

# **Consolidated Sustainability Report of NPG CO. Transelectrica S.A. 2024**



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## Message from the Directorate - commitment to sustainability

Dear shareholders, investors and partners,

Over the past seven years, Transelectrica has demonstrated its commitment to transparency and accountability by publishing its Sustainability Report in accordance with internationally recognized GRI (Global Reporting Initiative) standards. This year, the Company is taking an important step towards alignment with the new European requirements, publishing the Report in accordance with Directive (EU) 2022/2464 - transposed into national legislation by Order of the Ministry of Finance No. 85/2024 - and with the ESRS (European Sustainability Reporting Standards). This transition underlines Transelectrica's determination to adapt to a more rigorous reporting framework, highlighting the Company's economic, social and environmental impact and active contribution to the European Union's sustainability objectives

The 2024 reporting year therefore marks the implementation of a new regulatory framework, established by Directive (EU) 2022/2464, which reinforces the sustainability reporting requirements and alignment with the European ESRS. It also represents the first financial year in which the sustainability report is audited, underlining Transelectrica's commitment to transparency and compliance with European sustainability and responsible finance objectives.

In the current context of the energy transition and European regulatory requirements, the strategic role of Transelectrica, as the sole transmission and system operator in Romania, takes on an increased importance in ensuring the security and stability of the national power system. The adoption of a sustainable development model, in accordance with European standards and the latest legislative directives, is a priority in order to meet the complex challenges of the energy transition.

The contemporary vision of modern life involves essential processes in which electricity plays a fundamental role in economic development and social well-being. Through our mission, we contribute not only to the country's energy security, but also to improving the quality of life and the transition to a sustainable economy in line with the European sustainable development goals.

Sustainability reporting in accordance with the new reporting framework is a key responsibility for any company that aims to demonstrate transparency, integrity and commitment to the principles of sustainable development. This responds to legal requirements and contributes both to building the confidence of stakeholders - including investors, authorities, employees and local communities, and to positioning Transelectrica as a responsible leader in the sector. In this context, through a tailored action plan, Transelectrica is integrating compliance requirements into the Company's strategy and operations, contributing to long-term sustainable development and supporting the transition towards a sustainable and resilient business model.



**Compliance with the European Sustainability Reporting Standards (ESRS)** Transelectrica is strengthening its reporting processes by fully aligning with the European Sustainability Reporting Standards (ESRS) through an integrated approach to the social, environmental and economic impacts of the Company's activities. Our reporting emphasizes the double meaning of data - its relevance to both Company decision makers and stakeholders. This reflects our commitment to the ambitious targets set by the European Green Pact and the Fit for 55 initiative, demonstrating our determination to support the transition to a greener and more sustainable future through transparency, accountability and operational excellence.

**(E) Environment - Investments in infrastructure and green technologies.** The strategic objectives assumed by Transelectrica for the period 2024-2028 are aimed at increasing the Company's performance and streamlining its operational activity in relation to its activity as Romania's transmission and system operator. In order to achieve these objectives, an extensive investment process in the infrastructure of the electric transmission grid through the implementation of low-carbon and energy-efficient technologies is necessary. In order to support the energy transition, the European Union has made available financing mechanisms for the development and modernization of the energy sector. In the last three years, Transelectrica has adopted an active approach and started specific procedures to access European funds allocated to energy infrastructure. Currently, the Company has signed 11 financing contracts from the Modernization Fund, for a total amount of 593 million euro, one financing contract from the Romanian Recovery and Resilience Plan (PNRR) - REPowerEU Chapter, for a total amount of 56 million euro and one financing contract from the Sustainable Development Program (PDD), for a total amount of 20 million euro. With a total value of RON 669 million, these grants will be used to carry out projects for the modernization and extension of the electricity transmission grid, in accordance with the most modern performance standards.

The Sustainability Report emphasizes both the Company's commitment to accelerating sustainable and sustainable processes in the energy sector and to progressively meeting the European climate neutrality targets for 2030 and 2050.

**(S) Social - Commitment to social responsibility.** By supporting diversity, fairness and equal access to opportunities, Transelectrica aims to be a factor of positive change in society. The company aligns itself with an ambitious set of objectives, designed to foster sustainable development and create the foundation for a fair and responsible economy. To this end, Transelectrica is actively involved in supporting initiatives that support local communities and promote inclusion, education and well-being. Through its CSR activity, the Company is committed to investing in social programs to support new generations and talent development, while strengthening strategic partnerships aimed at creating a long-term sustainable impact.

**(G) Corporate Governance.** Transelectrica promotes the highest standards of corporate governance appropriate for a company listed on the regulated market of the BUCHAREST Stock Exchange. The implementation of these standards guarantees a transparent and well-grounded decision-making process, based on sound ethical principles and aligned with the financial and operational performance standards specific to the business. At the same time, the



Company reaffirms its commitment to community and sustainability, integrating social and environmental objectives into its business strategy, thus contributing to the sustainable and responsible development of the future of the energy sector.

In the current dynamic, the adoption and implementation of clear mechanisms for monitoring progress and consistent reporting to stakeholders will strengthen transparency and trust and ensure that our responsibilities are met. This commitment is based on a strong governance structure and on seizing opportunities for economic development through sustainability.

In terms of our sustainability performance, Transelectrica has maintained its position among stable companies in the assessment by the international rating agency Moody's Investors Service, and the Company's Corporate Family Rating for 2024 has remained constant at Baa3. For us, the Company's stability is a constant priority, managed through appropriate corporate governance practices based on transparency and fairness, which are essential principles for a healthy business environment.

Transelectrica reaffirms its commitment to ESG (Environmental, Social, Governance) principles, integrating sustainability, social responsibility and corporate governance at the center of the Company's long-term development strategy. Through concrete initiatives and transparency in reporting. The Company actively contributes to the transition to a sustainable energy system, supports the development of local communities and ensures governance based on integrity and performance. As a responsible leader and reliable partner in the energy sector, Transelectrica is aligned with the highest international standards, with a key strategic mission: to keep the National Power System safe and secure, so as to guarantee the premises for a sustainable future.

## **THE DIRECTORATE**

**Ștefăniță MUNTEANU**  
**Directorat President**

**Victor**  
**MORARU**  
**Directorate Member**

**Cătălin Constantin**  
**NADOLU**  
**Directorate Member**

**Vasile-Cosmin**  
**NICULA**  
**Directorate Member**

**Florin Cristian**  
**TĂTARU**  
**Directorate Member**



## Statement of responsible persons

Transelectrica's sustainability report for the year 2024, prepared in accordance with the European Sustainability Reporting Standards (ESRS), fully complies with the requirements of Directive (EU) 2022/2464, transposed into national law by Order of the Ministry of Public Finance No. 85/2024, as well as the provisions of the Regulation on the taxonomy (EU) 2020/852. This report provides a detailed, fair and accurate overview of the Company's sustainability performance, accurately reflecting the social, environmental and economic impact of the activities carried out. The document also underlines Transelectrica's commitment to transparency and accountability, highlighting the measures implemented to support sustainable development and contribute to strengthening the Company's position as a leader in the sustainable energy transition.

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NICULA**  
Directorate Member

**Florin Cristian  
TĂTARU**  
Directorate Member



## CHAPTER I

### ESRS 2

#### Presentations of general information

##### 1. General basis for the sustainability report (BP-1)

**Compliance with legislative requirements and European regulations.** National Power Grid Company "Transelectrica" S.A. (hereinafter "Transelectrica", the "Company") publishes its eighth Sustainability Report (hereinafter also referred to as the "Report") for the period January 1 - December 31, 2024. The 2024 reporting year marks the implementation of a new regulatory framework, established by Directive (EU) 2022/2464<sup>1</sup>, which strengthens the sustainability reporting requirements and alignment with the European Sustainability Reporting Standards (ESRS<sup>2</sup>(European Sustainability Reporting Standards)).

In this regard, Transelectrica's Sustainability Report for the reporting year 2024 is prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS). These standards provide a detailed and clear framework for reporting sustainability information, ensuring compliance with the European Union's requirements on transparency, accountability and companies' contribution to sustainable development objectives. The Sustainability Report also complies with the provisions of Regulation (EU) 2020/852 on the taxonomy and the contribution of economic activities to the environmental objectives set by the European Union. Thus, the reporting provides a solid basis for assessing the Company's progress in achieving its sustainability objectives and alignment with the European "Fit for 55" strategy and the European Green Pact.

The Sustainability Report is an essential tool through which Transelectrica highlights its performance in the ESG (environmental, social and governance) areas and reaffirms its firm commitment to the principles of sustainable development. This process allows a clear, transparent and detailed presentation of the results achieved and the initiatives undertaken, providing stakeholders with a complete picture of how the Company contributes to the energy transition, environmental protection, supporting communities and maintaining high standards of corporate governance. By adopting best practices in reporting, Transelectrica reinforces its position as a responsible leader in the energy sector, demonstrating that sustainability is integrated into its business strategy and ongoing operations.

**Methodology and structure.** The report is structured to provide a complete and clear picture of the economic, social and environmental impact of Transelectrica's activities, and is based on the principles of relevance, comparability, accuracy and transparency. For data collection, the Company has implemented processes to ensure the reliability and integrity of the information provided. The ESG indicators presented in the report are selected on the basis of a material analysis that identifies the priority issues for Transelectrica and its stakeholders, ensuring a results and impact-oriented approach.

**Consolidated Sustainability Statements.** As of the date of this report, Transelectrica has six subsidiaries, Romanian legal entities, organized as joint stock companies: Societatea FORMENERG SA, Maintenance Services Company of the Electricity Transmission Grid

<sup>1</sup> Directive (EU) 2022/2464 on corporate sustainability reporting, known as the Corporate Sustainability Reporting Directive (CSRD), was transposed into national law by Order of the Ministry of Finance No. 85/2024 (OMF 85/2024).

<sup>2</sup> Covered extensively in Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.



"SMART" SA (SMART SA), Telecommunications and Information Technology Services in Transmission Electricity Networks Company "TELETRANS" SA (TELETRANS SA) and Electricity and Natural Gas Market Operator Company "OPCOM" SA (OPCOM SA), Icemenerg Service (a subsidiary which at the date hereof is struck off from the ONRC), ICEMENERG SA (Institute for Energy Research and Modernization ICEMENERG SA - a subsidiary which at the date hereof is struck off from the ONRC).

Of the Company's subsidiaries, SMART SA and TELETRANS SA are included in the Group's financial consolidation perimeter.

They have not been taken into account in the preparation of the consolidated financial statements:

- the subsidiary FORMENERG SA since according to the applicable accounting legislation, the impact of its activity is considered immaterial for consolidation purposes;
- the subsidiary OPCOM SA since the administration is carried out according to the regulations established by ANRE and Transelectrica does not exercise effective direct control over its decision-making mechanisms.

The scope of consolidation of the data and information presented in the sustainability report is the same as that used for the Group's consolidated financial statements.

The Sustainability Report provides a comprehensive coverage of the value chain, focusing on the sustainability impact at every stage of the Company's activities, from energy production and transmission to distribution and final consumption, reinforcing Transelectrica's position as a responsible leader in the energy transition. The report addresses both the upstream segment, which includes energy production and its integration into the national transmission grid, and the downstream segment, which is the delivery of energy to distribution operators and consumers

**Audit of the Sustainability Report.** Another new element for the 2024 reporting year is that this is the first financial year in which the Sustainability Report is audited. This underlines Transelectrica's commitment to transparency and compliance with European sustainability and responsible finance objectives, providing assurance to stakeholders that the information reported is in line with international and European standards.

In conclusion, the overall basis for the Sustainability Report reflects Transelectrica's efforts to integrate sustainability into all operational and strategic aspects. By adopting the ESRS, Transelectrica consolidates its position as a responsible leader in the energy sector. The Sustainability Report is not only a regulatory obligation, but also a strategic tool that highlights the Company's role in Romania's energy transition and its contribution to achieving the European climate neutrality targets for 2030 and 2050.

This general basis underlines Transelectrica's commitment to rigorous and comprehensive reporting that meets today's demands and contributes to building a sustainable future.



## **2. Submission of information in relation to specific circumstances (BP-2)**

### **Changes in the compilation or presentation of sustainability information**

Starting 2024, Transelectrica is adopting a new sustainability reporting framework, aligning with the requirements established by Directive (EU) 2022/2464 and Delegated Regulation (EU) 2023/2772 - ESRS standards. This transition represents a significant change in the preparation and presentation of sustainability information, given that for 7 consecutive years the Company has published its Sustainability Report in accordance with the Global Reporting Initiative (GRI) standards. The new reporting format based on the ESRS provides a more detailed and structured integration of ESG (environmental, social and governance) information, providing increased transparency and better comparability of sustainability pe

This is the first edition of the Sustainability Report produced under the new regulatory framework, marking an important step in strengthening Transelectrica's commitment to sustainability reporting, aligning with European strategies and increasing corporate accountability to stakeholders.

### **Submission of information deriving from other legislation or from generally accepted sustainability reporting decisions**

As the sole transmission and system operator in Romania and a company listed on the Bucharest Stock Exchange (BUCHAREST), Transelectrica operates in a strictly regulated framework, which requires compliance with multiple national and European legislative acts. Transelectrica also aligns its reporting with international best practices, enhancing transparency and comparability of ESG performance. This integrated approach reflects the Company's commitment to provide relevant and reliable information to investors, authorities and other stakeholders, demonstrating its responsibility in the transition towards a sustainable, efficient and resilient energy system.

Thus, applicable standards and legislation specific to Transelectrica's field of activity are integrated and presented in the Sustainability Report, where relevant. These include both national regulations and European directives and regulations applicable to the energy sector, corporate governance and sustainability reporting, ensuring compliance with legal requirements and transparency to stakeholders.

### **Including cross-referenced information**

Throughout Transelectrica's Sustainability Report, references to additional documents and relevant sources are included where necessary to provide detailed context and better understanding of the information presented. The report also makes reference to other applicable thematic standards, particularly in the areas of environmental, social and governance (ESG), thus ensuring full alignment with European Sustainability Reporting Standards (ESRS) requirements and energy sector-specific regulations. This approach enables stakeholders to access extensive information and analyze the Company's sustainability performance in depth.

### **Time horizon**

In preparing its sustainability statement, Transelectrica adopts a clearly defined time structure for analyzing and reporting on sustainability issues, aligned with the Company's financial and strategic practices. Thus, for the short-term time horizon, the reporting period adopted in the



entity's financial statements is used. The medium-term time horizon covers the interval from the end of the short-term reporting period and extends up to five years. The long-term time horizon includes any projections and targets beyond this five-year time horizon, reflecting Transelectrica's longer-term sustainability commitments and strategies. This approach ensures consistency and comparability of reported information, facilitating the integration of sustainability objectives into Transelectrica's strategic planning.

An exception to this structure are energy efficiency measures, which include specific energy efficiency investments. For these, the medium-term time horizon is set between 2 and 3 years, reflecting the optimal timeframe for the implementation and evaluation of the efficiency of the projects initiated. As for the long term time horizon, it is defined for 3 to 6 years, taking into account the complexity and impact of these investments on the company's energy performance. This differentiated approach ensures a realistic and efficient planning of the sustainability objectives, correlated with the specific energy efficiency investment cycles.

### **Use of transitional arrangements under ESRS 1**

Given that this is the first year of reporting under ESRS, Transelectrica aims to ensure accurate data collection and reporting, thus avoiding inaccurate or incomplete information that could affect the consistency and comparability of future reporting. To facilitate this transition and to phase in the requirements of the new reporting framework, the Company will apply the transitional provisions set out in paragraph 131 of ESRS 1 as well as the provisions of Appendix C of ESRS 1, which set out the List of disclosure requirements that are being phased in. This will enable clear data collection methodologies to be defined, relevant indicators to be established and a robust and transparent reporting framework to be in place for the coming years.

## **3. Governance (GOV 1-5)**

### **Role of administrative, management and supervisory bodies (GOV-1)**

Transelectrica is a Romanian legal entity, established as a joint-stock company managed under a two-tier system by a Directorate, under the supervision of a Supervisory Board, in accordance with the Companies Law no. 31/1990<sup>3</sup>, all the Company's activities are carried out in compliance with the principles of corporate governance and the regulations specific to entities listed on the BVB. As regards the regulation of activities, this is carried out, on the one hand, on the basis of primary legislation, the Company carrying out its activities in accordance with the Electricity and Natural Gas Law no. 123/2012<sup>4</sup>, and on the other hand, on the basis of secondary legislation issued by the National Energy Regulatory Authority (ANRE) - embodied in licenses, establishment authorizations, tariff methodologies (such as revenue cap on transmission and cost plus on system operation, tariffs, framework contracts, procedures and others).

Since August 29, 2006, Transelectrica's shares are traded on the regulated market, administered by Bucharest Stock Exchange, in the Premium category, under the symbol TEL.

<sup>3</sup> Company Law no. 31/1990 regulates the general legal framework of Transelectrica's operation as a joint-stock company.

<sup>4</sup> The Law on Electricity and Natural Gas No. 123/2012 regulates the organization and functioning of the national energy sector, establishing the specific tasks of the transmission system operator (TSO).



Thus, the Company has adopted the standards of transparency and communication imposed by the primary and secondary legislation of the capital market, including the principles of the BVB Corporate Governance Code. The statement of compliance with the principles of the BVB's Corporate Governance Code is reviewed annually and included in the Annual Report (periodic reporting).

According to the legislation in force and to the statutory documents, in relation to Transelectrica's management under a two-tier system, there are three bodies at the Company's level: deliberative and decision-making - the General Shareholders' Meeting, executive / management - the Directorate and supervisory - the Supervisory Board.

**The General Shareholders' Meeting** - is the deliberative and decision-making body of Transelectrica, with specific powers and duties expressly provided for by the applicable legislation and the Articles of Association. The General Shareholders' Meeting may be ordinary or extraordinary, its powers being regulated both by the applicable legislative framework and by the Company's statutory documents. All shareholders are entitled to participate and vote, thus ensuring a transparent and fair decision-making process

The Romanian State is a 58.6882% shareholder, through the representative of the General Secretariat of the Government, which also fulfills the role of public supervisory authority within the meaning of GEO 109/2011 on the corporate governance of public enterprises, the difference being represented by shares held by institutional investors and individuals, traded on the BVB. The company is under the authority of the General Secretariat of the Government.

| Actionari la 31-12-2024                               | Nr. actiuni       | %          |
|-------------------------------------------------------|-------------------|------------|
| STATUL ROMAN PRIN SECRETARIATUL GENERAL AL GUVERNULUI | 43.020.309        | 58,6882    |
| S. PAVAL HOLDING S.R.L.                               | 4.753.567         | 6,4848     |
| FONDUL DE PENSII ADMINISTRAT PRIVAT NN                | 4.007.688         | 5,4673     |
| Persoane Juridice                                     | 16.442.683        | 22,4311    |
| Persoane Fizice                                       | 5.078.895         | 6,9286     |
| <b>TOTAL</b>                                          | <b>73.303.142</b> | <b>100</b> |

\* Shareholder register and holding history can be found at the Central Depository SA

**Supervisory Board.** According to the Articles of Association, the Supervisory Board is composed of seven members<sup>5</sup>, appointed following a selection procedure for a period of four years. The members of the SC are appointed by the Ordinary General Meeting of Shareholders, in compliance with the provisions applicable to listed companies, and are selected in accordance with the provisions of GEO 109/2011 on the corporate governance of public companies. Considering the finalization of the recruitment and selection process of candidates for the position of member of the Supervisory Board of Transelectrica, the **Ordinary General Shareholders' Meeting appointed, by Resolution OGMS no.1/28.02.2024, as members of the Supervisory Board** the following: Păun Costin-Mihai, Atanasiu Teodor, Vasilescu Alexandru-Cristian, Zezeanu Luminița, Dascăl Cătălin-Andrei, Orlandea Dumitru-Virgil, Rusu Rareș Stelian.

<sup>5</sup> The Chairman of the Supervisory Board is elected by its members.



### Composition and diversity of the Supervisory Board as of 28.02.2024

|                                                                                                                            |                       |
|----------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Number of executive members                                                                                                | 0                     |
| Number of non-executive members                                                                                            | 7                     |
| Percentage of Council members with supervisory role                                                                        | 100%                  |
| Gender ratio of the Supervisory Board (calculated as the average ratio of female to male members of the Supervisory Board) | 14.29% women          |
| Percentage of independent members of the Supervisory Board                                                                 | 6 out of 7 - (85.71%) |

### Supervisory Board members' expertise and competences

| No. | Name                                | Role                              | Relevant experience                                                                                                                                                                                                                                                                                                                                                                                              | Date of Appointment                            | Status                                                                        |
|-----|-------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------|
| 1.  | <b>Cătălin Andrei DASCĂL</b>        | <b>Supervisory Board Chairman</b> | Degree in legal studies<br>Legal expertise in public administration and the private sector<br>Lawyer and insolvency practitioner                                                                                                                                                                                                                                                                                 | 22.10.2023-21.03.2024<br><br><b>01.03.2024</b> | Provisional<br><br><b>Final<br/>GMS Decision<br/>no.1/28.02.2024</b>          |
| 2.  | <b>Teodor ATANASIU</b>              | <b>Supervisory Board member</b>   | Graduate of the Faculty of Mechanics of the Polytechnic Institute Cluj Napoca<br>Expertise in the fields of management and finance, competitiveness management and customer relationship management                                                                                                                                                                                                              | 22.10.2023-21.03.2024<br><br><b>01.03.2024</b> | Provisional<br><br><b>Final<br/>GMS Decision<br/>no.1/28.02.2024</b>          |
| 3.  | <b>Costin Mihai PĂUN</b>            | <b>Supervisory Board member</b>   | Ph.D. in Electrical Engineering, graduate of the Politehnica University of Bucharest, Faculty of Energetics<br>Master in Business Administration - Financial Management - Banking<br>Experience gained in energy-related positions in the design, management and implementation of European and international projects<br>It has contributed to new solutions in innovation and scientific research initiatives. | 22.10.2023-21.03.2024<br><br><b>01.03.2024</b> | Provisional<br><br><b>Final<br/>GMS Decision<br/>no.1/28.02.2024</b>          |
| 4.  | <b>Alexandru Cristian VASILESCU</b> | <b>Supervisory Board member</b>   | Bachelor of construction engineering from the Technical University of Constructions, Bucharest<br>Master in Construction Project Management PhD Candidate at Politehnica University, Bucharest                                                                                                                                                                                                                   | 22.10.2023-21.03.2024<br><br><b>01.03.2024</b> | Provisional<br><br><b>Final<br/>GMS Decision<br/>no.1/28.02.2024</b>          |
| 5.  | <b>Rareș Cristian RUSU</b>          | <b>Supervisory Board member</b>   | Degree in Political Science at the Faculty of Political Science and Public Administration of "Babes-Bolyai" University, Cluj Napoca<br>Bachelor of Law at the Faculty of Law, "Dimitrie Cantemir" University, Cluj Napoca<br>Master in Electrical Engineering, Technical University, Cluj Napoca<br>Management experience, experience in central and local public administration                                 | <br><br><br><br><br><br><br><b>01.03.2024</b>  | <br><br><br><br><br><br><br><b>Final<br/>GMS Decision<br/>no.1/28.02.2024</b> |



| No. | Name                         | Role                     | Relevant experience                                                                                                                                                                                                                                                                                                                                                                                                       | Date of Appointment                            | Status                                                       |
|-----|------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------|
| 6.  | Luminița ZEZEANU             | Supervisory Board member | Graduate of the Faculty of Accounting and Management Informatics at ASE, Bucharest<br>Postgraduate studies - International Business at London Metropolitan University, UK<br>Expertise in the development and financing of EU-funded projects and public administration                                                                                                                                                   | 22.10.2023-21.03.2024<br><br><b>01.03.2024</b> | Provisional<br><br><b>Final GMS Decision no.1/28.02.2024</b> |
| 7.  | Dumitru Virgil ORLANDEA      | Supervisory Board member | Graduate of the National Defense University "Carol I", Bucharest, College of Resources and Procurement Management, "Lucian Blaga" University of Sibiu<br>Master in Tourism and Services Integration<br>Master in Management and Marketing Strategies and Policies - Faculty of Economics.<br>Master in Human Resources Management in the Public Order Authorities System - "Al.I.Cuza" Police Academy, Bucharest, Romania | 22.10.2023-21.03.2024<br><br><b>01.03.2024</b> | Provisional<br><br><b>Final GMS Decision no.1/28.02.2024</b> |
| 8.  | Anca MITU                    | Supervisory Board member | Bachelor of Economics, specialization in Finance and Banking, "Petre Andrei" University<br>Master - European Economic and Financial Management, "Petre Andrei" University<br>Bachelor of Law, "Mihail Kogălniceanu" University<br>PhD in Economics, School of Advanced Studies of the Romanian Academy, Bucharest, Romania                                                                                                | 22.10.2023-21.03.2024                          | Provisional                                                  |
| 9.  | Simona Geanina PISTRU - POPA | Supervisory Board member | Bachelor of Food Engineering<br>Master - food and environmental engineering                                                                                                                                                                                                                                                                                                                                               | 31.10.2023-21.03.2024                          | Provisional                                                  |

*\*CVs of the members of the Supervisory Board can be found on the Company's website, in the About Us - Supervisory Board section (<https://www.transelectrica.ro/web/tel/consiliu-de-supraveghere>).*

The Supervisory Board has, exclusively, the role of supervision and control over the management of the Company by the Directorate, and its responsibilities include:

- exercise control over the way the Directorate manages the Company;
- verify the income and expenditure budget and the investment program for the financial year submitted for approval to the general meeting of shareholders;
- perform any duties provided for by the special legislation applicable in the field of public enterprise management;
- determine the structure and number of members of the Directorate;
- appoint and dismiss the members of the Directorate and determine their remuneration;
- verify that the activity carried out in the name and on behalf of the Company complies with the law, the articles of incorporation and the resolutions of the general meeting of shareholders;
- submit to the general meeting of shareholders, at least once a year, a report on the supervisory activity carried out;
- represents the Company in its relations with the Directorate;
- approve the internal rules of the Directorate;
- verify the financial statements of the Society;



- k) verifies the report of the members of the Directorate;
- l) propose to the general meeting the appointment and dismissal of the financial auditor, as well as the minimum duration of the audit contract.

At the same time, according to the Company's Articles of Association, a number of operations can only be carried out with the approval of the Council.

The Supervisory Board includes the Nomination and Remuneration Committee, the Audit Committee, the Investment and Energy Security Committee and the Risk Management Committee.

*The Nomination and Remuneration Committee* formulates proposals for the position of member of the Supervisory Board and member of the Directorate; drafts and makes proposals to the Supervisory Board regarding the selection procedure for members of the Supervisory Board, members of the Company's Directorate and other management positions; formulates proposals regarding the remuneration of members of the Company's Directorate and other management positions, in compliance with the general remuneration limits approved by the General Meeting of Shareholders.

*The Audit Committee* assists the Supervisory Board in fulfilling its responsibilities in the area of financial reporting and internal control.

*The Investment and Energy Security Committee* monitors the establishment and achievement of the Company's strategic targets and directions for the development of the high-voltage electricity networks; monitors the establishment and fulfillment of the strategic criteria for the definition of the Annual Investment Plan - AIP and the Ten-Year ETG Development Plan 2024-2033; monitors post-investment monitoring indicators in the investment project; regularly monitors and reviews energy security and actions leading to increased energy security 2024-2033.

*The Risk Management Committee* is a key structure within Transelectrica, with the role of overseeing and optimizing the risk management processes associated with the Company's activities and obligations. The Committee ensures the implementation of a robust and effective system of control and management of impacts, risks and opportunities, enabling Transelectrica to anticipate, mitigate and transform challenges into strategic opportunities. It continuously monitors the risk profile, analyzes risk management reports, identifies potential threats, proposes proactive mitigation or anticipation strategies and monitors the effectiveness of implemented measures. By proposing and implementing proactive risk mitigation and anticipation strategies, the Committee not only reduces the negative impact of risks on operational and financial stability, but also creates opportunities to improve processes, optimize costs and enhance resilience to industry changes. At the same time, by constantly assessing the effectiveness of the measures in place, a solid governance framework is ensured, which supports the Company's sustainable development and long-term performance

| <b>Nomination and Remuneration Committee</b> | <b>Audit Committee</b>      | <b>Committee on Investment and Energy Security</b> | <b>Risk Management Committee</b> |
|----------------------------------------------|-----------------------------|----------------------------------------------------|----------------------------------|
| VASILESCU Alexandru-Cristian - Chairman      | ZEZEANU Luminița - Chairman | PĂUN Costin-Mihai - Chairman                       | ATANASIU Teodor - Chairman       |
| DASCĂL Cătălin-Andrei                        | ATANASIU Teodor             | DASCĂL Cătălin Andrei (from 01.03.2024)            | VASILESCU Alexandru-Cristian     |



| <b>Nomination and Remuneration Committee</b>                 | <b>Audit Committee</b>                            | <b>Committee on Investment and Energy Security</b>       | <b>Risk Management Committee</b>                       |
|--------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------|
| ORLANDEA Dumitru Virgil (from 01.03.2024)                    | RUSU Rareș Stelian (from 01.03.2024)              | ZEZEANU Luminița                                         | DASCĂL Cătălin-Andrei                                  |
| ZEZEANU Luminița (from 01.03.2024)                           | PĂUN Costin-Mihai                                 | ATANASIU Teodor                                          | RUSU Rareș Stelian                                     |
| RUSU Rareș-Stelian (as of 01.03.2024, retired on 29.08.2024) | VASILESCU Alexandru-Cristian                      | ORLANDEA Dumitru Virgil (from 01.03.2024)                | ORLANDEA Dumitru Virgil                                |
| MITU Anca (termination on 28.02.2024)                        | DASCĂL Cătălin-Andrei (termination on 28.02.2024) | VASILESCU Alexandru-Cristian (termination on 28.02.2024) | PISTRU-POPA Simona-Geanina (termination on 28.02.2024) |
| PISTRU-POPA Simona-Geanina (termination on 28.02.2024)       | MITU Anca (termination on 28.02.2024)             | PISTRU-POPA Simona-Geanina (termination on 28.02.2024)   | MITU Anca (termination on 28.02.2024)                  |

**The Directorate.** According to the Articles of Association, the Directorate consists of five members, appointed by the Supervisory Board for a period of four years, following a selection procedure. In view of the completion of *the recruitment and selection process of candidates for the position of member of the Directorate of Transelectrica SA*, in accordance with its legal and statutory duties, **the Supervisory Board decided, by Decision No. 39/30.09.2024, to fill the positions of members of the Directorate of Transelectrica SA, as of 03.10.2024**, by: Victor Moraru, Ștefăniță Munteanu, Cătălin Constantin Nadolu and Vasile Cosmin Nicula, Florin-Cristian Tătaru. At the same time, the Supervisory Board has elected Mr. Ștefăniță Munteanu as Chairman of the Directorate also called Chief Executive Officer - "CEO" of the National Electricity Transmission Company Transelectrica SA.

Given the finalization of the recruitment and selection process of candidates for the positions of members of the Supervisory Board and members of the Directorate, respectively, in accordance with the legal provisions, the Ordinary General Shareholders' Meeting approved by the OGMS Decision no.1/15.01.2025, the key performance indicators resulting from the Management Plan assumed by the 2 statutory bodies of the Company.

Throughout their term of office as members of the Supervisory Board/Directorate of the Company, appointees must meet the eligibility criteria and must not be in a situation of incompatibility established by applicable law or the applicable statutory provisions. In connection with this obligation, the Company has the right to request from the members of the Board/Directorate reasonably necessary assurances regarding compliance with these obligations.

### Composition and diversity of the Directorate

|                                                    |              |
|----------------------------------------------------|--------------|
| Number of executive members                        | 5            |
| Number of non-executive members                    | Not the case |
| Percentage of board members with a management role | 100%         |



|                                                                                                                |                     |
|----------------------------------------------------------------------------------------------------------------|---------------------|
| Gender ratio of the Directorate (calculated as the average ratio of female to male members of the Directorate) | 5 men<br>(0% women) |
| Percentage of independent members of the Directorate                                                           | Not the case        |

The expertise and skills of the members of the Directorate

| No. | Name                             | Role                        | Experience relevant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Date Appointment                               | Status                                                               |
|-----|----------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------|
| 1.  | <b>Ștefăniță MUNTEANU</b>        | <b>Directorate Chairman</b> | Graduate of the Faculty of Management, Marketing of the Romanian-American University<br>Areas of expertise in management, energy industry, marketing, sales and strategy<br>Develop the strategy to achieve the objectives                                                                                                                                                                                                                                                                                      | 25.10.2023-02.10.2024<br><br><b>03.10.2024</b> | Provisional<br><br><b>Final<br/>SB Decision No<br/>39/30.09.2024</b> |
| 2.  | <b>Florin Cristian TĂTARU</b>    | <b>Directorate Member</b>   | Graduate of the Faculty of International Economic Relations - ASE<br>Master - Health System Management, University of Bucharest, Faculty of Sociology and Social Work<br>Master - Public Policies and European Integration, SNSPA, Faculty of Political Science<br>Master - Banking and Capital Markets, Babeș-Bolyai University, Cluj Napoca<br>MBA in Energy, ESA<br>Expertise in banking, finance and management, public and corporate finance, public policy, energy industry, European affairs, leadership | 25.10.2023-02.10.2024<br><br><b>03.10.2024</b> | Provisional<br><br><b>Final<br/>SB Decision No<br/>39/30.09.2024</b> |
| 3.  | <b>Cătălin Constantin NADOLU</b> | <b>Directorate Member</b>   | Bachelor of Law - Faculty of Law, "Al.I.Cuza" Police Academy, Bucharest.<br>Master - European Administrative Studies, SNSPA, Faculty of Public Administration<br>Professional experience in local and central public administration, managerial experience and skills in areas of strategic importance in the energy sector - investment, technical or maintenance of electricity transmission networks                                                                                                         | 25.10.2023-02.10.2024<br><br><b>03.10.2024</b> | Provisional<br><br><b>Final<br/>SB Decision No<br/>39/30.09.2024</b> |
| 4.  | <b>Victor MORARU</b>             | <b>Directorate Member</b>   | Bachelor of Law, "Nicolae Titulescu" University<br>Master - Business Law, "Nicolae Titulescu" University<br>Professional experience in local and central public administration,                                                                                                                                                                                                                                                                                                                                 | <br><br><b>03.10.2024</b>                      | <b>Final<br/>SB Decision No<br/>39/30.09.2024</b>                    |



| No. | Name                 | Role               | Experience relevant                                                                                                                                                                                                                                                                                                                       | Date Appointment                   | Status                                                   |
|-----|----------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------|
| 5.  | Vasile Cosmin NICULA | Directorate Member | Bachelor in Finance, Accounting and Administration, ASE, Faculty of Finance, Insurance, Banking and Stock Exchange<br>Specialization in Management of Public Organizations, West University, Timisoara<br>PhD in Economics, ASE Bucharest<br>Tax consultancy and tax expertise, managerial activities at the Court of Auditors of Romania | 01.01-02.10.2024<br><br>03.10.2024 | Provisional<br><br>Final<br>SB Decision No 39/30.09.2024 |
| 6.  | Bogdan TONCESCU      | Directorate Member | Graduate of Binghamton University, State University of New York, Bachelor of Arts in Political Science, majoring in International Relations<br>Hofstra University School of Law<br>Experience in the government sector in Romania<br>Coordinated the development of the Company's corporate governance strategy.                          | 01.01-02.10.2024                   | Provisional                                              |

*\*CVs of the members of the Directorate can be found on the Company's website, in the About Us - Directorate section (<https://www.transelectrica.ro/web/tel/directorat>).*

At the level of the Company, the organizational framework of risk management is carried out in accordance with the legislation in force, namely SGG Order no. 600/2018 on the approval of the Code of internal managerial control of public entities and the operational procedure TEL-10.00 Risk Management. In this regard, within Transelectrica, the Risk Management Team (EMRC), the Monitoring Commission for the implementation of the Managerial Internal Control System and the Technical Secretariat of the Monitoring Commission for the implementation of the Internal / Managerial Control System (CM SCIM) operate within Transelectrica with duties and responsibilities.

The Management Internal Control Monitoring Committee informs the Directorate through detailed annual/periodic reports on the status of impacts, risks and opportunities. These reports, on the one hand, provide an updated perspective on the persistence of risks and the emergence of new risk factors, ensuring a quick and effective response to possible malfunctions on the part of the management and control bodies, and on the other hand, assess the effectiveness of the control measures implemented, contributing to minimizing negative impacts on operational and financial stability and maximizing opportunities.

The internal control monitoring committee monitors the degree of achievement of general and specific objectives, constantly assessing the progress of the implemented measures, the effectiveness of the adopted strategies and their alignment with the strategic directions of the Company, thus ensuring effective risk control and maximizing opportunities to improve organizational performance.

Within Transelectrica, reporting lines are clearly defined in order to ensure an efficient flow of information and decision making at strategic and operational level, according to documented procedures



The Advisory Committees report directly to the Supervisory Board, providing support in analyzing and advising on key corporate governance issues and the Company's strategy. The Management Internal Control Committees report to the Directorate as well as to the Advisory Committees of the Supervisory Board, contributing to the strengthening of the Company's control and risk management system.

In addition, major general objectives such as energy efficiency, employee health and safety, service quality and other key sustainability issues are integrated into the mandates of the management and control bodies. They are formalized by the approval of the mandate indicators by the General Meeting of Shareholders and by the conclusion of Addendums to the mandate contracts of the members of the Directorate and the Supervisory Board. These addendums include social, environmental and governance (ESG) Key Performance Indicators (KPIs), which must be complied with and monitored throughout the term of office.

These analyses make it possible to adapt risk management strategies, optimize control processes and ensure a proactive approach in maintaining Transelectrica's operational stability.

Within Transelectrica, the expertise and skills needed to oversee and manage sustainability issues are already available and continuously being developed. The company has a dedicated sustainability reporting department, which coordinates the collection, analysis and validation of data from all relevant departments. This department ensures compliance with the European Sustainability Reporting Standards (ESRS) and national regulations, reinforcing the process of monitoring and integrating ESG (environmental, social and governance) criteria into the Company's strategy. In this way, Transelectrica is prepared to effectively monitor and manage the impact of its activities on the environment, society and the economy, strengthening transparency and corporate responsibility.

**Subsidiary Teletrans.** Teletrans was established by Transelectrica GMS Decision no. 13/04.12.2002 and performs the function of telecommunications and information technology operator, providing specific services for Transelectrica and the telecommunications market. The company is set up as a joint-stock company managed on a unitary basis in accordance with the Companies Act No 31/1990.

Teletrans has 4 Agencies, 3 Centers, 12 working points, which are structures without legal personality, whose activity is centrally coordinated. Teletrans provides services of monitoring, operation, maintenance of IP (process informatics), TC and IT systems, installation and commissioning of equipment, systems and programs, software design and development, technical assistance, consultancy, personnel training, studies and other services in the field of IP, TC and IT for Teletrans and for the liberalized telecommunications market in Romania.

Teletrans is a subsidiary of Transelectrica (sole shareholder), and its main activity is to provide telecommunications and information technology (IT&C) services to the parent company.

In order to comply with the legal obligations in this field, the General Shareholders' Meeting initiated in 2024 the selection process of directors in accordance with GEO 109/2011 on the corporate governance of public enterprises. In November 2024, the recruitment process was finalized with the appointment of the new directors.

Teletrans is governed by the General Meeting of Shareholders (GMS) and the Directorate, composed of 5 members, appointed by the GMS, in accordance with the legislation on



corporate governance of public enterprises. Executive management is provided by the Managing Director.

The composition of the Directorate during 2024 was as follows:

| Full name                           | Mandate period                            | Status      | Independent/<br>non-independent |
|-------------------------------------|-------------------------------------------|-------------|---------------------------------|
| Ovidiu-Vasile<br>CÎMPEAN (Chairman) | 20.08.2023 -<br>19.01.2024 (5 months)     | Provisional | Non-independent                 |
| Florina DUMITRESCU                  | 20.08.2023 -<br>19.01.2024 (5 months)     | Provisional | Independent                     |
| Ionuț Cristian SĂVOIU               | 20.08.2023 -<br>19.01.2024 (5<br>months)) | Provisional |                                 |
| Sidonia Elena<br>TAMBREA            | 20.08.2023 -<br>19.01.2024 (5 months)     | Provisional | Non-independent                 |
| Vacant                              |                                           |             |                                 |

| Full name                           | Mandate period                        | Status      | Independent/<br>non-independent |
|-------------------------------------|---------------------------------------|-------------|---------------------------------|
| Ovidiu-Vasile<br>CÎMPEAN (Chairman) | 20.01.2024 -<br>19.03.2024 (2 months) | Provisional | Non-independent                 |
| Florina DUMITRESCU                  | 20.01.2024 -<br>19.03.2024 (2 months) | Provisional | Independent                     |
| Ionuț Cristian SĂVOIU               | 20.01.2024 -<br>19.03.2024 (2 months) | Provisional |                                 |
| Sidonia Elena<br>TAMBREA            | 20.01.2024 -<br>19.03.2024 (2 months) | Provisional | Non-independent                 |
| Vacant                              |                                       |             |                                 |

| Full name                                                                | Mandate period                           | Status      | Independent/<br>non-independent |
|--------------------------------------------------------------------------|------------------------------------------|-------------|---------------------------------|
| Ovidiu-Vasile<br>CÎMPEAN (Chairman)                                      | 05.04.2024 -<br>04.09.2024<br>(5 months) | Provisional | Non-independent                 |
| Florina DUMITRESCU                                                       | 05.04.2024 -<br>04.09.2024<br>(5 months) | Provisional | Independent                     |
| Decebal BĂESCU<br>(with powers<br>delegated by the<br>Managing Director) | 05.04.2024 -<br>04.09.2024<br>(5 months) | Provisional | Independent                     |
| VACANT                                                                   |                                          |             |                                 |
| VACANT                                                                   |                                          |             |                                 |



| Full name                                                                | Mandate period                           | Status      | Independent/<br>non-independent |
|--------------------------------------------------------------------------|------------------------------------------|-------------|---------------------------------|
| Ovidiu-Vasile<br>CÎMPEAN (Chairman)                                      | 05.09.2024 -<br>04.11.2024<br>(2 months) | Provisional | Non-independent                 |
| Florina DUMITRESCU                                                       | 05.09.2024 -<br>04.11.2024<br>(2 months) | Provisional | Independent                     |
| Decebal BĂESCU<br>(with powers<br>delegated by the<br>Managing Director) | 05.09.2024 -<br>04.11.2024<br>(2 months) | Provisional | Independent                     |
| VACANT                                                                   |                                          |             |                                 |
| VACANT                                                                   |                                          |             |                                 |

| Full name                                                                                           | Mandate period                           | Status      | Independent/<br>non-independent |
|-----------------------------------------------------------------------------------------------------|------------------------------------------|-------------|---------------------------------|
| Victor Andrei<br>DIMITRIU (Chairman)                                                                | 13.11.2024 -<br>12.11.2028               | Definitely  | Independent                     |
| Decebal BĂESCU<br>(with powers<br>delegated by the<br>Managing Director)                            | 13.11.2024 -<br>12.11.2028               | Definitely  | Independent                     |
| Maria Roberta<br>DOLOIU                                                                             | 09.12.2024 -<br>08.05.2025<br>(5 months) | Provisional | Independent                     |
| Mirela IONESCU                                                                                      | 09.12.2024 -<br>08.05.2025<br>(5 months) | Provisional | Independent                     |
| VACANT<br>* termination of the mandate<br>of Ovidiu-Vasile CÎMPEAN on<br>19.12.2024, by resignation |                                          |             |                                 |

The composition of the Board of Directors at the date of this report is as follows:

- 3 non-executive members, including 1 permanent and 2 provisional administrators.
- 1 executive member, with the mandate of permanent administrator.

The Company is represented by the Managing Director (with a provisional mandate), who at the time of this report is the Executive Director.

- The gender diversity of the Directorate is 50%.
- All Board members are independent.

The Directorate has three advisory committees: the Nomination and Remuneration Committee, the Audit Committee and the Risk Management Committee.



|           |                                              |                                                                                              |
|-----------|----------------------------------------------|----------------------------------------------------------------------------------------------|
| TELETRANS | <b>Nomination and Remuneration Committee</b> | Established on 11.12.2024                                                                    |
|           | DIMITRIU Victor-Andrei DIMITRIU - Chairman   | Decision of the Board of Directors no. 35/11.12.2024                                         |
|           | DOLOIU Maria-Roberta                         |                                                                                              |
|           | IONESCU Mirela                               |                                                                                              |
|           | <b>Audit Committee</b>                       | Established on 11.12.2024                                                                    |
|           | IONESCU Mirela - Chairman                    | Board of Directors Decision No 35/11.12.2024 and Board of Directors Decision No 5/22.01.2025 |
|           | DIMITRIU Victor-Andrei                       |                                                                                              |
|           | DOLOIU Maria-Roberta                         |                                                                                              |
|           | <b>Risk Management Committee</b>             | Established on 11.12.2024                                                                    |
|           | DOLOIU Maria-Roberta - Chairman              | Decision of the Board of Directors no. 35/11.12.2024                                         |
|           | DIMITRIU Victor-Andrei                       |                                                                                              |
|           | IONESCU Mirela                               |                                                                                              |

The Nomination and Remuneration Committee organizes training sessions for board members, formulates proposals for the remuneration of directors and executives in compliance with the remuneration policy submitted by AMEPIP, and assists the board in assessing its own performance as well as the performance of the executive management.

The Risk Management Committee ensures that control activities are consistent with the risks generated by the activities and processes subject to control, identifies, analyzes, evaluates, monitors and reports on identified risks, the plan of measures to mitigate or anticipate them, other measures taken by the executive management. It shall also be responsible for measuring the solvency of the public undertaking, by reference to its usual duties and obligations, and shall inform or, where appropriate, make proposals to the Directorate and the supervisory board.

The Audit Committee shall perform the duties set out in Article 65 of Law No 162/2017.

**Smart.** Smart was established in 2001, by the Government Decision no. 710/19.07.2001 on the establishment of the subsidiary " Commercial Company for Maintenance Services of the Transmission Grid S.C. "Smart" S.A." by reorganizing some activities within the National Company for the Transmission of Electricity "Transelectrica" S.A.

The main activity carried out by the Company is carrying out overhaul and repair of primary equipment in electrical networks, repair of incidents at electrical installations, provision of services in the energy field, microproduction of electrical equipment.

Smart is made up of eight branch offices without legal personality.

Smart is a subsidiary of Transelectrica (sole shareholder), and its main activity is the repair of electrical equipment (carrying out overhauls, repairs and incident remedies to primary and secondary equipment in the electricity grids, providing services in the energy field, microproduction of electrical equipment).

In order to comply with the legal obligations in this field, the General Shareholders' Meeting initiated in 2024 the selection process of directors, in accordance with GEO 109/2011 on the



corporate governance of public enterprises. In December 2024, the recruitment process was finalized with the appointment of the new directors.

The Smart Company is governed by the General Shareholders' Meeting (GMS) and the Directorate, composed of 5 members, appointed by the GMS, in accordance with the legislation on corporate governance of public companies. Executive management is provided by the Managing Director.

The composition of the Directorate during 2024 was as follows:

| Full name                           | Mandate period                           | Status      | Independent/<br>non-independent |
|-------------------------------------|------------------------------------------|-------------|---------------------------------|
| Raluca Cristina ISPIR<br>(Chairman) | 25.10.2023 -<br>24.03.2024 (5 months)    | Provisional | Non-independent                 |
| Daniela CRANGASU                    | 25.10.2023 -<br>24.03.2024 (5 months)    | Provisional | Non-independent                 |
| Daniela STANDESCU                   | 25.10.2023 -<br>24.03.2024 (5 months)    | Provisional | Independent                     |
| Zina Violeta CHIRIAC                | 25.10.2023 -<br>24.03.2024 (5 months)    | Provisional | Independent                     |
| Ioana Mihaela<br>KAITOR             | 25.10.2023 -<br>24.03.2024<br>(5 months) | Provisional | Independent                     |

| Full name                           | Mandate period                           | Status      | Independent/<br>non-independent |
|-------------------------------------|------------------------------------------|-------------|---------------------------------|
| Raluca Cristina ISPIR<br>(Chairman) | 25.03.2024 -<br>24.05.2024 (2 months)    | Provisional | Non-independent                 |
| Daniela CRANGASU                    | 25.03.2024 -<br>24.05.2024 (2 months)    | Provisional | Non-independent                 |
| Daniela STANDESCU                   | 25.03.2024 -<br>24.05.2024 (2 months)    | Provisional | Independent                     |
| Zina Violeta CHIRIAC                | 25.03.2024 -<br>24.05.2024 (2 months)    | Provisional | Independent                     |
| Ioana Mihaela<br>KAITOR             | 25.03.2024 -<br>24.05.2024<br>(2 months) | Provisional | Independent                     |

| Full name                           | Mandate period                        | Status      | Independent/<br>non-independent |
|-------------------------------------|---------------------------------------|-------------|---------------------------------|
| Raluca Cristina ISPIR<br>(Chairman) | 05.06.2024 -<br>04.11.2024 (5 months) | Provisional | Non-independent                 |
| Daniela CRANGASU                    | 05.06.2024 -<br>04.11.2024 (5 months) | Provisional | Non-independent                 |
| Daniela STANDESCU                   | 05.06.2024 -                          | Provisional | Independent                     |



|                         |                                          |             |                 |
|-------------------------|------------------------------------------|-------------|-----------------|
|                         | 04.11.2024 (5 months)                    |             |                 |
| Sorin Radu PĂUN         | 05.06.2024 -<br>04.11.2024 (5 months)    | Provisional |                 |
| Alexandru Ciprian EPURE | 05.06.2024 -<br>04.11.2024<br>(5 months) | Provisional | Non-independent |

| Full name                           | Mandate period                            | Status      | Independent/<br>non-independent |
|-------------------------------------|-------------------------------------------|-------------|---------------------------------|
| Raluca Cristina ISPIR<br>(Chairman) | 05.11.2024 -<br>04.01.2025* (2 months)    | Provisional | Non-independent                 |
| Daniela CRANGASU                    | 05.11.2024 -<br>04.01.2025* (2 months)    | Provisional | Non-independent                 |
| Daniela STANCIU                     | 05.11.2024 -<br>04.01.2025* (2 months)    | Provisional | Independent                     |
| Sorin Radu PĂUN                     | 05.11.2024 -<br>04.01.2025* (2 months)    | Provisional |                                 |
| Alexandru Ciprian EPURE             | 05.11.2024 -<br>04.01.2025*<br>(2 months) | Provisional | Non-independent                 |

- Term of office ended on 23.12.2024 with the appointment of the administrators for a 4-year term of office following the selection procedure in accordance with O.U.G. no. 109/2011

| Full name                                                                       | Mandate period                        | Status      | Independent/<br>non-independent |
|---------------------------------------------------------------------------------|---------------------------------------|-------------|---------------------------------|
| Raluca Cristina ISPIR<br>(Chairman)                                             | 23.12.2024 - 22.12.2028               | Definitely  | Non-independent                 |
| Decebal BĂESCU                                                                  | 23.12.2024 - 22.12.2028               | Definitely  | Independent                     |
| Gheorghe BOLINTINEANU                                                           | 23.12.2024 - 22.12.2028               | Definitely  | Independent                     |
| Ion BUCUR                                                                       | 21.02.2025 - 20.07.2025<br>(5 months) | Provisional |                                 |
| Vacant (following the non-acceptance of the mandate by Alexandru Ciprian EPURE) |                                       |             |                                 |

The composition of the Board of Directors at the date of this report is as follows:

- 3 non-executive members, including 2 permanent administrators and 1 provisional administrator.
- 1 executive member, with the mandate of permanent administrator.

The Company is represented by the Managing Director (with a provisional mandate), who at the time of this report is the Executive Director.



- The gender diversity of the Directorate is 25% women.

The Directorate has three advisory committees: the Nomination and Remuneration Committee, the Audit Committee and the Risk Management Committee.

|       |                                              |                                              |
|-------|----------------------------------------------|----------------------------------------------|
| SMART | <b>Nomination and Remuneration Committee</b> | Established on 24.12.2024                    |
|       | ISPIR Raluca Cristina                        | Board of Directors Decision No 44/24.12.2024 |
|       | BĂESCU Decebal                               |                                              |
|       | <b>Audit Committee</b>                       | Established on 24.12.2024                    |
|       | ISPIR Raluca Cristina                        | Board of Directors Decision No 44/24.12.2024 |
|       | BĂESCU Decebal                               |                                              |
|       | BOLINTINEANU Gheorghe                        |                                              |
|       | <b>Risk Management Committee</b>             | Established on 24.12.2024                    |
|       | ISPIR Raluca Cristina                        | Board of Directors Decision No 44/24.12.2024 |
|       | BĂESCU Decebal                               |                                              |
|       | BOLINTINEANU Gheorghe                        |                                              |

The Nomination and Remuneration Committee organizes training sessions for Board members, formulates proposals for the remuneration of directors and executives in compliance with the remuneration policy submitted by AMEPIP and assists the Board in assessing its own performance as well as the performance of the executive management.

The Risk Management Committee ensures that control activities are consistent with the risks generated by the activities and processes subject to control, identifies, analyzes, evaluates, monitors and reports on identified risks, the plan of measures to mitigate or anticipate them, other measures taken by the executive management. It shall also be responsible for measuring the solvency of the public undertaking, by reference to its usual duties and obligations, and shall inform or, where appropriate, make proposals to the Directorate and the supervisory board.

The Audit Committee shall perform the duties set out in Article 65 of Law No 162/2017.

**Governance relations between Transelectrica and its subsidiaries (Teletrans and Smart).** Transelectrica, as the parent company, exercises control over its subsidiaries Teletrans and Smart through a well-defined governance framework, in accordance with corporate governance principles and applicable regulations.

Strategic decisions regarding the subsidiaries are taken at the level of Transelectrica's Directorate, which is responsible for deciding on voting at the General Meetings of Shareholders (GMSs) of the subsidiaries.

The Directorate also sets the essential guidelines for their management, with powers to appoint and dismiss the subsidiary's directors and their remuneration. With regard to the management of the subsidiaries, the Directors of the subsidiaries operate on the basis of clearly defined objectives set out in the Letter of Expectations.



## Information provided to the administrative, management and supervisory bodies of the enterprise and the sustainability issues they address (GOV-2)

Within Transelectrica, the reporting to the management bodies is evidenced by a structured risk management process, which ensures effective and proactive risk management. The implemented mechanism provides transparency and visibility on significant risks, facilitating the integration of risk management into strategic decision-making processes. It also allows for the implementation and monitoring of control measures with the objective of minimizing the impact of risks on the Company's operational performance and achievement of its objectives. This approach contributes to strengthening a robust governance framework capable of responding to emerging challenges and supporting the sustainable development of the Company.

### Structured risk management process

| Risk management organizational framework                                                                                                                                                       | Information and reporting process                                                                                                                                                                               | Risk-informed decision-making                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Operational procedure TEL-10.00 Risk Management - ensures risk identification, assessment, management and monitoring                                                                           | Regular reporting on significant risks - to the Directorate and the Chair of the Monitoring Committee                                                                                                           | Assess and prioritize risks to establish the Company's risk profile and risk tolerance limit                                                  |
| Management Internal Control Monitoring Committee, established by Directorate Decision No 210/2024 - coordinates the process of updating objectives, risk management and performance monitoring | Implementation plan of control measures for significant risks, approved by the Directorate - sent to the departments responsible for implementation                                                             | Establishing the necessary measures to manage significant risks and monitoring their implementation                                           |
| The Risk Management Team (led by the Deputy Chief Risk Management Inspector) - ensures risk reporting to the Directorate                                                                       | The reporting on the progress of the risk management process is based on the annual reports of the organizational entities and submitted to the Monitoring Committee for review and approval by the Directorate | Reporting to the Corporate Governance, Investor Relations and Representation Directorate on information required for sustainability reporting |

Transelectrica's governing bodies are regularly informed on the significant sustainability impacts, risks and opportunities through:

- **Integrated Risk Management System**, which ensures that potential losses are identified and dealt with before they materialize.
- **annual and regular reporting** on the risk situation and control measures implemented.
- **regular assessments of environmental impacts** and preventive measures taken to reduce them.

Reporting is carried out by the Integrated Management Directorate and other specialized structures, and reporting takes place at least annually or whenever necessary depending on the evolution of risks.

The Directorate and the Supervisory Board integrate these key issues into their decision-making processes, ensuring:

- Strategic alignment - overseeing and implementing measures to minimize environmental impacts and mitigate associated risks;
- assessing major transactions - rigorous analysis of environmental and sustainability implications before strategic decisions are taken;
- Proactive risk management - effective monitoring and control of key risk factors, including climatic, operational and financial.

In addition, Transelectrica is taking proactive measures such as:

- **investment in modernizing infrastructure to reduce environmental impact;**



- **adopting more sustainable technologies**, such as low-emission equipment.

For the 2024 reporting year, Transelectrica has not identified any strategic risks associated with environmental, social and governance (ESG) issues that would require reporting to the Company's Directorate, the Internal Control Monitoring Committee, the Supervisory Board or any other relevant management body. The analysis of sustainability risks demonstrated that their impact is effectively managed through the control measures and monitoring mechanisms implemented at Company level, in compliance with corporate governance requirements and applicable regulations.

As in the case of Transelectrica, in the Company's subsidiaries, the structured risk management process plays an important role in informing the management bodies, ensuring an efficient and proactive approach in identifying, assessing and monitoring risks. The implemented mechanism provides transparency and visibility on significant risks, facilitating the integration of risk management into strategic decision-making processes.

