.
- b) Members of the underrepresented gender should hold at least 33% of all administrator positions, both executive and non-executive.

The number of non-executive administrators deemed necessary to achieve the objective set out in (a) is the number closest to 40%, but not exceeding 49%.

S.N.T.G.N. Transgaz S.A. analyses the impact of the policy annually using specific indicators: the percentage of women in management positions, the level of participation in training, reported cases of harassment or discrimination, the degree of professional satisfaction, etc. This data is included in the company's Sustainability Report and correlated with the objectives set out in the General Policy Statement. The policy is reviewed in line with legislative changes (e.g., transposition of EU directives) or at the recommendation of the internal ethics committee.

In order to achieve the objectives, it is recommended to determine a set of indicators. Therefore, it is recommended to use the following two gender balance indicators, namely:

- a) ICP1: Gender indicator relative to the total number of non-executive members of the Board of Administration**
- b) ICP2: Gender indicator relative to the total number of administrator positions, both executive and non-executive administrators.**

- a) The indicator is calculated using the following formula:

$$\text{ICP1 (\%)} = \frac{\text{Current number of non-executive administrators of the underrepresented gender}}{\text{Total number of non-executive administrators}} \times 100$$

$$\text{ICP1 (\%)} = 2/4 * 100 = 50\%$$

- b) The indicator is calculated using the following formula:

$$\text{ICP2(\%)} = \frac{\text{Current number of members of the underrepresented gender}}{\text{Total number of members in the management structure}} \times 100$$

$$\text{ICP2 (\%)} = 2/5 * 100 = 40\%$$

Interpretation of indicators regarding the representation of the underrepresented gender in management structures

Based on the data provided, two indicators relevant for assessing the level of gender diversity within the organization's management structure were calculated:

1. ICP1 – Percentage of non-executive administrators of the underrepresented gender

Result: 50%

Interpretation:

Of the total of four non-executive administrators, two are of the gender considered underrepresented, which corresponds to a percentage of 50%. This result indicates **complete gender balance** among non-executive administrators. It can be said that, at this level, the organization complies with the principles of equal opportunity and promotes fair representation in strategic supervisory positions.

2. ICP2 – Percentage of members of the underrepresented gender in the entire management structure

Result: 40%

Interpretation:

Of the total of 5 members of the management structure, 2 belong to the underrepresented gender, resulting in a percentage of 40%. This value indicates **significant representation**. The percentage is considerably higher than the average recorded in many organizations, suggesting that the management structure has taken important steps towards promoting gender diversity.

General conclusion:

The organization has a good level of representation of the underrepresented gender, especially among non-executive administrators, where gender parity has already been achieved.

11. Conclusions

S.N.T.G.N. Transgaz S.A. considers that respecting diversity and inclusion is not only a legal responsibility, but also a strategic commitment to the sustainable development of the company.

In a dynamic European economy, long-term success is directly linked to an organisation's ability to capitalise on diversity, cultivate a climate of inclusion and build relationships based on trust and fairness. This policy reflects the fundamental values of S.N.T.G.N. Transgaz S.A. and the directions undertaken at national and international level. By implementing it, S.N.T.G.N. Transgaz S.A. actively contributes to the consolidation of a fairer, more balanced, and more efficient company.