### **Integrating sustainability performance into incentive schemes (GOV-3)**

The remuneration policy for the members of the executive and non-executive management of the Company was approved by OGMS Resolution no. 3/29.04.2024. The incentive systems implemented at Transelectrica level are structured in accordance with the applicable legislation, corporate governance standards and the principles of transparency and performance. The Remuneration Policy renders the general applicable framework and describes the responsibilities of the decision makers in setting and approving remuneration and other benefits.

**Incentive structure.** The members of the Supervisory Board receive a fixed monthly remuneration fixed by the General Meeting of Shareholders, without a variable component, while the members of the Directorate receive a fixed monthly remuneration and a variable component<sup>6</sup> of the remuneration, fixed by the Supervisory Board within the maximum limits set by the General Meeting of Shareholders.

The incentive system for the members of the Directorate is structured in such a way as to align their remuneration with the strategic objectives and performance of the Company, in accordance with GEO 109/2011 on the corporate governance of public enterprises and with the principles of sustainability, efficiency and corporate responsibility.

The reward system for members of the Directorate consists of two main components:

- fixed component - remuneration that reflects the complexity of the position, responsibilities and market standards for similar executive functions;
- the variable component - directly linked to the achievement of financial, non-financial and ESG (environmental, social, governance) performance indicators, with the aim of incentivizing the achievement of the Company's strategic objectives.

**Performance indicators influencing the variable component.** The variable component of remuneration is calculated according to the degree of achievement of Key Performance Indicators (KPIs), which are grouped into 3 categories: financial indicators, non-financial indicators and non-financial indicators.

<sup>6</sup> It does not apply to provisional members.



Incentives based on non-financial and non-commercial indicators play a key role in promoting sustainability and corporate responsibility within Transelectrica. These incentives are designed to motivate management to adopt effective governance, environmental, social equity and operational safety practices, thus contributing to the achievement of ESG (environmental, social and governance) objectives.

Incentives for non-financial and non-commercial indicators are essential tools for achieving Transelectrica's sustainability objectives. They not only influence managerial performance, but also contribute to the creation of a fair, efficient and sustainable working environment aligned with modern principles of corporate governance and social responsibility.

By linking variable pay to non-financial and non-commercial indicators, incentives:

- encourages responsible, ESG-oriented management and sustainable performance;
- ensures an organizational culture based on safety, fairness and operational efficiency;
- promotes reducing environmental impact and the transition to a green economy;
- improve transparency and trust in corporate governance, in line with investor expectations and European regulations.

In the Management Plan for the period 2024-2028 (hereinafter "Management Plan"), Transelectrica assumes an active role in achieving the objectives set by national legislation and European directives in the field of renewable energy, such as "Fit for 55" and "Green Deal", essential initiatives for the energy transition of the European Union. In this context, **Transelectrica is committed to contribute to the implementation of the necessary measures to reduce carbon emissions, integrate renewable sources and modernize the energy infrastructure**, adapting to the substantial changes that will reshape the European Energy System in the coming years.

To support this transition and ensure compliance with European targets, significant investments are needed in advanced low-carbon technologies, integration of renewable energy sources, optimization of energy efficiency and modernization of the electricity grid infrastructure. These investments are essential to adapt the National Energy System to the new sustainability requirements and to strengthen Romania's role in the European energy market.

The Management Plan **outlines** Transelectrica's **strategic direction**, reaffirming its essential role both in ensuring national energy security and stability and **in facilitating the integration of renewable electricity generation capacities**. In this context, the Supervisory Board and the Directorate assume responsibility for implementing the strategic objectives in a responsible, professional and ethical manner, ensuring transparency and compliance towards all stakeholders.

The management plan sets out the programs, resources and timetable of actions with deadlines for implementation and accountable, through which the management strategy is achieved, i.e. the achievement of all strategic objectives and the assumed performance criteria and indicators.

The Management Plan has resulted in a set of strategic objectives and a set of benchmark key performance indicators to facilitate the fulfillment of the Company's strategic objectives and the requirements for operational efficiency, sustainability and security of the national energy system. These indicators are organized into several key categories, namely: financial indicators - 9, non-financial indicators - 10 and non-commercial indicator - 1, and are presented in the table below:



| Nr crt                  | Obiectiv/Indicatori de performanță                                                                               | Formula de calcul                                                                                                     |      | Valori țintă pentru indicatorii de performanță |        |        |        |        |
|-------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------|------------------------------------------------|--------|--------|--------|--------|
|                         | Denumire indicatori                                                                                              |                                                                                                                       | U.M. | 2024                                           | 2025   | 2026   | 2027   | 2028   |
| Indicatori financiari   |                                                                                                                  |                                                                                                                       |      |                                                |        |        |        |        |
| 1                       | Rata cheltuielilor de capital                                                                                    | Cheltuieli de capital*100/Total active                                                                                | %    | 5.56%                                          | 5.57%  | 5.58%  | 5.59%  | 5.60%  |
| 2                       | Gradul de Realizarea Planului Anual de Investiții în procentele enunțate din Planul de Investiții aprobat de AGA | Propunere formulă de calcul: Investiții realizate*100/Plan investiții planificat                                      | %    | 90%                                            | 91%    | 92%    | 93%    | 94%    |
| 3                       | Rata de plată a dividendelor (în conformitate cu prevederile OG 64/2001)                                         | Dividende plătite*100/Profit net                                                                                      | %    | 50%                                            | 50%    | 50%    | 50%    | 50%    |
| 4                       | Rata lichidității curente                                                                                        | Active curente/Datorii curente                                                                                        | nr   | 1.03                                           | 1.04   | 1.05   | 1.06   | 1.07   |
| 5                       | Rata de acoperire a Dobânzii                                                                                     | Profit înainte plăți dobânzii și impozitului pe profit / cheltuiala cu dobanda                                        | nr   | 3.50                                           | 4.00   | 4.50   | 5.00   | 5.50   |
| 6                       | Rata de rotație a activelor                                                                                      | Cifra de afaceri netă*100/Valoarea medie a tuturor activelor                                                          | nr   | 0.50                                           | 0.52   | 0.53   | 0.54   | 0.55   |
| 7                       | Rentabilitatea activelor ROA                                                                                     | Profit net*100/Active totale                                                                                          | %    | 2.04%                                          | 2.05%  | 2.06%  | 2.07%  | 2.08%  |
| 8                       | Plăți restante la Bugetul de Stat                                                                                | Valoarea restanțelor (datoriilor) la bugetul de stat la sfârșitul perioadei (anului fiscal)                           | lei  | 0.0                                            | 0.0    | 0.0    | 0.0    | 0.0    |
| 9                       | Reducerea Arieratelor                                                                                            | Valoarea arieratelor la sfârșitul perioadei (anului fiscal)                                                           | lei  | 0.0                                            | 0.0    | 0.0    | 0.0    | 0.0    |
| Indicatori nefinanțari  |                                                                                                                  |                                                                                                                       |      |                                                |        |        |        |        |
|                         |                                                                                                                  |                                                                                                                       | U.M. | 2024                                           | 2025   | 2026   | 2027   | 2028   |
| 1                       | Gradul de Realizarea Planului Anual de Mentenanță                                                                | Activități de mentenanță realizate*100/Activități planificate în Planul de mentenanță anual                           | %    | 90%                                            | 90%    | 90%    | 90%    | 90%    |
| 2                       | Rata de retenție a clienților                                                                                    | (Număr total de clienți la finalul perioadei -Număr de clienți noi)*100/Număr total de clienți la începutul perioadei | %    | 100%                                           | 100%   | 100%   | 100%   | 100%   |
| 3                       | Scorul de satisfacție al clienților                                                                              | Total număr evaluări de 4 și 5 în perioada t *100/Total număr evaluări în perioada t                                  | %    | 75%                                            | 75%    | 75%    | 75%    | 75%    |
| 4                       | Numărul mediu de ore de formare per angajat                                                                      | Total număr ore de formare/Total număr angajați                                                                       | nr   | 16.00                                          | 18.00  | 18.50  | 19.00  | 19.50  |
| 5                       | Numărul de instruiți în materie de siguranță                                                                     | Numărul total de instruiți în materie de siguranță care sau efectuat pe parcursul anului                              | nr   | 4.50                                           | 5.00   | 5.00   | 5.00   | 5.00   |
| 6                       | Numărul de reuniuni ale Consiliului de Supraveghere                                                              | Numărul ședințelor consiliului de supraveghere susținute pe parcursul anului de raportare                             | nr   | 8                                              | 10     | 12     | 14     | 16     |
| 7                       | Număr de reuniuni ale Comitetelor                                                                                | Numărul ședințelor comitetelor (CNR, Comitet audit, Comitet riscuri) susținute pe parcursul anului de raportare       | nr   | 8                                              | 10     | 12     | 14     | 16     |
| 8                       | Număr reuniuni Comitet Directorat                                                                                | Numărul ședințelor Comitetului Directorat sustinute pe parcursul anului de raportare                                  | nr   | 36                                             | 38     | 40     | 42     | 46     |
| 9                       | Consumul intern de energie electrică                                                                             | Consum intern de energie statii RET și sedii                                                                          | MW/h | 46.500                                         | 46.400 | 46.300 | 46.200 | 46.100 |
| 10                      | Stabilirea politicilor de gestionare a riscurilor                                                                | Există instrument de gestionare al riscurilor                                                                         | DA   | DA                                             | DA     | DA     | DA     | DA     |
| Indicatori necomerciali |                                                                                                                  |                                                                                                                       |      |                                                |        |        |        |        |
|                         |                                                                                                                  |                                                                                                                       | U.M. | 2024                                           | 2025   | 2026   | 2027   | 2028   |
| 1                       | Diferența de remunerație între angajați de sex feminin și cei de sex masculin                                    | Salariul mediu lunar al angajaților de sex feminin*100/Salariul mediu lunar al angajaților de sex masculin            | %    | 0.75%                                          | 0.50%  | 0.25%  | 0.00%  | 0.00%  |

The key performance indicators in Transelectrica's Management Plan are aligned with both national strategic objectives and European requirements for sustainability, energy security and corporate governance. They contribute to operational optimization, increased economic efficiency and the transition towards a more sustainable and digitalized energy system.

The variable component of the remuneration of the members of the Directorate is directly linked to the degree of achievement of non-financial and non-financial performance indicators. This approach ensures that the Company's strategic objectives are aligned with managerial accountability, fostering organizational performance and sustainability. Non-financial indicators, such as maintenance plan achievement, customer retention rate, customer satisfaction, number of training hours per employee and number of safety trainings, are key criteria for assessing operational and strategic performance.

At the same time, non-financial indicators, such as internal electricity consumption and the establishment of risk management policies, play a key role in assessing Transelectrica's sustainability and operational efficiency, directly influencing the strategies for optimizing energy consumption and the mechanisms for risk prevention and mitigation at the Company level. The reduction of internal electricity consumption reflects Transelectrica's commitment to energy efficiency and environmental impact, while the implementation of robust risk management policies ensures operational stability, critical infrastructure security and regulatory compliance.

The variable component of remuneration for the non-commercial indicator, i.e. the difference in remuneration between female and male employees, is directly correlated with the degree of fulfillment of this indicator, having an impact on the variable remuneration of the members of the Directorate. This indicator reflects Transelectrica's commitment to pay equity and equal opportunities, and the achievement of the established targets influences the assessment of managerial performance and the level of remuneration granted.

**Performance assessed against specific sustainability targets and/or impacts.** Transelectrica's performance is assessed against specific sustainability-related targets and impacts, reflected in a series of non-financial and non-financial indicators. These include internal electricity consumption (ETG stations and headquarters) - a clear reduction target to 46,400





**Smart Branch.** Currently, 3 members of the Directorate are appointed for a 4-year term (*of the 4 members initially appointed for a 4-year term, 1 member did not accept the mandate - Alexandru Ciprian EPURE*), while a selection procedure is underway at the time of the Report to fill the vacant positions. Thus, there is currently no management plan developed in accordance with GEO 109/2011 on the corporate governance of public enterprises, which could include performance indicators specific to sustainability issues.

As a consequence, incentive systems on sustainability issues for members of the administrative and management bodies have not yet been established. Once a management plan is adopted, clear strategic objectives will be defined, including in the area of sustainability.

### **Declaration on the due diligence process (GOV-4)**

Transelectrica has implemented an integrated management policy to facilitate the systematic achievement of quality, environmental, occupational health and safety performance. The functioning of the integrated management system is ensured in accordance with the reference standards for which the Company holds certifications, thus ensuring effective control over the processes, as well as minimizing risks and identifying opportunities.

The integrated management system also contributes to results that contribute to sustainable business development and a high level of customer satisfaction.

Transelectrica holds the certification of the Integrated Quality, Environmental, Occupational Health and Safety Management System according to the requirements of SR EN ISO 9001:2015 (Quality Management Systems .Requirements), SR EN ISO 14001:2015 (Environmental Management Systems.Requirements with user guide) and SR ISO 45001:2023 (Occupational Health and Safety Management System) .

In 2024, Transelectrica was externally audited by SRAC CERT SA. As a result of the audit, the Audit Report no. 34509/11.07.2024 was issued.

Transelectrica's due diligence process on sustainability issues is structured in several key steps. First, the Company is integrating sustainability criteria into its strategy and business model by adopting clear policies on energy efficiency, greenhouse gas emission reduction, biodiversity protection and circular economy. This approach ensures that Transelectrica's operations are aligned with the European objectives of energy transition and sustainable development.

Another pillar of this process is the active consultation of stakeholders to understand their expectations and concerns. Through a transparent and participatory approach, Transelectrica involves investors, authorities, local communities and other relevant groups in the elaboration of strategic sustainability decisions, thus building trust and long-term partnerships.

In order to anticipate possible risks and unfavorable consequences, Transelectrica carries out a detailed assessment of the negative impacts generated by its activities on the environment and communities. This process uses advanced analytical methods and risk scenarios, helping to identify the most effective solutions to prevent and mitigate impacts.



Based on this analysis, the Company is implementing corrective measures to reduce the identified impacts. These include investing in green technologies, modernizing infrastructure, and adopting responsible corporate governance practices, all with the aim of improving operational performance and supporting the transition to a sustainable energy system.

Monitoring the effectiveness of the measures adopted and regular reporting of progress to authorities and investors is a fundamental element of this process. Through transparency and proactive communication, Transelectrica ensures the continuous improvement of its sustainability performance, thus strengthening its position as a responsible and resilient operator in the energy sector. This approach is an integral part of its risk management system and supports the adaptation of the Company to the requirements of a sustainable and durable business model.

| Main elements of the due diligence process                                        | Relevant section of the sustainability report                                                                     |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Integrate due diligence into governance, strategy and business model              | ESRS 2 SBM-1: Strategy, business model and chain                                                                  |
| Working with affected stakeholders at all key stages of the due diligence process | ESRS 2 SBM-2: Stakeholder interests and views                                                                     |
| Identification and assessment of negative impacts                                 | ESRS 2 IRO-1: Description of processes for identifying and assessing significant impacts, risks and opportunities |
| Taking action to address negative impacts                                         | ESRS E1, E2, E4, E5                                                                                               |
| Monitoring the effectiveness of actions and communicating results                 | ESRS GOV-5: Risk management and internal controls over sustainability reporting                                   |

**Teletrans Subsidiary** has designed, documented and implemented an Integrated Management System for quality, environment, safety and health at work in accordance with the requirements of the following reference standards: SR EN ISO 9001:20015 "Quality Management Systems. Requirements." - For quality; SR EN ISO 14001:2015 "Environmental management systems. Specification and user guide" - for environment; SR ISO 45001:2023 (Occupational Health and Safety Management System) and Information Security Management System at Executive level, according to the requirements of ISO/IEC 27001:2018.

**Smart Subsidiary** has designed, documented and implemented an Integrated Management System for quality, environment, safety and occupational health in accordance with the requirements of the following reference standards: SR EN ISO 9001:20015 "Quality Management Systems. Requirements." - For quality; SR EN ISO 14001:2015 "Environmental management systems. Specification and user guidance" - for environment; OHSAS 18001:2007 "Occupational health and safety management systems" - for occupational safety.



## Risk management and internal controls related to sustainability reporting (GOV-5)

Risk management and internal controls related to sustainability reporting provide a **preliminary approach for identifying, assessing and monitoring risks that may influence compliance and transparency of reporting**. Within Transelectrica, this process is part of the Integrated Risk Management System, which includes internal control mechanisms, periodic auditing and verification of compliance with ESRS Standards and applicable regulations. Through the Risk Register and the Control Implementation Plan, the Company aims to proactively manage sustainability risks, reduce uncertainties and improve the quality of reported information. This framework ensures the transparency and reliability of environmental, social and governance performance data, enhancing stakeholder confidence and alignment with corporate governance requirements.

Risk management and internal control are integrated within the Integrated Risk Management System, which complies with the requirements of SGG Order No. 600/2018 and Operational Procedure TEL-10.00 Risk Management.

The main components of risk management and internal control processes and systems for sustainability reporting include:

- Monitoring Committee for the implementation of the Management Internal Control System (MC MC ICSMS), which oversees the risk management process and reporting to the Directorate;
- Risk Management Team (EMRC), which analyzes and prioritizes significant risks at Company level;
- Implementation plan of control measures for significant risks, reviewed and approved annually.

This system ensures transparency and compliance with national and European regulations and is an essential tool for integrating sustainability risks into business strategy.

The process is carried out annually and reviewed in case of new risks or changes in the operational and legislative context.

| Main features of the risk management and internal control system                                                                                                  |                                                                                                                                                                     |                                                                                                                                                                                                |                                                                                                                                                                 |                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Proactive approach</b><br>- Transelectrica identifies, assesses and monitors risks before they materialize, ensuring the implementation of preventive measures | <b>Integration into business strategy</b> - The risk management system is aligned with the company's strategic objectives, contributing to informed decision making | <b>Regulatory compliance</b> - The risk management system complies with the requirements of national and European legislation, including SGG Order No. 600/2018 on managerial internal control | <b>Continuous monitoring and reporting</b> - regular risk assessments are carried out and the results are reported to the Directorate and the Supervisory Board | <b>Adaptability</b> - The risk management system allows risk management strategies to adjust to changes in the environment, regulations and technological developments |

The risk register is an essential tool in the risk management process, with the role of identifying, assessing and monitoring the risks that may affect the achievement of Transelectrica's strategic objectives. It provides a clear and structured documented view of significant risks, allowing the



analysis of the impact and likelihood of materialization, as well as the establishment of control measures and mitigation strategies. Within Transelectrica, the Risk Register is regularly updated and used to inform risk management decisions, ensuring transparency and compliance with applicable regulations.

|                                 |                                                                             |                                                                                                                                                                                                                                                                                                             |
|---------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Technical and operational risks | Loss of stability of the National Energy System (NES)                       | Mitigation strategies: continuous monitoring of operating parameters, upgrading critical infrastructure, implementation of measures to balance energy supply and demand<br>Related controls: 24/7 operational dispatching, regular equipment testing, implementation of advanced network management systems |
|                                 | Damage to plant and equipment                                               | Mitigation strategies: preventive and predictive maintenance program, use of modern equipment with increased reliability, digitalization of equipment monitoring processes<br>Related controls: regular technical inspections, implementation of an alert system for early fault detection                  |
|                                 | Operating systems and platforms malfunctions                                | Mitigation strategies: Deployment of redundant solutions for critical systems, regular testing and updating of IT platforms<br>Related controls: stress tests and simulations, cyber security audits                                                                                                        |
| Climate and environmental risks | The impact of climate change on energy infrastructure                       | Mitigation strategies: Increase infrastructure resilience by using materials and equipment resistant to extreme climatic conditions, investing in modernization and retrofitting.<br>Related controls: Regular climate risk assessments, implementation of a climate change adaptation action plan.         |
|                                 | Greenhouse gas emissions and compliance with environmental regulations      | Mitigation strategies: reducing energy losses by modernizing the grid, promoting renewable energy, implementing solutions to monitor and reduce emissions<br>Related controls: Monitoring and reporting greenhouse gas emissions, implementing energy sustainability policies                               |
| Compliance and regulatory risks | Failure to comply with EU and national energy and environmental regulations | Mitigation strategies: Continuous monitoring of legislative changes, alignment of company strategies with European sustainability requirements<br>Related controls: Internal and external audits, active collaboration with regulators                                                                      |
| Security and cyber risks        | Security breaches in critical infrastructures                               | Mitigation strategies: Strengthen IT security and data protection, implement advanced cyber-attack prevention systems<br>Related controls: regular penetration testing, continuous updating of security systems                                                                                             |
|                                 | Information security and cyber infrastructure protection                    | Mitigation strategies: Encryption of sensitive data, cybersecurity training for employees, partnerships with cybersecurity experts<br>Related controls: Implement an information security management system                                                                                                 |

The risks highlighted in this chapter, mitigation strategies and related controls are detailed for each significant theme and sub-theme and are the result of the dual materiality analysis carried out in accordance with the ESRS

**Integration of risk assessment findings.** Transelectrica integrates risk assessment findings systematically into its strategic, operational and financial decision-making processes, thereby



ensuring proactive management of uncertainties and alignment with sustainability and regulatory requirements. The results of the risk assessment are used to adjust and update the Company's strategy, enabling the identification of emerging risks and associated opportunities.

At the same time, Transelectrica integrates risk assessment findings into operational processes, using an integrated risk management system that includes risk identification and classification, implementation of corrective and preventive measures and continuous monitoring of risk factors. Risk assessment findings are regularly communicated to the Directorate, which decides on necessary adjustments in business strategy and long-term planning.

Integrating risk assessment findings into Transelectrica's strategy and operations contributes to strengthening the Company's resilience, ensuring operational stability and increasing economic and environmental efficiency. This process enables a sustainable and adaptive approach to emerging risks while supporting the energy transition and sustainable development objectives.

Further information on how Transelectrica integrates the findings of the risk assessment can be found both in the section Significant Impacts, Significant Risks and Significant Opportunities and their interaction with the Strategy and Business Model (SBM-3) and in the chapter related to each relevant thematic ESRS.

A significant element of the sustainability reporting is the Silver Recognition awarded to Transelectrica in the Romania CST Index 2024 assessment by Azores Sustainability & CSR Services, which attests the company's ongoing commitment to sustainable development and social responsibility, reflecting its continuous progress in integrating ESG principles and adopting best sustainability practices.

In terms of risk management and internal controls related to sustainability reporting, the Company, Teletrans and Smart subsidiaries, also operate in a dynamic environment characterized by significant challenges in sustainability, energy transition and digitalization of critical infrastructure. In this context, the main risks identified at Group level relate to issues that have a direct impact on resilience and business continuity.

**Teletrans Subsidiary.** At Teletrans level, during 2024, the risks were reassessed and managed in accordance with the provisions of the internal procedure Risk Management Code TLT-PS-02, developed in accordance with SGG Order no. 600/2018 on the approval of the Code of internal managerial control of public entities and standards in the field of quality ISO 9001:2015, environment ISO 14001:2015, occupational health and safety ISO 45001:2023.

The main risk identified is cybersecurity risk, with a significant impact on business continuity and data protection. Cyber-attacks on critical infrastructures represent a major threat in the context of the increasing complexity and interconnectedness of IT&C systems. In addition, vulnerabilities generated by new emerging technologies require continuous investment in digital security solutions and constant infrastructure upgrades to prevent security breaches.

**Smart Subsidiary.** The main risks are:

- **environmental risks and climate change.** Extreme weather events, such as storms, floods or high temperatures, can affect the electricity transmission grid, leading to additional repair and maintenance costs. Also, inefficient management of waste resulting from maintenance activities can lead to compliance risks and possible sanctions from environmental authorities.



- **operational and energy efficiency risks.** Equipment wear and tear and the need to upgrade transmission infrastructure represent a significant operational risk. The use of older equipment can lead to increased resource consumption and decreased operational efficiency. In addition, the transition to renewable energy sources requires the adaptation of infrastructure and the implementation of technological solutions that can create costs and operational challenges.
- **social and human resource risks.** Another critical issue for Smart is the shortage of energy specialists. High competition in the labor market may make it difficult to attract and retain qualified personnel, thus affecting the Company's ability to implement strategic projects and respond to evolving technological requirements.

#### 4. Strategy, business model and value chain SBM-1)

##### Identifying the Company in the national and European context

Transelectrica was established by Government Decision no. 627 of July 13, 2000, as part of the reorganization process of Companiei Naționale de Electricitate SA (CONEL). This restructuring led to the separation of CONEL into four independent entities, each with a distinct role in the energy sector: Transelectrica - the electricity transmission and system operator, Electrica - responsible for distribution, Hidroelectrica and Termoelectrica - specialized in electricity generation. This division was aimed at streamlining and modernizing the national energy sector, aligning it with European market requirements and strengthening Transelectrica's critical role in ensuring the security and stability of the National Energy System (NES).

Thus, transmission and system services have been fully demarcated from electricity generation, distribution and supply activities, ensuring a clear and efficient operational structure.

According to legal provisions, the activity of electricity transmission constitutes a public service of national and strategic interest. In its capacity as transmission and system operator, Transelectrica operates on the basis of License no. 161/2000 for the provision of electricity transmission service, for the provision of system service and for the management of the balancing market, which was subsequently revised by Decisions of the President of ANRE.

Transelectrica owns in concession the assets belonging to the public domain of the state, namely the national electricity transmission grid (ETG), being a public utility company. The concession over the ETG and the land on which it is located was granted for a period of 49 years by concession contract no. 1/29.06.2004, concluded between the Ministry of Economy and Trade, as granting authority, and Transelectrica, as concessionaire.

From a technical perspective, the National Energy System (NES) functions as an integrated infrastructure, being centrally managed by the single transmission and system operator, Transelectrica. In the value chain of electricity activities, Transelectrica occupies the central position of transmission and system operator, a regulated natural monopoly activity, with the mission of ensuring the public service of electricity transmission while maintaining the operational reliability of the national energy system, under non-discriminatory conditions of access for all users.



### Number of employees by geographical area (map with STTs)

|                 |           |
|-----------------|-----------|
| Executive       | 503 pers. |
| DEN             | 189 pers. |
| STT Bacau       | 142 pers. |
| S Bucharest     | 198 pers. |
| STT Cluj-Napoca | 151 pers. |
| STT Constanta   | 169 pers. |
| STT Craiova     | 184 pers. |
| STT Pitesti     | 150 pers. |
| STT Sibiu       | 155 pers. |
| STT Timisoara   | 185 pers. |

TOTAL 2026 pers.

A strategic company in the national and regional context, Transelectrica fulfills essential roles in the energy sector, acting as balancing market operator, metering operator and capacity allocation operator on interconnection lines. Through these functions, Transelectrica contributes to maintaining the stability of the NES, optimizing cross-border energy flows and ensuring an efficient and fair framework for electricity market participants. At European level, the energy sector is undergoing a broad process of transition and transformation, driven by the objectives of sustainability and energy market integration. The transition of the energy sector aims to move from a national development model to an integrated and coordinated model at European level, ensuring a unified but flexible development adapted to the specificities of each Member State. In this process, integration at regional level is an essential step towards the ultimate goal of a trans-European energy market.

| Categories of services offered                                                                                                                                                                                                             |                                        |                                                                                              | Electricity markets                                 | Customer categories              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------|
| <b>SEN Transmission and System Operator</b>                                                                                                                                                                                                | <b>Balancing Market Operator - OPE</b> | <b>Wholesale Electricity Wholesale Market Metering Operator - OMEPA Metering Directorate</b> | <b>Administration of electricity markets</b>        | <b>End customers - consumers</b> |
| Electric transmission grid infrastructure                                                                                                                                                                                                  | Balancing market platform              | The metering system                                                                          | Capacity allocation market on interconnection lines |                                  |
| The dispatching infrastructure (EMS/SCADA - Energy Management System / Supervisory Control and Data Acquisition) which is realized within the Operational Unit - National Energy Dispatching (DEN) and the 5 Territorial Dispatchers (DET) |                                        |                                                                                              | Technology and system services market               |                                  |
| Capacity allocation on interconnecting lines                                                                                                                                                                                               |                                        |                                                                                              | Balancing market                                    |                                  |
| Green certificates                                                                                                                                                                                                                         |                                        |                                                                                              | Market for the day ahead                            |                                  |
|                                                                                                                                                                                                                                            |                                        |                                                                                              | Intra-domestic market                               |                                  |



| Categories of services offered |  |  | Electricity markets                                    | Customer categories |
|--------------------------------|--|--|--------------------------------------------------------|---------------------|
|                                |  |  | Centralized market for bilateral electricity contracts |                     |
|                                |  |  | Green certificates market                              |                     |

European energy and environment policies, implemented through the legislative packages adopted at EU level, are geared towards strengthening energy security, increasing energy efficiency, decarbonizing the energy sector by integrating renewable energy sources and developing advanced energy storage solutions.

**As an active member of ENTSO-E, Transelectrica plays a key role in the development and negotiation of policies and regulations applicable to the European energy sector, thus contributing to shaping a sustainable, reliable and interconnected energy system.**

A number of projects are being carried out at the level of TSOs to implement the single European energy market, implement the European grid codes or investigate specific aspects of the challenges in the new **Clean Energy** Package, which complements the previous legislative package in areas such as the single/internal electricity market, the integration of renewables into the system, the aggregation of electricity generation capacity, electricity consuming and storage units, the increase of cross-border capacities and the transformation of Regional Security Centers (RSCs) into Regional Coordination Centers (RCCs).

The benchmarks set out in the table above are essential to provide a clear and structured picture of Transelectrica's strategic role at both national and European level. These aspects highlight the Company's commitment to sustainable development, demonstrating how Transelectrica is contributing to the modernization and digitalization of the energy infrastructure, the integration of renewable energy, increased corporate transparency and alignment with European policies on energy transition. At the national level, the emphasis on the Company's strategic position, its listing on the BVB and access to European and national funds highlight its financial stability and ability to attract investment for essential infrastructure projects. At the European level, the active participation in ENTSO-E, TSCNET, as well as the participation in TYNDP reflects Transelectrica's involvement in the development of the unified energy market and in the implementation of the Green Deal and Fit for 55, confirming its contribution to the decarbonization of the energy sector and regional energy security. These points provide transparency to stakeholders, strengthening the confidence of investors, authorities and partners in the Company's sustainable direction.

### **Transelectrica's involvement in national and international organizations in the energy sector**

As a strategic operator of the NES and of the energy market, Transelectrica plays an essential role in the development and stability of the national energy infrastructure. The company is an active member of national and international profile organizations, constantly contributing to their initiatives through technical expertise and participation in decision-making processes.

Through its representatives, Transelectrica is involved in specialized committees and working groups, participating in the elaboration of policies, studies and scientific expertise relevant to the energy sector. The Company also develops projects with regional and pan-European impact, strengthening its cooperation relations with the main players in the field.



Membership in these organizations facilitates a constant exchange of information, experience and best practices, helping to align Transelectrica to international standards and strengthening its position as a leader in electricity transmission in Romania.

| National organizations                                                                                   | Technical Committees                                                      | International organizations                                                |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------|
| ALSTR - Association for Live Working in Romania                                                          | Technical Committee 164 - Electricity metering and load control equipment | ENTSO-E - European Association of Transmission System Operators for Energy |
| CNR-WEC - Association Romanian National Committee of the World Energy Council                            | Technical Committee 165 - Overhead power lines                            | CIGRE - International Council of Large High Voltage Electric Networks      |
| SIER - Romanian Society of Energy Engineers                                                              | Technical Committee 176 - Equipment and tools for live working            | LWA - International Stress Working Association                             |
| CNR-CIGRE - Romanian National Committee CIGRE Association                                                | Technical Committee 374 - Conformity Assessment                           | ISSA - International Social and Occupational Security Association          |
| CRE - Romanian Energy Center                                                                             |                                                                           |                                                                            |
| AmCham - Association of American Chambers of Commerce in Romania                                         |                                                                           |                                                                            |
| ARIR - Association for Investor Relations at the Romanian Stock Exchange                                 |                                                                           |                                                                            |
| IRE - Association Romanian National Institute for the Study of the Development and Use of Energy Sources |                                                                           |                                                                            |
| ASRO - Standardization Association of Romania                                                            |                                                                           |                                                                            |

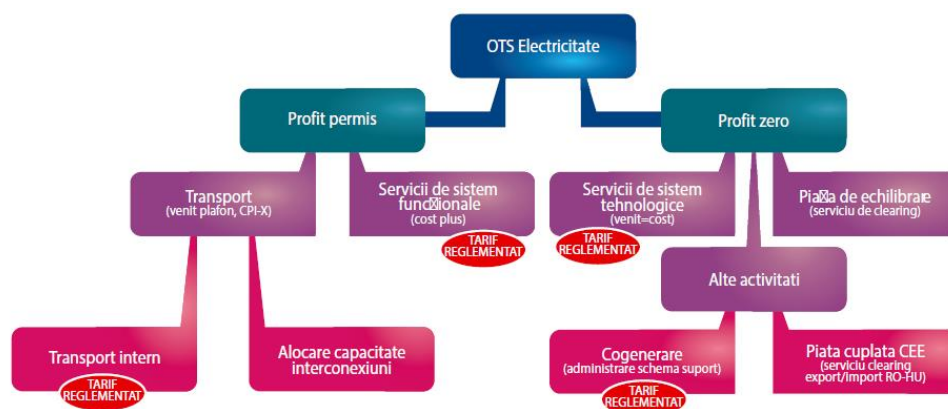
**Strategy.** Transelectrica's strategy is aligned with the European decarbonization objectives, focusing on modernizing the energy infrastructure, integrating renewable sources and improving energy efficiency. The company assumes an essential role in the energy transition, with the main directions being the safety in the operation of the National Electricity System (NES), investments in sustainable technologies and digitalization of operational processes.

Therefore, Transelectrica's sustainability strategy aims to optimize resource consumption, reduce carbon footprint and adapt the infrastructure to new technological and climate requirements.

**Business model.** Transelectrica is the sole transmission system operator (TSO) in Romania, responsible for the management, maintenance and development of the Electricity Transmission Grid (ETG). Its business model is centered on ensuring energy security, energy balance and efficient interconnection with regional and European networks, in accordance with the European Union's requirements on energy transition and sustainability.

Transelectrica operates under a regulated regime, with revenues derived from transmission tariffs and system services, set by the National Energy Regulatory Authority (ANRE). The company plays a key role in facilitating the integration of renewable energy sources, digitalization of energy infrastructure and reducing environmental impact through investments in grid modernization and advanced control and monitoring technologies.





| Types of activities                              | Revenues                                                                                                                  | The year 2024 |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------|
| Activities with allowed profit :                 | Operational revenues: transmission and other energy market revenues: regulated tariff, other PE revenues, Interconnection | 2087 mil RON  |
| Activities with allowed profit :<br>Other income | Operating revenue: other revenue                                                                                          | 256 mil RON   |
| Zero profit activities                           | Income from system services                                                                                               | 571 mil RON   |
| Zero profit activities                           | Balancing market revenues                                                                                                 | 4966 mil RON  |
|                                                  | Total                                                                                                                     | 7880 mil RON  |

As the reporting year 2024 is the first year of reporting according to the European Sustainability Reporting Standards (ESRS), no changes can be provided for the reporting period as there is no comparable data from previous years to allow a trend analysis of sustainability indicators.

Transelectrica's main activity is in the field of electricity transmission, ensuring the operation, maintenance and development of the Romanian Electricity Transmission Grid (ETG). In compliance with the transparency and reporting requirements, Transelectrica **declares that it does not operate in any of the sectors listed in paragraph 40 of the Strategy, Business Model and Value Chain (SBM-1) section of the ESRS**, namely fossil fuels, chemical manufacturing, controversial weapons or tobacco growing and production.

For the reporting year 2024, Transelectrica has identified sustainability targets for the main service categories, geographical areas, stakeholders, thus aligning with the strategic objectives of energy transition and sustainability. At the same time, a number of relevant targets were quantified, establishing specific performance indicators for operational efficiency, reducing environmental impact and improving stakeholder relations. The process of strengthening the reporting framework will continue and in the next two reporting years all targets will be fully quantified, ensuring a comprehensive and detailed monitoring of progress towards the sustainability objectives.



Within the Electricity Transmission Grid (ETG) Development Plan for the period 2024-2033, Transelectrica has identified a series of strategic investment projects, which aim to modernize, expand and increase the efficiency of the electricity transmission infrastructure. These projects contribute to the security of supply to consumers, the integration of renewable energy sources (RES), increased interconnection capacity and the reduction of grid losses.

At the same time, Transelectrica has set clear sustainability objectives, included in the Key Performance Indicators (KPIs) of the Management Plan, which cover both energy efficiency and social equity.

|                                                        |                                          |                                                                                     |                                                                                                                 |
|--------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>Sustainability targets by service categories</b>    | Electricity transmission service         | Reducing technological losses in the transmission network                           | According to the ETG Development Plan 2024-2033                                                                 |
|                                                        |                                          | Reducing internal energy consumption in power stations and administrative buildings | Reduction to 46,400 MWh by 2025, 46,300 MWh by 2026, and 46,200 MWh by 2027, as per KPIs in the Management Plan |
|                                                        |                                          | Increasing interconnection capacity with European energy systems                    | According to the ETG Development Plan 2024-2033                                                                 |
|                                                        | System and balancing services            | Optimizing the NES balancing mechanism through digital technologies and automation  | According to the ETG Development Plan 2024-2033                                                                 |
|                                                        |                                          | Implementation of smart grid solutions and digitalization of dispatching            | According to the ETG Development Plan 2024-2033                                                                 |
| <b>Sustainability targets by geographical area</b>     | Moldova                                  | Integrating production from new plants                                              | According to the ETG Development Plan 2024-2033                                                                 |
|                                                        | Dobrogea                                 | Integrating production from new plants                                              | According to the ETG Development Plan 2024-2033                                                                 |
|                                                        | South-West Zone                          | Integration of plant production                                                     | According to the ETG Development Plan 2024-2033                                                                 |
|                                                        | West Zone (Banat, Crişana, Transylvania) | Increasing interconnection capacity and integrating production from SRE             | According to the ETG Development Plan 2024-2033                                                                 |
|                                                        | Muntenia and Bucharest Ilfov             | Integrating production from new plants                                              | According to the ETG Development Plan 2024-2033                                                                 |
| <b>Sustainability targets in stakeholder relations</b> | All stakeholders                         | Alignment with ESRS reporting and European Taxonomy requirements                    | According to the ETG Development Plan 2024-2033                                                                 |
|                                                        | Employees                                | Increasing training in sustainability and digitalization                            | According to the ETG Development Plan 2024-2033                                                                 |



|  |  |                             |                                                                                              |
|--|--|-----------------------------|----------------------------------------------------------------------------------------------|
|  |  | Reducing the gender pay gap | 0.50% for 2025, 0.25% for 2026 and 0% for 2027, according to the KPIs in the Management Plan |
|--|--|-----------------------------|----------------------------------------------------------------------------------------------|

For the 2024 reporting year, Transelectrica does not have a GAP analysis for its significant services that assesses the discrepancies between current performance and the sustainability targets set. In the coming period, the Company aims to develop a methodological framework to identify and analyze the existing gaps in terms of efficiency of services provided, integration of renewable sources, reduction of environmental impact and infrastructure optimization. This will help to establish concrete measures for progressive alignment with sustainability objectives and European regulatory requirements.

The subsidiaries Teletrans and Smart generate added value for Transelectrica through their specialized activities, which are fundamental for the safety, reliability and operational efficiency of the national electricity transmission network.

Teletrans, as a telecommunications and information technology operator, provides critical solutions for digitalizing and securing Transelectrica's infrastructure, supporting the continuous operation and optimization of the national energy system. Its extensive fiber optic network and IT&C services contribute to the stability and modernization of the digital energy infrastructure.

Within the services rendered by Teletrans to Transelectrica, a special category is represented by those related to the activity of the National Energy Dispatching Center - DEN. The strategic nature of the DEN activity has also extended to IT&C services, with the aim of ensuring a higher degree of availability and providing services 24 hours a day/7 days a week. In order to ensure the continuity of these services, Teletrans has organized its activity accordingly, with dedicated personnel in each UNO DEN premises (both at the National Energy Dispatching and at the Territorial Energy Dispatching), with on-call shifts in these locations.

Providing high availability IT&C services for the National Energy Dispatch (NED) is an essential pillar in the transition towards a sustainable, digitized and resilient energy system. The continuous operation of these services supports the efficient management of energy flows, contributing to the integration of renewables into the National Energy System and optimizing energy consumption. At the same time, by implementing advanced monitoring and cybersecurity solutions, Teletrans ensures the protection of critical infrastructures against emerging risks, maintaining the stability of the power grid and minimizing the impact on the environment.

On the other hand, Smart was established with the main purpose of providing essential maintenance and repair services for the national energy infrastructure, having a strategic role in ensuring the safety and continuity of the National Energy System (NES).

Smart ensures the maintenance and repair of Transelectrica's installations, contributing directly to the resilience and operational continuity of the National Energy System (NES). This business model is reinforced by investments in predictive maintenance technologies, digitalization of operational processes and optimization of resources, essential for managing sustainability risks.

Through its maintenance, repair and technical intervention services, Smart helps to reduce operational risks and improve the efficiency of the electricity grid. It also implements predictive



maintenance technologies and digital solutions to optimize interventions and minimize environmental impact.

**Transelectrica's contributions to energy transition and sustainability.** As part of its business model, Transelectrica actively contributes to the EU's energy transition and sustainability objectives, with the following priorities:

- integrating renewables by extending and modernizing the transmission grid;
- increasing energy efficiency through digitalization and implementation of automation solutions;
- reducing technological losses and indirect emissions by investing in advanced equipment and modernizing infrastructure;
- developing interconnection capacities to improve the stability and security of the NES.

Transelectrica is implementing an integrated management system to ensure the efficient collection and management of the resources necessary for its operation and development.

| Collecting resources and data                                                                                                                                | Developing infrastructure and technical solutions                                                                                                         | Securing contributions through investment and corporate governance                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Data on energy consumption, grid losses, greenhouse gas emissions and infrastructure performance are collected through advanced digital systems (e.g. SCADA) | Investment projects to modernize and expand the network included in the ETG Development Plan 2024-2033                                                    | Transelectrica accesses European and national funding for infrastructure development (Modernization Fund, RePowerEU)                                                          |
| Suitability analyses and energy demand forecasts are carried out to anticipate investment needs                                                              | Implement smart grid technologies, voltage regulators and solutions to optimize energy flows                                                              | Dialogue is maintained with stakeholders, including authorities, investors, local communities and strategic partners, for transparency and efficiency in project development. |
| Working with distribution operators and energy producers to better integrate renewables                                                                      | Pilot projects are being developed for digital networks (DigiTEL Alba Iulia, DigiTEL Green) to improve infrastructure monitoring and operational security |                                                                                                                                                                               |

Transelectrica's business model is therefore built on the principles of efficiency, energy security and sustainability, playing a key role in the energy transition and the integration of renewables. Through a well-structured value chain and a proactive approach in the development of infrastructure and digital solutions, Transelectrica consolidates its position as a strategic operator of the NES, supporting the objectives of decarbonization and modernization of the energy sector in Romania.

#### **Current and expected benefits for customers, investors and other stakeholders.**

Transelectrica, as the single transmission and system operator (TSO) in Romania, has made significant progress in modernizing and developing the national electricity transmission infrastructure. Through a strategy focused on operational efficiency, integration of renewables and sustainability, the Company provides key benefits for customers, investors and other stakeholders, as follows:

##### **1. Customer benefits**

- increasing security and stability of energy supply - modernization of critical infrastructure, implementation of digital systems;



- Facilitating the transition to renewable energy - integrating renewable generation, putting more green energy into the system;
  - reduction of technological losses and optimization of energy consumption - modernization of substations and power lines, modern voltage regulation devices.
2. Benefits for investors
- Financial stability and predictability - stable regulatory framework, ensuring predictable return on investment, access to European funds (Modernization Fund, RePowerEU) supports the implementation of investment projects without putting pressure on operational costs;
  - Increasing the value of the Company through strategic investments - over EUR 669 million has been allocated to modernize the grid, with major projects in interconnection, digitalization and renewable energy integration;
  - Increased transparency - the adoption of the European Sustainability Reporting Standards (ESRS) provides investors with greater visibility on a company's ESG performance.
3. Benefits for other stakeholders (authorities, communities, employees)
- contribution to national energy security - increased interconnection capacity contributes to price stabilization on the energy market, thus benefiting both consumers and national authorities;
  - increased energy efficiency and environmental protection - modernizing infrastructure reduces environmental impact;
  - promoting fairness and diversity in the workplace - reducing the gender pay gap is a priority, with the aim of eliminating it completely by 2027.
4. Expected medium and long-term benefits
- for customers - a more stable, efficient and integrated grid with renewable energy;
  - for investors - a more resilient Company with strong governance and aligned to ESG objectives.
  - for authorities and communities - a modernized infrastructure that supports national energy transition and energy security objectives.

Through its achievements in grid modernization, operational efficiency and sustainability, Transelectrica demonstrates that it is a strategic partner in the energy transition of Romania and Europe. By implementing a solid framework of governance and forward-looking investments, the Company ensures real benefits for customers, investors and other stakeholders, strengthening its position as a responsible and innovative operator in the energy sector.

**Resource and performance management.** Transelectrica is focused on improving its operational and financial performance by implementing resource saving and energy efficiency policies, reducing losses and implementing innovative solutions for more efficient integration of renewable energies into the grid.

In this regard, Transelectrica reports information on resource management, resource use efficiency and environmental impact, including the use of performance monitoring technologies and the reduction of impacts on biodiversity and the environment.



**Stakeholder relationship management.** Transelectrica must maintain an ongoing dialog with stakeholders, including regulators, investors, consumers and environmental groups, to ensure that its operations comply with sustainability standards and regulations and meet their expectations. Transelectrica takes a responsible approach to stakeholder engagement and communication.

**Financial sustainability and corporate governance.** Transelectrica must ensure long-term financial sustainability by implementing responsible financial practices and ensuring sound corporate governance. These are essential to maintain a balance between profitability and social and environmental responsibility.

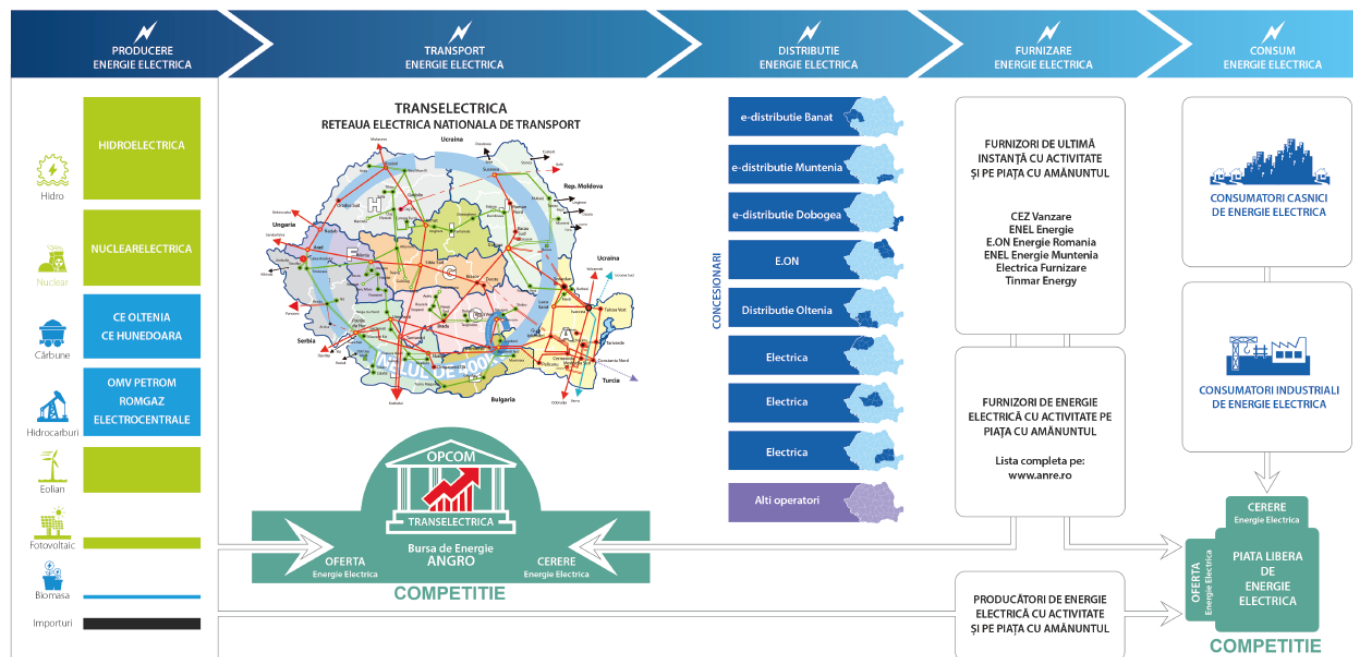
In this regard, Transelectrica places a strong emphasis on transparent reporting, complying with ESRS requirements and thus ensuring a clear understanding of its sustainability performance.

**Value chain.** Transelectrica plays a central role as an aggregator of energy transformation measures, directly influencing the transport, environment and economic development sectors.

On the route from producer to consumer there are several specialized segments - energy production (power plants of various types), energy transmission through high-voltage lines (Transelectrica - regulated activity), energy distribution through high-voltage (lower voltage than the transmission lines), medium- and low-voltage lines (regulated activity) and energy supply (for which there is a regulated market and a free market). There is also trading, where energy is bought and sold on different specialized markets.

Given Transelectrica's central role in the national energy infrastructure, the value chain identified at Transelectrica level is composed of the activities that generate value throughout the entire electricity transmission process, from generation to final consumers. These activities must be assessed from an economic, social and environmental sustainability perspective.

The value chain thus comprises activities that ensure an efficient, sustainable and responsible flow of energy from producers to consumers:



1. **Power generation.** Although Transelectrica does not produce electricity, it is essential to work with power generators (conventional power plants, hydro plants, wind farms, solar farms, etc.) to ensure the efficient integration of the energy produced into the national grid. Sustainability issues at this stage include compliance with environmental regulations and managing impacts on natural resources.
2. **Electricity transmission.** Transelectrica provides electricity transmission through the high-voltage grid. Sustainability issues at this stage include investments in infrastructure, modernization and maintenance of the electricity network, energy efficiency and network security. These activities are fundamental for ensuring reliable and sustainable power transmission and minimizing energy losses during transmission.
3. **Distribution and delivery to consumers.** Although Transelectrica is not directly responsible for final distribution, it is responsible for the transportation of energy to the distribution operators, who will deliver the electricity to final consumers. Ensuring an efficient transition between transmission and distribution to final consumers is essential.

Sustainability issues at this point require Transelectrica to work with distributors to support the transition to cleaner and more resource efficient energy sources.

In terms of main commercial actors, Transelectrica works with a wide range of commercial actors and strategic partners that contribute to the operation, maintenance and development of the national electricity transmission infrastructure. These actors play an essential role in ensuring the continuity and stability of the National Electricity System (NES), being an integral part of the Company's value chain. Thus, the following categories have been identified:

1. **The employees of Transelectrica's subsidiaries** are considered workers in the Company's value chain as they perform essential functions for the operation, maintenance and development of the electricity transmission infrastructure, thus contributing directly to Transelectrica's core business. As legally separate entities, but integral parts of key processes, the subsidiaries fulfill essential roles that support the activity of the transmission and system operator.

Smart Branch workers play a vital role in ensuring the safety and efficiency of the electricity grid before the power is transmitted onwards. Through maintenance, technical interventions and infrastructure optimization, they contribute to the stability and reliability of the national power system.

Teletrans subsidiary workers are responsible for preparing and optimizing the transmission network, playing a crucial role in keeping the power flow uninterrupted. Through advanced telecommunications solutions and digital technology, they support the efficient and safe operation of the electricity transmission infrastructure.

The Formenerg subsidiary has a direct impact on the training and professional development of specialists, who ensure the operation and maintenance of the power system. The workers of this subsidiary contribute to the technical skills of the sector's employees, thus ensuring the optimal functioning of the network before the transportation and delivery of energy to end users.

Opcom's branch employees administer the energy balancing market and manage electricity transactions, ensuring the efficient distribution of energy to distributors and consumers. By optimizing energy flows and supervising the electricity market, they contribute to balancing supply and demand, supporting the stability of the national energy system.



2. **Suppliers of equipment and services** ensure the provision of essential resources for the operation, modernization and security of the electric transmission grid. They are an integral part of the Company's operational processes, contributing to the achievement of strategic objectives and maintaining the stability of the National Electricity System (NES).

Suppliers play a key role in expanding and modernizing electricity transmission capacity by providing state-of-the-art equipment. They help to reduce technological losses and optimize energy consumption, ensuring more efficient operation of the transmission infrastructure. At the same time, by delivering solutions compliant with European standards, suppliers support Transelectrica in aligning with regulatory requirements and in the transition towards a more sustainable and efficient energy system.

3. **Subcontractors and construction workers** contribute directly to the development, modernization and maintenance of electricity transmission infrastructure. Their activity is essential to ensure the continuity and safety of the National Electricity System (NES), which places them as key actors in the Company's supply and operation chain.

Transelectrica's suppliers and partners are actively contributing to the development of the electricity grid, facilitating the integration of an increasing number of renewable energy sources into the National Power System. By supporting projects to expand interconnections with the energy grids of neighboring countries, they help increase regional energy security and stability.

4. **End users.** The Company's relationship with customers and end-users is defined by the provision of critical electricity transmission and balancing services, thereby facilitating access to a safe, reliable and sustainable grid.

End-users are all electricity consumers who benefit indirectly from the transmission and balancing of energy by Transelectrica. End-users are dealt with in the section Consumers and end-users - ESRS S4.

In conclusion, Transelectrica's value chain, from the ESRS perspective, consists of an extensive network of market actors involved in Transelectrica's activities, each having an essential role in the operation and development of the National Electricity System. By integrating these partners in the value chain, the company ensures Romania's energy security, increased operational efficiency and the transition to a sustainable energy system, aligned with the European objectives of decarbonization and digitalization.

## Research, Innovation and Digitalization

The Research and Innovation Strategy reinforces the Company's vision for the modernization of the transport network, providing the necessary support for the implementation of the priorities that are included in the ETG Development Plan and the Management Plan, supporting the implementation of the digitalization concept.

The objectives included in the "Research and Innovation Strategy" add value in the following areas:

- the Company's strategic vision;
- asset management;
- Improving key performance indicators (KPIs);
- developing essential capabilities in network operation;

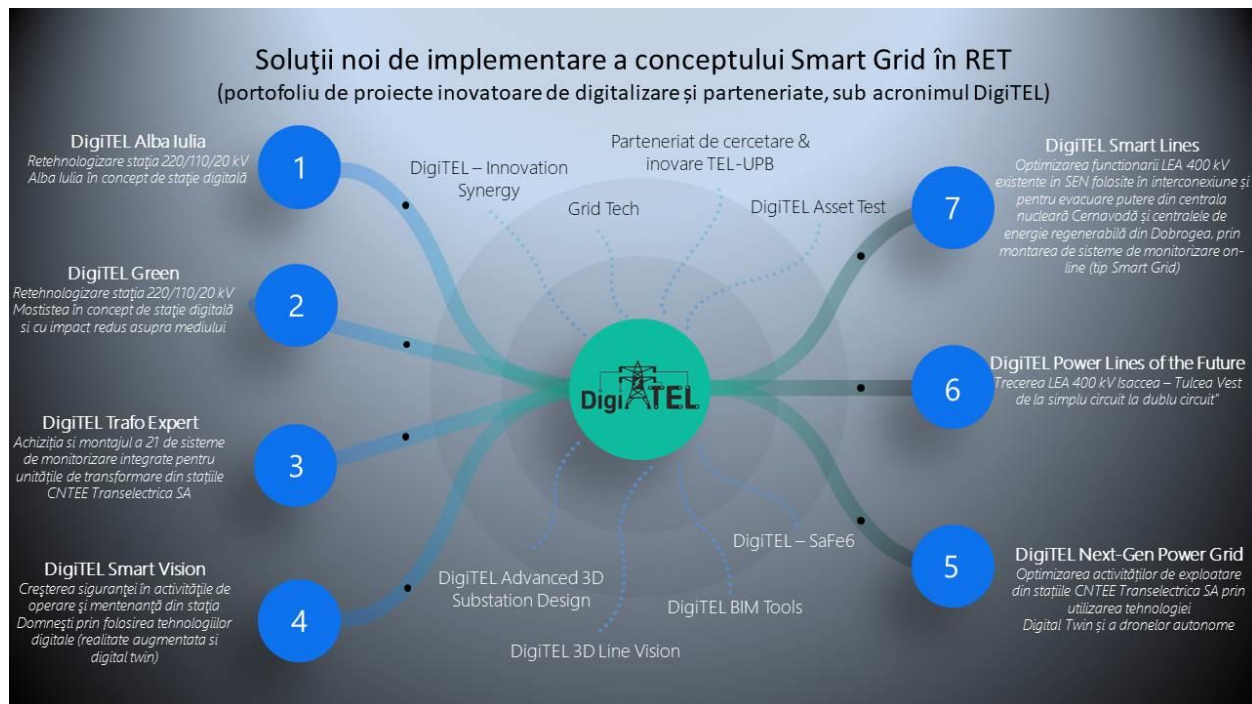


- seizing opportunities to improve the Company's performance;
- skills development for the Company's personnel;
- maintenance and operation;
- developing partnerships with technology and solution owners.

The research and innovation strategy also operationalizes the vision of all stakeholders to implement a flexible, open and interoperable infrastructure within a digital portfolio where traditional, mainly manual processes are eliminated or digitized so that information is accessible in real time.

According to the strategy, digitalization of the grid is a clear opportunity for the efficient development and management of the energy system, with proven cost-effectiveness in terms of improved quality of service and lower operating costs.

The pilot projects that will test the innovative concepts and technologies proposed in the strategic documents approved at the Company level are those launched under the acronym DigiTEL.



\* DigiTEL 3D LineVision (LiDAR scanning TEL objectives) is added to the 7 pilot projects presented in the image above - testing new LiDAR (Light Detection and Ranging), RGB (Red, Green, Blue) and infrared technologies and assessing the benefits of these technologies in case of a large-scale application in the Electricity Transmission Grid.

### Current and future challenges for transmission system operators (TSOs)

The relevant technological trends that together will create a new reality in energy systems are presented in the following figure:



## Digitalization

Will lead to more, faster and more valuable data, increased computing power and better connectivity of all assets in an energy system. This will optimize the design, planning and operation of wind, solar, transmission, distribution and utility assets.

## Energy storage

For a better management in the context of technological development.

## Smart energy grids

Smart Grid electricity grids will start to manage themselves and will include features that enable self-configuration to manage security, safety and loss mitigation, self-regulation to address voltage variations and self-optimization to mitigate disturbances. New modeling techniques will be developed for the design, testing and verification of power grid management.

Main challenges for transmission system operators from a research and innovation perspective:

*Use of data mining techniques and HPC (High Performance Computing)*

- The development of the IT sector throughout society and the economy will also influence energy systems. The transition from a 'copper-based power system' to a system that more fully integrates information technology, data management and data nodes, and that supports cyber security issues is of paramount importance.

*Use of new materials and technologies*

- there is a need to continue efforts to use new materials, concepts, standards, tools and algorithms that will process more and more information to address the security and stability of energy systems.

*Development of methodologies and tools to operate the network closer to its physical boundaries without jeopardizing its security*

- for better management of the network, closer to its physical limits.

*Increased use of renewable resources*

- to increase network flexibility.

*Developments in other sectors*

- such as storage batteries which have brought new solutions/challenges in the energy system and the need to broaden the spectrum of options contributing to system services.

*Digitalization of the energy system*

- digitalization of the energy system and the related cybersecurity issues, more active customer participation in the energy market are new challenges to which the energy system is responding by investing in research and innovation activities.

*Maintain system security and stability*

- TSOs will need to develop expert systems and decision support tools to anticipate potential emergencies, provide early warning to system operators and suggest possible solutions with their probability of success in real time.



## Asset management challenges at the Transmission System Operator (TSO)

Transelectrica's Smart Grid Policy assumes objectives and targets for a 10-year period (2018-2027) and supports Transelectrica's Asset Management Strategy.

From a Smart Grid perspective, asset management will enable important developments in the following areas:

- **Network planning** (new asset management methods will enable efficient network planning by increasing the infrastructure that allows monitoring of the state (condition) of network assets, enabling a more efficient maintenance and development program);
- **Network operation** (dynamic asset management tools will additionally enable proactive measures to improve network security and resilience. Network asset health monitoring enables network operators to utilize the full capacity in assets, increasing network flexibility and continuity);
- **socio-economic impact** (innovation in asset management can improve network development by balancing the different aspects of risk related to the operation of the systems and help reduce system failures).

The benefits of applying Smart Grid concepts and standards to support efficient asset management:

- improving financial performance;
- investment and asset maintenance decisions are well consolidated;
- risk management related to the operation of energy systems;
- improved services and outcomes;
- increasing operational efficiency and effectiveness (Operational Excellence);
- extending the lifetime of assets.

Regular preventive maintenance actions based on the reliability of network assets will support network operators' decisions to improve the overall flexibility of energy systems contributing to a higher level of integration of energy sources.

To improve risk management in transportation networks, it is necessary to implement predictive maintenance policies based on more accurate estimates of asset lifetime.

Real-time monitoring of power flows in the networks and the state (condition) of network assets can significantly contribute to decisions for asset management (maintenance, modernization, replacement).

## 5. Stakeholder interests and views (SBM-2)

Transparency and effective communication are essential pillars in the development of trusting partnerships, strengthening business relationships and ensuring strategic alignment between stakeholders.

We are convinced that Transelectrica's progress depends significantly on strengthening the relationship between the Company and society through open dialog and constant engagement. Transelectrica firmly assumes its social responsibility, ensuring transparency and facilitating access to relevant information.

Transelectrica rigorously respects its commitments to investors, shareholders and all stakeholders, ensuring a transparent, open and constant communication framework. Through sound corporate governance and responsible practices, the Company aims to strengthen



stakeholder trust by providing relevant and up-to-date information, thus promoting a sustainable relationship based on professionalism, integrity and predictability.

## Identification and selection of stakeholders

The integration of a diverse range of stakeholders, whose expectations influence Transelectrica's business, contribute to the achievement of its objectives and may in turn be impacted by its decisions and operations, is essential to the sustainability-oriented management strategy.

Stakeholder groups play an essential role in the support and sustainable development of Transelectrica, contributing both to the long-term stability of the Company and to the validation and implementation of its strategies and plans. The relationship between Transelectrica and these stakeholders works effectively only if their expectations and needs are taken into account and met to a reasonable extent. In this way, a mutually supportive mechanism is created, where Transelectrica is supported and its partners maintain their trust and commitment to the organization.

Ignoring interest groups and information, as well as ignoring the power and interests they hold and manifest can have negative effects on the Company's business. Thus, the ability to pay a well-dosed attention to the interest groups, with the information held by them and the power manifested by them, represents an important pillar in the strategic thinking and actions at the Transelectrica management level, which contributes to the achievement of strategic business performance.

The Company's strategic management processes, based on detailed and comprehensive stakeholder analysis, are significantly more likely to be successful, thus contributing to the achievement of the organization's goals and mission and to generating a positive impact in creating added value.

By applying specific qualitative and quantitative analysis methods, Transelectrica has identified 16 key stakeholders whose influence can have a significant impact on the Company's activity. These stakeholders were assessed according to their need for information, correlated with the data and transparency provided by Transelectrica. The importance of these stakeholders derives from their strategic role in the energy ecosystem, influencing regulatory decisions, access to finance, investor perception and the integration of the company in the European energy market. A misalignment with their interests may generate operational and reputational risks, affecting access to funding sources, institutional support or commercial relationships.

Stakeholder table Transelectrica

| Interested groups | Level of influence | Expectations                                                                                                                                 | Cooperation                                                                                                                           | Aim                                                                                                                   |
|-------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Shareholder       | High               | Operational performance;<br>Long-term financial stability and profitability;<br>Ensuring security and resilience of critical infrastructure; | Active participation in the decision-making process (GMS);<br>Regular monitoring and reporting;<br>Alignment of investment strategies | Ensuring sustainable and profitable growth;<br>Maximizing investment efficiency;<br>Maximizing investment efficiency; |



| Interested groups              | Level of influence | Expectations                                                                                                                                                                                       | Cooperation                                                                                                                                                                     | Aim                                                                                                                                                                         |
|--------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management                     | High               | Sustainable financial and operational performance;<br>Accelerated modernization and digitalization;<br>Human resources development and retention;<br>Effective collaboration with stakeholders;    | Strategic decisions and long-term planning;<br>Performance monitoring and optimization;<br>Communication and transparency towards investors and stakeholders;                   | Development and modernization of energy infrastructure;<br>Transition towards a digitized and sustainable energy system;<br>Increasing resilience and operational security; |
| Employees                      | High               | Workplace stability and safety;<br>Modern working conditions and safe operation;<br>Competitive salary package and attractive benefits;<br>Professional development and advancement opportunities; | Individual Employment Contract (IIC);<br>Ensuring optimal health and safety conditions at work;<br>Performance appraisal and reward system;<br>Training and mentoring programs; | Maintaining the safety and efficiency of the NES;<br>Contributing to the modernization and digitalization of the energy infrastructure;                                     |
| Partners/ Other TSOs in Europe | High               | Interconnectivity and optimal operability;<br>Exchange of best practices and technological innovation;<br>Cyber security and critical infrastructure protection;                                   | Active participation in international networks and associations;<br>Partnerships in research and development projects;<br>Transfer of know-how and best practices;              | Creating an integrated and resilient European energy system;<br>Strengthening the resilience of critical infrastructure;                                                    |
| ANRE                           | High               | Regulatory compliance and compliance with energy legislation;<br>Optimize the functioning of the National Energy System (NES);<br>Development and modernization of energy infrastructure;          | Setting the regulatory and compliance framework;<br>Regular monitoring and audit;<br>Approval of strategic investments;<br>Ongoing reporting and information sharing;           | Consumer protection and tariff transparency;<br>Ensuring a secure and stable energy system;<br>Increasing the resilience of energy infrastructure;                          |
| ASF/BVB                        | High               | Robust corporate governance and compliance with capital market regulations;<br>Transparency and fair financial reporting;                                                                          | Transparency and constant communication with investors (publication of periodic/current reporting);<br>Compliance with reporting regulations and standards;                     | Creating a transparent and attractive business environment for investors;<br>Maintaining the financial stability and value of the Company;                                  |
| Company subsidiaries           | High               | Clear contracts and financial stability;<br>Fair collaboration;                                                                                                                                    | Service contracts and SLAs (Service Level Agreements);<br>Collaboration - Transfer of know-how and implementation of best practices;                                            | Optimize costs and increase operational efficiency;<br>Digitalizing and securing the transmission grid;                                                                     |



| Interested groups                                                            | Level of influence | Expectations                                                                                                                                                                                                                              | Cooperation                                                                                                                                                            | Aim                                                                                                                                                                |
|------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Suppliers/Contractors                                                        | High               | Stability and predictability in contractual relations;<br>Transparency in the procurement process;<br>Respect of payment terms and conditions;<br>Flexibility and effective communication;                                                | Transparent and competitive procurement processes;<br>Contractual relations                                                                                            | Creating a sustainable and resilient supply chain                                                                                                                  |
| Government                                                                   | High               | Ensuring national energy security;<br>Development and modernization of energy infrastructure;<br>Energy transition;<br>Contribution to economic growth and job security;                                                                  | Regulation and supervision through the Ministry of Energy and ANRE;<br>Collaboration in strategic projects;                                                            | Ensuring a secure and sustainable energy system;<br>Developing a modern energy infrastructure;<br>Supporting economic and labor market development;                |
| Energy market participants                                                   | High               | Efficient operation and stability in electricity transmission;<br>Fair and transparent access to transmission infrastructure;<br>Fair tariffs and cost predictability;<br>Development of interconnections and access to external markets; | Transparent allocation of transmission capacity;<br>Providing a clear regulatory and reporting framework;                                                              | Ensuring a stable and competitive energy market;<br>Facilitating the transition to a sustainable energy system;<br>Increase market transparency and accessibility; |
| Electricity Producers / Distributors                                         | High               | Developing and adapting the ETG in line with sector development trends, system adequacy and maintaining operational safety                                                                                                                | Transparent grid connection procedures;<br>Working with manufacturers and distributors to adjust production;                                                           | Optimizing infrastructure to support energy market development                                                                                                     |
| International organizations / institutions (ENTSO-E, Regional Centres, etc.) | Average            | Compliance with the obligations undertaken;<br>Contributing to the development of policies and strategies at ENTSO-E level;<br>Adopt a sustainable operating model;                                                                       | Active participation in ENTSO-E and regional centers;<br>Exchange of information and best practices;                                                                   | Increasing the security and resilience of transmission networks;<br>Ensuring a stable and integrated European energy system;                                       |
| Trade Union                                                                  | Average            | Protect employees' rights, ensure fair working conditions and promote a stable and motivating organizational climate                                                                                                                      | Negotiating and updating the Collective Bargaining Agreement (CBA);<br>Social Dialogue and regular meetings;<br>Involvement of trade unions in strategic HR decisions; | Creating a safe and motivating working environment;<br>Stability and protection of employees' rights;                                                              |
| Banks, financial institutions                                                | Average            | Financial stability and predictability;<br>Compliance with financial commitments and fiscal discipline;<br>Transparency in financial reporting and regulatory compliance;                                                                 | Access to finance for strategic investments;<br>Managing accounts and financial instruments                                                                            | Optimizing financing costs and efficient capital management;<br>Developing long-term strategic financial partnerships;                                             |



| Interested groups            | Level of influence                                     | Expectations                                                                                                                                                                                                                                                                   | Cooperation                                                                                                                                                             | Aim                                                                                                                               |
|------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Media                        | Average                                                | Transparency and quick access to relevant information;<br>Proactive and open communication with the media;<br>Transparency in crisis situations or operational incidents;                                                                                                      | Publishing reports and press releases;<br>Availability for interviews and official statements;<br>Rapid crisis management;                                              | Increasing transparency and public trust;<br>Prevent misinformation ;                                                             |
| NGOs                         | Small (with growth trends in the new European context) | Alignment with the principles of sustainability and environmental protection;<br>Transparency in strategic decisions and infrastructure investments;<br>Public consultation and open dialog with civil society;<br>Respect for social rights and impacts on local communities; | Regular dialogues and consultations;<br>Collaboration;<br>Partnerships for environmental and social projects;<br>Participation in international events and conferences; | Reducing environmental impacts and protecting biodiversity;<br>Developing social responsibility and supporting local communities; |
| Population (final consumers) | Low                                                    | Security and continuity of electricity supply;<br>Keep transmission and system tariffs as low as possible                                                                                                                                                                      | Transparency and constant information;                                                                                                                                  | Ensuring a reliable and secure energy system;<br>Stability of electricity costs;                                                  |

**Teletrans Subsidiary.** Teletrans' activity is carried out with the contribution and with the implications on several categories of stakeholders, which require a specific management according to the particularities of their interests concerning the Company. In this respect, the Directorate has established lines of action dedicated to each category of stakeholders in order to optimize interaction with them.

|                                        |                                                                                                                                                                                                                                                              |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sole shareholder                       | Guidelines in the relationship with the sole shareholder                                                                                                                                                                                                     |
| TRANSELECTRICA                         | Distributing dividends and maximizing return on invested capital<br>Ensuring transparency about the activity of the Society<br>Maintain achievement of profitability indicators                                                                              |
| Stakeholders                           | Guidelines for stakeholder relations                                                                                                                                                                                                                         |
| Society                                | Continuity of activity and provision of services within the assumed quality parameters<br>Sustainable development while maintaining profitability<br>Decision-making and procedural transparency                                                             |
| Most important client - TRANSELECTRICA | Ensuring optimal functioning of the IT&C component of the Parent Company's business<br>Ensuring smooth contractual relations<br>Constant adaptation of the service package to new technological developments or legislative regulations<br>Crisis management |
| Customers                              | Ensuring the availability and quality of the services offered under                                                                                                                                                                                          |



|                                                                                                                   |                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                   | the conditions assumed<br>Making contractual relations more fluid                                                                                                                                                                                                  |
| National Authority for Communications Administration and Regulation (ANCOM)                                       | Compliance with the obligations arising from the issued license<br>Compliance with quality and performance standards for the services provided<br>Participation in regulatory and standardization initiatives<br>Ensuring transparency                             |
| The Romanian State, represented by the General Secretariat of the Government, acting as the supervisory authority | Operate the IT&C infrastructure related to the national transmission system and system operator in an efficient, secure and profitable manner<br>Implementation of the provisions of the GMS, submission of all requested reports, analyses and documents.         |
| Agency for Monitoring and Evaluation of Public Enterprise Performance (AMEPIP)                                    | Corporate governance compliance for public enterprises                                                                                                                                                                                                             |
| Employees                                                                                                         | Implementation of Human Resources Policy based on performance management<br>Ensuring professional development of employees by establishing coherent career paths and training programs<br>Employee material co-investment through performance-based profit-sharing |
| Contractual partners (suppliers, service providers, etc.)                                                         | Streamlining procurement and contracting procedures<br>Ensuring transparency as required by law<br>Promoting ethical business principles                                                                                                                           |

**Smart.** Smart operates in a complex ecosystem in which collaboration and communication with stakeholders are essential to achieving business and sustainability goals. The company identifies and categorizes its stakeholders based on their impact and influence on its business as follows:

| Categories                                   | Key stakeholders                                           | Interest in SMART SA                                                                              | Methods of engagement used                                      |
|----------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>Regulatory and government authorities</b> | ANRE, Ministry of Energy, European bodies                  | Legal compliance, energy grid security, energy sustainability                                     | Regular meetings, formal reports, public consultations          |
| <b>Shareholders and parent company</b>       | Transelectrica SA                                          | Financial and operational performance, efficiency of infrastructure maintenance and modernization | Progress reports, strategy meetings, financial presentations    |
| <b>Employees</b>                             | Technical and administrative personnel, trade unions       | Working conditions, safety, career development opportunities                                      | Internal surveys, training sessions, trade union meetings       |
| <b>Suppliers and partners</b>                | Companies providing equipment, IT services and consultancy | Stability of commercial relations, respect of contracts, quality of deliveries                    | Regular meetings, performance appraisals, contract negotiations |
| <b>Local communities and the general</b>     | Residents of areas affected by SMART SA works,             | Environmental and community impact, project transparency                                          | Public consultation sessions, communication platforms,          |



| Categories                         | Key stakeholders               | Interest in SMART SA                                            | Methods of engagement used                                         |
|------------------------------------|--------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|
| public                             | environmental NGOs             |                                                                 | leaflets and local information                                     |
| Academic and research institutions | Universities, research centers | Developing innovative technologies, promoting energy efficiency | Partnerships for research projects, internships, joint conferences |

### Stakeholder relationship management strategy

Transelectrica's stakeholder relations management strategy is based on a constant commitment to transparency and effective communication, initiated since the Company's listing on the BVB. In this context, Transelectrica has given particular importance to the involvement of stakeholders in its activity, with a priority on clarifying and making transparent the actions carried out.

The company has adapted its regular financial presentations (quarterly, half-yearly and annual) to meet their information needs, with a focus on continuous improvement of communication channels. In regular meetings with management, stakeholders expressed their views and these were integrated into the decision-making process, directly influencing the Company's actions.

Transelectrica is adapting its strategy and business model to meet the requirements and expectations of its stakeholders, ensuring alignment with European objectives of energy security, operational efficiency and sustainability.

At present, there is no formalized mechanism by which the Directorate is systematically informed of the views and interests of affected stakeholders on sustainability impacts. However, the Company recognizes the importance of integrating these perspectives into the decision-making process and is considering strengthening reporting flows so that relevant sustainability information is communicated in a structured manner to the Directorate and other governing bodies.

Also in the case of the Teletrans and Smart subsidiaries, there is no formalized mechanism in place to systematically inform management of the views and interests of affected stakeholders on sustainability impacts.

## 6. Significant Impacts, Significant Risks and Significant Opportunities and their interaction with strategy and business model (SBM-3)

Transelectrica's management has established the environmental protection policy as an integral part of the general policy, aiming at planned, effective and sustained action oriented towards the implementation of environmental management throughout the whole structure and in all its activities. This approach is intended to bring about a change in organizational culture by promoting an attitude towards environmental protection and sustainable development.

The assessment of the significance of the impacts, risks and opportunities within Transelectrica is carried out according to the dual materiality analysis. The information on Transelectrica's management of significant impacts, risks and opportunities is detailed in each specific thematic ESRS chapter, and is correlated with the minimum reporting requirements related to internally established policies, actions and targets. This information ensures an integrated approach to sustainability and transparency in reporting the Company's performance.



Transelectrica has a solid and well-structured risk management system, integrated into the Company's decision-making and operational process, thus ensuring effective control of uncertainty factors. However, given that 2024 is the first year of ESRS reporting, Transelectrica has not concretely identified the interaction of impacts, risks and opportunities with its strategy and business model. In the coming period, Transelectrica aims to deepen the analysis of these interactions and develop a more detailed approach, reflecting their integration into strategic and operational processes, to detail the interaction of significant impacts, significant risks and significant opportunities with the strategy and business model.

Transelectrica has implemented the Integrated Risk Management System, imposed by the strategic requirements regarding the safety and continuity of operation of the NES, which is a fundamental condition for a sound internal managerial control. The Company takes a proactive approach to risk management, whereby the Directorate reasonably ensures that objectives will be achieved by managing potential threats. To this end, the aim is to identify and address potential losses before events that could have a negative impact occur, with specific technical, operational and financial solutions prepared in advance to mitigate or counteract these potential losses.

The correlation between the identified impacts and the associated risks and opportunities (IROs) is presented for each theme and sub-theme, according to ESRS standards. To date, a detailed quantification of the anticipated financial impacts in monetary terms has not been carried out.

#### Steps in the risk management process

|                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                |                                                                                                                     |                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Identification of risks</b> closely linked to the activities related to the specific objectives, the achievement of which could be affected by the materialization of risks; identification of threats / vulnerabilities present in the current activities, which could lead to the non-achievement of the proposed objectives | <b>Risk assessment</b> , by estimating the likelihood of materialization, the impact on activities related to the achievement of the objectives, should they materialize; prioritization and prioritization of risks according to risk tolerance | <b>Setting the risk management strategy</b> (risk response) by identifying the most appropriate ways of dealing with risks, including control measures; analyzing and managing risks against the approved risk tolerance limit | <b>Monitoring the implementation of measures</b> and reviewing them according to the effectiveness of their results | <b>Periodic reporting</b> on the risk situation shall be carried out as often as necessary or at least once a year, i.e. if risks persist, depending on the emergence of new risks, the effectiveness of control measures taken, the reassessment of existing risks, etc. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The Risk Register comprises the following main categories of strategic risks: technical and operational risks, financial and energy market risks, risks related to legal non-compliance/non-compliance with EU regulations, security risks, personnel and environmental risks. The identification of threats - strategic, operational, financial and hazard risks to which the Company is exposed, allows a prioritization of their treatment, depending on the likelihood of their materialization, the magnitude of the impact on the objectives and the costs imposed by the measures required to reduce the likelihood of their occurrence and limit undesirable effects.

Among the implementation/internal control tools used, we mention:

- measures under procurement / maintenance / investment / personnel training programs;
- dedicated measures to identify, monitor, treat or outsource risks;



- insurance contracts that are carried out by the Company;
- contractual provisions (relating to performance guarantee, penalties);
- developing or revising procedures;
- change the procedural and structural organization;
- performance indicator attached to the objective;
- redeployment of personnel;
- setting up or updating databases.

For the Teletrans and Smart subsidiaries, a process is in place to identify, analyze and manage risks and opportunities with respect to the achievement of objectives, environmental issues and compliance obligations. Ways of dealing with risks may include: avoiding risk, considering risk when pursuing an opportunity, eliminating the source of the risk, sharing the risk, or maintaining the risk through conscious decisions.

## 7. Managing impacts, risks and opportunities (IRO-1, IRO-2, MDR-P, MDR-A, MDR-M, MDR-T)

### Description of the process for identifying and assessing significant impacts, risks and opportunities (IRO-1)

In line with the ESRS requirements for managing significant impacts, risks and opportunities, Transelectrica has developed a structured process for their identification, assessment and monitoring, based on dual materiality analysis and due diligence principles.

At the Company, risk and opportunity thinking is an essential element of the integrated management system. Through this approach, resources are protected, operational efficiency is maximized and positioning for future challenges is ensured. The process of identifying and assessing impacts, risks and opportunities within Transelectrica is based on the following methodologies and assumptions:

| Dual materiality analysis                                                                                                              | Assessing the likelihood and severity of impacts                                                                                      | Integration of international standards                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Assess the impacts on the environment and people (impact materiality) and the financial effects on the Company (financial materiality) | Use quantitative and qualitative methods, including scenario modeling and risk analysis, to determine the significance of each impact | The impact assessment is conducted in accordance with ISO 14001:2015 (environment), ISO 45001:2023 (occupational health and safety) and ESRS Standards |
| Both risks that may generate negative consequences and opportunities that may bring strategic and operational benefits are analyzed    | Consider factors related to regulation, climate change, social sustainability and corporate governance                                |                                                                                                                                                        |

*\* The thresholds / criteria applied are established qualitatively and quantitatively:*

- High level with quantitative value 3
- Medium level with quantitative value 2i
- Low level with quantitative value 1.

*The product of Likelihood (1/2/3) and Impact (1/2/3) gives the effective risk value*

Transelectrica's process of identifying and assessing potential and actual impacts on the environment and people is carried out through a structured approach that includes several key



steps. First, the analysis of high-risk areas is carried out, focusing on activities that generate significant impacts, such as electricity transmission, which can influence biodiversity and greenhouse gas emissions, the management of equipment with SF6, a gas with high global warming potential, and the construction and maintenance of the high-voltage grid, which can lead to deforestation or accidental pollution. Another important step is the analysis of the impacts generated directly and indirectly, where Transelectrica assesses both the effects of its own operations and those resulting from collaborations with value chain partners.

Transelectrica analyzes operational, environmental and social impacts in order to identify the financial risks and opportunities that may arise as a result. This approach integrates:

- The link between risks and operational dependencies - for example, dependence on strategic resources such as SF6 equipment creates financial risks due to potential tighter regulation or replacement costs;
- Value chain impact - critical equipment supply risks can lead to delays in infrastructure investment and affect financial performance;
- the interdependence between sustainability and economic performance - climate risks, such as extreme weather events, can affect the electricity grid and generate additional maintenance and repair costs;
- Opportunities from the energy transition - increasing the share of renewable energy in the grid and developing smart infrastructure bring long-term benefits in reducing losses and optimizing energy transmission.

**Teletrans Subsidiary.** The process of identifying and assessing significant impacts, risks and opportunities at Teletrans is structured and integrated into the risk management system. In the first step, relevant risks and opportunities are identified by analyzing internal and external factors, including cybersecurity, regulatory compliance, and operational efficiency. Impacts are then assessed and categorized according to likelihood and severity and integrated into a risk register.

Mitigation measures are established for each risk and opportunities are strategically managed to improve the Company's performance. The process is regularly monitored and reviewed, ensuring a proactive and adaptive approach to changes in the environment.

**Smart Branch.** The process of identifying and assessing significant impacts, risks and opportunities at Smart is structured and integrated within the integrated risk management system. Risks are identified by analyzing internal and external factors, including operational, safety and environmental aspects. Impact assessment is based on the likelihood and severity of risks, which are included in a risk register.

For each risk, preventive and mitigating measures are established and opportunities are taken to optimize maintenance activities. The process is constantly monitored and adjusted to meet technical and regulatory requirements.

Detailed information on the impacts, risks and opportunities identified for each material topic is set out in the chapter for each relevant thematic ESRS.

| ESRS thematic | Sustainability aspects - Sustainability Report 2024 |                            |               |                       |
|---------------|-----------------------------------------------------|----------------------------|---------------|-----------------------|
|               | Theme                                               | Subtopic                   | Sub-sub-topic | Explanatory note      |
| ESRS E1       | Climate change                                      | Adapting to climate change |               | Covered in the Report |



| ESRS thematic | Sustainability aspects - Sustainability Report 2024 |                                                       |                                                    |                                                                                                  |
|---------------|-----------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------|
|               | Theme                                               | Subtopic                                              | Sub-sub-topic                                      | Explanatory note                                                                                 |
|               |                                                     |                                                       |                                                    |                                                                                                  |
|               |                                                     | Climate change mitigation                             |                                                    | Covered in the Report                                                                            |
|               |                                                     | Efficiency                                            |                                                    | Covered in the Report                                                                            |
| ESRS E2       | Pollution                                           | Air pollution                                         |                                                    | Covered in the Report                                                                            |
|               |                                                     | Water pollution                                       |                                                    | Covered in the Report                                                                            |
|               |                                                     | Soil pollution                                        |                                                    | Covered in the Report                                                                            |
|               |                                                     | Pollution of living organisms and food resources      |                                                    | No activities resulting in pollution of living organisms and food resources have been identified |
|               |                                                     | Substances presenting of concern                      |                                                    | No substances have been identified as presenting reasons for concern                             |
|               |                                                     | Substances presenting of particular concern           |                                                    | No substances have been identified as presenting reasons for particular concern                  |
|               |                                                     | Microplastics                                         |                                                    | No activities generating microplastics have been identified                                      |
| ESRS E3       | Water and water resources marine                    | Water resources                                       | Water consumption                                  | Treated in the Report                                                                            |
|               |                                                     |                                                       | Water abstractions                                 | No water sampling was carried out                                                                |
|               |                                                     |                                                       | Water discharge                                    | No activities generating discharges of water have been identified                                |
|               |                                                     | Marine resources                                      | Dumping water into oceans                          | No activities resulting in discharges to the oceans have been identified                         |
|               |                                                     |                                                       | Extraction and use of marine resources             | No activities generating extractions or uses of marine resources have been identified            |
|               |                                                     |                                                       |                                                    |                                                                                                  |
| ESRS E4       | Biodiversity and ecosystems                         | Determinants of direct impact on biodiversity decline | Climate change                                     | Treated in the Report                                                                            |
|               |                                                     |                                                       | Land use change, fresh water change and sea change | Partially covered in the Report, from the land perspective                                       |



| ESRS thematic | Sustainability aspects - Sustainability Report 2024 |                                                    |                                |                                                                                     |
|---------------|-----------------------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------|
|               | Theme                                               | Subtopic                                           | Sub-sub-topic                  | Explanatory note                                                                    |
|               |                                                     |                                                    | Direct exploitation            | No directly exploitative activities have been identified                            |
|               |                                                     |                                                    | Invasive alien species         | No activities affecting invasive alien species have been identified                 |
|               |                                                     |                                                    | Pollution                      | Covered in the Report                                                               |
|               |                                                     |                                                    | Other                          | Not the case                                                                        |
|               |                                                     | Impacts on the status of species                   | Population size of the species | No activities affecting the status of species have been identified                  |
|               |                                                     |                                                    | Global extinction risk         | No activities affecting the status of species have been identified                  |
|               |                                                     | Impacts on the extent and condition of ecosystems  | Soil degradation               | No activities affecting the extent and condition of ecosystems have been identified |
|               |                                                     |                                                    | Desertification                | No activities affecting the extent and condition of ecosystems have been identified |
|               |                                                     |                                                    | Soil waterproofing             | No activities affecting the extent and condition of ecosystems have been identified |
|               |                                                     | Impacts and dependencies on ecosystem services     |                                | No activities affecting the extent and condition of ecosystems have been identified |
| ESRS E5       | Circular economy                                    | Resource inputs, including resource utilization    |                                | Treated in the Report                                                               |
|               |                                                     | Resource outflows related to products and services |                                | Treated in the Report                                                               |
|               |                                                     | Waste                                              |                                | Treated in the Report                                                               |
| ESRS S1       | Own workforce                                       | Working conditions                                 | Secure jobs                    | Treated in the Report                                                               |
|               |                                                     |                                                    | Working time                   | Treated in the Report                                                               |
|               |                                                     |                                                    | Adequate salaries              | Treated in the Report                                                               |
|               |                                                     |                                                    | Social Dialogue                | Treated in the Report                                                               |



| ESRS thematic | Sustainability aspects - Sustainability Report 2024 |                                                 |                                                                                                                           |                                                        |
|---------------|-----------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
|               | Theme                                               | Subtopic                                        | Sub-sub-topic                                                                                                             | Explanatory note                                       |
|               |                                                     |                                                 | Freedom of association, the existence of works councils and employees' information, consultation and participation rights | Treated in the Report                                  |
|               |                                                     |                                                 | Collective bargaining, including the proportion of workers covered by collective agreements                               | Covered in the Report                                  |
|               |                                                     |                                                 | Work-life balance                                                                                                         | Treated in the Report                                  |
|               |                                                     |                                                 | Health and safety                                                                                                         | Treated in the Report                                  |
|               |                                                     | Equal treatment and equal opportunities for all | Gender equality and equal pay for work of equal value                                                                     | Treated in the Report                                  |
|               |                                                     |                                                 | Training and skills development                                                                                           | Treated in the Report                                  |
|               |                                                     |                                                 | Employment and inclusion of people with disabilities                                                                      | Treated in the Report                                  |
|               |                                                     |                                                 | Measures against workplace violence and harassment                                                                        | Treated in the Report                                  |
|               |                                                     |                                                 | Diversity                                                                                                                 | Covered in the Report                                  |
|               |                                                     | Other work-related rights                       | Child work                                                                                                                | Not the case                                           |
|               |                                                     |                                                 | Forced labor                                                                                                              | Not the case                                           |
|               |                                                     |                                                 | Adequate housing                                                                                                          | No reportable items have been identified on this topic |
|               |                                                     |                                                 | Privacy                                                                                                                   | Covered in the Report                                  |
| ESRS S2       | Workers in the supply chain value chain             | Working conditions                              | Secure jobs                                                                                                               | Treated in the Report                                  |
|               |                                                     |                                                 | Working time                                                                                                              | Treated in the Report                                  |
|               |                                                     |                                                 | Adequate salaries                                                                                                         | Treated in the Report                                  |
|               |                                                     |                                                 | Social Dialogue                                                                                                           | Treated in the Report                                  |
|               |                                                     |                                                 | Freedom of association, including the existence of works councils                                                         | Covered in the Report                                  |
|               |                                                     |                                                 | Collective bargaining                                                                                                     | Covered in the Report                                  |
|               |                                                     |                                                 | Work-life balance                                                                                                         | No                                                     |



| ESRS thematic | Sustainability aspects - Sustainability Report 2024 |                                                     |                                                       |                                                        |
|---------------|-----------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|
|               | Theme                                               | Subtopic                                            | Sub-sub-topic                                         | Explanatory note                                       |
|               |                                                     | Equal treatment and equal opportunities for all     | Health and safety                                     | Treated in the Report                                  |
|               |                                                     |                                                     | Gender equality and equal pay for work of equal value | Treated in the Report                                  |
|               |                                                     |                                                     | Training and skills development                       | Treated in the Report                                  |
|               |                                                     |                                                     | Employment and inclusion of people with disabilities  | Treated in the Report                                  |
|               |                                                     |                                                     | Measures against workplace violence and harassment    | Treated in the Report                                  |
|               |                                                     |                                                     | Diversity                                             | Covered in the Report                                  |
|               |                                                     | Other work-related rights                           | Child work                                            | No reportable items have been identified on this topic |
|               |                                                     |                                                     | Forced labor                                          | No reportable items have been identified on this topic |
|               |                                                     |                                                     | Adequate housing                                      | No reportable items have been identified on this topic |
|               |                                                     |                                                     | Water and sanitation                                  | No reportable items have been identified on this topic |
|               |                                                     |                                                     | Privacy                                               | Covered in the Report                                  |
| ESRS S3       | Affected communities                                | Economic, social and cultural rights of communities | Adequate housing                                      | No reportable items have been identified on this topic |
|               |                                                     |                                                     | Adequate food                                         | No reportable items have been identified on this topic |
|               |                                                     |                                                     | Water and sanitation                                  | No reportable items have been identified on this topic |
|               |                                                     |                                                     | Soil-related impacts                                  | Treated in the Report                                  |
|               |                                                     |                                                     | Security impacts                                      | Treated in the Report                                  |
|               |                                                     | Community civil and political rights                | Freedom of expression                                 | Covered in the Report                                  |
|               |                                                     |                                                     | Freedom of assembly                                   | Covered in the Report                                  |
|               |                                                     |                                                     | Impact on human rights defenders                      | Covered in the Report                                  |
|               |                                                     | Rights of indigenous peoples indigenous             | Free, prior and informed consent                      | No reportable items have been identified on this topic |
|               |                                                     |                                                     | Self-determination                                    | No reportable items have been identified on this topic |



| ESRS thematic | Sustainability aspects - Sustainability Report 2024 |                                                               |                                           |                                                        |
|---------------|-----------------------------------------------------|---------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------|
|               | Theme                                               | Subtopic                                                      | Sub-sub-topic                             | Explanatory note                                       |
|               |                                                     |                                                               | Cultural rights                           | No reportable items have been identified on this topic |
| ESRS S4       | Consumers and end-users                             | Information-related impacts for consumers and/or end-users    | Privacy                                   | Covered in the Report                                  |
|               |                                                     |                                                               | Freedom of expression                     | Covered in the Report                                  |
|               |                                                     |                                                               | Access to (quality) information           | Covered in the Report                                  |
|               |                                                     | Personal safety of consumers and/or end-users                 | Health and safety                         | No reportable items have been identified on this topic |
|               |                                                     |                                                               | Security of a person                      | No reportable items have been identified on this topic |
|               |                                                     |                                                               | Child protection                          | No reportable items have been identified on this topic |
|               |                                                     | Social inclusion of consumers and/or end-users                | Non-discrimination                        | No reportable items have been identified on this topic |
|               |                                                     |                                                               | Access to products and services           | No reportable items have been identified on this topic |
|               |                                                     |                                                               | Marketing practices responsible           | No reportable items have been identified on this topic |
|               |                                                     |                                                               |                                           |                                                        |
| ESRS G1       | Professional conduct                                | Corporate culture                                             |                                           | Covered in the Report                                  |
|               |                                                     | Protection of early warnings                                  |                                           | Covered in the Report                                  |
|               |                                                     | Animal welfare                                                |                                           | Not the case                                           |
|               |                                                     | Political engagement and lobbying                             |                                           | No reportable items have been identified on this topic |
|               |                                                     | Supplier relationship management, including payment practices |                                           | Covered in the Report                                  |
|               |                                                     | Corruption and bribery                                        | Prevention, detection, including training | Covered in the Report                                  |
|               |                                                     |                                                               | Incident                                  | Covered in the Report                                  |

## ESRS reporting requirements covered by the enterprise sustainability report (IRO-2)

List on which disclosure requirements have been complied with in the sustainability report:



| Standard                  | Presentation requirements                                                                                                                              | Applicable data points              | ESRS page |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------|
| ESRS 2                    | BP-1 - General basis for sustainability reporting                                                                                                      | Point 5                             | 46        |
|                           | BP-2 - Submissions of information related to specific circumstances                                                                                    | Points 10, 13, 15, 16, 17           | 47        |
|                           | GOV-1 - Role of administrative, management and supervisory bodies                                                                                      | Points 21, 22, 23                   | 49        |
|                           | GOV-2 - The information provided to the administrative, management and supervisory bodies of the enterprise and the sustainability issues they address | Points 24, 26                       |           |
|                           | GOV-3 - Integrating sustainability performance into incentive schemes                                                                                  | Point 29                            | 51        |
|                           | GOV-4 - Due Diligence Process Statement                                                                                                                | Point 30                            | 52        |
|                           | GOV-5 - Risk management and internal controls related to sustainability reporting                                                                      | Points 34, 36                       | 52        |
|                           | SBM-1 - Strategy, business model and value chain                                                                                                       | Points 38, 40, 42                   | 53        |
|                           | SBM-2 - Stakeholder interests and views                                                                                                                | paragraphs 43, 45                   | 55        |
|                           | SBM-3 - Significant impacts, risks and opportunities and their interaction with strategy and business model                                            | Points 46, 48                       | 56        |
|                           | IRO-1 - Description of processes for identifying and assessing impacts, risks and opportunities significant                                            | Points 51, 53                       | 57        |
|                           | IRO-2 - ESRS reporting requirements covered by the enterprise sustainability report                                                                    | Points 54, 56                       | 59        |
|                           | MDR-P Policies - Policies adopted to manage significant sustainability issues                                                                          | Points 63, 65                       | 60        |
|                           | MDR-A Actions - Actions and resources on significant sustainability issues                                                                             | Points 66, 68                       | 60        |
|                           | MDR-M - Indicators on significant sustainability issues                                                                                                |                                     |           |
|                           | MDR-T targets - Monitoring the effectiveness of policies and actions through targets                                                                   | Point 81 + ESRS 1 tracer provisions | 63 / 25   |
| ESRS E1<br>Climate change | GOV-3 - Integrating sustainability performance into incentive schemes                                                                                  | Point 13                            | 81        |
|                           | E1-1: Transition plan for climate change mitigation                                                                                                    | Point 17                            | 83        |
|                           | SBM-3 - Significant impacts, risks and opportunities and their interaction with strategy and business model                                            | Points 18-19                        | 83        |
|                           | IRO-1 - Description of processes for identifying and assessing impacts, risks and opportunities significant                                            | Points 20-21                        | 83        |
|                           | E1-2: Policies related to climate change mitigation and adaptation                                                                                     | Points 22, 25                       | 84        |
|                           | E1-3: Actions and resources related to climate change policies                                                                                         | Point 29                            | 84        |



| Standard                               | Presentation requirements                                                                                                    | Applicable data points                        | ESRS page |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------|
|                                        | E1-4: Climate change mitigation and adaptation targets                                                                       | Point 30 + ESRS 1 tracer provisions           | 85 / 25   |
|                                        | E1-5: Energy consumption and energy mix                                                                                      | Points 35, 37, 38                             | 86        |
|                                        | E1-6: Gross emissions of GHG categories 1, 2, 3 and total GHG emissions                                                      | Point 44                                      | 88        |
|                                        | E1-7: GHG removals and mitigation projects financed by carbon credits                                                        | Point 56                                      | 91        |
|                                        | E1-8: Setting the internal carbon price                                                                                      | Point 62                                      | 91        |
|                                        | E1-9: Anticipated financial impacts of significant physical and transition risks and potential climate-related opportunities | ESRS 1 Transitional Provisions, Appendix C    | 25 / 37   |
| ESRS E2<br>Pollution                   | IRO-1 - Description of processes for identifying and assessing impacts, risks and opportunities significant                  | Point 11                                      | 126       |
|                                        | E2-1: Pollution-related policies                                                                                             | Points 12, 14                                 | 127       |
|                                        | E2-2: Pollution-related actions and resources                                                                                | Points 16, 18                                 | 127       |
|                                        | E2-3: Pollution targets                                                                                                      | Points 20, 22, ESRS 1 Transitional provisions | 25        |
|                                        | E2-4: Air, water and soil pollution                                                                                          | Point 26                                      | 128       |
|                                        | E2-5: Substances of concern and substances of very high concern                                                              | Points 32, 34                                 | 129       |
|                                        | E2-6: Anticipated financial effects of pollution-related impacts, risks and opportunities                                    | ESRS 1 Transitional Provisions, Appendix C    | 25 / 37   |
| ESRS E3<br>Water and marine resources  | IRO-1 - Description of the processes for identifying and assessment of significant impacts, risks and opportunities          | Point 8                                       | 140       |
|                                        | E3-1: Policies related to water and marine resources                                                                         | Points 9, 14                                  | 141       |
|                                        | E3-2: Actions and resources related to water and marine resources                                                            | Point 15                                      | 141       |
|                                        | E3-3: Water and marine resources targets                                                                                     | Point 20<br>ESRS 1 Transitional provisions    | 142<br>25 |
|                                        | E3-4: Water consumption                                                                                                      | Points 26, 28                                 | 143       |
|                                        | E3-5: Anticipated financial effects of impacts, risks and opportunities related to water and marine resources                | ESRS 1 Transitional Provisions, Appendix C    | 25 / 37   |
| ESRS E4<br>Biodiversity and ecosystems | E4-1: Transition plan and consideration of biodiversity and ecosystems in the strategy and business model                    | Points 8, 9, 11                               | 154       |



| Standard                                     | Presentation requirements                                                                                           | Applicable data points                          | ESRS page |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------|
|                                              | SBM-3 Significant impacts, risks and opportunities and their interaction with strategy and business model           | Point 16                                        | 155       |
|                                              | IRO-1 - Description of the processes for identifying and assessment of significant impacts, risks and opportunities | Points 17-19                                    | 155       |
|                                              | E4-2: Policies related to biodiversity and ecosystems                                                               | Points 20, 22                                   | 157       |
|                                              | E4-3: Actions and resources related to biodiversity and ecosystems                                                  | Points 25, 27                                   | 158       |
|                                              | E4-4: Biodiversity and ecosystems targets                                                                           | Point ESRS 1 Transitional provisions            | 159<br>25 |
|                                              | E4-5: Impact indicators related to biodiversity and ecosystem change                                                | Point 33                                        | 159       |
|                                              | E4-6: Anticipated financial impacts of biodiversity and ecosystem risks and opportunities                           | ESRS 1 Transitional Provisions, Appendix C      | 25 / 37   |
| ESRS E5<br>Resource use and circular economy | IRO-1 - Description of the processes for identifying and assessment of significant impacts, risks and opportunities | Points 10, 11                                   | 178       |
|                                              | E5-1: Resource use and circular economy policies                                                                    | Points 12, 14                                   | 179       |
|                                              | E5-2: Actions and resources related to resource use and circular economy                                            | Points 17, 19                                   | 179       |
|                                              | E5-3: Resource use and circular economy targets                                                                     | Points 21, 23<br>ESRS 1 Transitional provisions | 180<br>25 |
|                                              | E5-4: Resource inputs                                                                                               | Point 28<br>ESRS 1 Transitional provisions      | 181<br>25 |
|                                              | E5-5: Resource outflows                                                                                             | Point 33                                        | 182       |
|                                              | E5-6: Anticipated financial effects of resource use and circular economy impacts, risks and opportunities           | Point ESRS 1 Transitional provisions            | 185<br>25 |
| ESRS S1<br>Own workforce                     | SBM-2 Interests and views of stakeholders stakeholders                                                              | Points 11, 12                                   | 195       |
|                                              | SBM-3 Significant impacts, risks and opportunities and their interaction with strategy and business model           | Points 13-16                                    | 195       |



| Standard                       | Presentation requirements                                                                                                                                                                                         | Applicable data points    | ESRS page |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------|
|                                | S1-1: Own workforce policies                                                                                                                                                                                      | Points 17, 19, 20, 21, 24 | 197       |
|                                | S1-2: Processes for engaging with own workforce and workers' representatives on impacts                                                                                                                           | Points 25, 27             | 198       |
|                                | S1-3: Processes to remedy negative impacts and channels through which own workforce can voice concerns                                                                                                            | Points 30, 32, 34         | 199       |
|                                | S1-4: Taking action on significant impacts on own workforce and approaches for managing significant risks and pursuing significant opportunities related to own workforce, and the effectiveness of these actions | Points 35, 36, 37, 38     | 200       |
|                                | S1-5: Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities                                                                       | Point 44                  |           |
|                                | S1-6: Characteristics of enterprise employees                                                                                                                                                                     | Points 48, 50             | 202       |
|                                | S1-7: Characteristics of self-employed workers in the enterprise's own workforce                                                                                                                                  | Points 53, 55, 57         | 203       |
|                                | S1-8: Coverage of collective bargaining and social dialog                                                                                                                                                         | Points 58, 60             | 204       |
|                                | S1-9: Diversity indicators                                                                                                                                                                                        | Points 64, 66             | 204       |
|                                | S1-10: Adequate wages                                                                                                                                                                                             | Points 67, 69             | 205       |
|                                | S1-11: Social Protection                                                                                                                                                                                          | Points 72, 74             | 205       |
|                                | S1-12: People with disabilities                                                                                                                                                                                   | Points 77, 79             | 206       |
|                                | S1-13: Training and skills development indicators                                                                                                                                                                 | Points 81, 83             | 206       |
|                                | S1-14: Health and safety indicators                                                                                                                                                                               | Points 86, 88             | 207       |
|                                | S1-15: Work-life balance indicators                                                                                                                                                                               | Point 91                  | 208       |
|                                | S1-16: Remuneration indicators (pay gap and total remuneration)                                                                                                                                                   | Point 95                  |           |
|                                | S1-17: Incidents, complaints and serious human rights issues and incidents                                                                                                                                        | Points 100, 103           | 209       |
| ESRS S2<br>Value chain workers | SBM-2 Stakeholder interests and views                                                                                                                                                                             | Point 9                   | 240       |
|                                | SBM-3 Significant impacts, risks and opportunities and their interaction with strategy and business model                                                                                                         | Points 10-13              | 240       |
|                                | S2-1: Policies on value chain workers                                                                                                                                                                             | Points 14, 17             | 242       |
|                                | S2-2: Collaborative processes with value chain workers on impacts                                                                                                                                                 | Points 20, 22             | 243       |



| Standard                               | Presentation requirements                                                                                                                                                                                                       | Applicable data points                     | ESRS page |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------|
|                                        | S2-3: Processes for addressing negative impacts and channels through which value chain workers can voice their concerns                                                                                                         | Points 25, 27, 28                          | 244       |
|                                        | S2-4: Taking action on significant impacts on value chain workers and approaches for managing significant risks and pursuing significant opportunities related to value chain workers, and the effectiveness of these actions   | Points 30, 32, 33                          | 245       |
|                                        | S2-5: Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities                                                                                     | Point 39<br>ESRS 1 Transitional provisions | 25<br>246 |
| ESRS S3<br><br>Affected communities    | SBM-2 Interests and views of stakeholders stakeholders                                                                                                                                                                          | Point 7                                    | 258       |
|                                        | SBM-3 Significant impacts, risks and opportunities and their interaction with strategy and business model                                                                                                                       | Points 8-11                                | 258       |
|                                        | S3-1: Policies related to affected communities                                                                                                                                                                                  | Points 12, 14                              | 260       |
|                                        | S3-2: Collaborative processes with affected communities on impacts                                                                                                                                                              | Points 19, 21                              | 261       |
|                                        | S3-3: Processes to remedy negative impacts and channels through which affected communities can voice their concerns                                                                                                             | Points 25, 27                              | 262       |
|                                        | S3-4: Taking action on significant impacts on affected communities and approaches for managing significant risks and pursuing significant opportunities related to affected communities, and the effectiveness of these actions | Points 30, 32, 33                          | 263       |
|                                        | S3-5: Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities                                                                                     | Point 39                                   | 264       |
| ESRS S4<br><br>Consumers and end-users | SBM-2 Interests and views of stakeholders stakeholders                                                                                                                                                                          | Point 8                                    | 275       |
|                                        | SBM-3 Significant impacts, risks and opportunities and their interaction with strategy and business model                                                                                                                       | Points 9-12                                | 275       |



| Standard                        | Presentation requirements                                                                                                                                                                                                                     | Applicable data points | ESRS page |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------|
|                                 | S4-1: Consumer and end-user policies                                                                                                                                                                                                          | Point 13               | 277       |
|                                 | S4-2: Collaborative processes with consumers and end-users on impacts                                                                                                                                                                         | Points 18, 20          | 278       |
|                                 | S4-3: Processes to remedy negative impacts and channels through which consumers and end-users can voice their concerns                                                                                                                        | Points 23, 25          | 279       |
|                                 | S4-4: Adoption of measures on significant impacts on consumers and end-users and approaches for managing significant risks and tracking significant opportunities related to consumers and end-users, and the effectiveness of these measures | Points 28, 30, 31      | 280       |
|                                 | S4-5: Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities                                                                                                   | Point 38               | 281       |
| ESRS G1<br>Professional conduct | GOV-1 Role of administrative, management and management and supervisory                                                                                                                                                                       | Point 5                | 292       |
|                                 | IRO-1 - Description of the processes for identifying and assessment of significant impacts, risks and opportunities                                                                                                                           | Point 6                | 292       |
|                                 | G1-1: Policies on professional conduct and corporate culture                                                                                                                                                                                  | Points 7,              | 293       |
|                                 | G1-2: Supplier relationship management                                                                                                                                                                                                        | Points 12, 14          | 294       |
|                                 | G1-3: Prevention and detection of corruption and bribery                                                                                                                                                                                      | Points 16, 18, 20      | 294-295   |
|                                 | G1-4: Incidents of corruption or bribery                                                                                                                                                                                                      | Points 22, 24, 25      | 295-296   |
|                                 | G1-5: Political influence and lobbying                                                                                                                                                                                                        | Not applicable         | 296       |
|                                 | G1-6: Payment practices                                                                                                                                                                                                                       | Points 31, 33          | 297       |

## Policies adopted to manage significant sustainability issues (MDR-P Policies)

### Transition to a clearly defined policy - Sustainability policy

At Transelectrica level<sup>7</sup>, the policies adopted for the management of significant sustainability issues are set out in a series of framework and strategic documents, which establish both the

<sup>7</sup> With the approval of the indicators in the 2024-2028 Management Plan, the Company has a clear framework for the formulation and adoption of a coherent and dedicated policy aligned with the European Sustainability Reporting Standards (ESRS) and the national energy transition objectives.



technical and sustainability objectives of the Company, as well as ethical and integrity guidelines

Although for the reporting year 2024 there is no sustainability policy in a strict sense, due to the specificity of the activity, the essential elements of Transelectrica's policies are integrated in the overall strategy of the Company and reflected in fundamental documents such as: Energy Efficiency Policy, ETG Development Plan 2024-2033, Administration Plan 2024-2028, Policy Statement on Quality, Environmental, Occupational Health and Safety Management, Policy Statement on Risk Management, Code of Ethics and Professional Conduct, Anti-Fraud and Anti-Corruption Policy and Corporate Social Responsibility Policy, providing a normative framework for internal responsibilities. In addition, the Smart Grid Policy and the Innovation Research Strategy, available on the Company's website ([www.transelectrica.ro](http://www.transelectrica.ro)), underline Transelectrica's strategic orientation in the energy transition and digitalization.

As a consequence, **until the adoption of a sustainability policy in the strict sense, we mapped the main policies** stemming from the framework and strategic documents (ETG Development Plan, Management Plan 2024-2028, etc.), thus providing a clear framework for addressing sustainability issues. Although these policies do not follow the classical structure of a separate policy document, they contain strategic objectives, action directions and concrete measures and are fundamental for the implementation of sustainability principles in the Company's work. Therefore, **until the adoption of a sustainability policy as a unitary document, we will treat the mapped policies** as they set out guidelines for energy efficiency, GHG emission reduction, infrastructure modernization and integration of renewable sources, thus contributing to the achievement of our sustainability objectives.

All the policies adopted by Transelectrica are designed to ensure strict compliance with the legal requirements in force, as well as to reflect international best practices. These framework documents establish not only a set of rigorous internal standards, but also a management system that aligns with European and global norms, promoting transparency, accountability and sustainability in all the Company's operations.

Transelectrica's policies overlap on several aspects of sustainability, allowing cross-references between environmental, social and governance sections. The company structures its policies according to their impact on key areas of sustainability, thus ensuring a coherent and integrated approach. These are categorized into 3 main categories: **Environmental, Social and Governance**, each of which has a strategic role in the Company's sustainable development

Transelectrica's policies are drafted at the level of the specialized directorates and are approved by the executive management, the responsibility for compliance, monitoring and implementation of these policies lies with both the drafting directorates and the structures that approve them through the management and control mechanisms they have.



## Categorizing policies by impact:

| Policy on infrastructure development/modernization, energy transition and integration of renewables (from the ETG 2024-2033 Development Plan)                  |                                                                                                                            |                                                                                             | Energy efficiency policy                                                                                                           |                                                                                                                                              | Smart Grid Policy                                                                                                                                                                                                                                                                                          |                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Aspects covered                                                                                                                                                |                                                                                                                            |                                                                                             | Aspects covered                                                                                                                    |                                                                                                                                              | Aspects covered                                                                                                                                                                                                                                                                                            |                                                                                                                               |
| Environment                                                                                                                                                    | Social                                                                                                                     | Governance (Strategy)                                                                       | Environment                                                                                                                        | Governance                                                                                                                                   | Environment                                                                                                                                                                                                                                                                                                | Governance (Strategy)                                                                                                         |
| Integrating renewable energy into the transmission grid to support the energy transition and reduce GHG emissions (ESRS E1)                                    | Modernization and expansion of infrastructure to support energy security and operational stability of NES (ESRS S1 S2, S4) | Investment plans for grid modernization, loss reduction and transmission efficiency (SBM-1) | Reducing OTC in ETG (ESRS E1)                                                                                                      | Efficient monitoring and reporting of energy consumption and CO <sub>2</sub> emissions to support strategic sustainability decisions (SBM-1) | Integrating the needs and capabilities of all generators, grid operators end-users and players in electricity markets to operate as efficiently as possible all parts of the energy systems, minimizing costs and environmental impact, maximizing system reliability, flexibility and stability (ESRS E1) | Adoption of Smart Grid technologies and digitalization of the grid for efficient and secure infrastructure management (SBM-1) |
| Increase cross-border interconnection capacity to reduce dependence on fossil fuels and ensure efficient integration into the European energy market (ESRS E1) |                                                                                                                            |                                                                                             | Reduction of electricity consumption for the supply of own services in power stations (including technological buildings (ESRS E1) |                                                                                                                                              |                                                                                                                                                                                                                                                                                                            |                                                                                                                               |
|                                                                                                                                                                |                                                                                                                            |                                                                                             | Reducing electricity consumption to power administrative premises (ESRS E1)                                                        |                                                                                                                                              |                                                                                                                                                                                                                                                                                                            |                                                                                                                               |
|                                                                                                                                                                |                                                                                                                            |                                                                                             | Reducing heat consumption for buildings (ESRS E1)                                                                                  |                                                                                                                                              |                                                                                                                                                                                                                                                                                                            |                                                                                                                               |
|                                                                                                                                                                |                                                                                                                            |                                                                                             | Reducing automotive fuel consumption (ESRS E1)                                                                                     |                                                                                                                                              |                                                                                                                                                                                                                                                                                                            |                                                                                                                               |



| Policy statement on quality, environment, occupational safety and health management                                                                                                         |                                                                                                       | Risk Management Policy Statement                                                                                                                                                                                                                                                                                      | Anti-Fraud and Anti-Corruption Policy                                                                                                            | Corporate social responsibility policy                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Aspects covered                                                                                                                                                                             |                                                                                                       | Aspects covered                                                                                                                                                                                                                                                                                                       | Aspects covered                                                                                                                                  | Aspects covered                                                                |
| Environment                                                                                                                                                                                 | Social                                                                                                | Environment                                                                                                                                                                                                                                                                                                           | Professional conduct                                                                                                                             | Social                                                                         |
| Maintaining a management system environmental management, prevention and reducing pollution, compliance with national and European legal requirements and sustainable development (ESRS E1) | Policies for occupational safety and health, including a comprehensive training program (ESRS S1, S2) | Operation in accordance with quality, safety and efficiency standards as laid down in the ETG Technical Code and any other specific applicable regulations, with emphasis on compliance with employee health and safety criteria, as well as ensuring the protection and conservation of property and the environment | Create and develop an internal and transparent institutional environment to facilitate the prevention and combating of fraud and corruption (G1) | Developing a sustainable society (S1- Own workforce, S3- Affected communities) |
|                                                                                                                                                                                             |                                                                                                       | Identifying, assessing, monitoring and mitigating the impact of risks on the Company's activities in order to ensure a stable and predictable environment for operations and the achievement of strategic objectives                                                                                                  | Strengthen and enhance internal control activities to detect and prevent fraud and other illegal or potentially illegal activities (G1)          | Solving community social problems and increasing access to education (S1, S3)  |

*\*Policies for each relevant ESRS topic are presented in ESRS report sections E1-E5, S1-S4, and G1, as required by the ESRS standards, to ensure a clear and coherent presentation, avoiding redundant information.*

The Teletrans and Smart subsidiaries define and implement their own internal policies, tailored to the specifics of their activities. By developing their own regulatory frameworks, each subsidiary ensures decision-making autonomy in the management of their specific activities, while maintaining consistency with the general guidelines established at Group level.

### **Actions and resources on significant sustainability issues (MDR-A Actions)**

To ensure the effective implementation of its sustainability policies, Transelectrica undertakes concrete actions and allocates dedicated resources to manage significant sustainability issues in line with the requirements of the ESRS. These actions are structured along three main strands: environmental, social and governance, each of which is addressed through specific initiatives designed to improve the Company's sustainability performance.

All these actions and resource allocations will be detailed in the corresponding sections of the sustainability report, namely ESRS E1-E5, ESRS S1-S4 and ESRS G1, ensuring transparent and comprehensive reporting of Transelectrica's progress towards sustainability.



As regards the implementation of new projects or studies, they are carried out in accordance with the procedures OP TEL 29.04 - Development of environmental management programs and OP TEL 29.03 - Establishment, implementation and maintenance of quality, environment, occupational safety and health objectives. These procedures include required actions, responsibilities and deadlines, thus ensuring the achievement of environmental objectives and targets.

In addition, OP TEL 29.11 - Emergency preparedness and response capacity in the fields of environment, occupational health and safety, sets out the modus operandi and responsibilities for: identifying possible emergencies and accidents that may have a harmful impact on the environment, occupational health and safety; determining appropriate mitigation and response actions in such situations; preventing or reducing the associated harmful impacts on the environment and personnel.

For the Company's subsidiaries, actions on significant sustainability issues are covered in this section.

**Teletrans subsidiary.** The actions undertaken by Teletrans are included in Investment 5. Digitalization, efficiency and modernization of the national electricity transmission grid, financed by the National Recovery and Resilience Plan (NRRP), Component C16. REPowerEU and approved by the Council Implementing Decision amending the Implementing Decision of 29 October 2021 approving the assessment of the Romanian Recovery and Resilience Plan No. 15833/23 of 5 December 2023, which comprises under investments:

1) Under investment 5.c - Optimization of the communication network and creation of a data center - Teletrans SA, subsidiary Transelectrica

**"Network Traffic Analyzer Assemblies".** IT equipment purchases have a predicted insignificant expected impact on the environmental objective: Prevention and control of pollution in air, water or soil, taking into account direct and indirect effects, over the life cycle.

2) Under investment 5.c - Optimization of the communication network and creation of a data center - Teletrans SA, subsidiary Transelectrica.

**"Data Center".** The equipment proposed for the new containerized Data Center will be selected and configured in accordance with the Do No Significant Harm (DNSH) analysis.

The air conditioning units will maintain an optimal indoor climate without major influences due to the outdoor climate, maintaining microclimatic conditions, temperature and humidity within A1 per ASHRAE 2021. The equipment to be installed will be provided with ECO mode of operation with an estimated negligible environmental impact, both direct and indirect, throughout their life cycle. Thus CO2 emissions will be reduced along with electricity consumption.

The technologies and construction materials to be used will be eco-efficient and will help to make the whole life-cycle operating costs more efficient. Both uninterruptible power supply and conversion equipment (UPS) and air-handling equipment (precision air conditioning units) will offer high energy efficiency.

3) Under investment 5.c - Optimization of the communication network and creation of a data center - Teletrans SA, subsidiary Transelectrica.



**IT&C network equipment.** IT equipment purchases have a predicted insignificant expected impact on the environmental objective Prevention and control of pollution in air, water or soil, taking into account direct and indirect effects, over the life cycle.

They address an essential component of the National Energy System (NES): Cybersecurity - the prerequisite for the optimal functioning of the NES and ensuring resilience to cyber-attacks that are becoming increasingly important in recent times at European level.

**Smart Subsidiary.** At the Smart level, actions on significant sustainability issues focus on operational efficiency, reduction of environmental impact and occupational safety. Key measures implemented include:

- Predictive maintenance and digitalization - using advanced technologies to monitor infrastructure and optimize interventions, reducing resource consumption and emissions associated with transport and repair operations;
- sustainable waste management - implementing processes for recycling and controlled disposal of materials resulting from maintenance and repair activities;
- employee health and safety - strict occupational safety standards, continuous training and measures to prevent accidents at work;
- Protection of biodiversity - Measures to restore the environment following maintenance works, reduce the impact on natural habitats.

#### Indicators on significant sustainability issues (MDR-M)

The indicators on significant sustainability issues are presented in the report sections, respectively ESRS E1-E5, S1-S4 and G1, being allocated to each material theme relevant to Transelectrica, in accordance with the ESRS requirements.

The indicators assumed by the Directorate and the Supervisory Board through the Management Plan and approved by the General Shareholders' Meeting (GMS), set out in the section Integration of sustainability performance into incentive systems (GOV-3), will also be highlighted in each of the sections dedicated to Transelectrica targets according to their applicability, thus ensuring a clear link between the sustainability objectives and the Company's development strategies, as well as increased transparency in reporting progress to all stakeholders.

For the purpose of this section, non-financial governance performance indicators will be addressed, namely: the number of meetings of the Supervisory Board, the number of meetings of committees set up at Supervisory Board level and the number of meetings of the Directorate.

#### Number of meetings of the Supervisory Board.

| Categories                      | Indicator                                                | Primary data                                                     | UM | Formula                                                                                                                                                           |
|---------------------------------|----------------------------------------------------------|------------------------------------------------------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate governance indicators | Number of meetings of the Board's committee of oversight | Number of participants in the meetings of the Steering Committee | No | $\text{Numărul ședințelor consiliului de supraveghere}_t$<br>$= \text{Numărul ședințelor consiliului de supraveghere susținute}$<br>$- a \text{ lungul anului}_t$ |



| Indicator                                      | 2024 | 2025 | 2026 | 2027 | 2028 |
|------------------------------------------------|------|------|------|------|------|
| Number of meetings of the Board of Supervisors | 8    | 10   | 12   | 14   | 16   |

### Number of meetings of Committees set up at Supervisory Board level

| Categories                      | Indicator                    | Primary data                                 | UM | Formula                                                                                                                          |
|---------------------------------|------------------------------|----------------------------------------------|----|----------------------------------------------------------------------------------------------------------------------------------|
| Corporate governance indicators | Number of committee meetings | Number of participants in committee meetings | No | $N_{\text{Number of Committees convened}_t} = \text{Number of committees supported during the year}_t$ <p>.....</p> <p>.....</p> |

| Indicator                    | 2024 | 2025 | 2026 | 2027 | 2028 |
|------------------------------|------|------|------|------|------|
| Number of committee meetings | 8    | 10   | 12   | 14   | 16   |

### Number of Directorate meetings

| Indicator                      | 2024 | 2025 | 2026 | 2027 | 2028 |
|--------------------------------|------|------|------|------|------|
| Number of Directorate meetings | 36   | 38   | 40   | 42   | 46   |

Non-financial governance performance indicators, such as the number of meetings of the Supervisory Board, the number of meetings of the committees set up at Supervisory Board level and the number of meetings of the Directorate, are essential for assessing the decision-making efficiency, transparency and functioning of the corporate governance system within Transelectrica. These indicators reflect the level of involvement of the management bodies in the strategic and operational management of the Company.

In case certain indicators have not yet been adopted, Transelectrica shall justify the reasons for their non-adoption and, if applicable, provide an estimated timeframe for their implementation.

For subsidiaries, indicators on significant sustainability issues are dealt with in this section.

**Teletrans subsidiary.** Teletrans' telecommunications expertise will be used in the coming years in the implementation of the EU-funded project REPOWER EU and the operationalization of a major Data Center, which will allow the upgrading of traditional colocation services and the expansion of the customer portfolio in this field.

**Smart subsidiary.** In general, within Smart, performance indicators are established along with specific objectives and business process descriptions and are discussed at management review meetings. Indicators on significant sustainability issues:

- customer satisfaction, feedback;



- for works performed on the basis of the ANRE certificate - indicator: annual customer satisfaction (arithmetic average of the satisfaction values of the contracts finalized in the reference period) - calculated according to ANRE Order no. 45/07.09.2016;
- monitoring the health status of employees - medical tests and check-ups according to HG 355 - Indicator: No. of employees monitored/ No. of employees\*100 [%];
- degree of non-conformities resolved - indicator: non-conformities resolved / non-conformities identified x 100 [%];
- degree of achievement of the audit program - indicator: audits performed/planned audits x100 [%];
- degree of achievement of various control programs - indicator: controls performed/controls planned x100 [%];
- degree of overall achievement of training programs - indicator: programs achieved/programs approved x100 [%];
- Measuring and monitoring equipment calibrated, verified in the given period - indicator: EMM calibrated, verified/EMM planned to be calibrated, verified \*100 [%];
- effectiveness of actions to address risks and opportunities - indicator: overall risk level  $\leq$  baseline;
- waste management - indicator: no. types of waste collected/no. types of selectively collected waste \*100.

### **Monitoring the effectiveness of policies and actions through targets (MDR-T targets)**

Given that the year 2024 marks Transelectrica's first ESRS reporting, as well as the Company's specificity as a single transmission and electricity system operator, setting quantifiable targets requires an approach based on clear methodologies and in compliance with the regulations in force. The report includes all the targets set at Company level; however, in the absence of a clearly defined methodology for formulating such objectives, Transelectrica has avoided adopting additional quantifiable targets that could be based on incomplete or inaccurate bases. As the reporting framework is clarified and standardized methodological references become available, Transelectrica will review and establish relevant quantifiable targets aligned with both the ESRS requirements and its sustainability policy.

In its first reporting year, Transelectrica is focusing its efforts on implementing ESRS requirements, establishing data collection processes and assessing the environmental and social impacts of its activities. Therefore, before quantifiable targets can be defined, it is essential that the data collected is reliable, strategies and policies are aligned with national and European regulations, and internal systems are prepared for effective and transparent monitoring.



## Data points in cross-cutting standards and thematic standards deriving from other EU legislation

| Submission requirement of information and related data point                                                | SFDR reference <sup>8</sup>                                          | Pillar 3 reference <sup>9</sup>                                                                                                                                                   | Reference in the Regulation on reference <sup>10</sup>                     | EU Reference from Climate law <sup>11</sup> |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------|
| ESRS 2 GOV-1<br>Gender diversity in governing bodies point 21 lit. (d)                                      | Indicator no. 13 of Table 1 in Annex 1                               |                                                                                                                                                                                   | Delegated Regulation (EU) 2020/1816 of Commission <sup>12</sup> , Annex II |                                             |
| ESRS 2 GOV-1<br>Percentage of members members of the governing bodies who are independent point 21 lit. (e) |                                                                      |                                                                                                                                                                                   | Delegated Regulation (EU) 2020/1816, Annex II                              |                                             |
| ESRS 2 GOV-4<br>Declaration on due diligence process item 30                                                | Indicator no. 10 of Table 3 in Annex 1                               |                                                                                                                                                                                   |                                                                            |                                             |
| ESRS E1-1<br>Transition plan for the realization climate neutrality by 2050 para. (14)                      |                                                                      |                                                                                                                                                                                   |                                                                            | Regulation (EU) 2021/1119, Art. 2 Alin. (1) |
| ESRS E1-4<br>Greenhouse gas emission reduction targets, para 34                                             | Indicator no. 4 of Table 2 in Annex 1                                | Art. 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 3: Banking book - Transition risk related to changes Climate: indicators alignment | Delegated Regulation (EU) 2020/1818, Art. 6                                |                                             |
| ESRS E1-5<br>Fossil energy consumption from sources disaggregated by source (sectors only)                  | Indicator no. 5 of Table 1 and indicator no. 5 of Table 2 in Annex 1 |                                                                                                                                                                                   |                                                                            |                                             |

<sup>8</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

<sup>9</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, 'CRR') (OJ L 176, 27.6.2013, p. 1).

<sup>10</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

<sup>11</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of June 30, 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Act') (OJ L 243, 9.7.2021, p. 1).

<sup>12</sup> Commission Delegated Regulation (EU) 2020/1816 of July 17, 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).



| Submission requirement of information and related data point                                                                      | SFDR reference <sup>8</sup>                 | Pillar 3 reference <sup>9</sup>                                                                                                                                                                                                  | Reference in the Regulation on reference <sup>10</sup>                                      | EU Reference from Climate law <sup>11</sup> |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------|
| high impact on climate change) item 38                                                                                            |                                             |                                                                                                                                                                                                                                  |                                                                                             |                                             |
| ESRS E1-5 energy consumption and energy mix energy pct. 37                                                                        | Indicator no. 5 of Table 1 in Annex 1       |                                                                                                                                                                                                                                  |                                                                                             |                                             |
| ESRS E1-5 Energy intensity associated with activities in sectors with a high climate impact para. (40)-(43)                       | Indicator no. 6 of Table 1 in Annex 1       |                                                                                                                                                                                                                                  |                                                                                             |                                             |
| ESRS E1-6 Gross values of 1, 2, 3 and total emissions of GES p. 44                                                                | Indicators 1 and No 2 in Table 1 of Annex 1 | Art. 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 1: Banking book - Transition risk related to changes climate: quality credit exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Art. 5 para. (1), Art. 6 and Art. 8 para. (1)          |                                             |
| ESRS E1-6 Emission intensity gross of GES para. (53)-(55)                                                                         | Indicator no. 3 of Table 1 in Annex 1       | Art. 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 3: Banking book - Transition risk related to changes Climate: indicators alignment                                             | Delegated Regulation (EU) 2020/1818, Art. 8 para. (1)                                       |                                             |
| ESRS E1-7 GHG removals and carbon credits item 56                                                                                 |                                             |                                                                                                                                                                                                                                  |                                                                                             | Regulation (EU) 2021/1119, Art. 2 para. (1) |
| ESRS E1-9 Exposure of the benchmark's portfolio to physical climate risks item 66                                                 |                                             |                                                                                                                                                                                                                                  | Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II |                                             |
| ESRS E1-9 Disaggregation of monetary values according to acute and chronic physical risk item 66 lit.(a) ESRS E1-9 Asset location |                                             | Art. 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, points 46 and 47; Model                                                                                                          |                                                                                             |                                             |



| Submission requirement of information and related data point                                                                                                                               | SFDR reference <sup>8</sup>                                                                                                                             | Pillar 3 reference <sup>9</sup>                                                                                                                                                                                                                      | Reference in the Regulation on reference <sup>10</sup> | EU Reference from Climate law <sup>11</sup> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------|
| which are subject to a significant physical risk point 66 lit. (c).                                                                                                                        |                                                                                                                                                         | 5: Porto Banking book - Climate change physical risk: exposures subject to physical risk.                                                                                                                                                            |                                                        |                                             |
| ESRS E1-9 Breakdown of accounting value of assets buildings by energy efficiency classes point 67 lit. (c)                                                                                 |                                                                                                                                                         | Art. 449a of Regulation (EU) No 575/2013; Regulation of Implementation (EU) 2022/2453 al Commission point 34; Form 2: Portfolio banking - Risk of related transition climate change: Loans secured by real estate - Energy efficiency of collateral. |                                                        |                                             |
| ESRS E1-9 Exposure of the portfolio to climate-related opportunities item 69                                                                                                               |                                                                                                                                                         |                                                                                                                                                                                                                                                      | Delegated Regulation (EU) 2020/1818, Annex II          |                                             |
| ESRS E2-4 The quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Release Register). Transfer) emitted to air, water and soil, point 28 | Indicator no. 8 of Table 1 in Annex 1 Indicator no. 2 of Table 2 in Annex 1 Indicator no. 1 of Table 2 in Annex 1 Indicator no. 3 of Table 2 in Annex 1 |                                                                                                                                                                                                                                                      |                                                        |                                             |
| ESRS E3-1 Water resources and marine point 9                                                                                                                                               | Indicator no. 7 of Table 2 in Annex 1                                                                                                                   |                                                                                                                                                                                                                                                      |                                                        |                                             |
| ESRS E3-1 Specific policy point 13                                                                                                                                                         | Indicator no. 8 of Table 2 in Annex 1                                                                                                                   |                                                                                                                                                                                                                                                      |                                                        |                                             |
| ESRS E3-4 Total recycled and reused water item 28 lit. (c)                                                                                                                                 | Indicator no. 6.2 in Table 2 of Annex 1                                                                                                                 |                                                                                                                                                                                                                                                      |                                                        |                                             |
| ESRS E3-4 Total water consumption in m 3 per net income from own operations point 29                                                                                                       | Indicator no. 6.1 in Table 2 of Annex 1                                                                                                                 |                                                                                                                                                                                                                                                      |                                                        |                                             |
| ESRS E4-2 Practices or policies sustainable land/agriculture                                                                                                                               | Indicator No 11 in Table 2 of Annex 1                                                                                                                   |                                                                                                                                                                                                                                                      |                                                        |                                             |



| Submission requirement of information and related data point                                                                                                        | SFDR reference <sup>8</sup>                                                    | Pillar 3 reference <sup>9</sup> | Reference in the Regulation on reference <sup>10</sup> | EU Reference from Climate law <sup>11</sup> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------|--------------------------------------------------------|---------------------------------------------|
| point 24 lit. (b)                                                                                                                                                   |                                                                                |                                 |                                                        |                                             |
| ESRS E5-5<br>Non-recycled waste<br>point 37 lit. (d)                                                                                                                | Indicator No 13 in<br>Table 2 of Annex 1                                       |                                 |                                                        |                                             |
| ESRS E5-5<br>Hazardous waste and<br>radioactive waste item<br>39                                                                                                    | Indicator No 9 in<br>Table 1 of Annex 1                                        |                                 |                                                        |                                             |
| ESRS S1-1<br>Human rights policy<br>commitments para.<br>(20)                                                                                                       | Indicator no. 9 of<br>Table 3 and<br>indicator no. 11 of<br>Table 1 of Annex I |                                 |                                                        |                                             |
| ESRS S1-1<br>Problem due diligence<br>policies<br>addressed by the<br>fundamental<br>Conventions 1-8 of the<br>International<br>Organization<br>a Muncii alin. (21) |                                                                                |                                 | Delegated<br>Regulation (EU)<br>2020/1816, Annex<br>II |                                             |
| ESRS S1-1<br>Workplace accident<br>prevention policy or<br>management system<br>point 23                                                                            | Indicator no. 1 of<br>Table 3 of Annex I                                       |                                 |                                                        |                                             |
| ESRS S1-3<br>mechanisms of<br>dealing with complaints<br>point 32 lit. (c)                                                                                          | Indicator no. 5 of<br>Table 3 of Annex I                                       |                                 |                                                        |                                             |
| ESRS S1-14<br>Number of deaths and<br>number and rate of<br>accidents related to<br>labor p. 88 lit. (b) and<br>(c)                                                 | Indicator no. 2 of<br>Table 3 of Annex I                                       |                                 | Delegated<br>Regulation (EU)<br>2020/1816,<br>Annex II |                                             |
| ESRS S1-14<br>Number of days<br>lost as a result of<br>injury, accident, death<br>or disease item 88<br>lit. (e)                                                    | Indicator no. 3 of<br>Table 3 of Annex I                                       |                                 |                                                        |                                             |
| ESRS S1-16<br>Pay disparity<br>of gender in<br>unadjusted form, point<br>97 lit.(a)                                                                                 | Indicator No 12 in<br>Table 1 of Annex I                                       |                                 | Delegated<br>Regulation (EU)<br>2020/1816,<br>Annex II |                                             |
| ESRS S1-16<br>An excessive level of<br>the ratio between the<br>Director's<br>remuneration<br>general and that of<br>workers Art. 97 lit. (b)                       | Indicator no. 8 of<br>Table 3 of Annex I                                       |                                 |                                                        |                                             |
| ESRS S1-17<br>Incidents of<br>discrimination, point                                                                                                                 | Indicator no. 7 of<br>Table 3 of Annex I                                       |                                 |                                                        |                                             |



| Submission requirement of information and related data point                                                                                                                           | SFDR reference <sup>8</sup>                                                     | Pillar 3 reference <sup>9</sup> | Reference in the Regulation on reference <sup>10</sup>                                                  | EU Reference from Climate law <sup>11</sup> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------|
| 103 lit. (a)                                                                                                                                                                           |                                                                                 |                                 |                                                                                                         |                                             |
| ESRS S1-17 Neres Principles<br>UN guidelines on business and human rights and OECD guidelines point 104 lit. (a)                                                                       | Indicator No 10 in Table 1 and indicator No 14 in Table 3 of Annex I            |                                 | Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Art. 12 para. (1) |                                             |
| ESRS S2-1 Commitments on policy in the field of human rights point 17                                                                                                                  | Indicator no. 9 of Table 3 and indicator No 11 in Table 1 of Annex 1            |                                 |                                                                                                         |                                             |
| ESRS S2-1 Policies on workers from value chain item 18                                                                                                                                 | Indicators 11 and No 4 in Table 3 of Annex 1                                    |                                 |                                                                                                         |                                             |
| ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines on Business and Human Rights point 19                                     | Indicator No 10 in Table 1 of Annex 1                                           |                                 | Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Art. 12 para. (1) |                                             |
| ESRS S2-1 Due diligence policies in about the issues addressed by the Fundamental Conventions 1-8 of the International Organization a Muncii pct. 19                                   |                                                                                 |                                 | Delegated Regulation (EU) 2020/1816, Annex II                                                           |                                             |
| ESRS S2-4 Aspects related to human rights and incidents related to its value chain from upstream and downstream point 36                                                               | Indicator No 14 in Table 3 of Annex 1                                           |                                 |                                                                                                         |                                             |
| ESRS S3-1 Commitments on policy in the field of human rights, point 16                                                                                                                 | Indicator no. 9 of Table 3 of Annex 1 and indicator No 11 in Table 1 of Annex 1 |                                 |                                                                                                         |                                             |
| ESRS S3-1 Failure to respect the principles<br>piilor directoare<br>directoare<br>directoarelor<br>UN on business and human rights<br>IOM principles or<br>OECD guidelines<br>point 17 | Indicator No 10 in Table 1 of Annex 1                                           |                                 | Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Art. 12 Alin. (1) |                                             |
| ESRS S3-4                                                                                                                                                                              | Indicator No 14 in                                                              |                                 |                                                                                                         |                                             |



| <b>Submission requirement of information and related data point</b>                                                                                | <b>SFDR reference <sup>8</sup></b>                                   | <b>Pillar 3 reference <sup>9</sup></b> | <b>Reference in the Regulation on reference <sup>10</sup></b>                                           | <b>EU Reference from Climate law <sup>11</sup></b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Issues and incidents on human rights para 36                                                                                                       | Table 3 of Annex 1                                                   |                                        |                                                                                                         |                                                    |
| ESRS S4-1 Policies on consumer and end users point 16                                                                                              | Indicator no. 9 of Table 3 and indicator No 11 in Table 1 of Annex 1 |                                        |                                                                                                         |                                                    |
| ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines on Business and Human Rights point 17 | Indicator No 10 in Table 1 of Annex 1                                |                                        | Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Art. 12 para. (1) |                                                    |
| ESRS S4-4 Issues and incidents on rights human pct. 35                                                                                             | Indicator No 14 in Table 3 of Annex 1                                |                                        |                                                                                                         |                                                    |
| ESRS G1-1 Convention Organization United Nations against corruption point 10 lit. (b)                                                              | Indicator No 15 in Table 3 of Annex 1                                |                                        |                                                                                                         |                                                    |
| ESRS G1-1 Protection of early warnings point 10 lit. (d)                                                                                           | Indicator no. 6 of Table 3 in Annex 1                                |                                        |                                                                                                         |                                                    |
| ESRS G1-4 Fines for violation of the laws of fight against corruption and the giving or taking of bribery item 24 lit. (a)                         | Indicator No 17 in Table 3 of Annex 1                                |                                        | Delegated Regulation (EU) 2020/1816, Annex II                                                           |                                                    |
| ESRS G1-4 Anti-corruption standards and the giving and taking of b bribes item 24 lit.(b)                                                          | Indicator No 16 in Table 3 of Annex 1                                |                                        |                                                                                                         |                                                    |



## CHAPTER II

### ESRS E1 - E5 - Environmental aspects

#### 1. Climate change (E1 1-9)

##### **Integrating sustainability performance into incentive schemes (GOV-3)**

At the 2024 reporting year level, there were no sustainability considerations in the remuneration of Transelectrica's senior management, as the 2024-2028 Management Plan, which sets out the strategic directions in this area, was approved by GMS Resolution no. 1/2025.

Likewise, sustainability performance has not been integrated into the incentive schemes, neither for the subsidiaries Teletrans and Smart, as no Management Plans have been prepared during 2024.

##### **Transition plan for climate change mitigation (E1-1)**

Transelectrica recognizes the significant impact of climate change on the electricity transmission infrastructure and is considering the implementation of proactive measures to strengthen the resilience of the grid. Extreme climatic factors, such as high temperatures, severe storms and freeze-thaw events, can influence the safety and continuity of operation of the power system, which is why the Company is pursuing the adaptation of the infrastructure to ensure stable and efficient long-term operation.

Although Transelectrica does not have a formalized transition plan in the strict sense, the company is carrying out concrete actions that contribute to climate change mitigation and increase the resilience of the electricity transmission infrastructure. These measures are aligned with European and national decarbonization objectives and are integrated into the Company's operational strategies and programs.

**Climate transition actions and measures.** Transelectrica has implemented several measures to mitigate climate change and increase operational efficiency:

- **integrating renewable energy sources** and facilitating their connection to the ETG;
- **promoting energy efficiency** through measures to optimize energy consumption and reduce network losses;
- **modernizing infrastructure and using climate-resilient technologies and materials**, thus preventing damage to equipment in extreme conditions;
- **monitoring and assessment of climate risks** on the electricity grid, taking measures to prevent damage and outages;
- **preventive maintenance and digital monitoring** to reduce operational risks caused by climate change;
- **reducing greenhouse gas (GHG) emissions** by using pressurized sealed equipment and monitoring leaks of sulphur hexafluoride (SF6), a potent greenhouse gas.

**Integration of actions into the Company's development strategy.** These measures are not structured in a formal transition plan, but are integrated into the ETG Development Plan and Transelectrica's environmental and energy efficiency policies. Through these actions, the Company aims to align with European climate objectives, such as the European Green Deal and Fit-for-55, by increasing energy efficiency, reducing the carbon footprint and adapting to climate risks.



### Significant impacts, risks and opportunities and their interaction with business strategy and business model (SBM-3)

Transelectrica faces significant challenges but also strategic opportunities in the energy transition. By effectively managing financial, technological and climate risks, the Company can leverage its investments in infrastructure, energy efficiency and digitalization, thus strengthening its position as a modern and sustainable transmission operator in Europe.

Transelectrica's strategy and business model are resilient in the face of climate change, thanks to the proactive measures implemented for adaptation and modernization. The resilience analysis has highlighted the major climate risks and led to the development of solutions for their prevention and management, thus ensuring continuity and security of electricity supply.

The analysis of the resilience of Transelectrica's strategy and business model to climate change applies to the Transmission Electricity Network (TEN) and associated critical infrastructure, including transformer substations, high voltage lines, telecommunications and grid control systems. It assesses the direct physical impacts of climate change on network operability and security, taking into account extreme events such as storms, high temperatures, freeze-thaw and droughts, which may affect the stability and efficiency of the infrastructure. The analysis also covers transition risks arising from changes in European and national regulations in the areas of decarbonization, energy efficiency and integration of renewables, identifying challenges and necessary adaptations. In this context, Transelectrica's ability to adapt to the new sustainability requirements is assessed, including through the implementation of innovative technological solutions to reduce greenhouse gas (GHG) emissions and optimize energy efficiency, thus ensuring an efficient and sustainable transition towards a more resilient energy system.

#### Risk classification

| Risc                                                  | Physics                                                                                                                                                                                                           | Transition                                                                                                                                                                                                                                       |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Technical and operational/<br/>Strategic risks</b> | Loss of stability of NES - can occur due to extreme events (storms, heat waves, droughts) that affect the balance between production and consumption, having a direct physical impact on the transmission network | Achievement below programmed levels of the Annual Investment Program - if this risk is driven by changes in financing policies, transition to renewables or requirements imposed by European regulations, it can be considered a transition risk |
|                                                       | Damage to plant and equipment - these are obvious physical risks, as failure of the electrical infrastructure can lead to disruptions in power transmission and affect the safety of the power system             | Achievement below programmed levels of the Annual Investment Program - if this risk is driven by changes in financing policies, transition to renewables or requirements imposed by European regulations, it can be considered a transition risk |
|                                                       | Infrastructure damage/failure/ unavailability - includes wear and tear, extreme weather conditions or technical failures that reduce network reliability                                                          | Non-compliance with legal requirements - if linked to changes in legislation on renewable energy, energy efficiency or carbon emissions                                                                                                          |



| Risc                                                                           | Physics                                                                                                                                                                                                                                  | Transition                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                | Malfunctions in operational management, communications and telecommunications systems and platforms - can be caused by technical problems, cyber-attacks or malfunctions, affecting the control and operation of NES                     |                                                                                                                                                                                                                                                                                                                           |
| <b>Financial and energy market risks</b>                                       | They are physical risks <b>only if</b> they are influenced by external factors, such as extreme weather events or global crises.                                                                                                         | Financial and energy market risks are predominantly transition risks as they are influenced by economic changes, market regulation, financial and sustainability policies.                                                                                                                                                |
| <b>Risks related to non-compliance with legal requirements/ EU regulations</b> | They are physical risks <b>only if</b> they are influenced by external factors, such as extreme weather events or global crises.                                                                                                         | Licenses, contractual risks, including fines from authorities or compensation payments - are driven by legislative changes, EU regulations, national and international energy and sustainability policies                                                                                                                 |
| <b>Security risks</b>                                                          | They are physical risks <b>only if</b> they are influenced by external factors, such as extreme weather events or global crises.                                                                                                         | The security risks associated with critical infrastructure protection, security of classified information and cyber security are mainly transition risks, as they are influenced by evolving regulations, technological advances and increasingly stringent requirements for data and critical infrastructure protection. |
| <b>Personnel and environmental risks</b>                                       | Affecting the health and safety of personnel - this is a physical risk, as exposure to hazardous conditions, accidents at work and the impact of industrial activities on health are factors that directly affect employees              | Difficulties in recruitment, professional training, shortage of personnel with quality specialist training, personnel motivation - it is a transition risk as it is under the influence of changes in the labour market, qualification regulations and the trend of migration of specialists                              |
|                                                                                | Releases / spills of environmentally harmful substances (smoke, SF6, oil, fuels, etc.) - this is a physical risk as accidental releases of sulphur hexafluoride (SF6), oils or fuels can have an immediate impact on soil, air and water | Failure to ensure environmental protection - is a transition risk as environmental regulations are constantly changing                                                                                                                                                                                                    |

### Description of processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)

The issues related to the processes for identifying and assessing significant impacts, risks and opportunities have been addressed in ESRS 2 - IRO-1 - Description of processes for identifying and assessing significant impacts, risks and opportunities.

In order to ensure a clear and relevant representation of Transelectrica's activities, its performance and the impact generated, The company has carried out a dual materiality analysis, in line with the requirements of the new sustainability standards. This analysis was carried out during an internal meeting, with the active involvement of management representatives, who contributed to the identification and assessment of the significant aspects



influencing both the business strategy and the Company's impact on the environment and society.

## **Policies related to climate change mitigation and adaptation (E1-2)**

Transelectrica's climate change mitigation policies are structured around 8 key strategic directions. Through these policies, Transelectrica assumes an active role in supporting national and European climate objectives, promoting investments in sustainable technologies and innovative solutions for the efficiency of electricity transmission.

In the electricity sector, Romania has approved plans in three main directions which are aligned with European energy and climate change policies (European Green Deal, Fit-for-55 package, etc.):

- **RES (Renewable Energy Sources) integration** - objective set by the National Integrated Plan for Energy and Climate Change (PNIESC). According to the PNIESC, Romania aims to increase the installed capacity of renewable energy production, such as wind and solar energy, in order to achieve national and European energy and climate change objectives.
- **reducing greenhouse gas emissions** - timetable for decarbonization of the electricity generation sector (GEO no. 108/2022). Emergency Ordinance 108/2022 establishes the legal framework for the decarbonization of the Romanian electricity sector.
- **The integration of the common electricity market at European level** - Action Plan for increasing the cross-border interconnection capacity of the Romanian electricity transmission network in accordance with the provisions of Article 15 of EU Regulation No. 943/2019 - document approved by the Romanian Government. In accordance with Art. (2) and Art. 16 para. (8) of the mentioned Regulation, the EU Member States must ensure the annual capacity increase for cross-zonal trade until a minimum capacity is reached by the end of 2025.

### **A. Policy on infrastructure development/modernization, energy transition and integration of renewables**

Although the ETG Development Plan is not a policy in the strict sense, but an operational document, it can be considered the equivalent of a policy due to the clarity of its objectives, its strategic character and its influence on the overall direction of the Company. Essentially, it is a fundamental tool for the implementation of Transelectrica's policies on infrastructure development, energy transition and the integration of renewable sources.

In the light of the above, at Transelectrica's level, the Ten-Year ETG Development Plan is the main programmatic document that articulates the Company's investment efforts in its capacity as TSO, in order to coherently support the three directions and plans approved at national level.

ETG Development Plan 2024-2033 edition was approved by ANRE by decision 2715/17.12.2024. The plan foresees chapters that include investments in transmission infrastructure that are dedicated to the integration of new generation capacities in Dobrogea and Moldova (predominantly RES and nuclear), as well as to increase Romania's cross-border interconnection capacity with neighboring countries including those that are EU members.

In the process of analyzing and approving the ETG Development Plan, ANRE ensures that the investments proposed by Transelectrica are aligned with the strategic directions set at national level in the field of electricity and are sufficient and implemented on time to meet the objectives



set in the national plans. After the approval of the ETG Development Plan, ANRE monitors the status of the investments foreseen in the plan.

**With particular reference to the objective of increasing interconnection capacity, ANRE monitors Transelectrica's progress in increasing cross-border interconnection capacity and compliance with the cross-border capacity increase timetable set out in the action plan.** Transelectrica has requested and obtained from ANRE annual derogations during the period 2020-2024 for non-compliance with the approved trajectory of gradual increase in interconnection capacity with neighboring EU Member States, whereby annual interconnection targets were set lower than those set in the approved action plan. Derogation procedures involve prior consultation of all relevant EU regulators in order to assess the possible negative effects that granting a derogation at Member State level could have on the European market and the targets set for other Member States. Derogation from the action plan approved by the Romanian State is not a singular or isolated practice. Similarly, many other TSOs in the EU have requested derogations from the action plans of their home Member States. The procedure for granting these derogations involved consultation with other EU regulators, including ANRE.

The policy on infrastructure development/modernization, energy transition and integration of renewables aims to increase the safety and efficiency of the National Energy System (NES) through strategic investments and the adoption of innovative technologies. Key objectives include:

- integrating renewable energy into the transmission grid to support the energy transition and reduce GHG emissions (ESRS E1 - Climate Change);
- Modernization and expansion of infrastructure to support energy security and operational stability of NES (ESRS S3 - Affected Communities);
- Increase cross-border interconnection capacity to reduce dependence on fossil fuels and ensure efficient integration into the European energy market (ESRS E1 - Climate Change);
- Adoption of Smart Grid technologies and digitalization of the grid for efficient and secure infrastructure management (SBM-1 - Strategy, business model and value chain);
- Reducing technological losses and optimizing energy efficiency by implementing modern equipment and advanced control solutions (SBM-1 - Strategy, business model and value chain).

| Impacts (I)                                                                                                                                                                       | Risks (R)                                                                                                                                                                                    | Opportunities (O)                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Positive impact on the energy transition: modernization of the transmission grid allows for the integration of renewable sources and increased green energy transmission capacity | Delays in project implementation: the process of upgrading and extending the network can be affected by administrative bottlenecks, complex regulations or difficulties in obtaining permits | Access to EU funding: projects to modernize and integrate renewables can benefit from grants from EU programs such as RePowerEU and Green Deal                                       |
| Reducing GHG emissions: through the development of renewable energy infrastructure, Transelectrica contributes to Romania's and the EU's climate goals                            | High investment costs: implementing new technologies and infrastructure requires considerable financial resources, which can put pressure on the Company's budget                            | Strategic positioning in the region: increased interconnection capacity transforms Romania into an energy hub, facilitating energy trade and increasing attractiveness for investors |
| Improved energy security: increased interconnection capacity reduces dependence on local production and enables efficient energy exchange across Europe                           |                                                                                                                                                                                              | Innovation and digitalization: deployment of advanced monitoring and control technologies (e.g. Smart Grid) increases operational efficiency and reduces maintenance costs           |
| Increasing operational efficiency: digitalization and deployment of Smart Grid technologies optimize                                                                              |                                                                                                                                                                                              | Reducing dependence on fossil fuels: by facilitating access to renewable energy, Transelectrica contributes to                                                                       |



| Impacts (I)                                                                                                                          | Risks (R) | Opportunities (O)                                   |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------------|
| the operation and maintenance of transport infrastructure                                                                            |           | reducing fuel imports and long-term price stability |
| Social and economic impact: developing transport infrastructure supports job creation and stimulates investment in the energy sector |           |                                                     |

Transelectrica's policy on infrastructure development and the integration of renewables has a major impact on Romania's energy transition and energy security, but also entails significant risks related to investment, regulation and emerging technologies. At the same time, it offers important opportunities for financing, innovation and regional expansion, strengthening Romania's position as a strategic player in the European energy sector.

Progress is monitored by:

- ETG Development Plan 2024-2033, approved by ANRE, which sets the strategic directions for investment;
- Management Plan 2024-2028;
- Annual Energy Efficiency Improvement Program (EEIP) reported annually to the Ministry of Energy;
- Participation in ENTSO-E initiatives, such as the Ten-Year Network Development Plan (TYNDP), which ensures the alignment of Transelectrica's policies with European requirements.

The policy covers the entire ETG, including:

- activities - planning, development, modernization and operation of the electricity transmission network;
- value chain - includes both upstream (renewable energy production and integration into the ETG) and downstream (transmission and distribution to consumers and distribution operators) segments;
- geographical areas - the policy applies at national level, with a focus on regions where the integration of renewable generation capacity is a priority (Dobrogea, Moldova);
- Stakeholders - includes grid operators, renewable energy producers, regulators and communities affected by infrastructure developments.

At the same time, the policy does not cover electricity generation, only transmission and the integration of renewables, nor electricity distribution, which is the responsibility of distribution operators.

The implementation and oversight of sustainability and energy efficiency policy within Transelectrica is the responsibility of several key structures. The Supervisory Board and the Directorate set the strategic directions and approve the ETG Development Plan, ensuring alignment of the Company's objectives with national and European requirements. The Technical and Energy Efficiency Directorate implements and monitors energy efficiency measures and the integration of renewable energy sources, contributing to reducing emissions and optimizing energy consumption. At the same time, the Department for Relations with Regulatory Authorities and ENTSO-E ensures that Transelectrica's policies comply with European regulations and coordinates the company's participation in international initiatives, facilitating Romania's integration into the European energy market.

Transelectrica's policy is aligned with the following international standards and initiatives:

- Regulation (EU) 2019/943 on the internal market in electricity, which sets requirements for the development of transmission networks;



- Revised Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources;
- The Green Deal and the Fit-for-55 package, which impose strict targets for cutting emissions and integrating renewable energy;
- ENTSO-E network codes, which define the technical requirements for the safe and efficient operation of transmission networks;
- The National Integrated Plan for Energy and Climate Change (PNIESC), which sets out Romania's directions in the field of renewable energy and energy efficiency.

Transelectrica's policy takes into account the interests of key stakeholders by:

- transparency and consultation: major infrastructure projects are discussed with local authorities, affected communities and industry partners;
- collaboration with renewable energy producers: Transelectrica facilitates their integration into the NES through grid development and modernization plans;
- Active participation in international bodies, such as ENTSO-E and CIGRE, to align with European best practices;
- Smart Grid initiatives that provide flexibility in grid operation and improve user access to energy infrastructure.

Documents reflecting policy on infrastructure development/modernization, energy transition and integration of renewables are made available to stakeholders through:

- [www.transelectrica.ro](http://www.transelectrica.ro), where strategic documents are published, including the ETG Development Plan 2024-2033, the Management Plan 2024-2028 and the Sustainability Report;
- consultations and meetings with investors and regulators to ensure transparency and compliance with European requirements;
- annual reports and impact studies, which are submitted to the Ministry of Energy, ANRE and other relevant entities;
- participation in ENTSO-E and CIGRE conferences and working groups, where Transelectrica presents its policies and projects in the field of renewable energy and infrastructure modernization.

Through its policy on infrastructure development/modernization, energy transition and integration of renewable sources, Transelectrica takes an active role in the transformation of the NES, ensuring the integration of green energy, increasing operational efficiency and reducing environmental impact. Alignment with ESRS standards and European initiatives reinforces the Company's commitment to a sustainable, secure and efficient energy system.

## B. Energy efficiency policy

Transelectrica's energy efficiency policy aims at optimizing energy consumption and minimizing the Company's carbon footprint, thus contributing to achieving national and European decarbonization objectives.

Main policy objectives:

- reducing the OTC level in the ETG (ESRS E1 - Climate Change);
- Reducing electricity consumption to power own services in substations (including technological buildings (ESRS E1 - Climate Change);
- Reducing electricity consumption to power administrative buildings (ESRS E1 - Climate Change);
- Reducing heat consumption for buildings (ESRS E1 - Climate Change);
- Reducing automotive fuel consumption (ESRS E1 - Climate Change).



| Energy efficiency policy                                                                                                                                                                               |                                                                                                                                                                                 |                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impacts (I)                                                                                                                                                                                            | Risks (R)                                                                                                                                                                       | Opportunities (O)                                                                                                                                                                                               |
| Reducing energy consumption: the implementation of energy efficiency measures in Transelectrica's infrastructure contributes to reducing technological losses and optimizing internal consumption      | High costs for implementing energy efficiency measures: upgrading infrastructure and adopting advanced technologies require significant investments                             | Access to EU funding: energy efficiency projects can benefit from non-reimbursable funds through the NRRP, RePowerEU and other EU programs                                                                      |
| Reducing greenhouse gas (GHG) emissions: upgrading equipment and integrating renewable sources helps to reduce emissions associated with the company's business, supporting decarbonization objectives | Technological risks: in case of delay or failure of strategic investments, Transelectrica could face difficulties in achieving energy efficiency and emission reduction targets | Reducing operational costs: optimizing energy consumption and implementing efficient technologies will reduce long-term costs                                                                                   |
| Increased operational efficiency: through digitalization and advanced monitoring, Transelectrica improves grid management, reducing operating and maintenance costs                                    | Legislative and regulatory changes: frequent changes in EU energy and GHG emissions policies may impose new requirements and adjustments to existing plans                      | International partnerships and collaborations: integration in ENTSO-E networks and cooperation with other European operators provide opportunities for exchange of best practices and technological development |
| impact on stakeholders: reducing emissions and energy consumption contributes to a cleaner environment and a more stable energy system, benefiting communities, investors and regulators               |                                                                                                                                                                                 |                                                                                                                                                                                                                 |

Transelectrica's policy on energy efficiency plays a crucial role in the energy transition and compliance with EU decarbonization requirements. Although it involves financial and technological risks, it offers significant opportunities for financing, innovation and operational optimization, contributing to a more efficient, sustainable and competitive energy system.

Policy monitoring:

- Energy Efficiency Improvement Program (EEIP), elaborated annually and submitted to the Ministry of Energy;
- Declaration of total annual energy consumption and Energy Analysis Questionnaire, reported to ANRE;
- Regular energy audits carried out on Transelectrica infrastructure to identify and implement energy efficiency measures;

The policy on energy efficiency and GHG emission reduction applies to ETG, aiming to increase energy efficiency in electricity transmission. It targets transformer substations and transmission infrastructure, by upgrading equipment and implementing efficient technologies, as well as administrative headquarters and operating buildings, where measures are applied to optimize electricity and heat consumption. The policy also supports renewable energy generation projects, including the installation of photovoltaic power plants in Transelectrica substations, thus contributing to the reduction of the carbon footprint and the integration of sustainable energy sources.



At the same time, the policy does not cover electricity distribution issues, which are managed by the distribution operators, nor does it apply to electricity generation, except for own projects for self-consumption.

The implementation and monitoring of Transelectrica's energy efficiency and GHG emission reduction policy is managed by several key structures. Transelectrica's Directorate approves the strategy and sets the action directions, ensuring alignment with the company's objectives. The Technical and Energy Efficiency Department (DTEETN) is responsible for developing and implementing specific measures to optimize energy consumption. The Directorate for Regulatory Relations and ENTSO-E (DRAR ENTSO-E) ensures compliance with European requirements and manages progress reporting to the competent authorities. In addition, the Certified Energy Manager oversees the implementation of energy efficiency initiatives, contributing to the company's sustainability goals.

Policy on energy efficiency and GHG emission reduction is aligned with the following regulations and initiatives:

- Directive (EU) 2012/27 on energy efficiency, updated by Directive (EU) 2018/2002 and Directive (EU) 2023/1791;
- Revised Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources;
- The Green Deal and the Fit-for-55 package, which set strict targets for reducing GHG emissions;
- Integrated National Energy and Climate Change Plan (PNIESC), which defines Romania's energy efficiency targets;
- ENTSO-E Regulation on the development and efficient operation of electricity networks.

Transelectrica's policy integrates the perspectives of key stakeholders:

- Regulatory authorities (ANRE, Ministry of Energy) are consulted to align the policy with national and European requirements;
- local communities by reducing the impact of pollution and improving the energy efficiency of infrastructure in inhabited areas;
- investors and funders, who benefit from transparency and clear reporting on sustainability performance;
- grid operators and renewable energy producers, through measures facilitating the integration of new green energy sources into the NES;
- employees and industrial partners, who are involved in energy efficiency and grid digitalization initiatives.

The policy is accessible to interested parties through:

- Transelectrica intranet;
- annual energy efficiency reports submitted to the Ministry of Energy and ANRE.
- stakeholder consultations to integrate feedback into future energy efficiency plans.
- participation in international initiatives such as ENTSO-E's Ten-Year Network Development Plan (TYNDP), which sets out the directions for the development of electricity networks.

Through its Energy Efficiency and GHG Emission Reduction Policy, Transelectrica plays a key role in the transition towards a cleaner and more efficient energy system, contributing to the reduction of carbon emissions and the sustainable use of energy resources. The implementation of advanced technologies, alignment with international regulations and transparent reporting demonstrate the company's commitment to a modern, efficient and sustainable national energy system.



## C. Smart Grid Policy

Transelectrica's Smart Grid Policy is a strategic initiative aimed at digitalizing the energy infrastructure, increasing operational efficiency and integrating advanced technologies for a more secure and sustainable energy system.

Main policy objectives:

- Modernization of the electricity transmission grid through digitalization and integration of intelligent equipment to optimize energy flows and reduce technological losses;
- Increase operational efficiency by implementing digital stations and asset management systems;
- Ensuring interoperability and standardization of Smart Grid systems in accordance with ENTSO-E and IEC standards;
- Improve cyber security and network resilience by implementing advanced critical infrastructure protection solutions;
- facilitating the integration of renewable sources through Smart Grid technologies, which allow efficient management of production variations.

| Smart Grid Policy                                                                                                                                                                   |                                                                                                                                                    |                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Impacts (I)                                                                                                                                                                         | Risks (R)                                                                                                                                          | Opportunities (O)                                                                                                                       |
| Positives: increase grid security and reliability, reduce energy losses, increase efficiency of infrastructure investments, improve the quality of electricity transmission service | Technological risk: integrating new technologies can create operational difficulties and requires the development of advanced skills for personnel | Access to European funding for the implementation of Smart Grid projects through PNRR and ENTSO-E programs                              |
| Negatives: high costs for implementation, need to adapt existing infrastructure, dependence on funding and collaboration with multiple stakeholders                                 | Cybersecurity risk: a digitized network may be vulnerable to cyber-attacks, requiring additional protection measures.                              | Increase operational efficiency through digitalization and implementation of advanced monitoring and control technologies               |
|                                                                                                                                                                                     | Financial risk: high investment costs in digitalization and Smart Grid technologies may affect financial sustainability in the short term.         | Improving sustainability and reducing CO <sub>2</sub> emissions by integrating renewable energy and using energy optimization solutions |

The monitoring process:

- Implementation of ISO 55000 for asset management and ISO 61850 for Smart Grid interoperability;
- Regular performance assessment of Smart Grid projects and reporting results to regulators and ENTSO-E;
- cost-benefit analysis for each project of modernization and integration of new technologies.

Transelectrica's Smart Grid policy applies to the electric transmission grid, transformer substations and asset management systems, with the main objective of increasing the efficiency and reliability of the energy infrastructure. It covers the entire value chain, including both the upstream segments, which concern the production and integration of renewable energy, and the



downstream segments, which concern the transmission and distribution of energy to end users. The implementation of the policy is done at national level, with a focus on strategic regions for the integration of renewables, thus contributing to the transition towards a more sustainable energy system. In its application, the policy involves grid operators, regulators, Smart Grid technology providers and energy consumers, ensuring a broad collaboration for the efficiency and digitalization of the electricity grid.

However, the policy does not cover electricity distribution, which is the responsibility of distribution operators, and is not aimed at energy production, but only at integrating it into the grid for optimized and secure transmission.

The implementation and monitoring of the Smart Grid policy within Transelectrica is managed by several key structures, each with a specific role in ensuring efficiency and compliance with European requirements. Transelectrica's Directorate approves the Smart Grid strategy and allocates the necessary investments for the digitalization of the infrastructure, setting the strategic development directions. The Technical and Energy Efficiency Department (DTEETN) is responsible for implementing Smart Grid projects, monitoring their performance and optimizing operational processes. At the same time, the IT and Communications Directorate (DTIC) manages the IT infrastructure and cybersecurity, ensuring the protection and interoperability of integrated digital systems. The Directorate for Relations with Regulatory Authorities and ENTSO-E (DRAR ENTSO-E) ensures policy compliance with European regulations and coordinates Transelectrica's participation in international initiatives in the field of digitalization of energy networks.

Transelectrica's Smart Grid policy is aligned with:

- EU Directives on digitalization of energy systems, ENTSO-E and ISO 55000 standards for asset management;
- ENTSO-E network codes, which set the requirements for interoperability and security of digital energy infrastructures;
- IEC 61850 and IEC 61970 standards, which define the architecture and communication protocols for the Smart Grid;
- The European Ecological Pact and the Fit-for-55 package, which encourages the digitalization of networks to increase energy efficiency and reduce carbon emissions.

Consider stakeholder interests. Transelectrica's Smart Grid policy takes into account the perspectives of key stakeholders:

- regulatory authorities (ANRE, Ministry of Energy), which oversee the implementation of digitalization projects;
- grid operators and renewable energy producers benefit from a more efficient and flexible infrastructure;
- investors and financiers, who have access to transparent information on the impact of Smart Grid investments;
- local communities, which benefit from increased efficiency and safety in energy transportation;
- Transelectrica employees, through training programs to adapt to new digital technologies.

The policy is accessible to interested parties through:

- [www.transelectrica.ro](http://www.transelectrica.ro)
- public consultations and meetings with investors and regulators to align with European requirements;
- participation in international working groups and conferences (ENTSO-E, CIGRE), where Transelectrica presents its Smart Grid initiatives;



- Annual reports and impact studies submitted to the Ministry of Energy and ANRE.

Transelectrica's Smart Grid policy is a fundamental pillar of the transition towards a digitalized, efficient and sustainable energy system. Implementing advanced technologies, standardizing solutions and optimizing asset management contribute to improving operational performance, integrating renewable sources and reducing environmental impact. Alignment with international standards and collaboration with European partners reinforces the company's commitment to a modern, secure and interconnected energy system at European level TEL Smart Grid policy.

#### **D. Policy Statement on Quality, Environmental, Occupational Safety and Health Management Policy**

The main objective of Transelectrica's Quality, Environmental, Occupational Health and Safety Management Policy Statement is to ensure an efficient and safe power system that meets the needs of customers and the requirements of European and national regulations.

General objectives:

- development and continuous improvement of the Integrated Management System (IMS) according to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2023;
- ensuring compliance with applicable legislation in the field of quality, environment, occupational health and safety;
- addressing risks and opportunities by continuously assessing process risks and implementing preventive or mitigating measures;
- sustainable development and reduction of the negative impact of ETG on the environment through: identification of environmental issues / associated risks and opportunities, monitoring of environmental factors, prevention and control of pollution by using the best available technologies and avoiding alteration of natural habitats, especially protected natural areas, decontamination, rehabilitation or ecological reconstruction of land and water surfaces affected by the Company's activities;
- consultation and participation of workers and their representatives in the implementation and maintenance of the Occupational Safety and Health Management System;
- providing a safe working environment to prevent accidents at work, occupational diseases and improve working conditions;
- Raising the level of professional skills through training and awareness.

| <b>Policy statement on quality, environment, occupational safety and health management</b>                                |                                                                                                                                          |                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Impacts (I)</b>                                                                                                        | <b>Risks (R)</b>                                                                                                                         | <b>Opportunities (O)</b>                                                                                                                                                              |
| Positive impact: improved employee safety through safer working conditions and prevention of accidents at work            | Operational and environmental risks: accidental spills of hazardous substances (e.g. oils, SF6) with negative environmental impact       | Technological opportunities: investing in cleaner and safer technologies, helping to reduce environmental impacts; adopting innovative solutions to manage greenhouse gas emissions   |
| Positive impact: reducing pollution and protecting the environment by monitoring emissions and using cleaner technologies | The risk of non-compliance in the value chain, especially if business partners do not follow the same safety and environmental standards | Financial opportunities: access to green finance and European funds for sustainability projects, reduce long-term costs through better management of resources and energy consumption |



| Policy statement on quality, environment, occupational safety and health management                                                                  |           |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------|
| Impacts (I)                                                                                                                                          | Risks (R) | Opportunities (O) |
| Negative impacts: possible accidents at work, accidental pollution, operational disruptions, biodiversity damage in electricity infrastructure areas |           |                   |

The process of monitoring the management system involves a periodic assessment of performance, ensuring compliance and effectiveness. In order to remain relevant and appropriate to the organizational context, the policy is constantly reviewed and updated, adapting to legislative, technological and operational changes. The process also includes consultation and active involvement of employees and stakeholders, facilitating effective implementation and continuous improvement of sustainability, safety and quality measures.

The policy statement on quality, environment, occupational safety and health management applies to the whole spectrum of activities, ensuring a unified quality, environment, occupational safety and health management.

Transelectrica Directorate approves and monitors its application. By implementing the policy, Transelectrica undertakes to comply with the requirements of the following international standards: ISO 9001:2015 - Quality Management System, ISO 14001:2015 - Environmental Management System and ISO 45001:2023 - Occupational Health and Safety Management System.

The policy provides mechanisms for consultation and participation, allowing stakeholders to actively contribute to the improvement of internal processes. To ensure transparency and accessibility, the policy is communicated internally to all employees and is publicly available on the Company's website [www.transelectrica.ro](http://www.transelectrica.ro).

## E. Risk Management Policy Statement

Transelectrica's risk management policy establishes a strategic framework for identifying, assessing and managing the risks to which the Company is exposed, ensuring the achievement of its objectives in conditions of economy, efficiency and effectiveness.

| Strategic objectives                                                                                                                | Specific objectives                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Understand the risks to which the Company is exposed, their causes, their costs and their impact on general and specific objectives | Improving the Company's risk profile by managing the overall process of risk identification, analysis, estimation, estimation, treatment, communication, monitoring and review in order to keep risk exposure at an acceptable level |
| Maintaining a safe working environment for employees                                                                                | Managing risks, in a methodical and efficient way, in order to achieve the overall objectives of the Company in a safe, secure and healthy environment                                                                               |
| Operating equipment and installations safely, without creating a hazard to third parties and without harming the environment        | Elimination or minimization of conditions and practices that may lead to non-achievement of performance indicators, interruption or limitation of the Company's activities                                                           |
| Implementation of optimal risk control measures                                                                                     | Reducing the total cost of risk at Company level to help secure the financial resources needed to meet operating expenses, debt repayments and investments                                                                           |



| Impacts (I)                                                                                                                                                                                                                                                                                                                                                                    | Risks (R)                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Opportunities (O)                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Impact on energy transition</p> <ul style="list-style-type: none"> <li>- the integration of renewables in the ETG contributes to the decarbonization of the national energy system and to achieving the objectives of the European Ecological Pact</li> <li>- Modernizing transport infrastructure reduces technological losses and increases energy efficiency.</li> </ul> | <p>Technical and operational/ Strategic Risks: loss of stability of the NES; failure of installations and equipment; damage/failure/ unavailability; malfunctioning of systems and platforms used in operational management, communications and telecommunications; incomplete implementation of the ETG Maintenance Program; under-achievement of the planned quantitative and qualitative levels of the Annual Investment Program; failure to meet legal requirements</p> | <p>Digitalization of ETG through Smart Grid and IoT technologies enables more efficient management of energy flows and increased operational resilience</p> |
| <p>Deploying Smart Grid technologies and grid digitalization reduces resource consumption and minimizes environmental footprint</p>                                                                                                                                                                                                                                            | <p>Financial and energy market risks: interest rate risk; currency risk; risk related to provisions in financing agreements; liquidity risk; counterparty risk; financial and energy market risks; price risk; non-recovery risk</p>                                                                                                                                                                                                                                        | <p>Optimizing energy consumption and reducing technological waste can generate significant long-term savings</p>                                            |
|                                                                                                                                                                                                                                                                                                                                                                                | <p>Risks related to non-compliance with legal requirements/non-compliance with EU regulations - licenses, contractual risks, including fines from authorities or compensation payments</p>                                                                                                                                                                                                                                                                                  | <p>Increased cross-border interconnection capacity positions Romania as a regional energy hub</p>                                                           |
|                                                                                                                                                                                                                                                                                                                                                                                | <p>Security risks: breaches in ensuring security and protection of critical infrastructures NCI/CICI&amp;CI and in ensuring business continuity in emergency situations; failure to ensure the security of classified information; failure to ensure the security and protection of cyber infrastructures</p>                                                                                                                                                               |                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                | <p>Risks related to personnel and environment: difficulties in recruitment, training, shortage of personnel with high quality specialized training, personnel motivation; impairment of personnel health and safety; failure to ensure environmental protection; releases/spills of environmentally harmful substances (smoke, SF6, oil, fuels, etc.)</p>                                                                                                                   |                                                                                                                                                             |

The Policy is applicable to all the activities carried out by Transelectrica, with no specific exclusions, which confirms its general applicability to the entire operational spectrum of the Company.



Transelectrica's Directorate is responsible for the implementation of the Risk Management Policy, ensuring the effective implementation and monitoring of the measures necessary to manage risks. The Chairman of the Directorate coordinates the implementation and updating of the risk management strategy, while the members of the Directorate oversee compliance and the integration of risks into the company's decision-making process. The role of the Integrated Management - Risk Management Department is to develop and implement the Risk Management System, complying with the requirements of Standard 8 of SGG Order no. 600/2018, thus contributing to strengthening internal managerial control and ensuring operational stability. The Policy is communicated internally to all employees and is available on Transelectrica intranet.

### **Actions and resources related to climate change policies (E1-3)**

Measures to improve energy efficiency at Transelectrica level are integrated in the investment programs, being based on the objectives set in the 10-year ETG Development Plan.

In 2024, Transelectrica has implemented a number of strategic initiatives to optimize energy consumption and align with energy efficiency targets, including:

- Supporting the implementation of the STARES project, which aims to realize Photovoltaic Power Plants (PPP) and Energy Storage Installations (ESI) to supply the internal services of the Company's stations, with non-reimbursable financing;
- updating the chapter on Energy Efficiency and New Technologies in the ETG Development Plan for the period 2024-2033, reflecting the latest developments and regulations in the field;
- assessing energy efficiency components in investment projects carried out to ensure a sustainable and energy-optimized infrastructure;
- drawing up annually the "Energy Efficiency Improvement Program", which sets out short, medium and long-term measures to reduce consumption and increase operational performance;
- drawing up the "Energy Consumption Declaration" and the "Energy Analysis Questionnaire", based on the energy consumption of the previous year, in accordance with the requirements of national and European regulations.

### **Short, medium and long-term energy efficiency measures**

**Investments.** In 2024, Transelectrica focused its major investments on increasing interconnection capacity with neighboring countries and strengthening interconnectivity with the grids of ENTSO-E member countries, with the objective of improving the stability and flexibility of the National Electricity System (NES). Another strategic priority was the integration of renewable energy generation (RES) and new power plants in Dobrogea and Moldova, thus facilitating the transition to a more sustainable energy mix and reducing dependence on fossil fuels. At the same time, the Company has developed/started projects aimed at reducing specific energy consumption and pollutant emissions, by upgrading infrastructure and implementing advanced technologies for optimizing energy flows. These initiatives support operational efficiency, contributing both to reducing the environmental impact and to increasing the safety and reliability of the electricity transmission network.



| Centralizator masuri planificate |                                                                                                 | Estimarea duratei de recuperare | Cost investitional | Economia de energie |              | Economia de cost | Cost specific economie de energie |
|----------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------|--------------------|---------------------|--------------|------------------|-----------------------------------|
|                                  |                                                                                                 | [ ani ]                         | [ mii lei ]        | [ MWh / an ]        | [ tep / an ] | [ mii lei / an ] | [ lei / MWh ]                     |
| 1                                | Măsuri pe termen scurt, de tipul fără cost sau cu cost minim, care nu implică investiții majore | 10.75                           | 834.681.60         | 1,729.42            | 148.73       | 818.78           | 738,910.61                        |
| 2                                | Măsuri pe termen mediu, de 2 până la 3 ani, vizând un program de investiții                     | 10.80                           | 1,423,043.13       | 1,158.00            | 116.79       | 642.93           | 1,497,735.07                      |
| 3                                | Măsuri pe termen lung, de 3 până la 6 ani, vizând un program de investiții                      | 11.43                           | 3,495,596.00       | 13,865.58           | 1,188.14     | 6,540.85         | 1,362,333.19                      |
| TOTAL                            |                                                                                                 | 11.0                            | 5,753,320.73       | 16,753.00           | 1,453.66     | 8,002.56         | 1,199,659.63                      |

| MĂSURI DE EFICIENȚĂ ENERGETICĂ PROGRAMATE,                        |                                                                                                                                                                                  |                             |                                 |                          |                     |              |                                   |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|--------------------------|---------------------|--------------|-----------------------------------|
| inclusiv reparații și acțiuni de modernizare sau re tehnologizare |                                                                                                                                                                                  |                             |                                 |                          |                     |              |                                   |
| 1                                                                 | Măsuri pe termen scurt, de tipul fără cost sau cu cost minim, care nu implică investiții majore                                                                                  |                             |                                 |                          |                     |              |                                   |
|                                                                   | Descrierea măsurii                                                                                                                                                               | Termenul de aplicare - 2024 | Estimarea duratei de recuperare | Costul aplicării măsurii | Economia de energie |              | Cost specific economie de energie |
|                                                                   |                                                                                                                                                                                  |                             | [ ani ]                         | [ mii lei ]              | [ MWh/an ]          | [ tep / an ] | [ lei / MWh ]                     |
|                                                                   | Sistem de controlizare și de management al datelor de măsurare a energiei electrice pe piața angro                                                                               | 2024                        | 7.00                            | 50,583.08                | 50.00               | 4.30         | 1,011,661.66                      |
|                                                                   | Re tehnologizare stația 220/110/MT kV Bara Mare                                                                                                                                  | 2024                        | 8.84                            | 60,626.47                | 45.00               | 3.87         | 1,347,254.93                      |
|                                                                   | Re tehnologizarea stației electrice de transformare 400/110 kV Pelicanu - PIF etapa 2 - celule GIS 110 kV                                                                        | 2024                        | 10.00                           | 17,103.22                | 45.00               | 3.87         | 380,071.64                        |
|                                                                   | Re tehnologizare stația 220/110 kV Filești                                                                                                                                       | 2024                        | 33.00                           | 46,054.00                | 21.00               | 1.81         | 2,193,047.62                      |
|                                                                   | Extinderea stației 400 kV Gura Ialomiței cu 2 celule: LEA 400 kV Cernavodă 2 și 3 - PIF etapă - Celula LEA 400 kV Cernavodă 2                                                    | 2024                        | 8.30                            | 12,117.80                | 25.00               | 2.15         | 484,712.12                        |
|                                                                   | Trecerea la tensiunea de 400 kV a axului Porțile de Fier - Reșița - Timișoara - Săcălăz - Arad - Etapa I LEA 400 kV s.c. Porțile de Fier - (Anina) - Reșița                      | 2024                        | 8.00                            | 160,297.43               | 110.00              | 9.46         | 1,457,249.36                      |
|                                                                   | Mărirea capacității de transport tronson LEA 400 kV București Sud - Pelicanu (8 km)                                                                                              | 2024                        | 5.70                            | 6,220.74                 | 56.00               | 4.82         | 111,084.62                        |
|                                                                   | LEA 400 kV d.c. (1c.e) Gușinas - Smărdan                                                                                                                                         | 2024                        | 11.00                           | 336,950.00               | 390.00              | 33.54        | 863,974.36                        |
|                                                                   | Racordarea LEA 400 kV Isaccea - Varna și LEA 400 kV Isaccea - Dobruja în stația 400 kV Medgidia Sud Etapa II - LEA 400 kV d.c. Racorduri la stația Medgidia Sud                  | 2024                        | 9.30                            | 72,000.00                | 106.00              | 9.12         | 679,245.28                        |
|                                                                   | Mărirea capacității de transport a LEA 220 kV Stăruș-Gheorgheni-Fântânele                                                                                                        | 2024                        | 11.00                           | 55,804.69                | 582.00              | 50.05        | 95,884.34                         |
|                                                                   | Montarea AT2 400 MVA, 400/231/22 kV precum și a celulelor aferente în stația Iernut și modernizarea sistemului de comandă control al stației 400/220/110/6 kV Iernut - PIF etapa | 2024                        | 9.67                            | 6,142.04                 | 250.00              | 21.50        | 24,568.17                         |
|                                                                   | Achiziția și montajul a 21 sisteme de monitorizare pentru unitățile de transformare din stațiile C.N.T.E.E. Treanșelectrica SA                                                   | 2024                        | 7.20                            | 10,782.12                | 49.42               | 4.25         | 218,173.21                        |
| TOTAL                                                             |                                                                                                                                                                                  |                             | 10.75                           | 834,681.60               | 1,729.42            | 148.73       | 738,910.61                        |
| Economie de energie estimata                                      |                                                                                                                                                                                  |                             |                                 |                          | 0.15%               |              |                                   |

| 2                            | Măsuri pe termen mediu, de 2 până la 3 ani, vizând un program de investiții                                                                                                                                                                            |                      |                                 |                    |                     |              |                                   |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------|--------------------|---------------------|--------------|-----------------------------------|
|                              | Descrierea măsurii                                                                                                                                                                                                                                     | Termenul de aplicare | Estimarea duratei de recuperare | Costul investiției | Economia de energie |              | Cost specific economie de energie |
|                              |                                                                                                                                                                                                                                                        |                      | [ ani ]                         | [ mii lei ]        | [ MWh/an ]          | [ tep / an ] | [ lei / MWh ]                     |
|                              | Re tehnologizare stația 400/110/20 kV Smărdan                                                                                                                                                                                                          | 2026                 | 7.5                             | 136,390.00         | 87                  | 7.48         | 1,567,701.15                      |
|                              | Cresterea siguranței în funcționarea zonei de rețea Argeș - Valcea, realizarea stației 400 kV Arelu și montarea unui AT 400 MVA, 400/220 kV                                                                                                            | 2025                 | 8.7                             | 71,975.35          | 200                 | 17.20        | 359,876.75                        |
|                              | Cresterea gradului de siguranță în alimentarea consumatorilor din zona de sud a Municipiului București racordată în stația 400/220/110/10 kV București Sud                                                                                             | 2026                 | 29.8                            | 60,000.00          |                     | 17.20        | 359,876.75                        |
|                              | Trecerea la 400kV a LEA 220kV Brazi Vest – Teleajen – Stăruș inclusiv Achiziție AT 400MVA 400/220/20kV și lucrări de extindere stației 400kV și 220kV aferente, în stația 400/220/110kV Brazi Vest - LOT 1 - LEA 400 kV Brazi Vest - Teleajen - Stăruș | 2026                 | 16                              | 44,000.00          | 35                  | 3.01         | 1,257,142.86                      |
|                              | Trecerea la tensiunea de 400 kV a axului Porțile de Fier - Reșița - Timișoara - Săcălăz - Arad, etapa II: LEA 400 kV d.c. Reșița - Timișoara - Săcălăz                                                                                                 | 2026                 | 2.5                             | 232,000.00         | 250                 | 21.50        | 928,000.00                        |
|                              | Stația 220 kV Ostrovu Mare                                                                                                                                                                                                                             | 2026                 | 7                               | 80,994.00          | 35                  | 3.01         | 2,314,114.29                      |
|                              | LEA 220 kV dublu circuit Ostrovu Mare - RET - Etapa I                                                                                                                                                                                                  | 2025                 | 8                               | 49,337.00          | 55                  | 4.73         | 897,036.36                        |
|                              | Re tehnologizarea stației 400 kV Isaccea - etapa II                                                                                                                                                                                                    | 2026                 | 11.5                            | 128,200.00         | 100                 | 8.60         | 1,282,000.00                      |
|                              | Re tehnologizarea stației electrice de transformare 400/110 kV Pelicanu                                                                                                                                                                                | 2026                 | 10                              | 108,796.78         | 46                  | 3.96         | 2,365,147.39                      |
|                              | Modernizare stație 220/110 kV Calafat                                                                                                                                                                                                                  | 2026                 | 15.3                            | 68,850.00          | 73                  | 6.28         | 943,150.68                        |
|                              | Instalarea a două mijloace moderne de compensare a puterii reactive în stațiile 400/220/110/20 kV Sibiu Sud și 400/220/110/20 kV Bradu                                                                                                                 | 2026                 | 7.09                            | 261,000.00         | 45                  | 3.87         | 5,800,000.00                      |
|                              | Achiziția și montajul unei bobine de compensare 100 MVar în stația Porțile de Fier 400 kV                                                                                                                                                              | 2026                 | 9                               | 30,000.00          | 56                  | 4.82         | 535,714.29                        |
|                              | Trecerea la tensiunea de 400 kV a axului Porțile de Fier - Reșița - Timișoara - Săcălăz - Arad - Etapa I Stația 400/220/110 kV Reșița                                                                                                                  | 2025                 | 8                               | 151,500.00         | 176                 | 15.14        | 860,795.45                        |
| TOTAL                        |                                                                                                                                                                                                                                                        |                      | 10.80                           | 1,423,043.13       | 1,158.00            | 116.79       | 1,497,735.07                      |
| Economie de energie estimata |                                                                                                                                                                                                                                                        |                      |                                 |                    | 0.12%               |              |                                   |



| Măsurile pe termen lung, de 3 până la 6 ani, vizând un program de investiții                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                                 |                     |                     |                 |                  |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------|---------------------|---------------------|-----------------|------------------|-----------------------------------|
| Descrierea măsurii                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Termenul de aplicare | Estimarea duratei de recuperare | Costul investiției  | Economia de energie |                 | Economia de cost | Cost specific economie de energie |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      | [ ani ]                         | [ mii lei ]         | [ MWh/an ]          | [ tep / an ]    | [ mii lei / an ] | [ lei / MWh ]                     |
| Creșterea gradului de siguranță în alimentarea consumatorilor din zona de nord-est a Municipiului București racordați în stația 220/110/10 kV Fundeni                                                                                                                                                                                                                                                                                                                                                                        | 2027                 | 9.40                            | 81,890.00           | 80.00               | 6.88            | 37.88            | 1,023,625.00                      |
| Proiect Pilot - Rețehnologizare stația 220/110/20 kV Alba Iulia în concept de stație digitală                                                                                                                                                                                                                                                                                                                                                                                                                                | 2028                 | 11.00                           | 282,000.00          | 150.00              | 12.90           | 71.02            | 1,880,000.00                      |
| Centrale electrice fotovoltaice (CEF) și instalații de stocare a energiei destinate alimentării serviciilor interne din stațiile Transelectrica: FAI, Guinaș, Roman Nord, Suceava, București Sud, Domnești, Fundeni, Ghizdaru, Gura Ialomiței, Pelicanu, Stălpul, Târgoviște, Teleajen, Brazi Vest, Turnu Măgurele, Gădălin, Stupina, Constanța Nord, Tulcea Vest, Medgidia Sud, Isaccea, Craiova Nord, Târgu Jiu Nord, Ișalnița, Calafat, Turnu Severin Est, Bradu, Iernut, Poroșeni și Peșș (aprox 10.3MW instalații CEF). | 2027                 | 8.00                            | 147,790.00          | 11,500.00           | 989.00          | 5,444.56         | 12,851.30                         |
| Trecerea la 400kV a LEA 220kV Brazi Vest – Teleajen – Stălpul inclusiv Achiziție AT 400MVA 400/220/20kV și lucrări de extindere stațiile 400kV și 220kV aferente, în stația 400/220/110kV Brazi Vest - LOT 1 - LEA 400 kV Brazi Vest - Teleajen - Stălpul; LOT 2 - Extinderea stației Brazi Vest (inclusiv AT4)                                                                                                                                                                                                              | 2027                 | 16.00                           | 118,000.00          | 95.00               | 8.17            | 44.98            | 1,242,105.26                      |
| Trecerea la 400kV a LEA 220kV Brazi Vest – Teleajen – Stălpul inclusiv Achiziție AT 400MVA 400/220/20kV și lucrări de extindere stațiile 400kV și 220kV aferente, în stația 400/220/110kV Brazi Vest - Stația 400 kV Teleajen și rețehnologizare stația 110 kV                                                                                                                                                                                                                                                               | 2028                 | 16.00                           | 197,800.00          | 37.00               | 3.18            | 17.52            | 5,345,945.95                      |
| Rețehnologizare stația 110 kV Medgidia Sud                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2027                 | 19.00                           | 91,810.00           | 35.00               | 3.01            | 16.57            | 2,623,142.86                      |
| Stația 400 kV Stălpul și Modernizare celule 110 kV și medie tensiune în stația electrică Stălpul                                                                                                                                                                                                                                                                                                                                                                                                                             | 2027                 | 7                               | 128,000.00          | 125                 | 10.75           | 59.18            | 1,024,000.00                      |
| Înlocuire Trafo 1 și Trafo 7 stația Cluj Est                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2029                 | 9.5                             | 86,340.00           | 50                  |                 |                  |                                   |
| Înlocuire AT și Trafo în stații electrice (etapa 3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2027                 | 9.5                             | 51,000.00           | 50.00               | 4.30            | 23.67            | 1,020,000.00                      |
| Modernizare stația 220/110/20 kV Fântânele                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2028                 | 18.00                           | 27,800.00           | 43.00               | 3.70            | 20.36            | 646,511.63                        |
| LEA 400 kV d.c. (1ce) Constanța Nord - Medgidia Sud                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2028                 | 12.00                           | 138,200.00          | 125.00              | 10.75           | 59.18            | 1,105,600.00                      |
| Optimizarea reglajului de tensiune și a parametrilor de calitate a energiei electrice prin instalarea echipamentelor de tip FACTS în stațiile Guinaș, Suceava și Roșiori                                                                                                                                                                                                                                                                                                                                                     | 2028                 | 15.00                           | 361,180.00          | 210.00              | 18.06           | 99.42            | 1,719,904.76                      |
| Înlocuire Transformator nr. 4 - 250 MVA, 400/110 kV în stația 400/110 kV Drăganesti Olt                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2027                 | 13.50                           | 25,000.00           | 25.00               | 2.15            | 11.84            | 1,000,000.00                      |
| Stația 220/110 kV de injecție din LEA 220 kV Baia Mare Iernut în RED (Dej sau Cuzdrioara)                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2028                 | 15.00                           | 42,500.00           | 75.00               | 6.45            | 35.51            | 566,666.67                        |
| Stația 400/110 kV Bistrita de injecție din LEA 400kV Suceava - Gădălin în RED                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2029                 | 15.00                           | 71,000.00           | 60.00               | 5.16            | 28.41            | 1,183,333.33                      |
| Transformator 400/110 kV Calea Aradului                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2027                 | 16.00                           | 27,470.00           | 35.00               | 3.01            | 16.57            | 784,857.14                        |
| Rețehnologizare stația 400 / 110 kV Dârste                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2029                 | 16.00                           | 97,550.00           | 45.00               | 3.87            | 21.30            | 2,167,777.78                      |
| Instalare trafo 3 nou 400/110 kV Medgidia Sud                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2029                 | 11.50                           | 30,500.00           | 45.00               | 3.87            | 21.30            | 677,777.78                        |
| Instalare trafo 3 nou 400/110 kV Smârdan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2029                 | 9.50                            | 30,500.00           | 45.00               | 3.87            | 21.30            | 677,777.78                        |
| Înlocuire trafo 2 400/110 kV stația Smârdan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2029                 | 9.50                            | 9,300.00            | 45.00               | 3.87            | 21.30            | 206,666.67                        |
| Înlocuire AT 220/110 kV Stupărei                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2029                 | 12.00                           | 19,560.00           | 45.00               | 3.87            | 21.30            | 434,666.67                        |
| LEA 400 kV Porțile de Fier - Djerdap circuitul 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2029                 | 9.00                            | 17,500.00           | 65.00               | 5.59            | 30.77            | 269,230.77                        |
| Realizare LEA 400 kV Nadab - Bekescaba circuitul 2 și lucrări conexe în stația 400 kV Nadab                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2028                 | 7.00                            | 16,000.00           | 65.00               | 5.59            | 30.77            | 246,153.85                        |
| Mărirea capacității de transport LEA 220 kV Guinaș - Dumbrava                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2028                 | 9.00                            | 46,500.00           | 40.00               | 3.44            | 18.94            | 1,162,500.00                      |
| Mărirea capacității de transport LEA 220 kV Dumbrava - Stejaru                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2028                 | 9.00                            | 21,100.00           | 40.00               | 3.44            | 18.94            | 527,500.00                        |
| Mărirea capacității de transport LEA 220 kV Fântânele - Ungheni                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2029                 | 9.00                            | 12,800.00           | 40.00               | 3.44            | 18.94            | 320,000.00                        |
| Echiparea circuitului 2 a LEA 400 kV d.c. Guinaș - Smârdan                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2028                 | 5.00                            | 179,000.00          | 80.00               | 6.88            | 37.88            | 2,237,500.00                      |
| Reconducerea LEA 220 kV Turnu Măgurele - Ghizdaru                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2028                 | 9.00                            | 41,500.00           | 40.00               | 3.44            | 18.94            | 1,037,500.00                      |
| Reconducerea LEA 220 kV Turnu Măgurele - Craiova Nord                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2029                 | 9.00                            | 73,500.00           | 40.00               | 3.44            | 18.94            | 1,837,500.00                      |
| Reconducerea LEA dc 220 kV București Sud - Ghizdaru (fără recordul Mostisea)                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2028                 | 9.00                            | 73,000.00           | 40.00               | 3.44            | 18.94            | 1,825,000.00                      |
| Reconducerea axului 220 kV Urechești - Târgu Jiu Nord - Poroșeni - Baru Mare - Hășdat                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2028                 | 9.00                            | 46,000.00           | 40.00               | 3.44            | 18.94            | 1,150,000.00                      |
| Reconducerea LEA 220 kV Porțile de Fier - Reșița                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2028                 | 9.00                            | 68,400.00           | 60.00               | 5.16            | 28.41            | 1,140,000.00                      |
| Proiect Pilot DigiTEL Power Lines of the Future – Trecerea LEA 400 kV Isaccea - Tulcea Vest de la simplu circuit la dublu circuit                                                                                                                                                                                                                                                                                                                                                                                            | 2029                 | 15.00                           | 335,000.00          | 75.00               | 6.45            | 35.51            | 4,466,666.67                      |
| Rețehnologizare stația 110 kV Timișoara și Trecerea la tensiunea de 400 kV a axului Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad, etapa II: Stația 400 kV Timișoara                                                                                                                                                                                                                                                                                                                                         | 2028                 | 8.60                            | 211,016.00          | 50.58               | 4.35            | 23.95            | 4,171,925.66                      |
| Rețehnologizare stația 110 kV Arad și trecerea la tensiunea de 400 kV a axului Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad. Stația 400 kV Arad (etapa III)                                                                                                                                                                                                                                                                                                                                                 | 2029                 | 12.00                           | 61,670.00           | 50.00               | 4.30            | 23.67            | 1,233,400.00                      |
| Trecerea la tensiunea de 400 kV a axului Porțile de Fier - Anina - Reșița - Timișoara - Săcălaz - Arad. LEA 400 kV Timișoara - Arad, (etapa III)                                                                                                                                                                                                                                                                                                                                                                             | 2027                 | 12.00                           | 125,870.00          | 125.00              | 10.75           | 59.18            | 1,006,960.00                      |
| Montare AT1 400 MVA, 400/220 kV în stația 400/220 kV Roșiori + Montare sistem de comandă control protecție în stația 400/220 kV Roșiori                                                                                                                                                                                                                                                                                                                                                                                      | 2028                 | 12.00                           | 101,550.00          | 95.00               | 8.17            | 44.98            | 1,068,947.37                      |
| <b>TOTAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      | <b>11.43</b>                    | <b>3,495,596.00</b> | <b>13,865.58</b>    | <b>1,188.14</b> | <b>6,540.85</b>  | <b>1,362,333.19</b>               |
| <b>Economie de energie estimată</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                 |                     |                     | <b>1.20%</b>    |                  |                                   |

## Energy efficiency projects

The EU-wide strategy aims at increasing the use of renewable sources of electricity in the energy mix, strengthening the position of customers and putting households and businesses at the heart of the European energy market. The ENTSO-E Roadmap proposes the use of new technologies to meet these challenges.

For Transelectrica the need to accelerate technological innovation is evident. The development of new technologies for network equipment and modeling methods will enable the Company to fulfill its mission in an evolving energy system.



During 2024, new projects of interest in the use of new technologies have been identified and promoted, including:

1. facilities to regulate active power flows in order to limit congestion in the ETG;
2. Further development of infoTechnical applications (infoStations\_BDU, infoLEA, Measurements, ITI, etc.). Continuous updating of the technical database. Provide specific information and achieve interoperability with other existing TEL applications;
3. National Phasor Data System connected to International Phasor Data Exchange - National Phasor Data System connected to International Phasor Data Exchange (IPDE).

**Environment.** At Transelectrica level, when implementing new projects or studies, OP TEL 29.04 - Elaboration of environmental management programs and OP TEL 29.03 - Establishment, implementation and maintenance of quality, environmental and occupational health and safety objectives are used, which include actions, responsible persons and deadlines aimed at ensuring the achievement of environmental objectives and targets.

At the same time, an "Environmental Management and Environmental Protection Program" is developed annually, which includes the actions and works necessary to achieve the Company's environmental objectives and targets, including deadlines, necessary resources and personnel responsible for implementing the program. The creation and use of this program is important for the implementation, maintenance and improvement of the Company's environmental management system. The activities and work included in the program are fully set forth in ESRS E2-2 - Pollution Actions and Resources.

Transelectrica defines and applies preventive and corrective measures to reduce the environmental impact of its installations and activities. The diversity of environmental conditions for each site of the ETG installations (overhead power lines, transformer and connection substations, buildings) determines, at various stages (design, construction, operation and decommissioning) of each installation, specific environmental impacts. Thus, preventive and corrective measures are defined on a case-by-case basis for the existing conditions at each site.

Main actions and measures taken to prevent and/or limit environmental impacts:

- elaboration of documentation and submission of files for the authorization / reauthorization of the objectives under the Company's management in terms of environmental protection and water management
- execution of construction or maintenance works of sewerage networks for domestic and/or storm wastewater; installation of oil-water separators on oil equipment tanks and storage platforms; installation of septic tanks; construction of concrete platforms for temporary storage of equipment and waste; maintenance of oil equipment or SF6 to prevent spills; painting of overhead power line (OPL) poles in appropriate landscape colors; clearing/maintenance of safety corridors for OPL; land restoration/landscaping to original condition (after completion of works).
- procurement of services on:
  - monitoring the quality of wastewater from the Company's stations and premises and proposing solutions to reduce pollution in accordance with the requirements of environmental and water management permits;
  - monitoring emissions of pollutants into the atmosphere (noise, electric and magnetic field, pollutant emissions, ozone concentrations); the values obtained for the determined parameters were analyzed and interpreted, resulting in conclusions on the level of pollutant emissions and compliance with the limit values allowed by the legislation;
  - waste collection, sorting, transportation and recovery/disposal.



**Maintenance.** The sustainable approach to maintenance aims to optimize the entire life cycle of equipment, from acquisition to decommissioning. Implementing the concept of sustainability in maintenance is a long-term advantage that benefits both the Company and the environment.

| Maintenance type             | Scheduled Value | Realized value    | Realized value |
|------------------------------|-----------------|-------------------|----------------|
| -                            | lei             | lei               | %              |
| Major maintenance            | 29.694.811      | 28.068.903        | 95             |
| Minor maintenance            | 95.417.654      | <b>93.378.507</b> | 98             |
| Parts and materials provided | 2.319.319       | 1.976.413         | 85             |
| Total                        | 127.431.784     | 123.423.823       | 97             |

The importance of the concept of sustainability in maintenance is given by:

- **Reducing environmental impact:** by using recycled materials, reducing resource consumption, as well as proper waste management, maintenance activities can make a significant contribution to protecting the environment;
- **Efficient use of maintenance funds:** a sustainable approach can lead to a more efficient use of maintenance funds in the long term, by extending the lifetime of equipment, reducing the number of interventions and optimizing resource consumption;
- **improving the company's image:** companies that implement sustainable practices are perceived as more socially responsible and can attract customers and investors who are aware of their environmental impact.

## Targets related to climate change mitigation and adaptation (E1-4)

The management plan sets out a number of non-financial indicators with a direct or indirect impact on climate change mitigation, as well as target values broken down by year of mandate for the members of the Directorate and the members of the Supervisory Board.

### 1. Internal electricity consumption

| Categories               | Indicator                                         | UM  | 2024   | 2025   | 2026   | 2027   | 2028   |
|--------------------------|---------------------------------------------------|-----|--------|--------|--------|--------|--------|
| Environmental indicators | Domestic consumption of <sup>13</sup> electricity | MWh | 46.500 | 45.849 | 45.207 | 44.574 | 43.950 |

This indicator has a direct impact on the Company's carbon footprint. Reducing internal energy consumption through energy efficiency measures contributes to reducing greenhouse gas emissions. In addition, the use of renewable sources for own consumption can support the transition towards a more sustainable energy model.

### 2. Setting risk management policies

| Indicator                        | 2024 | 2025 | 2026 | 2027 | 2028 |
|----------------------------------|------|------|------|------|------|
| Setting risk management policies | FROM | FROM | FROM | FROM | FROM |

<sup>13</sup> Own electricity consumption.



Risk management policies are key to adapting to climate change as they enable the Company to identify, assess and mitigate the risks associated with extreme events such as storms, heat waves or temperature variations that can affect energy infrastructure. Integrating climate risks into business and operational strategies contributes to the Company's long-term resilience.

#### Achievement of at least 90% of the Annual Maintenance Plan .

| Categories      | Indicator                        | Primary data                                                    | Formula                                                                                                                                                                                                    |
|-----------------|----------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-financial 1 | <i>Degree of AMP achievement</i> | <i>Maintenance carried out from the annual maintenance plan</i> | $\frac{\text{AMP achievement}}{\text{Maintenance activities performed}} * 100 = \frac{\text{Activities planned in the Annual Maintenance Plan}}{\text{Activities planned in the Annual Maintenance Plan}}$ |

| Indicator                | 2024  | 2025  | 2026  | 2027  | 2028  |
|--------------------------|-------|-------|-------|-------|-------|
| Making the AMP a reality | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% |

Although the degree of implementation of the maintenance plan is indirectly related to climate change, it plays a key role in preventing failures and optimizing the functioning of the energy infrastructure, thus contributing to the resilience of the electricity transmission system. Rigorous and efficient maintenance reduces the risks associated with extreme weather events, minimizes energy losses and ensures continuity and security of supply to consumers. At the same time, a well-maintained transmission system can facilitate the integration of renewables, supporting the transition towards a more sustainable energy mix and thus indirectly contributing to climate change mitigation.

At the same time, Transelectrica is carrying out concrete actions to reduce the environmental impact, including infrastructure modernization, optimization of energy efficiency and implementation of measures to reduce emissions (see Actions and resources related to climate change policies (E1-3) - Energy efficiency measures in the short, medium and long term, where energy savings from investments are highlighted).

As the analysis and impact assessment process progresses, relevant indicators and measurable targets will be defined, aligned with sustainability requirements and relevant EU regulations.

However, in order to contribute to climate change mitigation, the Company aims, as reflected in the ETG Development Plan:

- reducing greenhouse gas emissions - implementing measures to prevent and reduce SF6 and CO<sub>2</sub> emissions
- modernizing energy infrastructure - investments in equipment and materials with low environmental impact, which help reduce emissions and improve energy efficiency;
- optimization of energy losses - implementation of advanced technological solutions to reduce Corona effect losses and improve transmission network efficiency;
- integrating renewables into the grid - developing solutions to increase the capacity to integrate renewable energy, thereby reducing dependence on fossil fuels.



In line with European trends, modernization and retrofitting actions are aimed at implementing equipment with a lower impact on environmental factors. The prevention and reduction of greenhouse gas emissions is achieved through the use of closed/sealed pressurized equipment, by providing maintenance services for the equipment according to the schedule and also by monitoring emissions.

From the ETG maintenance perspective, the energy efficiency of the electric transmission grid is an important objective for the Company and for society in general. The rational use of the concept of energy efficiency, juxtaposed with other concepts (use of modern technologies in maintenance activity, optimization of safety stock, etc.) can lead to efficient use of funds for maintenance activity, improvement of network reliability and reduction of environmental impact.

Energy efficiency is influenced by a number of factors, including the condition of equipment, the configuration of the electricity grid and weather conditions. Electrical equipment that has exceeded its life expectancy or has not been maintained according to regulations can lead to significant energy losses. The configuration of the electricity transmission network also plays a key role, with factors such as the length of overhead lines, operating voltage, and the type and number of conductors having a direct impact on energy losses. In addition, unfavorable weather conditions, such as frost or storms, can affect network performance and amplify energy losses.

In order to support climate change mitigation and adaptation to its effects, it is essential to implement effective energy infrastructure maintenance measures. A pro-active approach, based on preventive maintenance and the use of advanced technologies, contributes significantly to reducing energy losses, increasing operational efficiency and mitigating environmental impacts. By optimizing maintenance processes and upgrading diagnostic strategies, the resilience of power grids to extreme climatic conditions can be improved, while ensuring a more responsible consumption of resources.

The proposed targets aim not only at operational efficiency but also at a long-term commitment to the sustainability of the energy sector.

- reduction of energy losses through preventive maintenance - implementation and regular compliance with maintenance services and works according to technical regulations (NTI-TEL-R-001-2007), eliminating non-conformities and hot spots that contribute to energy losses;
- increasing energy efficiency through proactive maintenance strategies - implementing a maintenance strategy that emphasizes preventive maintenance, reducing the risk of accidental failures and minimizing the need for energy-intensive corrective interventions;
- optimization of maintenance processes by using advanced technologies - implementation of modern diagnostic methods, such as multispectral inspection, thermovision, chromatography and online monitoring of complex installations to prevent failures and optimize equipment performance;
- Increasing the resilience of energy infrastructure to climate change - ensuring a more stable and sustainable electricity grid by applying advanced maintenance practices to reduce the vulnerability of the system to extreme weather events;
- reducing the carbon footprint by streamlining maintenance processes - optimizing the resources used in maintenance activities, thereby reducing energy consumption and contributing to decarbonization targets.

The following objectives can be achieved by implementing the energy efficiency concept:

- cost reduction - active energy losses (both in substations and especially on the LEA) represent direct costs for the Company. By reducing these losses, significant savings can be achieved;



- Reducing environmental impact - by reducing energy losses, it also reduces the greenhouse gas emissions associated with electricity generation.

Transelectrica carries out the analysis to assess the challenges to be met by the ETG and its development needs for the next 10 years with the help of medium and long term evolution scenarios, built in the context of the policies and measures existing at the time of their elaboration, based on official data and macroeconomic, energy and environmental information available from various public, national and European sources, considered relevant, such as: National Statistics Institute, National Commission for Strategy and Forecasting, Ministry of Energy, Ministry of Environment, Water and Forests, ETG users, ENTSO-E, European Commission, other national and international bodies and organizations, etc.

### Energy consumption and energy mix (E1-5)

Transelectrica adopts an active strategy to make its own energy consumption more efficient, in line with both national and European regulations and with the sustainability objectives of the National Integrated Energy and Climate Change Plan (PNIESC). In this regard, the Company implements annually the Total Energy Consumption Declaration and the Energy Analysis Questionnaire (elaborated and submitted to the regulator mid-year for the previous reporting year), as well as the Energy Efficiency Improvement Program, which includes short, medium and long-term measures to optimize the use of resources.

In order to reduce internal energy consumption, Transelectrica focuses on optimizing consumption in its own buildings and substations, adopting solutions such as modernization of lighting systems, optimization of technical equipment and use of renewable energy sources. A significant example is the STARES project, which aims to install photovoltaic power plants (PPPs) and energy storage systems (ESS) to supply the internal services of the substations, thus ensuring a sustainable energy source and reducing dependence on the national grid.

Own technological consumption (OTC) is a general performance indicator on the use of the ETG, reported and monitored according to the transmission service performance standard (ANRE Order no. 12/2016 with subsequent amendments and additions). The OTC in the ETG is determined as the difference between the electricity fed into the ETG and the electricity extracted from the ETG, as a ratio of the electricity fed into the ETG, ratio expressed in percent.

In the annual report on performance indicators, an analysis is also made of the value of the indicator in the reporting year compared to the previous year

The table below shows a comparative situation of the OTC indicator in the period 2020-2024.

| Year                                       | 2020  | 2021  | 2022  | 2023  | 2024  |
|--------------------------------------------|-------|-------|-------|-------|-------|
| Electricity fed into the ETG (GWh)         | 42861 | 44137 | 43495 | 42146 | 43381 |
| Electricity extracted from ETG (GWh)       | 41924 | 43048 | 42536 | 41147 | 42432 |
| Own technological consumption in ETG (GWh) | 937   | 1089  | 959   | 999   | 949   |
| Own technology consumption in ETG (%)      | 2,19  | 2,47  | 2,20  | 2,37  | 2,19  |



For the TSO's own technological consumption (OTC) and for the TSO's electricity consumption other than OTC (Regie - consumption of internal services from ETG substations and consumption of administrative headquarters), ANRE's regulatory framework provides financial incentives to reduce consumption. For own technological consumption (OTC), decreasing % targets set by ANRE are applied for the purpose of recognizing costs in the transmission tariff. According to Annex I NACE REV. 2.1, section D, class 35.13 - Transmission of electricity of Regulation (EC) 1893/2006<sup>14</sup>, Transelectrica carries out a high risk economic activity.

## **Gross GHG emissions of categories 1, 2, 3 and total GHG emissions (E1-6)**

### **Indicators included in Scope 1, Scope 2 and Scope 3 and calculation methodologies**

#### **Scope 1**

As defined in the European regulations, Scope 1 is the direct greenhouse gas (GHG) emissions from sources that are directly owned or controlled by an organization. According to European regulations and EFRS standards, the definition can be summarized as follows:

- **Direct emissions:** Refers to emissions resulting from physical processes (e.g. fossil fuel combustion, industrial processes) taking place in facilities or vehicles owned and operated by the organization.
- **Direct control:** Emissions from sources over which the organization has operational control and/or ownership.

Accordingly, we have chosen to include in Scope 1 the following relevant indicators for Transelectrica, with the corresponding calculation methodologies:

- **Fleet fuel consumption emissions**
  - Calculated using the Tier 1 methodology, in line with the IPCC guidelines also used by the European Commission for national GHG reporting;
  - Basic formula: Emissions (kg Co<sub>2</sub>) = Consumption (liters) x Emission factor (kg Co<sub>2</sub>/liter)
- **Emissions from the use of SF<sub>6</sub> in transformers**
  - Calculated using the methodology recommended by the IPCC guidelines (AR5), according to which SF<sub>6</sub> has a GWP of about 22,800 100-year reference hours. Being a very high emitting gas, the value is significant even for small amounts. Emissions are also considered for several stages of the gas: installation, use and disposal.
  - Basic formula: Emissions (kg Co<sub>2</sub>e) = Mass SF<sub>6</sub> emitted (at installation, use and disposal)(kg) x GWP SF<sub>6</sub>
- **Emissions from the use of electricity in the form of OTC (Own technological consumption)**
  - Calculated taking into account the mix corresponding to the amount of energy purchased for OTC by Transelectrica and using the methodology recommended by the IPCC guidelines to calculate the emission related to that amount

<sup>14</sup> Regulation (EC) No 1893/2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains



- Basic formula: Emissions (kg CO<sub>2</sub>e) =  $\sum$ Energy consumed from one type of source (kWh) x emission factor for each energy source (kg CO<sub>2</sub>e/kWh).

## Scope 2

**Scope 2** refers to indirect greenhouse gas emissions that result from an organization's purchased energy consumption, such as electricity or gas produced by an external source. According to European regulations and EFRS standards, the definition can be summarized as follows:

- **Indirect emissions:** These are not emitted directly by the organization's activities, but result from the production of the energy it consumes.
- **Energy purchase:** Includes electricity, heat, or steam generated outside the organization but consumed in the conduct of its activities.
- **Responsibility:** The organization is responsible for reporting these emissions, even if it does not actually produce them, as energy source choices influence the total climate impact.

Thus, we have chosen to include in Scope 2 the following relevant indicators for Transelectrica:

- **Emissions from gas and electricity consumption based on supply contracts with third parties;**
  - Calculated by taking into account gas and electricity consumption from supply contracts and applying specific emission factors according to Tier 1 of the GHG Protocol aligned with the methodologies recommended by the European Environment Agency for reporting emissions from energy and gas consumption.
  - Basic formula: Emissions (kg CO<sub>2</sub>e) = Consumption (kWh) x Emission factor (kg Co<sub>2</sub>e/kWh)
- **Emissions from water consumption based on supply contracts with third parties;**
  - Calculated taking into account the total water consumption at Transelectrica level using emission factors inspired by Life Cycle Assessment approaches and aligned with the Product Environmental Footprint (PEF) Guidance developed by the European Commission in collaboration with the Joint Research Centre. The average emission according to this guidance is 0.3 kg CO<sub>2</sub>e per m<sup>3</sup> of water supplied.
  - Basic formula: Emissions (kg CO<sub>2</sub>e) = Water consumption (m<sup>3</sup>) x Emission factor (kg Co<sub>2</sub>e/m<sup>3</sup>)

## Scope 3

**Scope 3** refers to all indirect greenhouse gas emissions that occur as a result of an organization's activities, but are not included in Scope 2 and do not come from directly owned or controlled sources. According to European regulations and EFRS standards, the definition can be summarized as follows:

- **Extended indirect emissions:** These include emissions resulting from the organization's value chain, the production of goods and services, transport, distribution, product use, through to waste treatment and other related activities.



- **External sources:** In contrast to Scope 1 and Scope 2, the sources of Scope 3 emissions are not directly owned or controlled by the organization, but its activities have a significant influence on those emissions.
- **Importance for the full assessment:** By including Scope 3, organizations can get a more complete picture of their environmental impacts, highlighting opportunities to reduce emissions across the entire value chain.

Taking into account the specific nature of Transelectrica's activity, but also the fact that the main "raw material" with which it works is electricity, we considered it appropriate to include the following indicators in this category:

- **Emissions from waste treatment.**
  - Calculated taking into account the amount of waste treated and the method of treatment, in accordance with the European Life Cycle Assessment Life Cycle Assessment standards and aligned with the Product Environmental Footprint (PEF) Guidance; Thus, the emission factor can be: 150 kg Co2e/tonne for landfilling, 75 kg Co2e/tonne for incineration, 0-10kg CO2e/tonne recycled or composted.
  - Basic formula: Emissions (kg Co2e) = Mass (tons) x Emission factor (kg Co2e/ton)
- **Emissions from external travel of personnel (by air, to avoid double reporting on fuel consumed by own fleet).**
  - Calculated taking into account all the flights traveled by Transelectrica delegates during 2024 and the number of people who traveled on these flights. Thus, using the IPCC Guidelines for calculating emissions from fuel combustion, the Tier 1 methodology of the GHG protocol, we applied a standard conversion factor of approximately 3.16 kg/Co2 per kg of fuel burned (with an average of 3 kg fuel/km), taking into account the average consumption of the top 5 aircraft in terms of popularity and distance traveled, as well as the average number of passengers on a flight during 2024 according to the International Air Transport Association (IATA), "Air Passenger Market Analysis 2024" report - 120 passengers.
  - For this reporting year, this point has considered only the emissions generated by air travel for external travel, without including emissions generated by days of accommodation. Transelectrica is planning to broaden the calculation to include all emissions generated by the company's employees' travel, based on internationally recognized methodologies.
  - Basic formulas:
    - Total emissions per flight (kg Co2e) = Co2 emissions per km x total kilometers flown
    - Emissions/passenger per flight (kg Co2e per passenger) = Total flight emissions \* actual number of passengers / average number of passengers 2024
    - Total emissions/passenger all flights (kg Co2e per passenger) =  $\sum$  Emissions/passenger one flight



- **Emissions resulting from all upstream and downstream activity in the generation, distribution and actual consumption of electricity at national level.**
- Calculated taking into account the total amount of energy leaving the grid (the difference with the incoming being the OTC calculated under Scope 2) and the emissions related to the declared energy mix for the year 2024. The methodology used to calculate the emissions by energy mix emissions have been made with reference to IPCC Tier 2 and LCA analysis under the Product Environmental Footprint, as follows:

| Source               | Typical indicator (kg CO <sub>2</sub> e/MWh, average value) | Note                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hydro                | 0                                                           | For non-fossil fuel sources (hydro, nuclear, wind, solar), direct emissions are virtually zero in operation according to the IPCC methodology (Tier 2). Values for biomass in IPCC Tier 2 approach assume carbon neutrality (unaccounted biogenic CO <sub>2</sub> ) - only minor CH <sub>4</sub> /N <sub>2</sub> O emissions remain (~7 kg CO <sub>2</sub> e/MWh)          |
| Coal                 | 986 kg CO <sub>2</sub> e/MWh                                |                                                                                                                                                                                                                                                                                                                                                                            |
| Natural gas          | 430 kg CO <sub>2</sub> e/MWh                                |                                                                                                                                                                                                                                                                                                                                                                            |
| Hydrocarbons         | 777 kg CO <sub>2</sub> e/MWh                                |                                                                                                                                                                                                                                                                                                                                                                            |
| Nuclear              | 0 kg CO <sub>2</sub> e/MWh                                  | Sources: IPCC Tier 2 values for fossil fuels are derived from national emission factors (e.g. factors used by RTE France, similar for technologies in Romania). LCA-PEF values are derived from IPCC (2014) meta-analyses of life-cycle emissions for each technology, supplemented with data from literature (e.g. Schlömer et al. 2014 for rooftop photovoltaic panels). |
| Wind/Solar/Prosumers | 0 kg CO <sub>2</sub> e/MWh                                  |                                                                                                                                                                                                                                                                                                                                                                            |
| Biomass              | 7 kg CO <sub>2</sub> e/MWh                                  |                                                                                                                                                                                                                                                                                                                                                                            |

- Basic formulas:  
Total emissions of energy extracted from the transmission grid (kg Co2e) =  $\sum$  Extracted energy produced from one type of source (TWh) x emission factor for each energy source (kg CO<sub>2</sub>e/TWh)



**Table on the disaggregated emissions for each element taken in the calculation of  
Transelectrica Scopes**

|                | <b>Emissions by Scope</b>                                                                               |                                                                                                                                          |                                                                                                                                                                                          | <b>TOTAL</b>               |
|----------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>Scope 1</b> | Fuel consumption emissions at fleet level<br><br><b>1.326,28 tCO2e</b>                                  | Emissions from the use of SF6 in transformers<br><br><b>6.31 tCO2e</b>                                                                   | Emissions from the use of electricity in the form of OTC (Own technological consumption)<br><br><b>228.038,71 tCO2e</b>                                                                  | <b>229.371,30 tCO2e</b>    |
| <b>Scope 2</b> | Emissions from gas consumption based on supply contracts with third parties;<br><br><b>711.27 tCO2e</b> | Emissions from electricity consumption based on supply contracts with third parties;<br><br><b>11.436,36 tCO2e</b>                       | Emissions from water consumption based on supply contracts with third parties;<br><br><b>9.47 tCO2e</b>                                                                                  | <b>12.184,10 tCO2e</b>     |
| <b>Scope 3</b> | Emissions from waste treatment.<br><br><b>523.85 tCO2e</b>                                              | Emissions from external travel of personnel (by air, to avoid double reporting on fuel consumed by own fleet).<br><br><b>59.45 tCO2e</b> | Emissions resulting from all upstream and downstream activity in the generation, distribution and actual consumption of electricity at national level.<br><br><b>11,854,082.58 tCO2e</b> | <b>11.854.665,88 tCO2e</b> |
| <b>Total</b>   |                                                                                                         |                                                                                                                                          |                                                                                                                                                                                          | <b>12.096.221,28 tCo2e</b> |



|                | Detailed emissions for each Scope - Teletrans S.A. <sup>15</sup>                                   |                                                                                                               |                                                                                                     | TOTAL                 |
|----------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------|
| <b>Scope 1</b> | Fuel consumption emissions at fleet level<br><b>107.61 tCO2e</b>                                   |                                                                                                               |                                                                                                     | <b>107.61 tCO2e</b>   |
| <b>Scope 2</b> | Emissions from gas consumption based on supply contracts with third parties;<br><b>26.33 tCO2e</b> | Emissions from electricity consumption based on supply contracts with third parties;<br><b>1.321,68 tCO2e</b> | Emissions from water consumption based on supply contracts with third parties;<br><b>0.20 tCO2e</b> | <b>1457.34 tCO2e</b>  |
| <b>Scope 3</b> | Emissions from waste treatment.<br><b>1.51 tCO2e</b>                                               |                                                                                                               |                                                                                                     | <b>1.51 tCO2e</b>     |
| <b>Total</b>   |                                                                                                    |                                                                                                               |                                                                                                     | <b>1.457,34 tCO2e</b> |

|                | Emissions by Scope - Smart S.A.                                                                     |                                                                                                             |                                                                                                     | TOTAL                 |
|----------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------|
| <b>Scope 1</b> | Fuel consumption emissions at fleet level<br><b>784.13 tCO2e</b>                                    |                                                                                                             |                                                                                                     | <b>784.13 tCO2e</b>   |
| <b>Scope 2</b> | Emissions from gas consumption based on supply contracts with third parties;<br><b>335.96 tCO2e</b> | Emissions from electricity consumption based on supply contracts with third parties;<br><b>241.20 tCO2e</b> | Emissions from water consumption based on supply contracts with third parties;<br><b>3.68 tCO2e</b> | <b>580.84 tCO2e</b>   |
| <b>Scope 3</b> | Emissions from waste treatment.<br><b>0.74 tCO2e</b>                                                |                                                                                                             |                                                                                                     | <b>0.74 tCO2e</b>     |
| <b>Total</b>   |                                                                                                     |                                                                                                             |                                                                                                     | <b>1,365.71 tCO2e</b> |

<sup>15</sup> Emissions calculated separately for Teletrans S.A. take into account only those consumptions that are not jointly with Transelectrica (there are a significant number of sites in the country where electricity, natural gas and water are jointly consumed with Transelectrica, and waste is also jointly managed, these consumptions and emissions are taken into account in the emissions analysis for Transelectrica).



**Table on SCOPE calculation at group level according to the methodology proposed by ESRS**

|                                                                  | Retrospective                |             |                       |        | Targets <sup>16</sup> |      |      |                             |
|------------------------------------------------------------------|------------------------------|-------------|-----------------------|--------|-----------------------|------|------|-----------------------------|
|                                                                  | Base year 2024 <sup>17</sup> | Comparative | N 2024                | %N/N-1 | 2025                  | 2030 | 2050 | Annual target % / Base year |
| <b>GHG Emissions - Scope 1<sup>18</sup></b>                      |                              |             |                       |        |                       |      |      |                             |
| Gross GHG emissions - Scope 1 (tCO2 equivalent)                  | 230.263,04                   | N/A         | 230.263,04            | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| Percentage of category 1 EU ETS (%)                              | N/A                          | N/A         | N/A                   | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| <b>GHG Emissions - Scope 2<sup>19</sup></b>                      |                              |             |                       |        |                       |      |      |                             |
| Gross GHG emissions - Scope 2 by site (tCO2 equivalent)          | 14.113,15                    | N/A         | 14.113,15             | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| Gross GHG emissions - Scope 2 by market (tCO2 equivalent)        | 14.113,15                    | N/A         | 14.113,15             | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| <b>GHG Emissions - Scope 3<sup>20</sup></b>                      |                              |             |                       |        |                       |      |      |                             |
| Gross GHG emissions - Scope 3 (tCO2 equivalent)                  | 11.854.668,12                | N/A         | 11.854.668,12         | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 1 Goods and services purchased                                   | N/A                          | N/A         | N/A                   | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| (Optional subcategory: Cloud computing and data center services) | N/A                          | N/A         | N/A                   | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 2 Capital goods                                                  | N/A                          | N/A         | N/A                   | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 3 Fuel and energy activities                                     | Included in Scope 1/2        | N/A         | Included in Scope 1/2 | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 4 Upstream transportation                                        | 11.832.045,48                | N/A         | 11.832.045,48         | N/A    | N/A                   | N/A  | N/A  | N/A                         |

<sup>16</sup> Taking into account that 2024 is the first reporting year in this format and there is no other base year for comparison, the targets will be set starting with the reporting year 2025;

<sup>17</sup> The base year is the first year in which SCOPE 1,2 and 3 values were calculated, the base year will be 2024. In previous years the indicators in the table were not calculated;

<sup>18</sup> Includes emissions from fleet fuel, emissions from the use of SF6 in transformers and emissions from the use of electricity in the form of Technological Own Use

<sup>19</sup> Includes emissions from gas and electricity consumption based on third-party supply contracts and emissions from water consumption based on third-party supply contracts

<sup>20</sup> It includes emissions from waste treatment, emissions from external personnel travel (by air, to avoid double reporting on fuel consumed by own fleet) and emissions from all upstream and downstream activity in terms of electricity generation, distribution and actual consumption of electricity at national level.



|                                                                 | Retrospective                |             |               |        | Targets <sup>16</sup> |      |      |                             |
|-----------------------------------------------------------------|------------------------------|-------------|---------------|--------|-----------------------|------|------|-----------------------------|
|                                                                 | Base year 2024 <sup>17</sup> | Comparative | N 2024        | %N/N-1 | 2025                  | 2030 | 2050 | Annual target % / Base year |
| and distribution <sup>21</sup>                                  |                              |             |               |        |                       |      |      |                             |
| 5 Waste generated in operations                                 | 526,10                       | N/A         | 526,10        | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 6 Business travelers                                            | 59,45                        | N/A         | 59,45         | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 7 Employee commute                                              | N/A                          | N/A         | N/A           | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 8 Upstream leased assets                                        | N/A                          | N/A         | N/A           | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 9 Downstream transportation                                     | N/A                          | N/A         | N/A           | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| -10 Processing of products sold                                 | N/A                          | N/A         | N/A           | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 11 Use of products sold                                         | N/A                          | N/A         | N/A           | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 12 Treatment of products sold at end-of-life                    | N/A                          | N/A         | N/A           | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 13 Downstream leased assets                                     | N/A                          | N/A         | N/A           | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 14 Francize                                                     | N/A                          | N/A         | N/A           | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| 15 Investments                                                  | N/A                          | N/A         | N/A           | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| Total GHG emissions                                             |                              |             |               |        |                       |      |      |                             |
| Total GHG emissions (by location) (tCO2 equivalent)             | 12.099.044.33                | N/A         | 12.099.044.33 | N/A    | N/A                   | N/A  | N/A  | N/A                         |
| Total GHG emissions (by market) (tCO2 equivalent) <sup>22</sup> | 12.099.044.33                | N/A         | 12.099.044.33 | N/A    | N/A                   | N/A  | N/A  | N/A                         |

### GHG removals and mitigation projects financed by carbon credits (E1-7)

At both Transelectrica and its subsidiaries Teletrans and Smart, no greenhouse gas (GHG) removals and no GHG mitigation projects financed by carbon credits were recorded in 2024.

<sup>21</sup> In this section, emissions from all upstream and downstream activity related to the generation, distribution and actual consumption of electricity at national level have been included.

<sup>22</sup> Total GHG emissions by market have been calculated to have the same value as total GHG emissions by location for Transelectrica. The reason for this is due to the national character of the Company and the fact that all Transelectrica's activity (including consumption and GHG generating activities) is limited to the national space, but extends to all locations within the country. Thus, the values calculated on a location basis are equivalent to those calculated on a market basis, both being limited to the space within the country.



### Internal carbon pricing (E1-8)

Transelectrica does not currently apply internal carbon pricing systems. Due to the specificity of its activity, the Company needs a detailed internal analysis as well as the approval of ANRE as regulator. However, Transelectrica intends in the future to analyze in detail the possibility of implementing a robust and transparent methodology to reflect the future risks and costs associated with carbon emissions.

This process requires a period of analysis and consultation, so implementation in the first year of ESRS reporting cannot be achieved for several reasons:

- **the need for detailed internal analysis** - given the specificity of the activity, Transelectrica needs to assess the impact of such a system on its operations, investment strategies and regulated tariffs;
- **need for ANRE approval** - as a transmission and system operator in the electricity sector, Transelectrica is subject to regulations imposed by ANRE. Any internal carbon pricing mechanism could have implications on transmission tariffs and therefore on consumers and the energy market. Therefore, a dialog with the regulator is necessary in order to reach a clear agreement on the feasibility and applicability of such a system;
- **complexity of methodology** - ESRS require rigorous reporting aligned with European climate accounting practices. The development of a robust and transparent methodology that accurately reflects the future risks and costs associated with carbon emissions requires time to define the relevant indicators, test the models and align with international best practice;
- **Lack of an existing internal framework** - Transelectrica does not currently have an internal carbon pricing system in place, which means that it has to build this mechanism from scratch. This process includes forming a dedicated team, establishing the methodology, testing and validating it, and integrating it into decision-making and reporting processes;
- **Alignment with national legislative framework and policies** - the evolution of European and national legislation on carbon taxation and the integration of ESG aspects in the energy sector need to be taken into account. Premature implementation of such a scheme, without a clear regulatory framework at national level, could create uncertainties and financial risks for the Company.

As a consequence, domestic carbon pricing will be addressed in the coming period, but in a prudent and phased manner to ensure compliance with existing standards and regulations.

Teletnras and Smart subsidiaries also do not currently apply internal carbon pricing systems.

### Anticipated financial impacts of significant physical and transition risks and potential climate-related opportunities (E1-9)

Given that 2024 is Transelectrica's first ESRS-compliant reporting year, as well as the Company's specificity as a single transmission and electricity system operator, the process of aligning with the new requirements requires a rigorous and prudent approach. As the ESRS do not provide a clear methodology for identifying and quantifying the anticipated financial effects significant physical and transition risks and potential climate-related opportunities, the Company has not performed such an analysis for this first reporting year. As the regulatory framework evolves and more precise methodological approaches are established, Transelectrica will integrate these requirements into its reporting process, ensuring compliance and accuracy of the information provided.



## 2. Pollution (E2 1-6)

### Description of processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)

The process of identifying and assessing significant pollution impacts, risks and opportunities is carried out in accordance with internal risk management and environmental protection procedures based on applicable national and international regulations. The process involves a clear set of steps designed to ensure compliance with environmental regulations and minimize impacts on ecosystems. It starts with the identification of risk factors and potential sources of pollution, followed by a detailed assessment of the impact on soil, water and air. On the basis of these analyses, specific pollution prevention, abatement and control measures are established and integrated into an environmental management plan. Continuous monitoring and updating of environmental strategies complete the process, ensuring constant improvement in environmental performance and alignment with sustainability objectives.

| Methodologies, assumptions and tools used in the review process                                                                                                       |                                                                                                                                               |                                                                                                                                                         |                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Analysis of risks and impacts                                                                                                                                         | Environmental audits and assessments                                                                                                          | Environmental management plans                                                                                                                          | Monitoring and reporting                                                                                                                                       |
| Standardized procedures to identify risks associated with operational activities, including those arising from maintenance, upgrading and expansion of infrastructure | Regular environmental audits to identify sources of pollution, associated risks and measures needed to prevent negative environmental impacts | The plans set out measures to prevent and reduce pollution, such as installing oil-water separators, managing waste and optimizing resource consumption | Transelectrica applies a system of continuous monitoring of pollutant emissions and environmental impact, using validated measuring equipment and technologies |
| Analysis of pollutants emitted (e.g. SF6, flue gas emissions, chemical leakage) as well as effects on biodiversity and natural resources                              | Measurements of air, water and soil quality in the areas of operation as required by national and European regulations                        | Environmental monitoring program with regular reporting on compliance with legal requirements                                                           | Data collected is analyzed and included in the risk register and annual sustainability and compliance reports                                                  |

In order to provide a clear and relevant perspective on Transelectrica's activities, its performance and the impact generated, the Company has carried out a dual materiality analysis, as required by the new sustainability standards. The process took place during an internal meeting, where management representatives actively participated in identifying and assessing the key issues that influence both the business strategy and the Company's impact on the environment and society.



Transelectrica has examined its sites and business activities to identify actual and potential pollution impacts, risks and opportunities. The company defines and implements preventive and corrective measures to minimize the environmental impacts of its facilities and activities. The diversity of environmental conditions at each site of the ETG installations (overhead power lines, transformer and connection substations, buildings) determines at various stages (design, construction and operation) of each installation specific environmental impacts, so measures are defined on a case-by-case basis for the conditions existing at each site.

Although Transelectrica does not face significant risks and impacts in terms of pollution, the Company has carried out an analysis to identify the impacts, risks and opportunities associated with pollution. This assessment enables the anticipation and management of possible environmental impacts, thus strengthening the pollution prevention strategy and alignment with the sustainability requirements imposed by national and European regulations.

| Impacts (I)                                                                                                                                                                         | Risks (R)                                                                                                                                                            | Opportunities (O)                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact on soil and water: accidental spills of electrical insulating oil and fuels from electrical equipment or machinery can contaminate soil and groundwater                      | Technological/operational risks: equipment malfunctions can lead to accidental releases of hazardous substances, affecting compliance with environmental regulations | Reducing the environmental footprint: implementing pollution prevention and monitoring solutions can improve environmental performance and alignment with European standards   |
| Impact on air - atmospheric emissions: flue gases from cars, generators and thermal power plants as well as SF6 emissions from electrical equipment can contribute to air pollution | Legal risks: exceeding pollutant emission limits or failing to comply with environmental protection rules can lead to penalties from the authorities                 | Optimizing energy efficiency: upgrading equipment and using more efficient technologies can help reduce polluting emissions                                                    |
| Noise pollution: construction and maintenance works and the operation of overhead power lines generate noise, affecting local communities and wildlife                              | Additional costs: the need to implement new, less polluting technologies; investments that may generate increased operational costs                                  | Increasing access to sustainable finance: adopting measures to reduce environmental impacts can facilitate access to EU funds and green finance lines                          |
| Electromagnetic radiation: electrical induction and electromagnetic fields from power lines can influence telecommunication systems and create discomfort in inhabited areas        | Legal risks: exceeding legal noise limits or failing to comply with environmental protection rules can lead to penalties from the authorities                        | Technological innovation: developing advanced solutions for emission control and pollution management can position the company as a sustainability leader in the energy sector |

By properly managing the impacts and risks, Transelectrica can capitalize on opportunities to improve its environmental performance and operational efficiency, contributing to a more sustainable energy system aligned with climate and environmental objectives.



## **Pollution-related policies (E2-1)**

Pollution is addressed as a key element in<sup>23</sup> Transelectrica's climate change mitigation policies, given its direct impact on the environment and public health.

In this context, the Company's management has established the environmental protection policy as an integral part of the general policy, taking into account the planned, effective and sustained action, oriented towards the implementation of environmental management throughout the entire structure and in all its activities, aimed at changing the organizational culture by promoting an attitude oriented towards environmental protection and sustainable development.

At the same time, Transelectrica's management adopted the Declaration on the policy in the field of quality, environmental, occupational health and safety management, with the main purpose of maintaining an efficient environmental management system, preventing and reducing pollution, ensuring compliance with national and European regulations, as well as promoting sustainable development.

The Risk Management Policy Statement also applies to pollution issues, as it addresses the identification, analysis and management of operational and environmental risks that may affect the Company's activities. Within the framework of the statement, Transelectrica assumes a proactive risk management, which implies the prevention and reduction of environmental impacts, including soil, air and water pollution, caused by the operation, maintenance and modernization of infrastructure.

In addition, the Policy on Infrastructure Development/Modernization, Energy Transition and Integration of Renewables (a policy stemming from the ETG 2024-2033 Development Plan), together with the Energy Efficiency Policy, Smart Grid Policy and the Company's strategies, include measures to reduce greenhouse gas emissions, such as optimizing infrastructure to reduce SF6 leakage and deploying energy efficient equipment. Solutions are also applied to limit air, water and soil pollution, such as continuous emissions monitoring, sustainable waste management and the use of low environmental impact technologies.

The company implements and maintains an Integrated Management System for quality, environment and occupational safety according to the highest international standards: SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR ISO 45001:2023. This system ensures legal compliance, process optimization and environmental impact reduction, reinforcing a responsible and sustainable operating model.

As the year 2024 marks the Company's first ESRS-compliant reporting and Transelectrica aims to develop a dedicated sustainability policy in 2025, the Company will expand and elaborate on this topic, addressing in depth the strategies, objectives and measures implemented to integrate sustainability principles into all its activities.

## **Pollution actions and resources (E2-2)**

Transelectrica implements an Integrated Management System that includes strict requirements on quality, environmental protection, occupational health and safety. In this respect, the

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<sup>23</sup> All policies specified in this section are detailed in the section on Policies related to climate change mitigation and adaptation.



Company ensures that it maintains certification in accordance with the international standards SR EN ISO 9001:2015 for quality management, SR EN ISO 14001:2015 for environmental management and SR ISO 45001:2023 for occupational health and safety. Compliance with these requirements guarantees a sustainable operating framework, reducing the impact of activities on the environment and ensuring optimal working conditions for employees.

In order to comply with environmental regulations, Transelectrica is concerned with obtaining and maintaining environmental and water management authorizations for its infrastructure, including power stations, overhead power lines (OPLs) and administrative headquarters. These permits are essential for operating within legal parameters and for the sustainable management of the natural resources used in the company's activities.

The Company also carries out the preparation of the technical documentation required to obtain environmental and water management permits and authorizations. This process involves assessing the environmental impact, monitoring compliance with legal requirements and adopting the necessary measures to reduce negative effects on ecosystems. Thus, Transelectrica takes an active role in protecting the environment.

Within the activities carried out by Transelectrica, pollution is managed through an Environmental Management and Environmental Protection Program, which includes specific actions and measures to prevent and reduce environmental impact.

| Activities and works included in the Environmental Management and Protection Program    |                                                                                                         |                                                                                                              |                                                                                        |                                                                                                                                            |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Measurements and monitoring                                                             | Measures to reduce air pollution                                                                        | Waste management and soil protection                                                                         | Reducing impacts on water                                                              | Controlling impacts on biodiversity                                                                                                        |
| Monitoring electromagnetic field and gaseous emissions to air (SOx, COx, NOx, VOC, SF6) | Installation of pollutant containment equipment (e.g. oil-water separators)                             | Implementation of waste collection and recycling systems (metal, plastic, paper, scrap electrical equipment) | Installation of water-oil separators on equipment containing electro-insulating oils   | Carry out clearing/maintenance of safety corridors at the OHL only outside the growing season and after the end of the bird nesting season |
| Assessment of noise levels from power stations and power lines                          | Reducing SF6 emissions through preventive maintenance and replacing old equipment with new technologies | Disposal of hazardous substances in accordance with environmental regulations                                | Avoid accidental oil and chemical spills through preventive maintenance measures       | Fitting devices on the protective conductors of the OHL with characteristics that make them visible to birds to avoid collision            |
| Monitoring soil and wastewater quality                                                  | Use of low-emission vehicles (EURO 5 and EURO 6)                                                        | Temporary storage of used equipment on specially designed concrete platforms                                 | Construction or maintenance of sewerage networks for domestic and/or storm waste water | Installation of bird removers to prevent the risk of electrocution                                                                         |
|                                                                                         |                                                                                                         | Restoration/landscaping of the land to its original state (after works are completed)                        |                                                                                        |                                                                                                                                            |



In order to effectively manage pollution, Transelectrica allocates significant resources to environmental protection infrastructure, implementing oil-water separators and septic tanks in power stations, along with gas filtration systems and pollution monitoring stations. These measures help to reduce environmental impacts and comply with natural resource protection regulations.

The total expenditure for environmental protection, included in operating, maintenance and investment expenses, amounted to **8,452,560 lei** (approximately 1,699,314 euro) in 2024. At the same time, 28 lei (approximately 28 lei) was paid to the Environmental Fund for stationary source emissions.

The objectives under the Company's management (272 objectives: transformer and connection substations, overhead power lines, headquarters, etc., authorized or in the process of authorization/re-authorization) are operating in compliance with the legal requirements on environmental protection, the degree of authorization being 99.63% (9 environmental authorizations). The difference of 0.37% is represented by one power station for which the environmental permit is pending - the delay is due to a land ownership dispute.

The company constantly invests in modernizing its infrastructure, aiming to reduce energy losses and use low-emission equipment, thus reducing the environmental footprint of its activities. It is also developing solutions for waste recycling and recovery, integrating the principles of circular economy into its operational processes. In this respect, Transelectrica carries out environmental protection works included in both the Maintenance Program and the Investment Program, thus ensuring the maintenance and improvement of the environmental performance of its infrastructure.

In order to ensure compliance and continuous improvement, Transelectrica maintains ISO 14001:2015 certification for environmental management, the company is externally audited periodically to assess compliance with national and European standards and compliance with the requirements of the standard. At the same time, the Company carries out studies and research for environmental protection, integrated in the approved Studies and Research Plan, with the objective of identifying the most efficient technological solutions to reduce the environmental impact.

At the same time, Transelectrica invests in personnel training and education on environmental protection issues, including administrative and procurement activities within the operating expenses. These initiatives ensure a high level of environmental awareness and responsibility, contributing to a sustainable operating model and long-term protection of the environment.

### **Pollution targets (E2-3)**

In line with trends at European level, modernization and re-engineering actions are aimed at implementing equipment with a lower impact on environmental factors.



To date, no specific quantifiable targets have been set for climate change mitigation and adaptation objectives. However, Transelectrica has clear targets for pollution prevention, aiming to reduce environmental impacts through well-defined strategic measures.

| Ținte legate de poluare                                                                                                                                                                                                |                                                                                                                                                                             |                                                                                                                                                                                 |                                                                                                                                            |                                                                                                                                                                     |                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Reducerea emisiilor poluante în atmosferă                                                                                                                                                                              | Gestionarea responsabilă a deșeurilor                                                                                                                                       | Reducerea poluării apei și solului                                                                                                                                              | Minimizarea impactului zgomotului și al câmpului electromagnetic                                                                           | Protecția biodiversității                                                                                                                                           | Optimizarea consumului de resurse și tranziția la o economie circulară                                                         |
| Monitorizarea constantă a emisiilor de gaze (SOx, COx, NOx, COV, SF6) și implementarea măsurilor pentru limitarea acestora, inclusiv utilizarea echipamentelor presurizate închise și a tehnologiilor cu emisii reduse | Creșterea ratei de reciclare și valorificare, reducerea cantității de deșeuri periculoase, implementarea unui sistem eficient de colectare și eliminare conform legislației | Instalarea separatoarelor apă-ulei, gestionarea controlată a scurgerilor de ulei și combustibili, precum și monitorizarea calității apelor uzate pentru prevenirea contaminării | Monitorizarea și reducerea nivelului de zgomot și a expunerii la câmpuri electromagnetice prin tehnologii optimizate și măsuri de atenuare | Montarea dispozitivelor de protecție pentru păsări pe liniile electrice, evitarea defrișărilor în perioadele critice pentru faună și refacerea habitatelor afectate | Creșterea utilizării materialelor reciclabile, implementarea soluțiilor eficiente energetice și reducerea pierderilor în rețea |

Transelectrica aims through its future activity to reduce the environmental impact of its installations, mainly by reducing the areas of land occupied, reducing the impact on fauna and flora, reducing the electromagnetic field strength on the ground and the losses due to the Corona effect, etc

With all these established targets, Transelectrica reinforces its commitment to environmental protection, implementing policies and technologies designed to reduce the impact of pollution and ensure a sustainable power system for the future.

With regard to quantifiable targets, given that 2024 marks Transelectrica's first ESRS reporting year, as well as the specific nature of the Company as a single transmission and system operator of electricity, setting quantifiable targets requires an approach based on clear methodologies and in compliance with the regulations in force. Therefore, the Company has decided at this stage not to propose value targets that may be formulated on incomplete or inaccurate bases. As the reporting framework will be clarified and standardized methodological references will be available, Transelectrica will analyze and establish relevant quantifiable targets aligned with both the ESRS requirements and its sustainability strategy.

## Air, water and soil pollution (E2-4)

In accordance with legal requirements, Transelectrica assesses and manages its impact on air, water and soil pollution, taking into account the specific nature of its electricity transmission and dispatching activities.

From the normal operation of ETG installations, no noxious emissions are discharged to soil, groundwater or terrestrial waters. However, accidental pollution may occur due to either failure/disappearance of equipment containing hazardous substances or electrically insulating oil, or failure of oil regeneration/feed/discharge systems to/from equipment. Oil/vehicle fuel leakage from machinery and means of transport may also occur during construction and maintenance works (oil spilled into the environment has been contained with absorbent, biodegradable earth).



During the construction, maintenance and normal operation of ETG facilities, no significant quantities of pollutants are released into the atmosphere. However, during construction, maintenance and normal operation of ETG facilities the following emissions to the atmosphere may result: particulate matter - during construction works, flue gases - from vehicles, generators and thermal power plants, ozone in negligible quantities (Corona effect), sulphur hexafluoride - due to leaking equipment or improper handling of the gas.

During the construction period, noise can be caused by the execution of works and the operation of equipment and vehicles. During operation, noise pollution is caused by operating noise, vibration of ETG installations or corona discharges in the space around active conductors. The noise level produced by the corona effect at a distance of 25 m from the active conductor varies between 53 dB in rainy weather and 33 dB in fair weather.

Therefore, air, water and soil pollution at Transelectrica can occur either during the construction phase or during the operation and maintenance of the ETG infrastructure.

### Environmental aspects of construction

| Type of impact        | Manifestation (effects)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Physics</b>        | <ul style="list-style-type: none"> <li>soil disturbance through new driveways, stripping and excavation</li> <li>occupation of land for the organization of building sites, including warehouses <ul style="list-style-type: none"> <li>damage to flora (through deforestation)</li> <li>damage to wildlife (through habitat fragmentation)</li> </ul> </li> <li>bird disturbance (by the creation of air obstacles in the flight path)</li> <li>Waste generation (porcelain, glass, concrete, metals, used oil, packaging, rubble, etc.).</li> <li>the impact on the population and wildlife through the noise produced by the machines used, means of transportation, etc.</li> </ul>          |
| <b>Chemical</b>       | <ul style="list-style-type: none"> <li>soil and/or water pollution through accidental spills of fuel, oil and other chemicals</li> <li>air pollution by: <ul style="list-style-type: none"> <li>emissions of combustion gases (<math>\text{SO}_x</math>, <math>\text{CO}_x</math>, <math>\text{NO}_x</math>, VOCs, particulate matter) from heating installations or means of transport</li> <li>Sulphur hexafluoride (<math>\text{SF}_6</math>) emissions - accidental leakage during gas handling or due to equipment leaks</li> <li>dust emissions from construction and assembly work</li> <li>emissions of volatile organic compounds from paints and thinners, etc.</li> </ul> </li> </ul> |
| <b>Socio-economic</b> | <ul style="list-style-type: none"> <li>disruption of social activities, including population displacement</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

### Environmental aspects of operation and maintenance

| Type of impact | Manifestation (effects)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Physics</b> | <ul style="list-style-type: none"> <li>land occupation with OHL routes and station locations</li> <li>damage to flora through systematic clearing of vegetation</li> <li>damage to wildlife (habitat fragmentation, electrocution, etc.)</li> <li>damage to birds and aircraft (air obstacles in the flight path, collision, electrocution, etc.)</li> <li>danger of electrocution or burns by contact with or falling OHL near or crossing roads, railroads, water, buildings, etc.</li> <li>fire hazard due to damage to insulation or accidental touching of conductors by objects or dry vegetation</li> <li>the disturbance of people and wildlife by noise and vibration caused by the operation or vibration of ETG elements</li> </ul> |



| Type of impact  | Manifestation (effects)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <ul style="list-style-type: none"> <li>• population and wildlife damage corona noise from high voltage installations</li> <li>• the sound and light effects of corona</li> <li>• electromagnetic field disturbances to radio and television systems</li> <li>• electromagnetic field influences on telecommunications installations or other electrical networks at crossings and in their vicinity</li> <li>• electromagnetic field effects on living beings</li> </ul>                                                                                                                                                                    |
| <b>Chemical</b> | <ul style="list-style-type: none"> <li>• soil and/or water pollution through accidental spills of fuel, oil and other chemicals</li> <li>• air pollution by: <ul style="list-style-type: none"> <li>- emissions of combustion gases (SO<sub>x</sub>, CO<sub>x</sub>, NO<sub>x</sub>, VOCs, particulate matter) from heating installations or means of transport</li> <li>- Sulphur hexafluoride (SF<sub>6</sub>) emissions - accidental leakage during gas handling or due to equipment leaks</li> <li>- ozone and nitrogen oxides - corona effect at high voltage</li> <li>- sulfuric acid vapors - from batteries.</li> </ul> </li> </ul> |
| <b>Visual</b>   | <ul style="list-style-type: none"> <li>• landscape damage</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Mental</b>   | <ul style="list-style-type: none"> <li>• fear of the approach and the visual and sound effects of ETGs</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

High-voltage power lines generate atmospheric pollution of ozone and nitrogen oxides as a result of corona discharges around active conductors, especially in wet weather. The additional contribution of these pollutants to the existing background is not major and cannot lead to exceedances of the legal information threshold values, beyond which there is a risk to human health. The emissions of pollutants into the atmosphere (noise, electric and magnetic field, pollutant emissions, ozone concentrations) are monitored, and the values obtained for the determined parameters are analyzed and interpreted, resulting in conclusions on the level of pollutant emissions and compliance with the limit values allowed by the legislation.

Transformer/connection substations and 220 kV and 400 kV overhead power lines have relatively little impact on neighborhoods, existing only around ETG installations. A large part of the disturbing effects are caused by electrical induction (in ungrounded metallic objects or structures) and interference phenomena (radio interference). The design solutions adopted for the construction of high-voltage power lines and substations provide adequate protection against the effects caused by exposure of living organisms to the electromagnetic field and reduce the impact of these installations on the environment. According to studies carried out by specialized institutions, in the vicinity of overhead 220 kV and 400 kV lines, the electric field strength decreases with distance, so that at a distance of about 25-30 m from the axis of the line, the field strength is zero.

No technological wastewater results from the electricity transportation process. The wastewater generated on the site of the ETG installations is the following:

- domestic wastewater from human activity - discharged directly into the city sewer or drained and transported to an urban wastewater treatment plant or locally discharged to micro sewage treatment plants and discharged to land or land water.
- stormwater collected in oil equipment sumps and concrete platform sumps for waste and equipment storage (may contain oil from leaks) - is mechanically treated in oil-water separators and discharged to the city sewer or is drained and transported to an urban wastewater treatment plant or discharged to land or land water in compliance with the maximum allowable limits for pollutants discharged to the environment.



Transelectrica implements measures to prevent pollution and reduce the environmental impact, both in operation, maintenance and investment activities involving construction - erection works, constantly monitoring the pollutants emitted and applying technologies and practices designed to minimize pollution throughout the entire life cycle of its infrastructure.

In accordance with the requirements of the Environmental Authorizations issued by the National Agency for Environmental Protection, Transelectrica implements a systematic process of monitoring pollution sources at all its sites. The monitoring activity is finalized through the preparation of measurement bulletins, environmental aspect assessment sheets and monitoring reports for each transmission branch that has been subject to this process. As a result of the issues identified, action plans are drawn up setting out the necessary measures/actions, deadlines and responsible persons.

Transelectrica submits periodically/annually to the environmental protection agencies all relevant data on environmental impact and pollutant emission levels, ensuring transparency and compliance with the regulations in force.

In 2024, no water and soil pollution was recorded. Information on emissions to air is presented in chapter E1 Climate Change of this report.

In the year 2024, all environmental information was reported correctly and on time in accordance with the legal and regulatory requirements and those resulting from the controls carried out by the regulatory and control authorities, namely the control structures of the National Environmental Guard and the National Administration of Romanian Waters.

### **Substances of concern and substances of very high concern (E2-5)**

In the field of hazardous substances management, Transelectrica uses chemical substances that are strictly necessary for the maintenance activities of the ETG. At the end of each year, all the territorial transmission branches monitor the quantities of chemicals and hazardous substances used and report them to the Company's internal structures.

For incidents and emergencies, OP TEL 29.11 - Emergency preparedness and response capacity in the fields of environmental protection, occupational health and safety is approved. OP TEL 29.11 sets out the course of action and responsibilities for:

- identifying possible emergencies and accidents that may have a harmful impact on the environment, occupational health and safety;
- determining appropriate mitigation and response actions in such situations;
- prevention or reduction of associated harmful impacts on the environment and personnel.

### **Anticipated financial effects of pollution-related impacts, risks and opportunities (E2-6)**

Given that 2024 is Transelectrica's first ESRS-compliant reporting year, as well as the Company's specificity as a single transmission and electricity system operator, the process of aligning with the new requirements requires a rigorous and prudent approach. As the ESRS do not provide a clear methodology for identifying and quantifying the anticipated financial effects of pollution-related impacts, risks and opportunities, the Company has not conducted such an



analysis for this first reporting year. As the regulatory framework evolves and more precise methodological approaches are established, Transelectrica will integrate these requirements into its reporting process, ensuring compliance and accuracy of the information provided.

Expenditures for the prevention of pollution of environmental factors for the year 2024 (e.g. services for the management of generated waste, services for soil protection, services for water protection) amounted to 8,452,560 lei (approximately 1,699,314 euro).

### **3. Water and marine resources (E3 1-5)**

#### **Description of processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)**

Following the detailed analysis on the identification and assessment of significant impacts, risks and opportunities, Transelectrica's activity does not present any significant issues that fall within the reporting requirements under the ESRS. The assessment was carried out based on the criteria established by the European regulations, taking into account environmental, social and governance (ESG) factors, and the results indicated that the risks and impacts identified do not exceed the materiality thresholds imposed by the ESRS reporting framework. However, Transelectrica will continue to monitor and regularly update these aspects, ensuring compliance with evolving requirements and the integration of sustainability best practices.

#### **Policies related to water and marine resources (E3-1)**

Given that Transelectrica's activities do not generate significant impacts on water and marine resources, according to the materiality criteria of the ESRS, the Company has not adopted specific policies to manage the risks and opportunities associated with this area. The detailed analysis of the relevance of these aspects confirmed that Transelectrica's operations do not involve significant consumption of water resources and do not affect aquatic ecosystems in a way that would require additional management measures. Nevertheless, the Company maintains its commitment to environmental protection, monitoring the use of natural resources and ensuring compliance with national and European regulations in force.

#### **Actions and resources related to water and marine resources (E3-2)**

Given that Transelectrica's activity does not generate significant impacts on water and marine resources, according to ESRS standards, the Company has not undertaken specific actions and has not allocated resources to manage these issues. The analysis carried out confirmed that the operations carried out do not involve significant water consumption and do not influence aquatic ecosystems in a way that would require additional intervention measures. In this context, the use of specific resources was not justified. However, Transelectrica continues to monitor the use of natural resources, ensuring compliance with environmental requirements and the application of best practices for operational efficiency and environmental protection.

#### **Water and marine resources targets (E3-3)**

Given that Transelectrica's activities do not have a significant impact on water and marine resources, as required by the ESRS, the Company has not established quantifiable targets in this area. The internal analysis of the relevance of these aspects has shown that the operations



carried out do not involve significant water consumption and do not affect aquatic ecosystems in a way that would require measurable reduction or conservation targets. However, Transelectrica monitors the use of natural resources and ensures compliance with environmental regulations, integrating sustainability principles into its operational activities.

#### Water consumption (E3-4)

Transelectrica's water consumption is constantly monitored to ensure efficient use of resources and compliance with environmental requirements. Consumption data is collected periodically at each site and reported to the Integrated Management Department (DMI), which analyzes its evolution and verifies compliance with legal provisions and internal requirements. This monitoring allows the company to identify possible optimizations in water use and to ensure responsible management of natural resources, even if the impact on them is not significant.

The amount of water used in Transelectrica's activities, as well as those of its subsidiaries, in 2024, is 46,234.07 m3, coming either from the local networks related to each STT/station/center or from underground (drilled wells)/subsidiary. The Company does not use recycled water.

| No. | Territorial Transport Branch | Location                | Water consumed (mc) | Water source                  |
|-----|------------------------------|-------------------------|---------------------|-------------------------------|
| 1   | STT BACĂU                    | Bacău Sud station       | 54,00               | Underground                   |
|     |                              | Gutinaș station         | 592,00              | Underground                   |
|     |                              | Focșani West Station    | 241,00              | Underground                   |
|     |                              | Dumbrava station        | 136,00              | Underground                   |
|     |                              | Roman Nord Station      | 102,00              | Underground                   |
|     |                              | Station Suceava         | 1372,00             | Underground and Local Network |
|     |                              | Munteni station         | 112,00              | Local network                 |
|     |                              | FAI station             | 96,00               | Local network                 |
|     |                              | CE Iași headquarters    | 80,00               |                               |
|     |                              | STT Bacău Headquarters  | 751,00              | Local network                 |
|     |                              | <b>TOTAL STT BACĂU</b>  | <b>3536,00</b>      |                               |
| 2   | BUCHAREST BRANCH             | Bucharest South station | 410,00              | Power supply network          |
|     |                              | Fundeni Station         | 501,00              | Power supply network          |
|     |                              | Domnești station        | 246,00              | Underground                   |
|     |                              | Ghizdaru station        | 146,00              | Underground                   |
|     |                              | Turnu Măgurele station  | 466,00              | Underground                   |
|     |                              | Brazi West Station      | 236,00              | Underground                   |
|     |                              | Targoviste station      | 369,00              | Underground                   |
|     |                              | Teleajen station        | 182,00              | Underground                   |



| No. | Territorial Transport Branch | Location                      | Water consumed (mc) | Water source               |
|-----|------------------------------|-------------------------------|---------------------|----------------------------|
|     |                              | Stâlpu station                | 62,00               | Underground                |
|     |                              | Gura Ialomiței station        | 546,00              | Underground                |
|     |                              | Pelicanu station              | 324,00              | Underground                |
|     |                              | Mostiștea station             | 405,00              | Underground                |
|     |                              | EC Alexandria                 | 66,00               | Power supply network       |
|     |                              | EC Slobozia                   | 156,00              | Power supply network       |
|     |                              | CE Ploiești                   | 191,00              | Power supply network       |
|     |                              | BUCHAREST Br.                 | 709,00              | Power supply network       |
|     |                              | <b>TOTAL BUCHAREST</b>        | <b>4646,00</b>      |                            |
| 3   | STT CLUJ-NAPOCA              | Cluj Est+CTSI station         | 205,00              | Local network              |
|     |                              | Câmpia Turzii station         | 139,00              | Local network              |
|     |                              | Tihău station                 | 169,00              | Underground                |
|     |                              | Station Sălaj                 | 59,00               | Local network, underground |
|     |                              | Gădălin station               | 81,00               | Underground                |
|     |                              | Oradea Sud Station            | 388,00              | Local network              |
|     |                              | Cluj Floresti Station         | 49,00               | Underground                |
|     |                              | Baia Mare Station 3           | 153,00              | Local network              |
|     |                              | Vetiș station                 | 192,10              | Underground                |
|     |                              | Roșiori station               | 199,00              | Underground                |
|     |                              | EC Cluj                       | 48,00               | Local network              |
|     |                              | CE Zalău                      | 40,00               | Local network              |
|     |                              | EC Baia Mare                  | 39,00               | Local network              |
|     |                              | STT Cluj                      | 333,00              | Local network              |
|     |                              | <b>TOTAL STT CLUJ</b>         | <b>2094,00</b>      |                            |
| 4   | STT CRAIOVA                  | Headquarters STT Craiova/CTSI | 736,00              | Local network              |
|     |                              | CE Craiova                    | 951,00              | Local network              |
|     |                              | EC Severin                    | 453,00              | Local network              |
|     |                              | CE Tg. Jiu                    | 121,00              | Local network              |
|     |                              | Tg. Jiu                       | 86,00               | Local network              |



| No. | Territorial Transport Branch | Location                                       | Water consumed (mc) | Water source                                     |
|-----|------------------------------|------------------------------------------------|---------------------|--------------------------------------------------|
|     |                              | Tăntăreni station                              | 59,00               | Local network                                    |
|     |                              | Severin Est station                            | 131,00              | Local network                                    |
|     |                              | Portile de Fier station                        | 52,00               | Local network                                    |
|     |                              | Craiova Nord Station                           | 96,00               | Underground                                      |
|     |                              | Calafat station                                | 77,00               | Underground                                      |
|     |                              | Cetate Station                                 | 100,00              | Underground                                      |
|     |                              | Sărdănești station                             | 89,00               | Underground                                      |
|     |                              | Station Urechești                              | 91,00               | Underground                                      |
|     |                              | <b>TOTAL STT CRAIOVA</b>                       | <b>3042,00</b>      |                                                  |
| 5   | <b>STT CONSTANȚA</b>         | Constanța Nord station and intervention center | 331,00              | Local network                                    |
|     |                              | Medgidia Sud station + PACRL formation center  | 152,00              | Local network                                    |
|     |                              | Cernavodă Station                              | 321,00              | SN Nuclearelectrica SA-Suc.CNE Cernavodă         |
|     |                              | Hive Station                                   | 111,00              | Underground                                      |
|     |                              | Tariverde station                              | -                   | Underground (110 kV station owned by Tomis Team) |
|     |                              | CE Galati headquarters/Filesti station         | 183,00              | Fise Electrica Serv                              |
|     |                              | Barboși station                                | 342,00              | Local network                                    |
|     |                              | Smârdan station                                | 200,00              | Underground                                      |
|     |                              | Station Lacu Sărat                             | 209,00              | CUP Danube Danube Braila                         |
|     |                              | Isaccea station                                | 2250,00             | Underground                                      |
|     |                              | Intervention Villas Isaccea                    | 528,00              | Local network                                    |
|     |                              | Tulcea Vest station                            | 91,00               | Underground                                      |
|     |                              | Rahman Station                                 | 52,00               | Underground                                      |
|     |                              | EC Tulcea                                      | 98,00               | Local network                                    |
|     |                              | STT Constanta Headquarters                     | 284,00              | Local network                                    |



| No. | Territorial Transport Branch | Location                     | Water consumed (mc) | Water source                      |
|-----|------------------------------|------------------------------|---------------------|-----------------------------------|
|     |                              | <b>TOTAL STT CONSTANTA</b>   | <b>5152,00</b>      |                                   |
| 6   | <b>STT PITEȘTI</b>           | Headquarters building I      | 453,00              | Local network                     |
|     |                              | Headquarters building II     | 274,00              | Local network                     |
|     |                              | Garage                       | 403,00              | Local network                     |
|     |                              | LEA Formation HQ             | 0                   | Local network                     |
|     |                              | EC Bradu building            | 261,00              | Local network                     |
|     |                              | Bradu Station Building       | 355,00              | Local network                     |
|     |                              | Pitești Sud Station Building | 166,00              | Underground                       |
|     |                              | Arefu Station Building       | 286,00              | Local network                     |
|     |                              | Arefu Station Building       | 0,00                | Underground (own drilling)        |
|     |                              | Arefu - intervention block   | 0,00                | Underground (own drilling)        |
|     |                              | Arefu - intervention block   | 552,00              | Local network                     |
|     |                              | CE Slatina + Slatina Station | 0                   | Underground                       |
|     |                              | CE Slatina + Slatina Station | 0,87                | ALRO network                      |
|     |                              | Station Drăgănești Olt       | 40,00               | Local network                     |
|     |                              | Gradiște station             | 104,00              | Local network                     |
|     |                              | CE Valcea+ Stuparei Station  | 112,00              | Chimcomplex SA network            |
|     |                              | Station Râureni              | 121,00              | Local network                     |
|     |                              | <b>TOTAL STT PITEȘTI</b>     | <b>3127,0</b>       |                                   |
| 7   | <b>STT SIBIU</b>             | Alba Iulia station           | 69,00               | Local network                     |
|     |                              | Brasov station               | 182,00              | Local network                     |
|     |                              | Dârste station               | 416,00              | Local network                     |
|     |                              | Fântânele station            | 102,00              | Local network                     |
|     |                              | Gheorgheni station           | 2426,00             | Local network                     |
|     |                              | Station Iernut               | 60,30               | Iernut Thermoelectric Power Plant |
|     |                              | Ungheni station, EC Mures    | 180,00              | Local network                     |
|     |                              | EC Brasov                    | 28,00               | Local network                     |



| No. | Territorial Transport Branch | Location                              | Water consumed (mc) | Water source                       |
|-----|------------------------------|---------------------------------------|---------------------|------------------------------------|
|     |                              | Sibiu Sud Station, CE Sibiu           | 218,00              | Local network                      |
|     |                              | STT Sibiu                             | 870,00              | Local network                      |
|     |                              | <b>TOTAL STT SIBIU</b>                | <b>4551,30</b>      |                                    |
| 8   | <b>STT TIMIȘOARA</b>         | Sediu                                 | 919,00              | Local network                      |
|     |                              | Timișoara station                     | 167,00              | Local network                      |
|     |                              | Arad Station                          | 180,00              | Local network                      |
|     |                              | CE Reșița                             | 119,00              | Local network                      |
|     |                              | Resita station                        | 291,00              | Local network                      |
|     |                              | Iaz station                           | 389,00              | Local network                      |
|     |                              | Baru Mare station                     | 920,00              | Underground                        |
|     |                              | Săcălaz station                       | 1000,00             | Underground                        |
|     |                              | Paroseni station                      | 26,00               | Local network                      |
|     |                              | EC Deva                               | 26,00               | Local network                      |
|     |                              | Mintia Station                        | 107,00              | Mintia Thermal Power Plant Network |
|     |                              | Pestiș station                        | 168,00              | Local network                      |
|     |                              | Hășdat station                        | 116,00              | Local network                      |
|     |                              | <b>TOTAL STT TIMISOARA</b>            | <b>4428,00</b>      |                                    |
| 9   | <b>EXECUTIVE</b>             | Str. Puțul de piatră no. 11A          | 75,00               | Local network                      |
|     |                              | B-dul Magheru no. 33                  | 113,00              |                                    |
|     |                              | B-dul Hristo Botev no. 16-18          | 1862,00             |                                    |
|     |                              | <b>EXECUTIVE TOTAL</b>                | <b>2050,00</b>      |                                    |
| 10. | <b>TELETRANS</b>             | Str. Stelea Spătaru 12                | <b>668,4*</b>       | Local network                      |
| 11. | <b>SMART</b>                 | Bd. Gen. Gh. Magheru no. 33, sector 1 | <b>12270,00</b>     | Local network                      |

\*excluding the quantity jointly consumed in Transelectrica premises, taken into account in the calculation of Transelectrica consumption

### Anticipated financial effects of impacts, risks and opportunities related to water and marine resources (E3-5)

Given that the impacts, risks and opportunities related to water and marine resources are not significant for Transelectrica's activity, according to the analysis carried out in accordance with ESRS standards, it is not necessary to identify anticipated financial impacts associated with this area. Since the company's operations do not generate substantial water consumption and do



not affect aquatic ecosystems in a way that creates material risks or relevant business opportunities, such an analysis would not provide essential information for reporting. However, Transelectrica remains committed to monitoring and effectively managing natural resources, ensuring compliance with environmental regulations and sustainability principles.

#### **4. Biodiversity and ecosystems (E4 1-6)**

##### **Presentations of general information (ESRS 2)**

Transelectrica's activity, as an electricity transmission and system operator, is directly dependent on the use of extensive land use and infrastructure for the energy transmission network, which generates impacts on biodiversity and ecosystems. High-voltage electrical installations consisting mainly of overhead power lines and transformer and connection substations are installations with environmental impacts due to both the technical complexity of the installations and the areas of land occupied and lengths of tens or even hundreds of kilometers, usually over several counties.

As a consequence, Transelectrica's activities may have impacts on biodiversity and ecosystems, in particular through the operation and maintenance of overhead power lines (OPLs) and transformer stations, which cross various natural habitats. Significant impacts include habitat fragmentation caused by deforestation necessary to maintain safety corridors, affecting local plant and animal species. The existence of electrical infrastructure can also pose a risk to birds through accidental collisions with power lines and electrocution.

In addition, maintenance activities can lead to accidental pollution of soil and water through spills of oils and chemicals used in equipment. Noise from high-voltage equipment and electromagnetic field effects can influence the behavior of local fauna.

The impact on fauna can be manifested, in particular, on birds, through collision or electrocution by ETG installations in migration corridors or protected areas. The main migration corridors of various types of birds have been identified in the Banat, Dobrogea and Danube Delta areas.

The impact on vegetation is determined by the permanent or temporary occupation of land and the removal of vegetation above a certain height from the safety zones of ETG installations to avoid fires. This impact can only be significant in protected areas.

##### **Transition plan and consideration of biodiversity and ecosystems in the strategy and business model (E4-1)**

The company integrates sustainability principles and measures to protect biodiversity and ecosystems into its strategy and business model. To this end, proactive measures are implemented to reduce environmental impacts, including minimizing land take, protecting fauna and flora, and reducing electromagnetic field strength on the ground.

Biodiversity conservation is a key aspect of Transelectrica's sustainability strategy, given that a large part of the overhead power lines cross forested areas. In order to limit negative impacts on natural habitats, the Company implements measures such as the installation of bird protection devices, avoiding deforestation during critical breeding periods, and the management of waste generated from construction and maintenance activities.



In addition, Transelectrica promotes sustainable maintenance, which includes the use of modern technologies for monitoring equipment, reducing resource consumption and optimizing transmission routes to minimize the carbon footprint. All these initiatives reflect the Company's commitment to integrate environmental criteria into its operational and strategic decisions, even in the absence of a formal transition plan.

### **Significant impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)**

Transelectrica's activity is closely linked to the extensive use of land and energy infrastructure, essential for the operation and development of the ETG. This direct interaction with the environment can generate significant impacts on biodiversity and ecosystems, in particular through land take, fragmentation of natural habitats, damage to wildlife and changes to the ecological landscape. Maintenance of overhead power lines and transformer stations can influence the dynamics of local ecosystems, which is why the Company integrates measures to monitor and mitigate ecological impacts into its operational strategy.

Transelectrica is also dependent on natural ecosystems, as their integrity influences the stability of the energy infrastructure in the face of climatic factors, such as soil erosion or extreme weather events.

In this context, the Company is adapting its strategy and business model to reduce negative impacts and integrate sustainability principles. In addition, Transelectrica is pursuing the modernization of its infrastructure, using equipment and materials with low environmental impact, thus contributing to reducing the risks associated with soil, water and air pollution.

In terms of opportunities, the deployment of innovative technologies to reduce environmental impacts can bring long-term economic benefits by reducing the costs associated with compensation for environmental damage and by early compliance with future regulations on ecosystem protection.

Thus, the risks and opportunities related to biodiversity and ecosystems lead Transelectrica to adapt its operating strategies, integrate responsible environmental management measures and implement sustainable development solutions in line with European biodiversity protection objectives.

The activities carried out by Transelectrica do not generate a significant impact on biodiversity, given the nature of the operations and the measures taken to prevent and reduce the effects on ecosystems. The environmental authorizations required for the activities carried out, as well as the regulatory acts related to infrastructure projects, are issued by the competent environmental protection authorities, in accordance with national and European legislation. In certain situations, depending on the specific nature of the project and its location, the authorities may impose additional measures to protect biodiversity as a condition for obtaining the necessary permits for the works to be carried out. Transelectrica integrates these requirements into its operational processes, ensuring regulatory compliance and promoting sustainable practices for the conservation of natural habitats.

For the 2024 reporting year, Transelectrica has not concretely identified the interaction of impacts, risks and opportunities with its strategy and business model. In the coming period,



Transelectrica aims to deepen the analysis of these interactions and develop a more detailed approach, reflecting their integration in strategic and operational processes, to detail the interaction of significant impacts, significant risks and significant opportunities with the strategy and business model.

### **Description of processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)**

Transelectrica applies a structured process for identifying and assessing impacts, risks and opportunities related to biodiversity and ecosystems, with the objective of minimizing negative environmental impacts and integrating sustainability principles into its business strategy. This process is based on continuous monitoring of the energy infrastructure, analyzing risks associated with operational activities and implementing proactive measures to protect ecosystems affected by ETGs.

Identifying impacts on biodiversity and ecosystems is the first step in this process. The company conducts detailed site assessments of overhead power line (OPL) and transformer station sites to determine potential impacts on natural habitats. This includes mapping protected areas, identifying vulnerable species and assessing habitat fragmentation caused by infrastructure. Also monitored are bird collisions with power lines, electromagnetic field risks to wildlife, and possible accidental spills of hazardous substances that could pollute soil and water.

The impact on vegetation is determined by the permanent or temporary occupation of land and the removal of vegetation above a certain height from the safety zones of ETG installations to avoid fires. This impact can only be significant in protected areas.

In terms of assessing the risks associated with biodiversity and ecosystems, Transelectrica applies a risk management system that allows the anticipation and management of potential negative impacts. In addition to impacts and risks, Transelectrica also identifies opportunities for the protection of biodiversity and ecosystems, taking into account the long-term benefits of a sustainable approach.

At the design stage, preventive and corrective measures for an installation are determined on the basis of environmental impact studies, appropriate assessments and the environmental management plan, thus ensuring an integrated approach to the protection of biodiversity and ecosystems. These measures are essential for minimizing fragmentation of natural habitats, reducing the risks of soil and water pollution and protecting vulnerable species in areas affected by infrastructure. Applying them during construction allows environmental impacts to be controlled from the early stages of the project, helping to maintain the ecological balance and comply with nature conservation regulations.

All these approaches are integrated into Transelectrica's business strategy, influencing the way the Company develops ETG infrastructure, implements environmental protection measures and plans its future investments. Thus, development plans include technical solutions with low impact on biodiversity and operational procedures are adapted to meet environmental requirements.

By applying this complex process of identification, assessment and integration of impacts, risks and opportunities, Transelectrica strengthens its commitment to environmental protection and



ensures a sustainable development of its infrastructure, contributing to the maintenance of the ecological balance and to the best industry practices.

| Impacts (I)                                                                                                                                                                                                                                                   | Risks (R)                                                                                                                                                                                     | Opportunities (O)                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fragmentation of natural habitats - the construction and maintenance of overhead power lines (OPLs) and transformer stations requires deforestation and land changes, which can affect the continuity of habitats for different species of animals and plants | Environmental compliance risks - Failure to implement adequate biodiversity protection measures can lead to fines, penalties and restrictions from regulators                                 | Implementation of technological solutions to reduce impacts - development and use of bird protection devices, low-emission equipment and solutions to minimize impacts on habitats                                          |
| Collision and electrocution of birds - Avian collisions and electrocution - OHL pose a hazard to migratory birds and other species using the flyways, with the risk of collision or electrocution                                                             | Climate change and extreme events - severe weather events such as storms or droughts can affect the stability of infrastructure, impacting on local ecosystems and creating operational risks | Access to green finance - The company can access EU or international funding for sustainable infrastructure and green transition projects                                                                                   |
| Soil and water pollution - accidental spills of industrial oils, fuels and chemicals used in equipment can contaminate soil and groundwater sources                                                                                                           | Risks related to relations with local communities - environmental changes may generate social discontent and opposition from communities affected by energy infrastructure                    | Making maintenance activities more efficient through green practices - optimizing intervention routes, using recyclable materials and promoting the circular economy can reduce operational costs and environmental impact. |
| Noise and electromagnetic pollution - noise and electromagnetic field generation from power lines can affect wildlife behavior and the quality of natural habitats                                                                                            |                                                                                                                                                                                               |                                                                                                                                                                                                                             |
| Changes to the natural landscape - the presence of energy infrastructure can influence the aesthetics of the landscape and the ecological balance of protected or rural areas                                                                                 |                                                                                                                                                                                               |                                                                                                                                                                                                                             |

By identifying and managing the impacts, risks and opportunities associated with biodiversity and ecosystems, Transelectrica can minimize the negative effects of its operations, ensuring sustainable infrastructure development and compliance with environmental regulations.



## **Policies related to biodiversity and ecosystems (E4-2)**

Protecting biodiversity and preserving ecosystems is an integral part of<sup>24</sup> Transelectrica's policies, given the direct impact of electricity infrastructure on natural habitats and protected species. In this context, Transelectrica has adopted the Policy Statement on Quality, Environmental, Occupational Health and Safety Management, which includes clear commitments to protect the environment, prevent and reduce impacts on ecosystems, and comply with national and European regulations. Through this approach, the Company aims to maintain an effective environmental management system, reduce the impact of infrastructure on biodiversity and integrate sustainability principles into its operational strategy.

The risk management policy statement also applies to biodiversity and ecosystem issues, as it includes principles related to the identification and management of operational and environmental risks that may directly affect these issues. In the statement, Transelectrica adopts a proactive risk management approach, which entails preventing and minimizing negative impacts on the environment, including natural habitats, ecosystems and protected species. The document emphasizes the maintenance of a safe and sustainable environment, which involves monitoring the impact of its activities on the environment, such as the construction and maintenance of electricity transmission infrastructure.

Within the framework of the Policy on Infrastructure Development and Modernization (according to the ETG 2024-2033 Development Plan), Energy Efficiency Policy and Smart Grid Policy, Transelectrica implements measures aimed at limiting the impact on natural habitats and reducing ecosystem fragmentation. These measures include designing technical solutions that reduce the ecological footprint of infrastructure, protecting bird migration corridors by installing safety devices on overhead power lines (OPLs) and optimizing routes to minimize deforestation required to maintain safety corridors. Solutions for sustainable natural resource management are also applied, such as protecting water sources, continuous monitoring of soil impacts, and implementing effective waste management practices for maintenance and modernization activities.

The company implements and maintains an Integrated Management System for quality, environment, occupational health and safety aligned to the highest international standards. To this end, the requirements of SR EN ISO 9001:2015 for quality assurance, SR EN ISO 14001:2015 for environmental management and SR ISO 45001:2023 for occupational health and safety are applied. By integrating these standards, Transelectrica ensures that it complies with legal and environmental regulations, optimizes internal processes and minimizes the impact of its activities on biodiversity and ecosystems, thus consolidating a responsible and sustainable operating model.

## **Actions and resources related to biodiversity and ecosystems (E4-3)**

Transelectrica manages its activities and projects in a responsible way so that the impact on protected habitats and species in natural areas is minimized. To this end, the Company adopts proactive measures from the early stages of projects. In situations where impacts on biodiversity

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<sup>24</sup> All policies specified in this section are detailed in the section on Policies related to climate change mitigation and adaptation.



cannot be completely eliminated, mitigation measures are implemented to reduce impacts on ecosystems. Land affected by infrastructure works is also subject to ecological restoration processes, thus ensuring that the natural balance is restored and the integrity of the environment is maintained.

In order to maintain the favorable conservation status of the species and habitats of community interest, Transelectrica has undertaken the following measures during maintenance and repair works:

- Fitting devices on the protective conductors of the OHL with features that make them visible to birds to avoid collision;
- installing bird removers to prevent the risk of electrocution;
- carrying out clearing/maintenance works on safety corridors at the OHL only outside the growing season and after the end of the bird nesting season;
- to prohibit the personnel of the Company and the person carrying out the works from any form of harvesting, capturing, killing, destroying or harming the specimens in their natural environment, at any stage of their life cycle; damaging, destroying and/or intentionally collecting nests and/or eggs from the wild; damaging / destroying breeding or resting places;
- Controlled waste disposal to avoid endangering wildlife.

To remove birds from the OHL area, anti-bird pecking equipment was mounted on the poles above the insulator chains to prevent the bird from perching on the pole (protects both the bird from electrocution and the insulators from possible piercing), and in the area of the migration corridors "deflectors" (equipment that prevents birds from perching on the OHL conductors) or colored panels, usually imitating raptor bird figures, were mounted on the OHL conductors to reduce the impact of birds on the LEA.

For the conservation of the endangered Danube falcon, artificial nests have been set up on high-voltage pylons, as follows:

- STT Timisoara: 34 nests;
- BUCHAREST Bucharest: 19 nests;
- at STT Constanța: 31 nests.

Artificial nests are in fact metal or wooden boxes that have been placed on high-voltage pylons, because the Saker falcon prefers nests that offer a good view of its territory and favorable feeding sites nearby. It is necessary to place nests on artificial supports, such as high-tension poles, as there are no more tall and solitary trees on farmland and pastures (historical nesting sites).

The artificial nesting action is part of the project "Conservation of the Danube Falcon in Northeast Bulgaria, Hungary, Romania and Slovakia", a multinational project with European funding, the importance of protection and conservation of the species being recognized at EU level.

At the level of each Territorial Transport Branch there is an environmental inspector who is responsible for monitoring the conditions imposed by the environmental permit and permanent monitoring of the requirements of SR ISO EN 14001:2015 Environmental Management System.

At the level of the Company, when implementing new projects or studies, the OP TEL 29.04 - Elaboration of environmental management programs and OP TEL 29.03 - Establishment,



implementation and maintenance of quality, environmental and occupational health and safety objectives are used, which include actions, responsible persons and deadlines aimed at ensuring the achievement of environmental objectives and targets.

#### **Biodiversity and ecosystems targets (E4-4)**

Although so far no specific quantifiable targets have been set for biodiversity and ecosystems issues, due to operational complexity, the need to collect and analyze relevant data, Transelectrica aims to reduce the environmental impact of its facilities through its future infrastructure development and operation strategy, integrating sustainable measures and innovative technologies. One of the priority objectives is to optimize the use of land, which involves reducing the areas occupied by energy infrastructure by implementing more compact technical solutions and making overhead power line routes more efficient.

The Company also focuses its efforts on minimizing impacts on wildlife through biodiversity protection measures such as limiting deforestation in safety corridors, installing bird guards on overhead power lines, and continuously monitoring impacts on natural habitats.

Another key issue is to reduce exposure to electromagnetic field exposure on the ground by using modern technologies to isolate and optimize energy flows, thus ensuring compliance with international standards on environmental protection and public health.

In addition, Transelectrica is implementing measures to reduce energy losses by limiting the Corona effect, a phenomenon that can lead to energy dissipation and pollutant emissions into the atmosphere. By adopting high-performance equipment and optimized materials, the Company aims to increase operational efficiency and reduce the impact on ecosystems.

Through this holistic approach, Transelectrica is committed to developing a modern and sustainable energy infrastructure that supports both the energy transition and environmental protection.

#### **Impact indicators related to biodiversity and ecosystem change (E4-5)**

For the reporting year 2024, Transelectrica has not established impact indicators related to biodiversity and ecosystem change, given that, according to the analysis of impacts, risks and opportunities, the company's activity has not generated significant impacts on these areas. Although electricity infrastructure can influence biodiversity through land-take, habitat fragmentation and wildlife interaction, these impacts are managed through specific prevention and mitigation measures, integrated into operational and environmental strategies in compliance with the Company's operational procedures. As reporting requirements under the ESRS evolve, the Company will consider the appropriateness of defining relevant indicators to monitor and improve its performance in this area.



## **Anticipated financial impacts of biodiversity and ecosystem risks and opportunities (E4-6)**

Given that 2024 is Transelectrica's first ESRS-compliant reporting year, as well as the Company's specificity as a single transmission and electricity system operator, the process of aligning with the new requirements requires a rigorous and prudent approach. As the ESRS do not provide a clear methodology for identifying and quantifying the anticipated financial effects of biodiversity and ecosystem impacts, risks and opportunities, the Company has not undertaken such an analysis for this first reporting year. As the regulatory framework evolves and more precise methodological approaches are established, Transelectrica will integrate these requirements into its reporting process, ensuring compliance and accuracy of the information provided.

### **5. Resource use and circular economy (E5 1-6)**

#### **Presentations of general information (ESRS 2)**

Transelectrica's activities influence the environment through the use of resources, with impacts on climate change, air quality, soil and biodiversity. In this context, the circular economy plays an essential role in reducing the environmental impact, through the sustainable use of resources throughout the entire life cycle of ETG infrastructure.

Transelectrica is committed to the principles of the circular economy and to maintaining the value of the resources used in its operational and maintenance activities, thus reducing the need to consume new materials. By extending the lifetime of equipment and reusing components where possible, the Company contributes to reducing environmental impact and optimizing operational costs.

Another key objective is to increase the efficiency of resource use by adopting modern technologies and optimizing the construction and maintenance processes of the electricity transmission network (ETG) infrastructure. The implementation of innovative solutions allows to reduce the consumption of raw materials and energy while ensuring the performance and reliability of the power system.

Responsible waste management is a priority for Transelectrica, the company complies with the provisions of GEO no. 92/2021 on the waste regime. In this respect, the waste hierarchy is applied, which includes prevention, reuse, recycling, valorization and controlled disposal, in compliance with environmental requirements. Through an efficient approach to the waste stream, the aim is to reduce the amount of material disposed of and increase recycling and recovery.

Transelectrica also promotes the use of sustainable resource management methods throughout the life cycle of the infrastructure, from the design and construction phase to operation and decommissioning. By integrating green practices at every stage of its activity, the company aims to reduce its environmental impact and contribute to the transition to a circular economy.

## **Description of processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)**



In the context of the transition towards a sustainable economy, the efficient use of resources and the adoption of circular economy principles are key issues for Transelectrica. Given the complexity of the electricity transmission infrastructure and the significant impact of its activities on the environment, the Company implements rigorous processes to identify and assess the impacts, risks and opportunities associated with resource consumption and waste management. These processes are fundamental to optimizing operations, reducing the environmental footprint and aligning with European sustainability standards.

Through an integrated approach, Transelectrica aims to increase resource utilization efficiency, reduce waste and hazardous substances, and implement innovative solutions to extend the life cycle of equipment. To this end, the Company analyzes the risks and vulnerabilities associated with resource management, as well as the technological and operational opportunities that can contribute to the transition to a sustainable operating model.

In order to ensure a clear and relevant representation of Transelectrica's activities, its performance and the impact generated, the Company has carried out a dual materiality analysis, in line with the requirements of the new sustainability standards. This analysis was carried out during an internal meeting with the active involvement of management representatives, who contributed to the identification and assessment of significant aspects influencing both the business strategy and the company's impact on the environment and society.

**The identification of the significant impacts associated with resource utilization and circular economy** is carried out through a systematic analysis of the processes and materials used in Transelectrica's operational and maintenance activities. This analysis includes:

- Assessment of the consumption of material resources (e.g. metals, cables, insulations, industrial oils, SF6, etc.) in the electric transmission network infrastructure (ETG);
- determining waste streams generated by construction, maintenance and decommissioning activities;
- identification of the pollution associated with each life-cycle stage of equipment and components used in the ETG, including indirect carbon emissions from the extraction and processing of raw materials;
- analysis of water and energy consumption in operational processes, including assessment of their potential for efficiency improvements.

These issues are analyzed during the design and implementation phase of projects, in technical documentation and environmental impact assessments.

**Assessing the risks associated with resource use and the circular economy.** The risk assessment process involves identifying potential vulnerabilities that could affect resource efficiency and the transition to the circular economy. These risks are regularly assessed through the risk management process of the ISO 14001:2015 certified Environmental Management System and mitigation measures are integrated into specific action plans.

**Identify and assess opportunities in resource utilization and circular economy.** Transelectrica is exploring strategic opportunities for resource efficiency and reducing environmental impacts. These opportunities are integrated into Transelectrica's strategy, aiming to optimize resources and minimize environmental impact.



The management of waste resulting from Transelectrica's activities is essential for minimizing environmental impact and compliance with national and European regulations. The analysis of the impacts, risks and opportunities associated with this aspect allows the Company to optimize its processes and reduce negative effects on ecosystems and communities.

| Impacts (I)                                                                                                                                                                                                  | Risks (R)                                                                                                                                                                                                                  | Opportunities (O)                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact on soil and water - accidental spills of mineral oils, SF6, hazardous chemicals or other industrial waste can pollute soil and water, affecting local ecosystems and the quality of natural resources | Financial and operational risks - high costs for the storage and treatment of hazardous waste, as well as the management of scrapped equipment, can negatively affect the Company's budget                                 | Adopting innovative solutions for reusing materials - developing partnerships with companies specializing in the reuse of scrapped equipment can reduce the need to purchase new materials and reduce the impact on natural resources |
| Impacts on biodiversity - the generation of hazardous waste or heavy degradable materials may affect natural habitats, particularly in areas where construction and maintenance works are carried out        | Environmental risks - improper management of waste from decommissioned equipment (e.g. conductors, insulators, oil transformers) can have negative effects on local ecosystems                                             | Reducing waste generation through modern technologies - investments in more efficient and sustainable equipment can help reduce the amount of waste from maintenance and decommissioning                                              |
| High consumption of resources and economic losses - inefficient waste disposal can lead to financial losses and inappropriate use of resources, affecting the economic sustainability of the Company         | Supply chain risks - the availability of efficient solutions for recycling and recovery of waste materials may be limited, making it difficult to implement sustainable practices within the company                       | Implement an expanded recycling program - increasing recycling rates for metals, electrical wiring and other materials can reduce environmental impacts and generate savings by recovering recovered materials                        |
|                                                                                                                                                                                                              | Risks of regulatory non-compliance - changes in waste management regulations may impose stricter requirements for recycling and disposal, requiring additional investment for compliance                                   |                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                              | Image and reputational risks - poor waste management, with incidents of pollution or non-compliance with environmental regulations, can affect public perception of the company and lead to sanctions from the authorities |                                                                                                                                                                                                                                       |

Waste management is an important aspect of Transelectrica's business, with implications for the environment, legal compliance and economic performance. By taking a proactive approach in



identifying impacts, risks and opportunities, the Company is able to optimize the use of resources, reduce its environmental footprint and ensure regulatory compliance, thus strengthening its leadership role in the transition to a sustainable energy sector.

### **Policies related to resource use and circular economy (E5-1)**

The efficient use of resources and the adoption of circular economy principles are key issues for Transelectrica, having a direct impact on the sustainability of operations and compliance with environmental regulations. As the Company's activity involves a high consumption of materials and the generation of waste resulting from maintenance, modernization and decommissioning of equipment, the integration of sustainable practices is crucial to optimize costs, reduce the environmental footprint and protect natural resources. By applying the principles of the circular economy, Transelectrica aims to reduce the consumption of raw materials, reuse and recycle materials and minimize the waste generated, thus contributing to a more efficient and responsible operating model. This approach not only supports the transition to a greener energy system, but also provides a sustainable framework for the development of ETG infrastructure in the long term.

In this context, Transelectrica has adopted the Policy Statement on Quality, Environmental, Occupational Health and Safety Management, which includes clear commitments to the efficient use of resources, waste prevention and the integration of circular economy principles into its operations. Through this approach, the Company aims to maintain an effective environmental management system, reduce the environmental impact of infrastructure and optimize the use of resources through sustainable practices.

The risk management policy statement also applies to issues related to resource utilization and circular economy, as it includes principles related to the identification and management of operational and environmental risks that may affect the efficiency of material consumption and waste management. Transelectrica adopts a proactive risk management, which involves preventing and reducing the waste of resources, minimizing environmental impacts and integrating sustainable materials management solutions. The document emphasizes the need to monitor the environmental impact of activities, including by optimizing the procurement, use and recycling of resources required in the operation and maintenance of the electricity transmission infrastructure.

Within the framework of the Policy on Infrastructure Development and Modernization (according to the ETG 2024-2033 Development Plan), the Energy Efficiency Policy and the Smart Grid Policy, Transelectrica implements measures aimed at optimizing the use of resources and supporting the transition to the circular economy. These measures include the adoption of sustainable technological solutions to reduce the consumption of materials and energy, the implementation of strategies for recycling and reuse of equipment in the electricity grid, as well as the efficient management of waste resulting from maintenance and modernization activities. Solutions are also applied to reduce energy losses, optimize the consumption of natural resources and implement efficient processes for the procurement and use of materials in order to minimize the environmental impact and extend the lifetime of the electrical infrastructure equipment.

The company implements and maintains an Integrated Management System for quality, environment, occupational health and safety aligned to the highest international standards. In



this regard, the requirements of SR EN ISO 9001:2015 for quality assurance, SR EN ISO 14001:2015 for environmental management and SR ISO 45001:2023 for occupational health and safety are applied. By integrating these standards, Transelectrica ensures that it complies with legal and environmental regulations, optimizes the use of resources, minimizes the impact of waste on the environment and actively contributes to the transition towards a sustainable and responsible operating model.

### **Actions and resources related to resource use and the circular economy (E5-2)**

Transelectrica is strongly committed to protecting the environment and implementing sustainable practices at all stages of its activities. Through a proactive approach, the Company takes all necessary measures to minimize its impact on the environment, applying effective solutions for responsible resource management, waste reduction and pollution prevention.

To this end, Transelectrica integrates the principles of circular economy and energy efficiency in its operational strategy, by optimizing material consumption, reusing equipment and recycling resources where possible. Through careful monitoring, technological modernization and alignment with the highest international environmental standards, the Company ensures that every action undertaken contributes to a sustainable, efficient and environmentally friendly energy system.

At the Transelectrica level, an "Environmental Management and Protection Program" is developed annually, which includes the actions and works necessary to achieve the Company's environmental objectives and targets, including deadlines, resources required and personnel responsible for implementing the program. The creation and use of this program is important for the implementation, maintenance and improvement of the Company's environmental management system. The activities and work included in the program are fully set forth in ESRS E2-2 - Pollution Actions and Resources.

The company implements measures to increase resource efficiency, reduce waste and promote a circular economy model. In the processes of infrastructure maintenance and modernization, Transelectrica adopts technologies and materials with extended life, thus minimizing the need for frequent replacement of equipment and reducing the amount of waste generated.

At the same time, Transelectrica complies with GEO no. 92/2021 on the waste regime, pursuing the application of the waste management hierarchy, which includes prevention, reuse, recycling and recovery of materials. The company aims to minimize waste disposal, promoting processes through which used components are reintroduced into the operational circuit.

Transelectrica supports the transition to a circular model by modernizing the infrastructure and adopting advanced technologies that allow the reuse and extension of the life of equipment.

In order to ensure efficient use of resources, Transelectrica applies monitoring and reporting systems, which allow analyzing the environmental impact of operations. Through ISO SR EN 14001:2015 certification, the Company demonstrates its commitment to responsible resource management and reduction of environmental impact.



| Actions related to resource use and circular economy                                                                                                              |                                                                                                                                       |                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Optimizing the use of resources in operational activities                                                                                                         | Responsible waste management                                                                                                          | Performance monitoring and reporting                                                                                        |
| Use of low energy loss equipment, which contributes to operational efficiency and reduced material consumption                                                    | Collection, sorting and recycling of hazardous and non-hazardous waste, including batteries, used electrical equipment and waste oils | Monitoring and reporting systems to analyze the environmental impact of operations                                          |
| Setting up concrete platforms for the storage of returned equipment so that it can be reused or recycled efficiently                                              | Recovery of ferrous and non-ferrous metals through partnerships with recycling companies                                              | ISO 14001:2015 certification, demonstrating commitment to responsible resource management and reducing environmental impact |
| Implementation of strategies to reduce water consumption, with close monitoring of the use of this essential resource in all stations and premises of the Company | Prevent soil and water pollution by using oil-water separators to manage accidental spills                                            |                                                                                                                             |

No waste is directly generated from the electricity transmission activity. Waste results from construction, maintenance and human activity. The amounts of waste vary from year to year, depending on the amount of investment and maintenance work.

The amounts of waste generated are centralized in the waste records, and the data are included in the Annual Environmental Report for each organizational entity. The total amount of waste generated at Company level in 2024 was:

| Waste generated (t) | Recovered waste (t) | Waste disposed of (t) | Stored waste (t) | Waste management indicator: waste disposed of, recovered/waste generated |
|---------------------|---------------------|-----------------------|------------------|--------------------------------------------------------------------------|
| <b>10341,65</b>     | <b>8550,89</b>      | <b>3174,29</b>        | <b>6048,96</b>   | <b>71.54 %</b>                                                           |

\* The amount of waste stored is calculated as the sum of the waste stored in previous years and the waste stored in 2024

For the recovery and/or disposal of waste, Transelectrica has contracts with authorized waste management operators, according to the regulations in force. For each type of waste generated, specific solutions for recovery and/or disposal are established, thus ensuring compliance with legal requirements and minimizing environmental impact.

| Type of waste       | Quantities generated in 2024 |
|---------------------|------------------------------|
| Hazardous waste     | 4334 tons                    |
| Non-hazardous waste | 6008 tons                    |
| Total               | 10342 tons                   |

| Type of waste       | %      |
|---------------------|--------|
| Hazardous waste     | 41,91% |
| Non-hazardous waste | 58,09% |



Through the implementation of rigorous resource and waste management policies, Transelectrica contributes to the efficiency of material consumption, the reduction of pollution and the promotion of the circular economy. These actions support both the Company's strategic objectives and alignment with European sustainability and environmental protection requirements.

### **Resource use and circular economy targets (E5-3)**

Transelectrica aims to adopt a sustainable approach to resource management and the transition to the circular economy, setting clear targets for consumption efficiency, waste reduction and optimization of operational processes. Through the integration of modern technologies, recycling practices and digital solutions, the Company aims to minimize environmental impact, increase energy efficiency and leverage resources in a responsible manner. These objectives are aligned with national and European legislative requirements, contributing to the reduction of technological waste, the sustainable use of materials and the development of optimized work processes. Through careful monitoring and transparent reporting, Transelectrica ensures that progress in resource utilization and the circular economy is constantly measured, thus reinforcing a sustainable and efficient operating model.

Transelectrica is not able to set quantifiable targets from the first year of reporting according to ESRS standards for several reasons related to operational complexity, the need to collect and analyze relevant data, as well as alignment with national and European regulatory requirements.

### **Resource inputs (E5-4)**

Transelectrica cannot address this section of the ESRS for several operational, methodological and regulatory reasons. These are related to the specific nature of the Company's activity, the lack of a comprehensive resource monitoring system at this level of detail and the indirect nature of the use of materials in the electricity transmission activity.

- **the specificity of the electricity transmission activity** - unlike manufacturing or production industries, Transelectrica does not consume material resources directly to generate a finished product, but operates the infrastructure necessary for electricity transmission; the materials used are mainly related to the maintenance and expansion of the infrastructure, and these consumptions vary significantly from year to year, depending on investment and maintenance projects;
- **Lack of a detailed system for monitoring resource inputs** - currently, Transelectrica does not have a dedicated system for reporting all resources used, especially in terms of material consumption in maintenance and modernization processes; ESRS E5-4 requires specific data such as type and quantity of resources used, but this information is not centralized in a standardized way, which makes detailed reporting from the first year impossible;
- **variability of resource consumption depending on annual activities** - Transelectrica's use of resources depends on planned investment and maintenance



projects, which makes it difficult to establish clear and predictable consumption trends; for example, in a year with numerous modernization projects, the use of materials such as conductors, insulation, industrial oils or concrete may be significantly higher than in a year without major works; this variability makes it difficult to establish constant indicators of resource inputs as required by ESRS E5-4;

- **Lack of a clear methodological framework for calculating the impact of resources used** - in order to be able to report according to ESRS E5-4, a robust methodology is needed to assess the environmental impact of resource inputs, associated risks and efficiency opportunities; currently Transelectrica does not have a standardized system to correlate resource consumption with environmental impact or operational risks, which prevents immediate compliance with this indicator;
- **the need for a transition period to align with ESRS requirements** - before being able to deal with E5-4, Transelectrica needs to implement systems to monitor resource use, standardize data collection and establish the methodology for impact assessment; these measures require time and investment, which means that the first reports will not be able to include detailed information on resource inputs.

### Resource outflows (E5-5)

Electricity transmission activity does not directly generate waste, but waste results as a side-effect of construction, maintenance and administrative activities. Various types of waste, including construction materials, used equipment, industrial oils and packaging, are generated in the course of infrastructure upgrades and maintenance of electricity networks. Human activity at the Company's stations and premises also contributes to the generation of some household and office waste.

The amount of resulting waste varies from year to year and is influenced by the volume of investment and maintenance works. In periods with large infrastructure upgrading and modernization projects, there is an increase in the amount of material taken out of use, while in years with low operational activity, the amount of waste is lower.

Transelectrica applies strategies for the efficient management of this waste, emphasizing recycling, reuse and recovery, in accordance with the principles of the circular economy and the legislative requirements in force.

| No. | Type of waste                                       | Code from RGD 856/2002 | Capitalize |                    | Disposal         |         |
|-----|-----------------------------------------------------|------------------------|------------|--------------------|------------------|---------|
|     |                                                     |                        | Recycle    | Coincinerati<br>on | Incineratio<br>n | Storage |
| 1   | Plastics (personal equipment)                       | 07 02 13               | -          | -                  | x                | -       |
| 2   | Other unspecified wastes                            | 07 02 99               | -          | -                  | x                | -       |
| 3   | Waste printer toner cartridges                      | 08 03 18               | x          | -                  | -                | -       |
| 4   | Mineral hydraulic oils                              | 13 01 10*              | x          | -                  | -                | -       |
| 5   | Synthetic engine, transmission and lubricating oils | 13 02 06*              | x          | -                  | -                | -       |
| 6   | Other engine, transmission and lubricating oils     | 13 02 08*              | -          | -                  | x                | -       |
| 7   | Non-chlorinated mineral insulating                  | 13 03 07*              | x          | -                  | -                | -       |



| No. | Type of waste                                      | Code from RGD 856/2002 | Capitalize |                | Disposal     |         |
|-----|----------------------------------------------------|------------------------|------------|----------------|--------------|---------|
|     |                                                    |                        | Recycle    | Coincineration | Incineration | Storage |
|     | and heat transmission oils                         |                        |            |                |              |         |
| 8   | Sludges from water-oil separators                  | 13 05 02*              | -          | -              | X            | -       |
| 9   | Oily water from oil-water separators               | 13 05 07 *             | -          | -              | X            | -       |
| 10  | Paper and cardboard packaging                      | 15 01 01               | x          | -              | -            | -       |
| 11  | Plastics packaging                                 | 15 01 02               | x          | -              | -            | -       |
| 12  | Metal packaging                                    | 15 01 04               | x          | -              | -            | -       |
| 13  | Absorbents contaminated with hazardous substances  | 15 02 02*              | -          | -              | X            | -       |
| 14  | Protective clothing                                | 15 02 03               | -          | -              | X            | -       |
| 15  | End-of-life tires                                  | 16 01 03               | x          | -              | -            | X       |
| 16  | Lead batteries                                     | 16 01 06*              | x          | -              | -            | -       |
| 17  | Oil filters                                        | 16 01 07*              | x          | -              | -            | X       |
| 18  | Brake pads                                         | 16 01 12               | x          | -              | -            | X       |
| 19  | Ferrous metals                                     | 16 01 17               | x          | -              | -            | -       |
| 20  | Non-ferrous metals                                 | 16 01 18               | x          | -              | -            | -       |
| 21  | Scrapped equipment containing hazardous components | 16 02 13*              | x          | -              | -            | -       |
| 22  | Scrap electrical and electronic waste (WEEE)       | 16 02 14               | x          | -              | -            | X       |
| 23  | Dismantled components from scrapped equipment      | 16 02 16               | x          | -              | -            | -       |
| 24  | Pb batteries                                       | 16 06 01*              | x          | -              | -            | -       |
| 25  | Alkaline batteries                                 | 16 06 04               | x          | -              | -            | -       |
| 26  | Batteries                                          | 16 06 05               | x          | -              | -            | -       |
| 27  | Batteries                                          | 16 06 05               | x          | -              | -            | -       |
| 28  | Tiles and ceramics (Porcelain insulators)          | 17 01 03               | -          | -              | -            | X       |
| 29  | Demolition waste                                   | 17 01 07               | x          | -              | -            | -       |
| 30  | Wood                                               | 17 02 01               | x          | -              | -            | -       |
| 31  | Glass                                              | 17 02 02               | x          | -              | -            | -       |
| 32  | Plastics                                           | 17 02 03               | x          | -              | -            | -       |
| 33  | Copper, bronze, brass                              | 17 04 01               | x          | -              | -            | -       |
| 34  | Aluminum                                           | 17 04 02               | x          | -              | -            | -       |
| 35  | Iron and steel                                     | 17 04 05               | x          | -              | -            | -       |
| 36  | Metal mixtures (cast iron)                         | 17 04 07               | x          | -              | -            | -       |
| 37  | Ol-Al (cables)                                     | 17 04 11               | x          | -              | -            | -       |
| 38  | Mixed construction and demolition waste            | 17 09 04               | -          | -              | -            | X       |
| 39  | Sharp objects                                      | 18 01 01               | -          | -              | X            | X       |



| No. | Type of waste                                        | Code from RGD 856/2002 | Capitalize |                | Disposal     |         |
|-----|------------------------------------------------------|------------------------|------------|----------------|--------------|---------|
|     |                                                      |                        | Recycle    | Coincineration | Incineration | Storage |
| 40  | Infectious infectious medical waste                  | 18 01 03*              | -          | -              | X            | X       |
| 41  | Medically                                            | 18 01 09               | -          | -              | -            | X       |
| 42  | Rubber                                               | 19 12 04               | -          | -              | X            | -       |
| 43  | Paper and cardboard                                  | 20 01 01               | X          | -              | -            | -       |
| 44  | Textiles                                             | 20 01 11               | X          | -              | -            | -       |
| 45  | Fluorescent tubes and other waste containing mercury | 20 01 21*              | X          | -              | -            | X       |
| 46  | Scrapped electrical and electronic equipment         | 20 01 36               | X          | -              | -            | -       |
| 47  | Plastics                                             | 20 01 39               | X          | -              | -            | -       |
| 48  | Metals                                               | 20 01 40               | X          | -              | -            | -       |
| 49  | Mixed municipal waste                                | 20 03 01               | -          | -              | X            | X       |
| 50  | Septic tank sludge                                   | 20 03 04               | -          | -              | -            | X       |

| TOTAL TRANSELECTRICA |                                                   |           | Quantities are provided for in tons |          |                |              |         |                  |                |
|----------------------|---------------------------------------------------|-----------|-------------------------------------|----------|----------------|--------------|---------|------------------|----------------|
| No.                  | Type of waste                                     |           | Generate                            | Leverage |                | Disposal     |         | Initially stored | Finally stored |
|                      | Name                                              | cod       | tone                                | Recycle  | Coincineration | Incineration | Storage |                  |                |
| 1                    | Leather                                           | 02 01 02  | 0.0135                              | 0        | 0              | 0            | 0       | 0.0226           | 0.0361         |
| 2                    | Plastics (personal equipment)                     | 07 02 13  | 0.065                               | 0        | 0              | 0            | 0       | 0.453            | 0.518          |
| 3                    | Other unspecified wastes                          | 07 02 99  | 0.124                               | 0        | 0              | 0            | 0       | 0.192            | 0.316          |
| 4                    | Waste printer cartridges                          | 08 03 18  | 0.18                                | 0        | 0              | 0            | 0.18    | 0                | 0              |
| 5                    | Mineral hydraulic oils                            | 13 01 10* | 0.0998                              | 0        | 0              | 0            | 0       | 0.0135           | 0.1133         |
| 6                    | Used engine oil                                   | 13 02 06* | 0.2688                              | 0.145    | 0              | 0            | 0       | 0.3923           | 0.5161         |
| 7                    | Last worn engine                                  | 13 02 08* | 0.247                               | 0.264    | 0              | 0            | 0       | 0.323            | 0.306          |
| 8                    | Used oil                                          | 13 03 07* | 594.7665                            | 673.393  | 0              | 0            | 0       | 298.1604         | 219.5339       |
| 9                    | Sludges from water-oil separators                 | 13 05 02* | 0.295                               | 0.295    | 0              | 0            | 0       | 0                | 0              |
| 10                   | Oil from oil/water separators                     | 13 05 06* | 0.38                                | 0        | 0              | 0.38         | 0       | 0                | 0              |
| 11                   | Oily water from oil/water separators              | 13 05 07* | 1.05                                | 0        | 0              | 0            | 1.05    | 0                | 0              |
| 12                   | Paper and cardboard packaging                     | 15 01 01  | 3.302                               | 3.282    | 0              | 0            | 0       | 0                | 0.02           |
| 13                   | Plastic packaging                                 | 15 01 02  | 1.785                               | 1.78     | 0              | 0            | 0       | 0.006            | 0.011          |
| 14                   | Wooden packaging                                  | 15 01 03  | 0.2                                 | 4.34     | 0              | 0            | 0       | 4.14             | 0              |
| 15                   | Metal packaging                                   | 15 01 04  | 0.037                               | 0.037    | 0              | 0            | 0       | 0                | 0              |
| 16                   | Absorbents contaminated with hazardous substances | 15 02 02* | 0.028                               | 0        | 0              | 0            | 0       | 0.484            | 0.512          |
| 17                   | Protective clothing                               | 15 02 03  | 0.6163                              | 0        | 0              | 0.471        | 0       | 0.3137           | 0.459          |
| 18                   | Used tires                                        | 16 01 03  | 0.107                               | 0.163    | 0              | 0.107        | 0       | 0.171            | 0.008          |
| 19                   | Oil filters                                       | 16 01 07* | 0.018                               | 0.011    | 0              | 0            | 0       | 0.015            | 0.022          |



|                     |                                                                                        |           |                   |                  |          |                |                 |                 |                 |
|---------------------|----------------------------------------------------------------------------------------|-----------|-------------------|------------------|----------|----------------|-----------------|-----------------|-----------------|
| 20                  | Brake pads                                                                             | 16 01 12  | 0.016             | 0.016            | 0        | 0              | 0               | 0               | 0               |
| 21                  | Ferrous metals                                                                         | 16 01 17  | 0.1695            | 0.166            | 0        | 0              | 0               | 0.0465          | 0.05            |
| 22                  | Non-ferrous metals                                                                     | 16 01 18  | 0.018             | 0.018            | 0        | 0              | 0               | 0               | 0               |
| 23                  | Glass                                                                                  | 16 01 20  | 0                 | 0.638            | 0        | 0              | 0               | 0.638           | 0               |
| 24                  | Scrapped equipment containing hazardous components                                     | 16 02 13* | 3725.104          | 3872.005         | 0        | 0              | 0               | 929.457         | 782.556         |
| 25                  | Scrap electrical and electronic waste (WEEE)                                           | 16 02 14  | 2009.7834         | 2137.341         | 0        | 0              | 0               | 1571.42         | 1443.862        |
| 26                  | Hazardous components removed from scrapped equipment                                   | 16 02 15* | 0                 | 0                | 0        | 0              | 0               | 0.16            | 0.16            |
| 27                  | Dismantled components from scrapped equipment                                          | 16 02 16  | 1.3754            | 1.1252           | 0        | 0              | 0               | 3.8963          | 4.1465          |
| 28                  | Pressurized gas cylinders containing substances other than those mentioned in 16 05 04 | 16 05 05  | 0                 | 0                | 0        | 0              | 0               | 0.03            | 0.03            |
| 29                  | Pb batteries                                                                           | 16 06 01* | 11.205            | 5.86             | 0        | 0              | 0               | 11.3835         | 16.7285         |
| 30                  | Alkaline batteries                                                                     | 16 06 04  | 0.003             | 0.002            | 0        | 0              | 0               | 0.0049          | 0.0059          |
| 31                  | Batteries/ Rechargeable batteries                                                      | 16 06 05  | 0.0493            | 0.049            | 0        | 0              | 0               | 0.0007          | 0.001           |
| 32                  | Concrete                                                                               | 17 01 01  | 611.7             | 0                | 0        | 0              | 611.7           | 0               | 0               |
| 33                  | Porcelain insulators                                                                   | 17 01 03  | 3.519             | 43.169           | 0        | 0              | 0               | 136.034         | 96.384          |
| 34                  | Demolition waste                                                                       | 17 01 07  | 478.44            | 0                | 0        | 0              | 478.44          | 0               | 0               |
| 35                  | Wood                                                                                   | 17 02 01  | 0.295             | 3.24             | 0        | 0              | 0               | 3.244           | 0.299           |
| 36                  | Glass                                                                                  | 17 02 02  | 0.0793            | 921.2536         | 0        | 0              | 0               | 971.3256        | 50.1513         |
| 37                  | Material plastic                                                                       | 17 02 03  | 0.0165            | 0.0782           | 0        | 0              | 0               | 0.1891          | 0.1274          |
| 38                  | With                                                                                   | 17 04 01  | 1.6998            | 1.343            | 0        | 0              | 0               | 1.814           | 2.1708          |
| 39                  | At                                                                                     | 17 04 02  | 5.1925            | 10.6987          | 0        | 0              | 0               | 27.9445         | 22.4383         |
| 40                  | Iron                                                                                   | 17 04 05  | 567.7573          | 582.5556         | 0        | 0              | 0               | 1111.484        | 1096.686        |
| 41                  | Cast iron                                                                              | 17 04 07  | 275.969           | 199.6327         | 0        | 0              | 0               | 597.5858        | 673.9221        |
| 42                  | Ol-Al (cables)                                                                         | 17 04 11  | 25.66             | 20.993           | 0        | 0              | 0               | 163.4424        | 168.1094        |
| 43                  | Asbestos-containing building materials                                                 | 17 06 04  | 0.0105            | 0.112            | 0        | 0              | 0               | 0.9187          | 0.8172          |
| 44                  | Sanitary waste                                                                         | 18 01 01  | 0.0024            | 0                | 0        | 0.0024         | 0               | 0               | 0               |
| 45                  | Infectious-infectious medical waste                                                    | 18 01 03* | 0.0256            | 0                | 0        | 0.0247         | 0               | 0.0005          | 0.0014          |
| 46                  | Medical waste                                                                          | 18 01 09  | 0.0049            | 0                | 0        | 0.0049         | 0               | 0               | 0               |
| 47                  | Rubber                                                                                 | 19 12 04  | 0.078             | 0                | 0        | 0.078          | 0               | 0               | 0               |
| 48                  | Paper                                                                                  | 20 01 01  | 57.83             | 57.663           | 0        | 0              | 0               | 0.6823          | 0.8493          |
| 49                  | Textiles                                                                               | 20 01 11  | 0.0355            | 0.047            | 0        | 0              | 0               | 0.2729          | 0.2614          |
| 50                  | Fluorescent tubes                                                                      | 20 01 21* | 0.1415            | 0.1178           | 0        | 0              | 0               | 0.2542          | 0.2779          |
| 51                  | Batteries                                                                              | 20 01 33* | 0.01              | 0.01             | 0        | 0              | 0               | 0               | 0               |
| 52                  | Scrapped electrical and electronic equipment                                           | 20 01 36  | 8.764             | 7.586            | 0        | 0              | 0               | 2.041           | 3.219           |
| 53                  | Plastics                                                                               | 20 01 39  | 0.279             | 0.2795           | 0        | 0              | 0               | 0.0013          | 0.0008          |
| 54                  | Metals                                                                                 | 20 01 40  | 1.18              | 1.18             | 0        | 0              | 0               | 0.0015          | 0.0015          |
| 55                  | Municipal waste                                                                        | 20 03 01  | 433.254           | 0                | 0        | 0              | 433.254         | 0               | 0               |
| 56                  | Septic tank sludge                                                                     | 20 03 04  | 1518.4            | 0                | 0        | 503            | 1145.6          | 210.005         | 79.805          |
| <b>TOTAL (tons)</b> |                                                                                        |           | <b>10341.6503</b> | <b>8550.8893</b> | <b>0</b> | <b>504.068</b> | <b>2670.224</b> | <b>6048.964</b> | <b>4665.433</b> |



## Hazardous and non-hazardous waste

Transelectrica strictly follows the application of the waste hierarchy, with the main priority being waste prevention. To achieve this objective, regular employee information programs are implemented, together with other control and monitoring instruments. When it is not possible to avoid the generation of waste, efforts are made to minimize the amount generated by identifying options for reuse, recycling and energy recovery, without disrupting operational processes and without compromising the safety of the electricity transmission grid.

Both hazardous and non-hazardous waste is generated as a result of the activities carried out, from infrastructure maintenance, modernizations and administrative activities. The evolution of waste quantities is influenced by annual investment and maintenance projects. A continuous monitoring of waste flows is carried out, ensuring compliance with the requirements of GEO 92/2021 on the waste regime and the application of optimal solutions for collection, recycling, disposal or recovery.

Below is a centralized overview of the quantities of waste managed broken down by waste type: non-hazardous/hazardous, including the amount generated, recovered, disposed of and remaining in stock for the year 2024.

| TOTAL TRANSELECTRICA |                                               |          | Quantities are provided for in tons |          |                |              |         |                  |               |
|----------------------|-----------------------------------------------|----------|-------------------------------------|----------|----------------|--------------|---------|------------------|---------------|
| No.                  | Non-hazardous waste type                      |          | Generate                            | Leverage |                | Delete       |         | Initially stored | Stocate final |
|                      | Name                                          | cod      | tone                                | Recycle  | Coincineration | Incineration | Storage |                  |               |
| 1                    | Leather                                       | 02 01 02 | 0.0135                              | 0        | 0              | 0            | 0       | 0.0226           | 0.0361        |
| 2                    | Plastics (personal equipment)                 | 07 02 13 | 0.065                               | 0        | 0              | 0            | 0       | 0.453            | 0.518         |
| 3                    | Other unspecified wastes                      | 07 02 99 | 0.124                               | 0        | 0              | 0            | 0       | 0.192            | 0.316         |
| 4                    | Waste printer cartridges                      | 08 03 18 | 0.18                                | 0        | 0              | 0            | 0.18    | 0                | 0             |
| 5                    | Paper and cardboard packaging                 | 15 01 01 | 3.302                               | 3.282    | 0              | 0            | 0       | 0                | 0.02          |
| 6                    | Plastic packaging                             | 15 01 02 | 1.785                               | 1.78     | 0              | 0            | 0       | 0.006            | 0.011         |
| 7                    | Wooden packaging                              | 15 01 03 | 0.2                                 | 4.34     | 0              | 0            | 0       | 4.14             | 0             |
| 8                    | Metal packaging                               | 15 01 04 | 0.037                               | 0.037    | 0              | 0            | 0       | 0                | 0             |
| 9                    | Protective clothing                           | 15 02 03 | 0.6163                              | 0        | 0              | 0.471        | 0       | 0.3137           | 0.459         |
| 10                   | Used tires                                    | 16 01 03 | 0.107                               | 0.163    | 0              | 0.107        | 0       | 0.171            | 0.008         |
| 11                   | Brake pads                                    | 16 01 12 | 0.016                               | 0.016    | 0              | 0            | 0       | 0                | 0             |
| 12                   | Ferrous metals                                | 16 01 17 | 0.1695                              | 0.166    | 0              | 0            | 0       | 0.0465           | 0.05          |
| 13                   | Non-ferrous metals                            | 16 01 18 | 0.018                               | 0.018    | 0              | 0            | 0       | 0                | 0             |
| 14                   | Glass                                         | 16 01 20 | 0                                   | 0.638    | 0              | 0            | 0       | 0.638            | 0             |
| 15                   | Scrap electrical and electronic waste (WEEE)  | 16 02 14 | 2009.7834                           | 2137.341 | 0              | 0            | 0       | 1571.4197        | 1443.8621     |
| 16                   | Dismantled components from scrapped equipment | 16 02 16 | 1.3754                              | 1.1252   | 0              | 0            | 0       | 3.8963           | 4.1465        |



|                     |                                                                                        |          |                  |                  |          |                 |                 |                  |                 |
|---------------------|----------------------------------------------------------------------------------------|----------|------------------|------------------|----------|-----------------|-----------------|------------------|-----------------|
| 17                  | Pressurized gas cylinders containing substances other than those mentioned in 16 05 04 | 16 05 05 | 0                | 0                | 0        | 0               | 0               | 0.03             | 0.03            |
| 18                  | Alkaline batteries                                                                     | 16 06 04 | 0.003            | 0.002            | 0        | 0               | 0               | 0.0049           | 0.0059          |
| 19                  | Batteries/Rechargeable batteries                                                       | 16 06 05 | 0.0493           | 0.049            | 0        | 0               | 0               | 0.0007           | 0.001           |
| 20                  | Concrete                                                                               | 17 01 01 | 611.7            | 0                | 0        | 0               | 611.7           | 0                | 0               |
| 21                  | Porcelain insulators                                                                   | 17 01 03 | 3.519            | 43.169           | 0        | 0               | 0               | 136.034          | 96.384          |
| 22                  | Demolition waste                                                                       | 17 01 07 | 478.44           | 0                | 0        | 0               | 478.44          | 0                | 0               |
| 23                  | Wood                                                                                   | 17 02 01 | 0.295            | 3.24             | 0        | 0               | 0               | 3.244            | 0.299           |
| 24                  | Glass                                                                                  | 17 02 02 | 0.0793           | 921.2536         | 0        | 0               | 0               | 971.3256         | 50.1513         |
| 25                  | Material plastic                                                                       | 17 02 03 | 0.0165           | 0.0782           | 0        | 0               | 0               | 0.1891           | 0.1274          |
| 26                  | With                                                                                   | 17 04 01 | 1.6998           | 1.343            | 0        | 0               | 0               | 1.814            | 2.1708          |
| 27                  | At                                                                                     | 17 04 02 | 5.1925           | 10.6987          | 0        | 0               | 0               | 27.9445          | 22.4383         |
| 28                  | Iron                                                                                   | 17 04 05 | 567.7573         | 582.5556         | 0        | 0               | 0               | 1111.4842        | 1096.6859       |
| 29                  | Cast iron                                                                              | 17 04 07 | 275.969          | 199.6327         | 0        | 0               | 0               | 597.5858         | 673.9221        |
| 30                  | Ol-Al (cables)                                                                         | 17 04 11 | 25.66            | 20.993           | 0        | 0               | 0               | 163.4424         | 168.1094        |
| 31                  | Asbestos-containing building materials                                                 | 17 06 04 | 0.0105           | 0.112            | 0        | 0               | 0               | 0.9187           | 0.8172          |
| 32                  | Sanitary waste                                                                         | 18 01 01 | 0.0024           | 0                | 0        | 0.0024          | 0               | 0                | 0               |
| 33                  | Medical waste                                                                          | 18 01 09 | 0.0049           | 0                | 0        | 0.0049          | 0               | 0                | 0               |
| 34                  | Rubber                                                                                 | 19 12 04 | 0.078            | 0                | 0        | 0.078           | 0               | 0                | 0               |
| 35                  | Paper                                                                                  | 20 01 01 | 57.83            | 57.663           | 0        | 0               | 0               | 0.6823           | 0.8493          |
| 36                  | Textiles                                                                               | 20 01 11 | 0.0355           | 0.047            | 0        | 0               | 0               | 0.2729           | 0.2614          |
| 37                  | Scrapped electrical and electronic equipment                                           | 20 01 36 | 8.764            | 7.586            | 0        | 0               | 0               | 2.041            | 3.219           |
| 38                  | Plastics                                                                               | 20 01 39 | 0.279            | 0.2795           | 0        | 0               | 0               | 0.0013           | 0.0008          |
| 39                  | Metals                                                                                 | 20 01 40 | 1.18             | 1.18             | 0        | 0               | 0               | 0.0015           | 0.0015          |
| 40                  | Municipal waste                                                                        | 20 03 01 | 433.254          | 0                | 0        | 0               | 433.254         | 0                | 0               |
| 41                  | Septic tank sludge                                                                     | 20 03 04 | 1518.4           | 0                | 0        | 503             | 1145.6          | 210.005          | 79.805          |
| <b>TOTAL (tons)</b> |                                                                                        |          | <b>6008.0111</b> | <b>3998.7885</b> | <b>0</b> | <b>503.6633</b> | <b>2669.174</b> | <b>4808.3207</b> | <b>3644.706</b> |

| TOTAL<br>TRANSELECTRICA |                        |           | Quantities are provided for in tons |            |                |              |         |                  |                |
|-------------------------|------------------------|-----------|-------------------------------------|------------|----------------|--------------|---------|------------------|----------------|
| No.                     | Hazardous waste type   |           | Generate                            | Capitalize |                | Delete       |         | Initially stored | Finally stored |
| .                       | Name                   | cod       | tone                                | Recyc.     | Coincineration | Incineration | Storage |                  |                |
| 1                       | Mineral hydraulic oils | 13 01 10* | 0.0998                              | 0          | 0              | 0            | 0       | 0.0135           | 0.1133         |
| 2                       | Used engine oil        | 13 02 06* | 0.2688                              | 0.145      | 0              | 0            | 0       | 0.3923           | 0.5161         |
| 3                       | Last worn engine       | 13 02 08* | 0.247                               | 0.264      | 0              | 0            | 0       | 0.323            | 0.306          |
| 4                       | Used oil               | 13 03 07* | 594.7665                            | 673.393    | 0              | 0            | 0       | 298.1604         | 219.5339       |
| 5                       | Sludges from water     | 13 05 02* | 0.295                               | 0.295      | 0              | 0            | 0       | 0                | 0              |



|    |                                                      |           |                  |                  |          |               |             |                  |                  |
|----|------------------------------------------------------|-----------|------------------|------------------|----------|---------------|-------------|------------------|------------------|
|    | oil separators                                       |           |                  |                  |          |               |             |                  |                  |
| 6  | Oil from oil/water separators                        | 13 05 06* | 0.38             | 0                | 0        | 0.38          | 0           | 0                | 0                |
| 7  | Oily water from oil/water separators                 | 13 05 07* | 1.05             | 0                | 0        | 0             | 1.05        | 0                | 0                |
| 8  | Absorbents contaminated with hazardous substances    | 15 02 02* | 0.028            | 0                | 0        | 0             | 0           | 0.484            | 0.512            |
| 9  | Oil filters                                          | 16 01 07* | 0.018            | 0.011            | 0        | 0             | 0           | 0.015            | 0.022            |
| 10 | Scrapped equipment containing hazardous components   | 16 02 13* | 3725.104         | 3872.005         | 0        | 0             | 0           | 929.457          | 782.556          |
| 11 | Hazardous components removed from scrapped equipment | 16 02 15* | 0                | 0                | 0        | 0             | 0           | 0.16             | 0.16             |
| 12 | Pb batteries                                         | 16 06 01* | 11.205           | 5.86             | 0        | 0             | 0           | 11.3835          | 16.7285          |
| 13 | Infectious-infectious medical waste                  | 18 01 03* | 0.0256           | 0                | 0        | 0.0247        | 0           | 0.0005           | 0.0014           |
| 14 | Fluorescent tubes                                    | 20 01 21* | 0.1415           | 0.1178           | 0        | 0             | 0           | 0.2542           | 0.2779           |
| 15 | Batteries                                            | 20 01 33* | 0.01             | 0.01             | 0        | 0             | 0           | 0                | 0                |
|    | <b>TOTAL (tons)</b>                                  |           | <b>4333.6392</b> | <b>4552.1008</b> | <b>0</b> | <b>0.4047</b> | <b>1.05</b> | <b>1240.6434</b> | <b>1020.7271</b> |

For an efficient management of waste resulting from Transelectrica's activities, clear procedures are implemented in compliance with the regulations in force on environmental protection and circular economy.

The first step in this process is to identify and classify waste by drawing up a detailed list of the types of materials resulting from the Company's activities. This includes hazardous waste from the use of industrial oils or scrapped electrical equipment as well as non-hazardous waste such as construction waste, packaging and household waste from administrative premises.

The waste is then collected and temporarily stored in specially designated areas, in accordance with legal requirements and in safe conditions to avoid any risk of soil, water or air contamination. This stage is essential for the proper management of waste flows and optimization of recovery processes.

After collection, the waste is transported to authorized facilities under contracts with specialized operators. Depending on the type of waste, it is either recovered through recycling or reuse processes or disposed of under controlled conditions in accordance with environmental regulations.

Responsible waste management also involves keeping records of waste management by monitoring and reporting on the quantities generated, recovered and disposed of.

In addition, the Company regularly submits the necessary reports to the competent authorities, ensuring transparency and compliance with environmental protection regulations.

Through these measures, Transelectrica reinforces its commitment to sustainable resource management and the implementation of circular economy principles, reducing environmental impact and optimizing the use of materials in all operational processes.



## **Anticipated financial effects of resource use and circular economy impacts, risks and opportunities (E5-6)**

Given that 2024 is Transelectrica's first ESRS-compliant reporting year, as well as the Company's specificity as a single transmission and electricity system operator, the process of aligning with the new requirements requires a rigorous and prudent approach. As the ESRS do not provide a clear methodology for identifying and quantifying the anticipated financial effects of resource utilization and circular economy impacts, risks and opportunities, the Company has not conducted such an analysis for this first reporting year. As the regulatory framework evolves and more precise methodological approaches are established, Transelectrica will integrate these requirements into its reporting process, ensuring compliance and accuracy of the information provided.

### **CHAPTER III**

#### **EU Taxonomy (according to ESRS and EU Regulation 2020/852) (ESRS E1 - E5)**

In 2018, the European Commission launched the "Action Plan: financing sustainable growth", setting out an ambitious strategy for the transition to a safe, climate-neutral, resilient and circular economy, essential for the long-term competitiveness of the European Union. Through this initiative, the Union aims to redirect capital towards sustainable investments, manage the financial risks associated with climate change and environmental degradation, and promote transparency and a long-term perspective in economic and financial activity.

In the 2019 European Green Pact, the Commission reaffirmed its commitment to review non-financial reporting, aligning it with the goals of zero net greenhouse gas emissions by 2050. Implementing these targets requires private sector involvement by directing investments towards sustainable activities, where relevant and comparable non-financial disclosures play a key role in managing the green transition. Investors' awareness of the impact of sustainability issues on financial performance has accelerated the need for transparency, reinforcing the global trend of prioritizing green and sustainable assets. The European institutions have thus introduced a taxonomy of sustainable economic activities to support the achievement of environmental objectives and redefine capital market standards towards a responsible and inclusive economy.

In recent years, the European Commission has therefore adopted a number of pieces of legislation in an effort to address both climate change and other sustainability challenges. The new legislative changes require companies to be more transparent about their sustainability impacts and how they manage related risks.

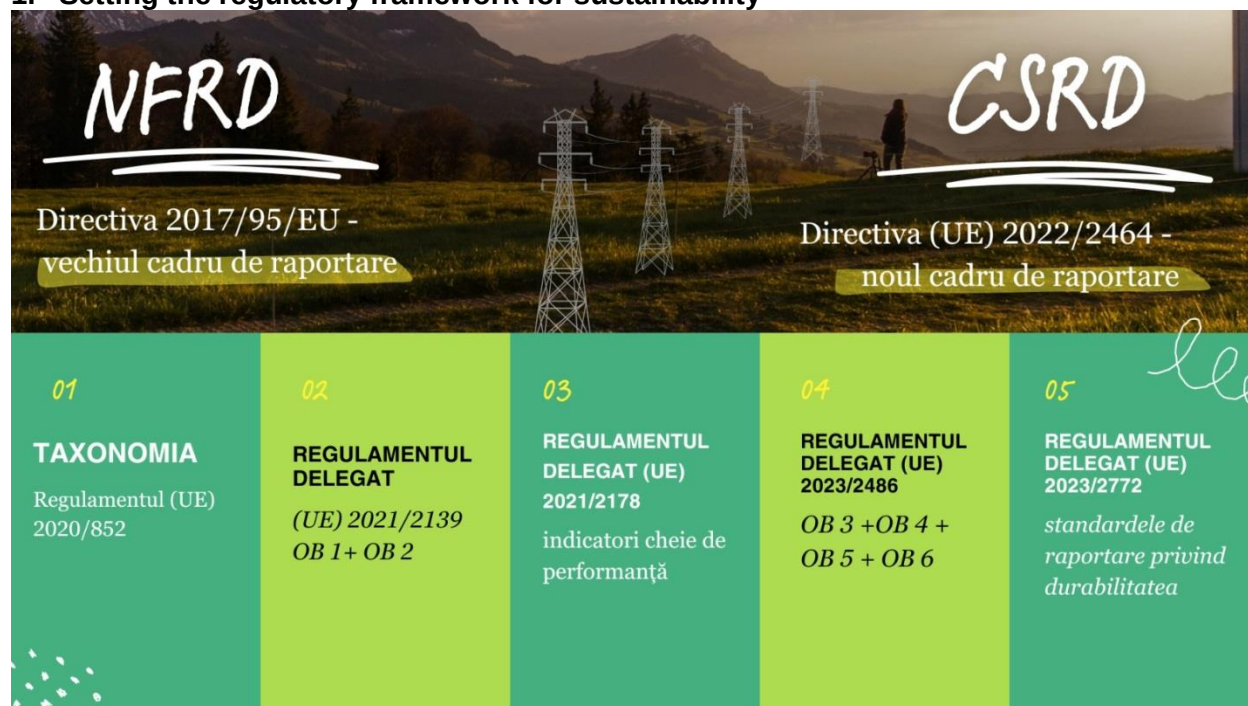
Transelectrica's sustainability report for the reporting year 2024 has been prepared in accordance with ESRS standards and includes reporting on the EU taxonomy in accordance with Regulation (EU) 2020/852<sup>25</sup>. It provides transparency on which economic activities are eligible and aligned with the sustainability criteria set at European level, highlighting the measures implemented for the transition to a low-carbon economy, energy efficiency and environmental protection.

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<sup>25</sup> Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088



## 1. Setting the regulatory framework for sustainability



This chapter details the key performance indicators as set out in Article 8 of Regulation (EU) 2020/852 as well as in Delegated Regulation (EU) 2021/2178<sup>26</sup>, providing a clear assessment of the alignment of economic activities with the sustainability criteria set at European level.



<sup>26</sup> Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be provided by undertakings subject to Article 19a or 29a of Directive 2013/34/EU with regard to environmentally sustainable economic activities and specifying the methodology for complying with this obligation to provide information; Amended by Commission Delegated Regulation (EU) 2022/1214 of 09.03.2022 and Commission Delegated Regulation (EU) 2023/2486 of 27.06.2023.

## 2. Evaluation of activities according to taxonomy criteria

### EU taxonomy related to Transelectrica activity

The taxonomy distinguishes between taxonomy-eligible economic activities and taxonomy-aligned economic activities as follows:

- taxonomy-eligible economic activity: an economic activity described in delegated acts adopted in accordance with Regulation (EU) 2020/852, irrespective of whether that economic activity meets one or all of the technical selection criteria set out in those delegated acts;
- taxonomy-aligned economic activity: an economic activity that contributes substantially to one of the six EU environmental objectives (meets the established technical screening criteria), does not significantly harm any of the other five, is carried out with minimum social safeguards and complies with the technical screening criteria that have been established by the EU and are listed in delegated acts

In the process of studying and analyzing the degree of eligibility and alignment of Transelectrica's activities with the Taxonomy, the following steps were taken:

- a) classification and grouping of Transelectrica's economic activities;
- b) analyze the eligibility of the identified activities;
- c) assessing compliance with the technical criteria set out in Delegated Regulation (EU) 2021/2139 for contributing to the environmental objectives of climate change mitigation and adaptation and Delegated Regulation (EU) 2023/2486 for contributing to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems;
- d) The activities must not cause significant damage to other EU environmental objectives as defined in Regulation (EU) 2020/852;
- e) checking compliance with minimum social guarantees.

The environmental objectives and targets determined at Transelectrica level were aimed at maintaining an efficient environmental management system, preventing and reducing pollution, so that the impact of the electric transmission grid and the activities carried out by the Company on the environment are within the limits of national and European requirements.

The achievement of these objectives and targets was achieved through the actions included in the annual Environmental Management Program for the reduction of air, water, soil pollution, noise and vibration levels, improvement of waste and wastewater management, restoration of the natural environment after the execution of maintenance/ modernization/renovation works, protection of fauna and flora and monitoring of environmental factors.

Among Transelectrica's main objectives relevant to the taxonomy, we recall:

- provision of the electricity transmission and system service at the level of customer requirements and expectations and performance standards defined in regulations and contracts;
- optimizing the operation of the ETG infrastructure in order to ensure the quality of the transported electricity according to the ENTSO-E requirements and the ETG Technical Code, limiting the negative impact on the environment to the acceptable European level;
- Ensuring access to the ETG, as a support for the wholesale electricity market, to participants in a transparent, fair and non-discriminatory manner;
- development and modernization of ETG, in line with user needs;



- supporting the development and diversification of the internal and regional electricity market with a view to integration into the European market;
- major contribution to ensuring the sustainable development of the national economy.

### Proportion of non-eligible, eligible and aligned economic activities from a Taxonomy perspective

| KPI                         | Eligibility   |                                                        |                                                            | Align                                                             |
|-----------------------------|---------------|--------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|
|                             | Total (RON)   | Share of economic activities eligible for taxonomy (%) | Share of economic activities not eligible for taxonomy (%) | Share of eligible economic activities aligned to the taxonomy (%) |
| Turnover                    | 7.624.362.339 | 100%                                                   | 0%                                                         | 100%                                                              |
| Capital expenses(CapEx)     | 665.699.000   | 97.63%                                                 | 2.                                                         | 97.63%                                                            |
| Operational expenses (OpEx) | 465.178.549   | 100%                                                   |                                                            | 100%                                                              |

### Description of activities

Transelectrica aims to ensure public service for all users of the transmission network, providing access to the transmission networks to any applicant who meets the requirements of the law.

The main activity of the Company is the transmission of electricity (transmission, dispatching of electricity, organization and management of the electricity market), according to the CAEN code 3512. Accordingly, the main activity corresponds to activity 4.9 - Transmission and distribution of electricity (construction and operation of transmission systems transporting electricity in the interconnected extra-high and high voltage grid), as set out in Delegated Regulation (EU) 2021/2139.<sup>27</sup>

| Transelectrica activities                                                                                                                                                                                          | Description of the activity under Commission Delegated Regulation 2021/2139                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Management and operation of energy infrastructure at national level</b><br><br><b>Includes electricity transmission, system operation and transmission grid management for the national electricity system.</b> | <b><u>Activity:</u> electricity transmission.</b><br><br>Description: including activities in the Regulated Activities segment, mainly related to the development, operation, operation and maintenance of the ETG, which is part of the European interconnected system, as well as dispatching and metering activities. |

<sup>27</sup> Delegated Regulation (EU) 2021/2139 supplementing Regulation (EU) 2020/852 by laying down technical screening criteria for determining the conditions under which an economic activity qualifies as an activity that substantially contributes to climate change mitigation or adaptation and for determining whether that economic activity is significantly detrimental to any of the other environmental objectives; Amended by Commission Delegated Regulation (EU) 2022/1214 of 09.03.2022 and Commission Delegated Regulation (EU) 2023/2486 of 27.06.2023



## Environmental objectives assessed according to DNSH principles

The Do No Significant Harm (DNSH) principles are set out in the Taxonomy Regulation (EU) 2020/852 and are key to determining whether an economic activity can be considered sustainable. An economic activity complies with DNSH if it does not cause significant harm to any of the six environmental objectives defined by the EU.

Transelectrica plays a key role in integrating renewable energy into the national grid, supporting the transition to a low-carbon economy. The modernization and digitalization of the energy transmission infrastructure contributes to energy efficiency and the reduction of greenhouse gas emissions.

## Compliance with minimum social guarantee requirements

According to Regulation (EU) 2020/852 and Delegated Regulation (EU) 2021/2178, an economic activity can only be considered sustainable if it complies with minimum social and governance safeguards. These guarantees relate to human rights, labor protection, anti-corruption principles and responsible business practices.

Transelectrica complies with both national legislation and EU regulations regarding corporate governance, labor rights and environmental protection. Thus, the Company complies with minimum social guarantees:

- employees' rights are protected in line with EU and ILO legislation;
- there are mechanisms for social dialog, involving trade unions;
- corporate governance is transparent and complies with anti-corruption rules and business ethics;
- its work contributes to the well-being of communities by providing access to stable and sustainable energy.

| Economic activity            | Environmental objective                                                | Compliance with DNSH requirements                                                                                                      | Compliance with minimum social guarantee requirements |
|------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 4.9 Electricity transmission | Climate change mitigation                                              | Yes - by integrating renewable sources and investing in efficient technologies, Transelectrica does not favor the use of fossil fuels. | From                                                  |
|                              | Adapting to climate change                                             | Yes - meets the criteria                                                                                                               | From                                                  |
|                              | Sustainable use and protection of water resources and marine resources | Yes - meets the criteria                                                                                                               | From                                                  |
|                              | Transition to a circular economy                                       | Yes - meets the criteria                                                                                                               | From                                                  |
|                              | Pollution prevention and control                                       | Yes - meets the criteria                                                                                                               | From                                                  |
|                              | Protection and restoration of biodiversity and ecosystems              | Yes - meets the criteria                                                                                                               | From                                                  |



### 3. Transelectrica's contribution to climate change mitigation

Transelectrica is playing a crucial role in Romania's energy transition, aligning with the European Union's climate objectives. The Sustainability Report highlights the measures through which the company supports the European Green Pact and the "Fit for 55" initiative, through investments and actions aimed at reducing carbon emissions, integrating renewable sources and modernizing energy infrastructure. All these initiatives contribute to the EU's clean energy and climate neutrality targets for 2030 and 2050.

**Integrating renewables and facilitating the energy transition.** Transelectrica is increasingly integrating renewable energy into the electricity transmission grid, facilitating the connection of new green energy producers to the National Energy System. The company is developing grid expansion projects and increasing grid capacity in areas with high renewable potential (e.g. Dobrogea and Moldova) to take up new wind and solar capacity and avoid congestion. Transelectrica is also increasing its cross-border interconnection capacity with neighboring grids, in line with EU requirements, allowing balancing the renewable energy surplus and its efficient regional integration. Through these efforts, the Company contributes directly to the decarbonization of the Romanian energy sector and to the European objectives of increasing the share of renewable energy, assuming the role of facilitator of the transition to clean energy.

**The modernization and digitalization of the transmission infrastructure** is a priority in the Transelectrica 2024-2028 strategy. The company is implementing modern technologies and Smart Grid solutions to optimize energy flows and reduce technical losses. According to the Sustainability Report, Transelectrica is promoting energy efficiency by optimizing internal consumption and reducing grid losses. Initiatives include the installation of digital substations, advanced control systems and smart equipment, leading to the reduction of technological losses and increased grid efficiency. The Company's Smart Grid policy aims at full grid digitalization, equipment interoperability and operation automation, increasing both operational efficiency and system reliability. These upgrades not only decrease resource consumption and costs in the long term, but are also essential for the safe integration of renewable energies and the achievement of EU energy efficiency and emission reduction targets.

**Reducing greenhouse gas (GHG) emissions.** Transelectrica is taking concrete steps to reduce the carbon footprint of its own operations. One important direction is the responsible management of equipment that uses sulfur hexafluoride (SF6), a potent greenhouse gas. The company has introduced pressurized sealed electrical equipment and monitors SF6 leakage at its stations, preventing significant GHG emissions into the atmosphere. Infrastructure modernization and consumption efficiency also reduce indirect emissions, as a more efficient grid requires less energy generated (and therefore fewer emissions at the producer level). Through its energy efficiency and emissions reduction policy, the company is demonstrating that it is pursuing a cleaner energy system, contributing to the EU's climate targets. These efforts support Romania's commitment to climate neutrality by 2050, in line with the European Green Pact.

**Adapting the grid to climate change.** Given the intensification of extreme weather events, Transelectrica is addressing the adaptation of infrastructure to climate change in order to maintain the security of energy supply. Transelectrica is running climate risk monitoring and digitized preventive maintenance programs to identify vulnerabilities early and intervene before major failures occur. A network resilience analysis has been conducted, highlighting major climate risks and leading to dedicated solutions to ensure continuity of supply in any situation.



Through these proactive adaptation actions, Transelectrica supports the EU strategy to increase the resilience of critical infrastructures and ensure that the transition to green energy is not jeopardized by the effects of climate change.

**Accessing green finance for sustainable projects.** In order to achieve its green investment objectives, Transelectrica has accessed important sources of European and national funding dedicated to the energy transition. In the recent period, the Company has signed 11 financing contracts through the Modernization Fund (total value of ~EUR 593 million), one contract through the National Recovery and Resilience Plan - REPowerEU (EUR 56 million) and one contract through the Sustainable Development Program (EUR 20 million). These green funds are directed towards projects to modernize and extend the electricity transmission grid according to the most modern standards of performance and sustainability. Practically, by using EU funding mechanisms (such as the Modernization Fund, part of the European climate policies, or the NRRP), Transelectrica mobilizes capital for sustainable projects that will facilitate the achievement of the Green Deal targets. Access to this financing confirms the Company's financial stability and ability to attract green infrastructure investments. The result is an acceleration of the energy transition: the transmission grid is becoming smarter, more efficient and ready for clean energy, thus contributing to the EU's climate targets of a 55% reduction in emissions by 2030 and climate neutrality in 2050.

In conclusion, the Sustainability Report highlights Transelectrica's integrated strategic approach to combating climate change. By integrating renewables, efficiently modernizing the grid, reducing GHG emissions, adapting to climate impacts and attracting green funds, Transelectrica is aligning its activities with EU policies and contributing to the achievement of the European climate and sustainable energy goals. The company's initiative to invest heavily in green technology and resilience not only reduces environmental impacts, but also ensures the transition to a more secure, sustainable and future-proof national energy system.

#### **4. KPI: Turnover, CAPEX and OPEX associated with taxonomy aligned activities**

In accordance with Article 8 of the Taxonomy Regulation, non-financial undertakings are obliged to disclose the following information:

- a) the proportion of their turnover (income) derived from products or services associated with economic activities that qualify as environmentally sustainable in accordance with the Taxonomy Regulation;
- b) the proportion of their capital expenditure (CAPEX) and the proportion of their operational expenditure (OPEX) related to assets or processes associated with economic activities that qualify as environmentally sustainable in accordance with the Taxonomy Regulation.

As regards the calculation of KPIs, Annex I of the Commission Delegated Regulation 2021/2178 includes in point 1 the content of the KPIs to be reported by non-financial undertakings, specifying categorically that the following information must be reported for each of the indicators:

##### **Turnover**

- In order to calculate the share of **turnover**, the numerator is considered to be the turnover associated with taxonomy eligible/aligned economic activities and the



denominator is considered to be the total turnover (based on the criteria set out in point 1.1.1 of Annex 1 to Delegated Regulation 2178/2021).

The KPI denominator of turnover, in the (preliminary) amount of RON 7,624,362,339, has been identified based on the Company's Separate Financial Statements, i.e. turnover according to the Separate Income Statement for the year ended December 31, 2024, amounts also included in Note 21 (Operating income) to the Separate Financial Statements.

| Proportia Cifra de Afaceri din produse sau servicii asociate cu activități economice aliniate la taxonomie – informații furnizate pentru anul 2024                                     |             |                      |                                               |                                           |                                        |                     |                     |                        |                      |                                                                                                                 |                                         |          |               |                         |                      |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|---------------------|---------------------|------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------|---------------|-------------------------|----------------------|---------------------|
| Exercitiul financiar                                                                                                                                                                   | Anul 2024   |                      |                                               | Criterii privind contribuția substanțială |                                        |                     |                     |                        |                      | Criterii aferente principiului de „a nu aduce prejudiciu semnificativ” (Does Not Significantly Harm – DNSH) (*) |                                         |          |               |                         |                      |                     |
| Activități economice (1)                                                                                                                                                               | Cod-ul (X2) | Cifra de Afaceri (3) | Proportia din Cifra de Afaceri, anul 2024 (4) | Atenuarea schimbărilor climatice (5)      | Adaptarea la schimbările climatice (6) | Apa (7)             | Poluarea (8)        | Economia circulară (9) | Biodiversitatea (10) | Atenuarea schimbărilor climatice (11)                                                                           | Adaptarea la schimbările climatice (12) | Apa (13) | Poluarea (14) | Economia circulară (15) | Biodiversitatea (16) | Garații minime (17) |
|                                                                                                                                                                                        |             |                      |                                               | D: N; N/ EL (+) (-)                       | D: N; N/ EL (+) (-)                    | D: N; N/ EL (+) (-) | D: N; N/ EL (+) (-) | D: N; N/ EL (+) (-)    | D: N; N/ EL (+) (-)  | D/N                                                                                                             | D/N                                     | D/ N     | D/N           | D/N                     | D/N                  | D/N                 |
|                                                                                                                                                                                        |             | RON (fără TVA)       | %                                             |                                           |                                        |                     |                     |                        |                      |                                                                                                                 |                                         |          |               |                         |                      |                     |
| A. ACTIVITĂȚI ELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI                                                                                                                            |             |                      |                                               |                                           |                                        |                     |                     |                        |                      |                                                                                                                 |                                         |          |               |                         |                      |                     |
| A.1. Activități durabile din punctul de vedere al mediului (aliniate la taxonomie)                                                                                                     |             |                      |                                               |                                           |                                        |                     |                     |                        |                      |                                                                                                                 |                                         |          |               |                         |                      |                     |
| Cifra de afaceri aferenta activităților durabile din punctul de vedere al mediului (aliniate la taxonomie) (A.1)                                                                       |             | 7.624.362.339        | 100.00%                                       | N/A                                       | N/A                                    | N/A                 | N/A                 | N/A                    | N/A                  | D                                                                                                               | D                                       | D        | D             | D                       | D                    | %                   |
| Transportul și distribuția energiei electrice                                                                                                                                          | CCM 4.9     | 7.624.362.339        | 100.00%                                       | N/A                                       | N/A                                    | N/A                 | N/A                 | N/A                    | N/A                  | D                                                                                                               | D                                       | D        | D             | D                       | D                    | %                   |
| Din care de facilitare                                                                                                                                                                 |             |                      | %                                             | %                                         | %                                      | %                   | %                   | %                      | %                    | D                                                                                                               | D                                       | D        | D             | D                       | D                    | %                   |
| Din care de tranziție                                                                                                                                                                  |             |                      | %                                             | %                                         |                                        |                     |                     |                        |                      | D                                                                                                               | D                                       | D        | D             | D                       | D                    | %                   |
| A.2. Activități eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (*)                    |             |                      |                                               |                                           |                                        |                     |                     |                        |                      |                                                                                                                 |                                         |          |               |                         |                      |                     |
| Cifra de afaceri a activităților eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (A.2) |             | 0                    | 0.00%                                         | N/A                                       | N/A                                    | N/A                 | N/A                 | N/A                    | N/A                  |                                                                                                                 |                                         |          |               |                         |                      | %                   |
| A.Cifra de afaceri aferente activităților eligibile din punctul de vedere al taxonomiei (A.1+A.2)                                                                                      |             | 7.624.362.339        | 100%                                          | N/A                                       | N/A                                    | N/A                 | N/A                 | N/A                    | N/A                  |                                                                                                                 |                                         |          |               |                         |                      |                     |
| B. ACTIVITĂȚI NEELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI                                                                                                                          |             |                      |                                               |                                           |                                        |                     |                     |                        |                      |                                                                                                                 |                                         |          |               |                         |                      |                     |
| Cifra de afaceri aferente activităților neeligibile din punctul de vedere al taxonomiei                                                                                                |             | 0                    | 0%                                            |                                           |                                        |                     |                     |                        |                      |                                                                                                                 |                                         |          |               |                         |                      |                     |
| TOTAL (A+B)                                                                                                                                                                            |             | 7.624.362.339        | 100 %                                         |                                           |                                        |                     |                     |                        |                      |                                                                                                                 |                                         |          |               |                         |                      |                     |

**Investment in fixed assets (CAPEX).** The denominator includes additions to tangible and intangible assets during the financial year under review before depreciation, depreciation and any revaluations, including those resulting from revaluations and impairments, for the relevant financial year and excluding changes in fair value. The denominator also covers additions to tangible assets and intangible assets arising in business combinations.



The numerator is equal to the part of the capital expenditure included in the denominator that: a) relates to assets or processes that are associated with taxonomy aligned economic activities; b) is part of a plan to expand taxonomy aligned economic activities or to enable taxonomy eligible economic activities to align with the taxonomy.

#### **Main investment categories:**

1. Investing in transport network infrastructure:
  - Modernization and expansion of electricity transmission infrastructure.
  - Developing high-voltage substations and lines.
  - Integrating renewables into the grid.
2. Digitalization and automation:
  - Implementing smart grids.
  - SCADA systems, IoT and technologies for efficient network monitoring.
  - Control centers and energy flow optimization platforms.
3. Energy efficiency and sustainability:
  - Reduce technological losses in the network.
  - Energy storage systems and consumption balancing solutions.
  - Projects for environmental compliance.
4. Other regulated investments:
  - Supporting assets necessary for the efficient operation of the network.

The investments made during 2024 were aligned to the three core concepts:

- Decarbonization: indicates a transition towards a clean and carbon-free economy by integrating and increasing the share of renewable energy sources.
- Decentralization: refers to geographically distributed electricity with a large number of producers and consumers on several levels.
- Digitalization: involves the widespread use of automation and digital devices at all levels of the energy system, from generation and grid to end-user equipment.

#### **Eligible CAPEX includes:**

- Investments in assets and processes that contribute to the environmental objectives defined by the taxonomy.
- Capital expenditure needed to adapt existing assets to sustainability and energy efficiency requirements.

How to calculate eligible CAPEX

**Eligible CAPEX** under the EU taxonomy was determined by the following formula:

**Eligible CAPEX (%)** = (CAPEX from taxonomy eligible activities / total CAPEX) × 100

Steps used in the calculation:

1. Identifying eligible investments contributing to the green transition and sustainable energy infrastructure.
2. Calculation of their share in total CAPEX.
3. Reporting the resulting percentage, in line with the transparency requirements imposed by Delegated Regulation (EU) 2021/2178.

Applicability in the Transelectrica context

CAPEX investments considered eligible:

- Modernization of the electricity transmission infrastructure.



- Projects for digitalization, energy efficiency and integration of renewables.
- Developing energy storage solutions and improving grid stability.
- Specialized scientific and technical activities

Ineligible CAPEX investments:

- Equipment purchases with no impact on the green transition.
- Investment-related administrative costs.

| Proporția CapEx din produse sau servicii asociate cu activități economice aliniate la taxonomie – informații furnizate pentru anul 2024                                            |            |                    |                                    |                                           |                                        |                    |                    |                        |                      |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------|------------------------------------|-------------------------------------------|----------------------------------------|--------------------|--------------------|------------------------|----------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------|---------------|-------------------------|----------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
| Exercițiul financiar                                                                                                                                                               |            | Anul 2024          |                                    | Criterii privind contribuția substanțială |                                        |                    |                    |                        |                      | Criterii aferente principiului de „a nu aduce prejudicii semnificative” (Does Not Significantly Harm – DNSH) (1) |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
| Activități economice (1)                                                                                                                                                           | Cod-ul (2) | CapEx (3)          | Proporția din CapEx, anul 2024 (4) | Atenuarea schimbărilor climatice (5)      | Adaptarea la schimbările climatice (6) | Apa (7)            | Poluarea (8)       | Economia circulară (9) | Biodiversitatea (10) | Atenuarea schimbărilor climatice (11)                                                                            | Adaptarea la schimbările climatice (12) | Apa (13) | Poluarea (14) | Economia circulară (15) | Biodiversitatea (16) | Garajii minime (17) | Proporția din cifra de afaceri aliniată la taxonomie (A.1.) sau echivalent din punctul de vedere al taxonomiei (A.2.) CapEx, anul 2023 (18) | Categoriile activitatelor de facilitare (19) | Categoriile activitatelor de tranziție (20) |
|                                                                                                                                                                                    |            |                    |                                    |                                           |                                        |                    |                    |                        |                      |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
|                                                                                                                                                                                    |            | mii RON (fără TVA) | %                                  | D; N; N/EL (1) (2)                        | D; N; N/EL (1) (2)                     | D; N; N/EL (1) (2) | D; N; N/EL (1) (2) | D; N; N/EL (1) (2)     | D; N; N/EL (1) (2)   | D/N                                                                                                              | D/N                                     | D/N      | D/N           | D/N                     | D/N                  | D/N                 | %                                                                                                                                           | De facilitare                                | De tranziție                                |
| A. ACTIVITĂȚI ELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI                                                                                                                        |            |                    |                                    |                                           |                                        |                    |                    |                        |                      |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
| A.1. Activități durabile din punctul de vedere al mediului (aliniate la taxonomie)                                                                                                 |            |                    |                                    |                                           |                                        |                    |                    |                        |                      |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
| CapEx aferente activităților durabile din punctul de vedere al mediului (aliniate la taxonomie) (A.1)                                                                              |            | 649,949            | 97.63%                             | N/A                                       | N/A                                    | N/A                | N/A                | N/A                    | N/A                  | D                                                                                                                | D                                       | D        | D             | D                       | D                    | D                   | %                                                                                                                                           |                                              |                                             |
| Transportul și distribuția energiei electrice                                                                                                                                      | CCM 4.9    | 649,949            | 97.63%                             | N/A                                       | N/A                                    | N/A                | N/A                | N/A                    | N/A                  | D                                                                                                                | D                                       | D        | D             | D                       | D                    | D                   | %                                                                                                                                           |                                              |                                             |
| Din care de facilitare                                                                                                                                                             |            |                    | %                                  | %                                         | %                                      | %                  | %                  | %                      | %                    | D                                                                                                                | D                                       | D        | D             | D                       | D                    | D                   | %                                                                                                                                           | De facilitare                                |                                             |
| Din care de tranziție                                                                                                                                                              |            |                    | %                                  | %                                         |                                        |                    |                    |                        |                      | D                                                                                                                | D                                       | D        | D             | D                       | D                    | D                   | %                                                                                                                                           |                                              | De tranziție                                |
| A.2. Activități eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (1)                |            |                    |                                    |                                           |                                        |                    |                    |                        |                      |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
|                                                                                                                                                                                    |            |                    |                                    | EL, N/EL (1)                              | EL, N/EL (1)                           | EL, N/EL (1)       | EL, N/EL (1)       | EL, N/EL (1)           | EL, N/EL (1)         |                                                                                                                  |                                         |          |               |                         |                      |                     | %                                                                                                                                           |                                              |                                             |
| Activități specializate științifice și tehnice                                                                                                                                     | CCM 9      | 15,750             | 2.37%                              | N/A                                       | N/A                                    | N/A                | N/A                | N/A                    | N/A                  |                                                                                                                  |                                         |          |               |                         |                      |                     | %                                                                                                                                           |                                              |                                             |
| CapEx aferente activităților eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (A.2) |            | 15,750             | 2.37%                              | N/A                                       | N/A                                    | N/A                | N/A                | N/A                    | N/A                  |                                                                                                                  |                                         |          |               |                         |                      |                     | %                                                                                                                                           |                                              |                                             |
| Exercițiul financiar                                                                                                                                                               |            | Anul 2024          |                                    | Criterii privind contribuția substanțială |                                        |                    |                    |                        |                      | Criterii aferente principiului de „a nu aduce prejudicii semnificative” (Does Not Significantly Harm – DNSH) (1) |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
| Activități economice (1)                                                                                                                                                           | Cod-ul (2) | CapEx (3)          | Proporția din CapEx, anul 2024 (4) | Atenuarea schimbărilor climatice (5)      | Adaptarea la schimbările climatice (6) | Apa (7)            | Poluarea (8)       | Economia circulară (9) | Biodiversitatea (10) | Atenuarea schimbărilor climatice (11)                                                                            | Adaptarea la schimbările climatice (12) | Apa (13) | Poluarea (14) | Economia circulară (15) | Biodiversitatea (16) | Garajii minime (17) | Proporția din cifra de afaceri aliniată la taxonomie (A.1.) sau echivalent din punctul de vedere al taxonomiei (A.2.) CapEx, anul 2023 (18) | Categoriile activitatelor de facilitare (19) | Categoriile activitatelor de tranziție (20) |
|                                                                                                                                                                                    |            |                    |                                    |                                           |                                        |                    |                    |                        |                      |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
| A.CapeX aferente activităților eligibile din punctul de vedere al taxonomiei (A.1+A.2)                                                                                             |            | 665,699            | 100%                               | 100%                                      | %                                      | %                  | %                  | %                      | %                    |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
| B. ACTIVITĂȚI NEELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI                                                                                                                      |            |                    |                                    |                                           |                                        |                    |                    |                        |                      |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
| CapEx aferente activităților neeligibile din punctul de vedere al taxonomiei                                                                                                       |            | 0                  | 0%                                 |                                           |                                        |                    |                    |                        |                      |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |
| TOTAL                                                                                                                                                                              |            | 665,699            | 100 %                              |                                           |                                        |                    |                    |                        |                      |                                                                                                                  |                                         |          |               |                         |                      |                     |                                                                                                                                             |                                              |                                             |



## Operational expenditure (OPEX)

For calculating the share of **OpEx**, the numerator is considered to be the operational expenditure associated with eligible and aligned activities defined according to the criteria set out in point 1.1.3.2 of Annex 1 of Delegated Regulation 2178/2021 and the denominator is considered to be the total operating expenditure, quantified according to the criteria set out in point 1.1.3.1 of Annex 1 of Delegated Regulation 2178/2021.

Specifically, the **total OpEx denominator**, includes direct non-capitalized costs related to research and development, building renovation measures, current leases, maintenance and repairs, and any other direct expenses related to the ongoing maintenance of tangible assets (property, plant, equipment) by the Company or the third party to which the activities are outsourced that are necessary to ensure the continued efficient operation of these assets. The OPEX expenses, having a **total (preliminary) amount of RON 463,886,854**, are presented in the Individual Financial Statements under the *Profit and Loss Account* headings, Repairs and maintenance, Expenses on materials and consumables, Other operating expenses and Expenses on personnel serving the operation of power stations, DENs and DETs.

| Proportia OpEx din produse sau servicii asociate cu activități economice aliniate la taxonomie – informații furnizate pentru anul 2024                                            |            |                    |                                   |                                           |                                        |                |                |                        |                      |                                       |                                         |          |               |                                                                                                                  |                      |                      |                                                                                                                                 |                                         |                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------|-----------------------------------|-------------------------------------------|----------------------------------------|----------------|----------------|------------------------|----------------------|---------------------------------------|-----------------------------------------|----------|---------------|------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------|
| Exercițiul financiar                                                                                                                                                              | Anul 2024  |                    |                                   | Criterii privind contribuția substanțială |                                        |                |                |                        |                      |                                       |                                         |          |               | Criterii aferente principiului de „a nu aduce prejudicii semnificative” (Does Not Significantly Harm – DNSH) (1) |                      |                      |                                                                                                                                 |                                         |                                        |
| Activități economice (1)                                                                                                                                                          | Cod-ul (2) | OpEx (3)           | Proportia din OpEx, anul 2024 (4) | Atenuarea schimbărilor climatice (5)      | Adaptarea la schimbările climatice (6) | Apa (7)        | Poluarea (8)   | Economia circulară (9) | Biodiversitatea (10) | Atenuarea schimbărilor climatice (11) | Adaptarea la schimbările climatice (12) | Apa (13) | Poluarea (14) | Economia circulară (15)                                                                                          | Biodiversitatea (16) | Garantii minime (17) | Proportia din OpEx aliniată la taxonomie (A.1.) sau eligibilită din punctul de vedere al taxonomiei (A.2.) OpEx, anul 2023 (18) | Categoria activitate de facilitare (19) | Categoria activitate de tranziție (20) |
|                                                                                                                                                                                   |            | mii RON (fără TVA) | %                                 | D; N; N/EL (1)                            | D; N; N/EL (1)                         | D; N; N/EL (1) | D; N; N/EL (1) | D; N; N/EL (1)         | D; N; N/EL (1)       | D/N                                   | D/N                                     | D/N      | D/N           | D/N                                                                                                              | D/N                  | D/N                  | %                                                                                                                               | De facilitare                           | De tranziție                           |
| <b>A. ACTIVITĂȚI ELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI</b>                                                                                                                |            |                    |                                   |                                           |                                        |                |                |                        |                      |                                       |                                         |          |               |                                                                                                                  |                      |                      |                                                                                                                                 |                                         |                                        |
| <b>A.1. Activități durabile din punctul de vedere al mediului (aliniate la taxonomie)</b>                                                                                         |            |                    |                                   |                                           |                                        |                |                |                        |                      |                                       |                                         |          |               |                                                                                                                  |                      |                      |                                                                                                                                 |                                         |                                        |
| OpEx aferente activităților durabile din punctul de vedere al mediului (aliniate la taxonomie) (A.1)                                                                              |            | 465,178,549.00     | 100.00%                           | N/A                                       | N/A                                    | N/A            | N/A            | N/A                    | N/A                  | D                                     | D                                       | D        | D             | D                                                                                                                | D                    | D                    | %                                                                                                                               |                                         |                                        |
| Transportul și distribuția energiei electrice                                                                                                                                     | CCM 4.9    | 465,178,549.00     | 100.00%                           | N/A                                       | N/A                                    | N/A            | N/A            | N/A                    | N/A                  | D                                     | D                                       | D        | D             | D                                                                                                                | D                    | D                    | %                                                                                                                               |                                         |                                        |
| Din care de facilitare                                                                                                                                                            |            |                    | %                                 | %                                         | %                                      | %              | %              | %                      | %                    | D                                     | D                                       | D        | D             | D                                                                                                                | D                    | D                    | %                                                                                                                               | De facilitare                           |                                        |
| Din care de tranziție                                                                                                                                                             |            |                    | %                                 | %                                         |                                        |                |                |                        |                      | D                                     | D                                       | D        | D             | D                                                                                                                | D                    | D                    | %                                                                                                                               |                                         | De tranziție                           |
| <b>A.2. Activități eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (1)</b>        |            |                    |                                   |                                           |                                        |                |                |                        |                      |                                       |                                         |          |               |                                                                                                                  |                      |                      |                                                                                                                                 |                                         |                                        |
| Activități specializate științifice și tehnice                                                                                                                                    | CCM 9      | 0                  | 0.00%                             | N/A                                       | N/A                                    | N/A            | N/A            | N/A                    | N/A                  |                                       |                                         |          |               |                                                                                                                  |                      |                      | %                                                                                                                               |                                         |                                        |
| OpEx aferente activităților eligibile din punctul de vedere al taxonomiei, dar care nu sunt durabile din punctul de vedere al mediului (activități nealiniate la taxonomie) (A.2) |            | 0                  | 0.00%                             | N/A                                       | N/A                                    | N/A            | N/A            | N/A                    | N/A                  |                                       |                                         |          |               |                                                                                                                  |                      |                      | %                                                                                                                               |                                         |                                        |
| A.OpEx aferente activităților eligibile din punctul de vedere al taxonomiei (A.1+A.2)                                                                                             |            | 465,178,549.00     | 100%                              | N/A                                       | N/A                                    | N/A            | N/A            | N/A                    | N/A                  |                                       |                                         |          |               |                                                                                                                  |                      |                      |                                                                                                                                 |                                         |                                        |
| <b>B. ACTIVITĂȚI NEELIGIBILE DIN PUNCTUL DE VEDERE AL TAXONOMIEI</b>                                                                                                              |            |                    |                                   |                                           |                                        |                |                |                        |                      |                                       |                                         |          |               |                                                                                                                  |                      |                      |                                                                                                                                 |                                         |                                        |
| CapEx aferente activităților neeligibile din punctul de vedere al taxonomiei                                                                                                      |            | 0                  | 0%                                |                                           |                                        |                |                |                        |                      |                                       |                                         |          |               |                                                                                                                  |                      |                      |                                                                                                                                 |                                         |                                        |
| TOTAL                                                                                                                                                                             |            | 465,178,549.00     | 100 %                             |                                           |                                        |                |                |                        |                      |                                       |                                         |          |               |                                                                                                                  |                      |                      |                                                                                                                                 |                                         |                                        |



## CHAPTER IV

### ESRS S1 - S4

#### 1. Own workforce (S1 1-17)

##### **Presentations of general information (ESRS 2)**

The employees of Transelectrica and its subsidiaries are an essential pillar for the efficient and safe functioning of the critical electricity transmission infrastructure, given the predominantly technical nature of the Company's business and the complexity of its operations. Specialized employees, including engineers, technicians and maintenance personnel, are indispensable for the management and modernization of the national electricity grid, ensuring continuity of power supply and stability of the power system.

In a context in which the labor market is tight and the demand for advanced skills in the energy and digital sectors is growing, Transelectrica must adopt proactive strategies to attract, retain and develop human capital. By investing in professional training, collaborating with educational institutions and implementing attractive labor policies, the Company aims to strengthen its team and ensure the transfer of knowledge essential for the future of the energy sector. Thus, the efficient management of its own workforce not only supports Transelectrica's operational performance, but also contributes to long-term national energy security.

Transelectrica's main objectives in terms of its own workforce are aligned both with the Company's operational needs and with labor market challenges and sustainability requirements. Among the most important objectives are:

- skills development and continuous training - digitalization and energy transition impose new skill requirements; thus, the Company invests in training and mentoring programs to maintain and improve the expertise of its employees;
- attracting and retaining talent - given the limited market for specialized workforce in the energy sector, Transelectrica aims to become an attractive employer through competitive benefits packages, professional development opportunities and a stable and safe working environment;
- Promoting diversity and inclusion - The company aims to create a fair working environment without discrimination and to encourage the active participation of all employees, regardless of gender, age or experience;
- Optimizing the organizational structure and operational efficiency - through digitalization, automation and adaptation of work processes, Transelectrica aims to improve the efficiency of the workforce, while ensuring a balance between operational and employee needs;
- increasing occupational health and safety - taking into account the technical specificities and operational risks, Transelectrica aims to continuously improve safety standards and implement preventive measures to protect employees;
- Ensuring a supportive organizational climate - The company focuses on increasing employee satisfaction through social dialogue mechanisms, effective internal communication and initiatives that support work-life balance.

At Transelectrica, the rights and obligations of the employees, as well as those of the employer, are clearly defined by the Internal Regulations and the Collective Labor Contract (CCM),



documents that establish the working framework, the rules of conduct and the social protection measures applicable to all employees. These regulations are aligned with both the national legislation in force and international standards on human rights and the right to work, ensuring a fair and safe working environment and in accordance with the principles of non-discrimination and equal opportunities. Through these instruments, Transelectrica is committed to protecting the interests of its employees, to promoting an organizational climate based on transparency and mutual respect, as well as to ensuring optimal conditions for the development of activities specific to the energy sector.

### **Stakeholder interests and views (SBM-2)**

Transelectrica's own workforce is an essential pillar for the efficient and safe operation of the critical electricity transmission infrastructure, given the predominantly technical nature of the Company's activity and the complexity of its operations.

Transelectrica strictly complies with all national and European legal provisions in the field of labor relations, ensuring compliance with regulations on employee rights, working conditions and social protection. The CCM is drafted and negotiated in full compliance with the legislation in force, respecting the principles of social dialog and involving employee representatives in the decision-making process. Moreover, the conclusion of the CCM is the best proof that the interests and points of view of this stakeholder are taken into account and, in addition, the views of the trade union organizations are valued and taken into account during the negotiations. The commitments entered into in the JCC are included in the annual budgets and the provisions are strictly respected.

### **Significant impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)**

In order to provide a clear and relevant perspective on the issues related to its own workforce, Transelectrica has conducted a dual materiality analysis, as required by the new sustainability standards. The process took place during an internal meeting, where management representatives actively participated in identifying and assessing the key issues influencing both the human resources strategy and the impact of the Company on its employees. Among the topics discussed were talent attraction and retention, skills development, occupational health and safety, diversity and inclusion, and adapting to new technological requirements in the energy sector. This strategic approach ensures that Transelectrica's labor policies are aligned with sustainability objectives and employee expectations, thus contributing to the consolidation of a well-trained and motivated team.



| Impacts (I)                                                                                                                                                                                                                                                            | Risks (R)                                                                                                                                                                                                                                                                                                          | Opportunities (O)                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The need for a specialized and experienced workforce - due to its role as the single transmission and system operator of electricity, Transelectrica needs employees with advanced technical skills, able to manage critical energy infrastructure                     | Shortage of qualified personnel on the labor market - the energy sector requires specialists with specific skills that are hard to find;<br>Potential difficulties in retaining key personnel - employees with experience and critical skills may be attracted by better offers from the private sector or abroad. | Developing and upgrading skills through continuous training - training and retraining programs can help to increase the skills of employees, increasing operational efficiency and safety   |
| Safety and health at work - the technical specificity of the activity involves high operational risks, which determines the need for strict measures to protect employees and improve working conditions                                                               | Occupational accidents and occupational health problems (high operational risks such as working at height, handling high voltage electrical equipment and exposure to extreme environmental factors)                                                                                                               | Improve workplace safety and increase operational efficiency                                                                                                                                |
| The effects of working conditions on employee productivity and satisfaction - a safe, ergonomic and well-organized working environment contributes to personnel motivation and retention, while poor conditions can lead to poor performance and increased absenteeism | Shortage of personnel in certain technical areas - if working conditions are not attractive, there may be a difficulty in recruiting and retaining the specialists essential to the functioning of the system                                                                                                      | Creating a more attractive and inclusive work environment - modernizing work infrastructure, adopting flexible policies and supporting work-life balance can improve employee satisfaction. |
| The impact of digitalization on the working environment - the introduction of new technologies can change the way we work, requiring adaptation to automated processes and the use of modern equipment                                                                 | Resistance to change in implementing new working conditions - modernization of equipment and automation of processes may be opposed by personnel used to traditional methods                                                                                                                                       | Increase efficiency through digitalization and automation - reducing repetitive manual tasks and using advanced technologies can optimize processes and improve workplace safety            |
| The need to comply with strict occupational health and safety standards - national and European regulations require compliance with specific rules to prevent occupational accidents and occupational diseases                                                         | The impact of climate change on working conditions - Working outdoors in extreme weather conditions can affect the safety and health of employees                                                                                                                                                                  | Improving health and safety standards - by implementing new technologies, modern protective equipment and prevention programs, occupational accidents and illnesses can be reduced          |
| Ensuring equal treatment and equal opportunities for all employees contributes to an organizational culture based on respect, diversity and inclusion                                                                                                                  | Reputational and legal risks - failure to comply with equal treatment rules can lead to litigation, sanctions and damage to the Company's image                                                                                                                                                                    | Promote diversity and increase your attractiveness as an employer - Implementing inclusion and equal opportunities programs can help attract and retain a diverse and talented workforce    |
| Diversify the team and improve the working climate - a diverse team brings different perspectives, increases innovation and improves strategic decision-making                                                                                                         |                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                             |



The employees subject to the significant impacts of Transelectrica's operations are recruited through competitions organized at Company level, thus ensuring the selection of qualified and competent personnel. These fall into two main categories: key personnel, consisting of employees with experience and critical skills essential for the management of the energy infrastructure, and employees exposed to high operational risks, which include employees involved in hazardous activities such as working at heights, handling high voltage electrical equipment and exposure to extreme environmental factors. This category requires strict protective measures and improved working conditions to prevent accidents and occupational health problems, which are essential to the Company.

The actual and potential impacts on Transelectrica's own workforce are closely linked to its strategy and business model, influencing and being influenced, in turn, by the Company's development directions.

Transelectrica's strategy, focused on the modernization of the energy infrastructure, digitalization and the transition towards a sustainable energy system, generates direct impacts on its employees. The adoption of new technologies requires continuous skills development and retraining of part of the workforce to manage the new smart electricity transmission systems.

At the same time, compliance with European and national regulations requires constant adaptation of work structures, processes and safety standards, thus influencing both working conditions and the career prospects of employees. In addition, labor market pressures, characterized by a shortage of specialists in the energy sector, may amplify the risks related to retaining and recruiting the talent needed to implement the business strategy.

On the other hand, Transelectrica's own workforce is an essential element for the success and resilience of its business model. The need for advanced technical expertise and stability in the operation of critical infrastructure drives the Company to adapt its human resources strategy through active recruitment, retention and professional development policies. In order to meet these challenges, Transelectrica integrates continuous training programs, partnerships with educational institutions and initiatives to improve the quality of the work environment into its business model, thus ensuring the long-term sustainability of its workforce. In addition, increasing digitalization requires new organizational structures and adapting the internal culture so that employees are prepared for the technological transition and changes in the industry.

In conclusion, impacts on the workforce are both a consequence of Transelectrica's strategy and business model and a determining factor for their adaptation and success. The company is constantly adjusting its approach to ensure a workforce that is trained, motivated and able to support the energy transition and the modernization of the national energy sector.

Transelectrica includes in the scope of its reporting all persons within its own workforce who could be significantly affected by the Company's activities. This approach ensures transparency and compliance with the requirements of European sustainability standards, providing a clear picture of the impact of its activities on its employees.

Transelectrica recognizes that its own workforce is a key stakeholder group, which is why reporting includes key issues such as working conditions, occupational health and safety, professional development and equal opportunities. Through this reporting, the Company demonstrates its commitment to the protection of employee rights and ensures their integration into its strategy and business model in line with the ESRS requirements.



### **Own workforce policies (S1-1)**

Transelectrica conducts its business in full compliance with the UN Guiding Principles on Business and Human Rights, respecting its international commitments on corporate responsibility, as well as in accordance with the policies set out in the section MDR-P Policies - Policies adopted to manage significant sustainability issues. The company also adheres to the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, ensuring respect for employees' rights, promoting fair, safe and inclusive working conditions, and combating any form of discrimination or exploitation. At the same time, Transelectrica aligns its corporate governance practices with the OECD Guidelines for Multinational Enterprises, integrating principles of transparency, ethics and sustainability into its business model. Through this approach, the Company assumes an active role in promoting an organizational culture based on respect for human rights, sustainable development and responsibility towards employees and society.

Transelectrica recognizes the essential role that its own workforce plays in ensuring the continuity and safety of the critical electricity transmission infrastructure. Given the technical specificity of the activity and the need for highly skilled personnel, the Company constantly invests in the professional development and safety of its employees. Through strategies oriented towards talent retention, continuous training and improvement of working conditions, Transelectrica aims to ensure a stable and performing working environment, able to meet the requirements of the energy sector. Respecting the rights of employees, promoting equal opportunities and maintaining an open dialog with them are fundamental principles underpinning the Company's strategy, thus strengthening a motivated team well prepared for the challenges of the future.

Although Transelectrica does not have a strictly formalized policy on its own workforce, the Company has adopted the Policy Statement on Quality, Environment, Occupational Health and Safety Management, with the objective of maintaining a safe, fair and performing working environment, in compliance with national and European regulations.

This objective is also supported by internal operational procedures, namely OP TEL 00.24 - Elaboration and follow-up of the prevention and protection plan in the field of occupational safety and health and OP TEL 18.04 - Assessment of the level of risk of occupational injury and illness at the workplace.

The Risk Management Policy statement also applies to issues related to Transelectrica's own workforce, as human resources are a critical factor for Transelectrica's operational continuity and performance. The company depends on an experienced and specialized workforce and human resource risks such as skills shortages, retention of key employees, occupational health and safety, adaptation to new technologies and legislative changes can have a significant impact on the stability and efficiency of the business.

In terms of specific policies aimed at eliminating discrimination/harassment and promoting equal opportunities, we would like to mention both the Code of Ethics and Professional Conduct and the Internal Rules and Regulations, which are described in detail in the section Policies on Professional Conduct and Corporate Culture (G1-1).

Furthermore, the Policy on Infrastructure Development/Modernization, Energy Transition and Integration of Renewables (policy emerging from the ETG 2024-2033 Development Plan),



together with the Energy Efficiency Policy and the Smart Grid Policy are not only technical issues, but have a direct and significant impact on the workforce itself. These policies require adapting skills, optimizing work processes and developing a workforce prepared for the new realities in the energy sector.

| <b>Policy on infrastructure development/modernization, energy transition and integration of renewables (policy emerging from the ETG 2024-2033 Development Plan)</b>           | <b>Energy efficiency policy</b>                                                                                                                                                          | <b>Smart Grid Policy</b>                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| It involves projects to extend and modernize the transmission network, which requires skilled personnel for design, execution, operation and maintenance                       | Promoting energy efficiency involves optimizing operating processes and reducing network losses, which implies changes in working methodologies and the use of innovative technologies   | The introduction of smart grids involves digitalization and automation of operational processes, which changes the way employees interact with energy system infrastructure and data                                  |
| New smart infrastructure technologies require continuous training and retraining of technical and IT&C personnel to operate advanced equipment and systems                     | Employees need to be trained to monitor energy consumption and implement energy efficiency solutions, which requires training programmes and integration into the organizational culture | Transelectrica employees, especially those in the technical and IT&C area, need to acquire new skills in data management, cyber security and the operation of automated systems, requiring advanced training programs |
| The increased complexity of the infrastructure imposes new requirements on occupational safety and security to protect employees involved in network operation and maintenance |                                                                                                                                                                                          | Smart Grid reduces manual activities, but places new demands on technical employees in terms of data analysis, remote operation and optimization of energy flows                                                      |

These policies are leading to a profound transformation in the way we work, which requires adapting and developing the workforce to support the new demands of the energy sector. Therefore, Transelectrica has implemented training, retention and attraction programs in 2024 to train, retain and attract specialists so as to have a team ready to manage infrastructure modernization, energy efficiency and the implementation of Smart Grid solutions. Thus, the application of these policies to the workforce is essential for the sustainability and competitiveness of the Company.

Transelectrica implements a well-defined human resources strategy aligned with its operational and sustainability objectives. This is supported by clear operational procedures designed to address key issues such as recruitment and selection of personnel, training and professional development, personnel advancement and promotion, financial incentives for personnel carrying out activities within the framework of Projects financed by non-reimbursable European funds, with budgets eligible for payment of human resources expenditure, as well as occupational health and safety.

Through this approach, Transelectrica aims to continuously develop employees' skills, improve working conditions, ensure health and safety in the workplace, as well as promote the principles of equal opportunities and diversity. At the same time, Transelectrica aims to create a stable organizational climate based on open dialogue, mutual respect and commitment to operational excellence, thus contributing to the sustainable development of the Company and the national energy sector.



## **Processes for engaging with own workforce and workers' representatives on impacts (S1-2)**

Employees' rights and obligations, as well as the employer's rights and obligations are clearly defined and regulated in Transelectrica's Internal Regulations and the CCM. These documents establish a transparent and fair framework for labor relations, ensuring compliance with national and European legislation. The Internal Regulations regulate the rules of conduct, internal procedures and occupational health and safety standards, while the CCM details issues related to salary rights, benefits, working conditions, working time and social dialogue mechanisms.

Transelectrica implements structured processes for working with its own workforce and their representatives to identify, manage and mitigate actual and potential impacts on employees. These processes include regular social dialog, collective bargaining and consultation mechanisms designed to ensure the active involvement of employees in decisions that directly affect them.

The company maintains a close cooperation with trade unions and employee representatives, materialized through the CCM / additional acts to the CCM, which regulate the rights, obligations and working conditions of employees. Transelectrica also organizes regular meetings, whenever deemed necessary by management or trade union organizations, with employee representatives to discuss key issues such as occupational health and safety and training and professional development opportunities. Each employee has access to the content of the Collective Bargaining Agreement as well as to any amendments to it.

**Dialogue and resolution of demands.** The fact that there were no strikes or significant issues raised by employees in 2024 shows an effort of mediation and negotiation by management. This example underscores the importance of maintaining an open line of communication with employees - an internal community essential to the smooth running of the business - so that the public service provided is not disrupted.

The Directorate has the strategic responsibility to ensure that all employee engagement processes are integrated into the Company's approach and that major workforce decisions are linked to Transelectrica's business strategy. At the same time, the Human Resources Director is responsible for the operational implementation of the collaboration, facilitating social dialog, collective bargaining and the implementation of initiatives aimed at improving working conditions, safety and development of employees

Through these collaboration mechanisms, Transelectrica not only ensures a safe and fair working environment, but also strengthens its relationship with its employees, promoting an organizational culture based on open dialogue, mutual respect and continuous improvement of working conditions.

## **Processes to remedy negative impacts and channels through which own workforce can voice their concerns (S1-3)**

Any Transelectrica employee who is aware of or has reasonable grounds to suspect a violation of the Code of Ethics and Professional Conduct may send a complaint



[tooffice@transelectrica.ro](mailto:tooffice@transelectrica.ro) . This is presented to Transelectrica's Directorate and if the complaint is considered legitimate, measures will be taken as soon as possible to remedy the situation. All reports of non-compliance with this code are confidential. No employee will be subject to pressure and will not suffer in the event of having made a referral regarding non-compliance with the Code of Ethics and Professional Conduct.

Misconduct considered legitimate will be referred to the Company's Disciplinary Committee. The Disciplinary Committee is appointed by decision and is the body responsible for analyzing and sanctioning breaches of the Code of Ethics and Professional Conduct. It examines violations of the rules of professional and moral conduct, applying disciplinary measures in accordance with the labor legislation, namely the Labor Code (Law no. 53/2003) and the Company's Internal Regulations. The Commission's role is to ensure compliance with the principles of integrity, transparency and accountability within the organization, with the authority to propose sanctions ranging from warnings to termination of employment, depending on the seriousness of the facts.

At the same time, according to the Internal Regulations, any employee has the right to petition, which may be exercised through complaints and grievances that are recorded in the Register for the recording of how they are resolved, which must be answered within the time limit provided by law. Employees' complaints and grievances concerning the provisions of the Internal Regulations, the provisions of the Collective Labor Contract, as well as labor relations and the activity carried out in Transelectrica shall be formulated in writing and submitted through the hierarchical channel or deposited at the Company's Registry.

Transelectrica currently has a dedicated channel for raising concerns for its own workforce: [etică@transelectrica.ro](mailto:etică@transelectrica.ro). This initiative aims to improve transparency, build trust and facilitate more effective communication, aligning with international best practices and sustainability standards.

#### **Taking action on significant impacts on own workforce and approaches for managing significant risks and pursuing significant opportunities related to own workforce, and the effectiveness of these actions (S1-4)**

Transelectrica aims to provide a safe, attractive and high-performance working environment for its employees, implementing internationally recognized standards to ensure quality, sustainability and safety at work. In this regard, the Company implements the requirements of SR EN ISO 9001:2015, which ensures an efficient quality management, oriented towards continuous process improvement and employee satisfaction. In addition, Transelectrica applies SR EN ISO 14001:2015, a standard that supports the development of an efficient and sustainable environmental management system, contributing to minimizing the impact on the environment. In terms of employee protection, the Company implements SR ISO 45001:2023, a standard dedicated to occupational health and safety, aimed at minimizing operational risks and creating a safe and internationally compliant environment.

According to Transelectrica's quality, environment, occupational health and safety management policy, Transelectrica's development strategy has as its fundamental objective the fulfillment of the needs and expectations of its stakeholders, including employees. To this end, the Company implements, maintains and continuously improves the Integrated Management System, in accordance with international standards, ensuring safe and healthy working conditions,



professional development of personnel, as well as an organizational environment that supports the active involvement and consultation of employees.

Therefore, Transelectrica assumes its responsibility to provide safe and healthy working conditions to prevent accidents and occupational diseases, to reduce environmental impact by using the best available technologies and to promote sustainable development.

Transelectrica implements concrete measures and proactive strategies to manage the significant impacts on its own workforce, taking into account the technical specificity of the activity, the high qualification requirements and operational safety. Thus, the Company invests in continuous professional development, providing employees with access to specialized training programs aimed at improving technical skills and adaptability to new technologies in the energy sector.

The Company also promotes equal opportunities and diversity, ensuring an inclusive and respectful working environment for all employees.

In order to mitigate the risks related to the shortage of qualified personnel, Transelectrica is implementing several strategic measures, focused on training, attracting young specialists and retaining experienced employees. These measures include:

- Professional training programs - training sessions are conducted to increase employee skills, including technical, procurement and integrated management courses;
- Private scholarships - The company offers scholarships to technical students, facilitating their recruitment after graduation;
- Traineeships and internships - students and pupils in the energy sector benefit from internships to familiarize themselves with the company's activities, which helps attract new talent;
- employment of scholarship holders - graduates who have benefited from scholarships are recruited, within the limit of available places, and are obliged to remain in the Company for at least three years;
- Retention of qualified personnel - through a fair remuneration system, performance-based promotions and various benefits (health insurance, pension fund contributions, vacation facilities), Transelectrica seeks to ensure workforce stability.



|                   | Attracting young professionals <sup>28</sup>                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                        |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   | Private scholarships                                                                                                                                                                                                                                               | Grants to support students in dual education                                                                                                                                                                                                                                                    | Internships                                                                                                                                                                                                                                                                                                                                                                                                                               | Employment after traineeships/fellowships                                                                                                                                                                                              |
| Number of persons | 9 students                                                                                                                                                                                                                                                         | 11 pupils                                                                                                                                                                                                                                                                                       | 87 students and pupils                                                                                                                                                                                                                                                                                                                                                                                                                    | 8 scholarship students                                                                                                                                                                                                                 |
| Beneficiaries     | Students from technical faculties such as: Politehnica University of Bucharest - Faculty of Energetics, specialization in Electrical Power Systems Engineering - Faculty of Electrotechnics and Electroenergetics, Faculty of Electrical and Energetic Engineering | Students from the Technical College of Post and Telecommunications "Gheorghe Airinei" Bucharest                                                                                                                                                                                                 | From faculties with technical profile and high schools with energy profile, such as: National University of Science and Technology Politehnica Bucharest, Politehnica University Timișoara, University of Craiova, Technical University "Gheorghe Asachi" Iasi, Technical University "Gheorghe Asachi" Iasi, University of Danube University of Galati, Energy High School Constanta, but also students from other faculties, as follows. | The students who benefit from a private scholarship from Transelectrica are employed at the end of their studies in the Company, within the limit of available vacancies and are obliged to remain in the Company for at least 3 years |
| Benefits          | Students have the opportunity to learn and familiarize themselves with the Company's field of activity                                                                                                                                                             | Developing and/or revising qualifications adapted to the needs of the energy labor market                                                                                                                                                                                                       | Familiarizing students with the Company's field of activity                                                                                                                                                                                                                                                                                                                                                                               | The company ensures a steady flow of technical talent by selecting high academic achievers and training them according to its operational needs                                                                                        |
|                   | Employing scholarship holders, on completion of their studies, in a post corresponding to their professional qualifications, subject to the availability of vacancies                                                                                              | Aim: to provide initial vocational education and training in a dual system, through the development of partnerships with economic operators or other relevant partners in order to adapt vocational education and training to the requirements of the labor market in specific technical fields | Attracting potential candidates for vacancies                                                                                                                                                                                                                                                                                                                                                                                             | Reduced recruitment and integration time and costs - Fellows, already familiar with the work of the Company, require less time for adaptation and training after employment                                                            |
|                   | Improving communication with specialized higher education institutions                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                 | Involving personnel in introducing pupils and students to the practical training program                                                                                                                                                                                                                                                                                                                                                  | Increasing workforce retention and stability                                                                                                                                                                                           |

<sup>28</sup> The table refers to initiatives carried out during 2024.



These initiatives help to reduce personnel turnover and maintain a high level of competence within the Company.

Transelectrica has developed clear and effective operational procedures for training and professional development, recruitment and selection, advancement and promotion, and financial incentives, with the main objective of providing an optimal framework for reducing risks related to its own workforce. These measures are essential for maintaining a qualified and experienced workforce, preventing skills shortages and increasing employee motivation and retention. Through continuous training programs, the Company supports the development of technical skills and adaptation to new technological requirements, thus ensuring an efficient transition to digitalization and modernization of the energy infrastructure. In addition, recruitment and promotion policies are designed to attract highly qualified specialists, while financial incentive schemes help to recognize performance and maintain a motivating organizational climate. Through this integrated approach, Transelectrica minimizes the risks associated with shortages of qualified personnel, employee turnover and adaptation to changes in the energy sector, thus enhancing stability and operational efficiency.

In terms of significant opportunities, the Company is focused on modernizing infrastructure and adapting the skills of the workforce to the new demands of the energy transition. The development of Smart Grids and the integration of renewables provide the opportunity for employees to gain advanced expertise and adapt to an evolving sector.

At the same time, Transelectrica maintains a constant dialogue with employee representatives, thus ensuring a continuous improvement process for optimizing working conditions and maximizing the potential of human resources.

| Actions in 2024 to reduce negative impacts and seize opportunities                                                                                                                               |                                                                                                                                                                                  |                                                                                                                                           | Seized opportunities                                      |                                                              |                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------|
| Shortage of skilled labor market                                                                                                                                                                 | Occupational accidents                                                                                                                                                           | Working conditions for categories exposed to extreme weather conditions                                                                   | Developing and upgrading skills through lifelong learning | Improve workplace safety and increase operational efficiency | Creating a more attractive and inclusive working environment                     |
| Investments in training and upgrading - Transelectrica has carried out continuous training programs to develop advanced technical skills, essential for the operation of critical infrastructure | Training and certification - all employees have attended specialized training on occupational safety and health, including working at height and handling high voltage equipment | Thermal protective equipment - providing special equipment to protect employees exposed to extreme temperatures in both summer and winter | Increase the number of training hours per employee        | Increase efficiency of maintenance processes                 | Increase employee satisfaction by improving the benefits offered through the CCM |



| Actions in 2024 to reduce negative impacts and seize opportunities                                                                                                                          |                                                                                                                                |                                                                         | Seized opportunities                                                                   |                                                              |                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------|
| Shortage of skilled labor market                                                                                                                                                            | Occupational accidents                                                                                                         | Working conditions for categories exposed to extreme weather conditions | Developing and upgrading skills through lifelong learning                              | Improve workplace safety and increase operational efficiency | Creating a more attractive and inclusive working environment                  |
| Educational collaborations - partnerships have been established with universities and training institutions to attract young talent and facilitate their integration into the energy sector | Monitoring and control - implementing a system of regular monitoring and inspections to identify and prevent operational risks |                                                                         | Developing new skills in digitalization and remote operation to reduce workplace risks |                                                              | Reduce the gender pay gap in line with the targets set in the Management Plan |

### Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities (S1-5)

The management plan provides for a number of non-financial/non-commercial indicators with a direct impact on employees, as well as target values broken down by each year of the term of office of the members of the Directorate and the members of the Supervisory Board.

Transelectrica's non-financial/non-commercial indicators are organized into two main categories: employees and customers, each reflecting essential aspects for the sustainable development of the Company. The employees category includes three fundamental levels: professional training, measured by the average number of hours of training per employee, which is essential for increasing the skills and adaptability of the workforce; the gender pay gap, which highlights the company's commitment to pay equity and inclusion; and occupational health and safety, a critical aspect for protecting employees exposed to high operational risks. The client category focuses on retention rate, an indicator of the stability of business relationships and confidence in the services offered, and satisfaction score, which reflects the perception and experience of beneficiaries in relation to the company's performance. These indicators help monitor operational efficiency and social responsibility, reinforcing a sustainable and performance-oriented business model.



## Number of training hours per employee

| Categories          | Indicator                                     | Primary data                                                    | U.M    | Formula                                                                                                                                     |
|---------------------|-----------------------------------------------|-----------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Employee indicators | Average number of training hours per employee | Total number of training hours<br><br>Total number of employees | Number | $\text{Average number of training hours per employee} = \frac{\text{Total number of training hours}_t}{\text{Total number of employees}_t}$ |

| Indicator                                     | 2024  | 2025  | 2026  | 2027  | 2028  |
|-----------------------------------------------|-------|-------|-------|-------|-------|
| Average number of training hours per employee | 16.00 | 18.00 | 18.50 | 19.00 | 19.50 |

## Pay gap between male and female employees

| Categories      | Indicator                                 | Primary data                                                                                   | U.M | Formula                                                                                                                                                                                                                                                                                  |
|-----------------|-------------------------------------------|------------------------------------------------------------------------------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gender equality | Pay gap between male and female employees | Average monthly earnings of male employees<br><br>Average monthly earnings of female employees | %   | $\text{Rata diferenței de remunerare între angajații de sex masculin și feminin} = \frac{\text{Salariul mediu lunar al angajaților de sex masculin} - \text{Salariul mediu lunar al angajaților de sex feminin}}{\text{Salariul mediu lunar al angajaților de sex masculin}} \times 100$ |

| Indicator                                 | 2024  | 2025  | 2026  | 2027 | 2028 |
|-------------------------------------------|-------|-------|-------|------|------|
| Pay gap between male and female employees | 0.75% | 0.50% | 0.25% | 0%   | 0%   |

## Number of safety trainings

| Categories          | Indicator                  | Primary data                                                              | U.M    | Formula                                                                                                                                                  |
|---------------------|----------------------------|---------------------------------------------------------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employee indicators | Number of safety trainings | Total number of safety training that has been carried out during the year | Number | $\text{Număr de instruiți în materie de siguranță} = \text{Numărul total de instruiți în materie de siguranță} - \text{au realizat pe parcursul anului}$ |

| Indicator                                | 2024 | 2025 | 2026 | 2027 | 2028 |
|------------------------------------------|------|------|------|------|------|
| Number of safety trainings <sup>29</sup> | 4.5  | 5.0  | 5.0  | 5.0  | 5.0  |

<sup>29</sup> Occupational safety and health (OSH) training.



## Customer retention rate

| Categories          | Indicator               | Primary data                                             | Formula                                                                                                                                       |
|---------------------|-------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Customer indicators | Customer retention rate | Total number of customers<br><br>Number of new customers | $\text{Customer retention rate}_t = \frac{\text{number of customers}_t - \text{number of new customers}_t}{\text{number of customers}_{t-1}}$ |

| Indicator               | 2024 | 2025 | 2026 | 2027 | 2028 |
|-------------------------|------|------|------|------|------|
| Customer retention rate | 100% | 100% | 100% | 100% | 100% |

## Customer satisfaction

| Categories          | Indicator                   | Primary data                                                                                         | Formula                                                                                                                           |
|---------------------|-----------------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Customer indicators | Customer satisfaction score | Total number of 4 and 5 ratings obtained (5 is the maximum score)<br><br>Total number of assessments | $\text{Customer satisfaction score}_t = \frac{\text{total number of ratings of 4 and 5}_t}{\text{total number of ratings}_{t-1}}$ |

| Indicator                   | 2024   | 2025   | 2026   | 2027   | 2028   |
|-----------------------------|--------|--------|--------|--------|--------|
| Customer satisfaction score | 75.00% | 75.00% | 75.00% | 75.00% | 75.00% |

The Company's current quality, environmental, occupational health and safety, and human resources management framework provides a robust set of measures and commitments for employee safety, improved working conditions and training.

The Company's approach to employees is an adaptive one, prioritizing compliance with applicable national and international legislation, without imposing rigid targets that may require frequent adjustments in response to changing regulatory and market conditions.

Currently, strategic workforce objectives are managed through internal policies and operational procedures. Transelectrica remains committed to continuous improvement, constantly monitoring and evaluating performance in the area of human resource management and taking proactive action where necessary.



Transelectrica aims to improve and diversify its training programs for employees, ensuring that they have the necessary skills to meet the technological and operational challenges in the energy sector.

At the same time, the Company aims to expand and strengthen programs to attract young specialists by developing strategic partnerships with universities and technical education institutions. These initiatives will not only facilitate the recruitment of future specialists, but will also contribute to their quick and efficient integration into the organizational structure, ensuring knowledge transfer and maintaining a high level of professional competence in the energy sector. For the reporting year 2024, Transelectrica has maintained an adaptable human resources management system, focusing on proactive measures aimed at ensuring operational continuity and professional development of employees. The company focused on personnel training and development, organizing specialized courses to increase technical and managerial skills, in parallel with conducting internal and external training programs.

### Characteristics of enterprise employees (S1-6)

Transelectrica operates with a well-trained and specialized workforce, essential to ensure continuity and safety in the energy sector. The structure and dynamics of the personnel reflect a balance between the experience gained by senior employees and the integration of new specialists, through dedicated training programs and the attraction of young talent. The company places particular emphasis on the professional development of its employees, promoting a fair, diverse and high-performing work environment, supported by competitive remuneration policies, growth opportunities and a benefits package tailored to their needs. These aspects contribute to the maintenance of a high level of competence and organizational stability, which are essential factors for the smooth operation of critical energy activities.

| Number of employees by geographical area |             |
|------------------------------------------|-------------|
| Executive                                | 503         |
| DEN                                      | 189         |
| STT Bacău                                | 142         |
| S Bucharest                              | 198         |
| STT Cluj-Napoca                          | 151         |
| STT Constanta                            | 169         |
| STT Craiova                              | 184         |
| STT Pitesti                              | 150         |
| STT Sibiu                                | 155         |
| STT Timisoara                            | 185         |
| <b>TOTAL</b>                             | <b>2026</b> |



| Number of employees<br>Transelectrica |      |        |      |        |
|---------------------------------------|------|--------|------|--------|
| Gender                                | 2023 |        | 2024 |        |
| Male                                  | 1467 | 72,02% | 1452 | 71,66% |
| Female                                | 570  | 27,98% | 574  | 28,34% |
| Total                                 | 2037 | 100%   | 2026 | 100%   |

| Gender                    |              | 2024        |             |
|---------------------------|--------------|-------------|-------------|
| Transelectrica            | Male         | 1452        | 71,66%      |
|                           | Female       | 574         | 28,34%      |
|                           | <b>Total</b> | <b>2026</b> | <b>100%</b> |
| Teletrans                 | Male         | 174         | 72%         |
|                           | Female       | 68          | 28%         |
|                           | <b>Total</b> | <b>242</b>  | <b>100%</b> |
| Smart                     | Male         | 425         | 73,3%       |
|                           | Female       | 155         | 26,7%       |
|                           | <b>Total</b> | <b>580</b>  | <b>100%</b> |
| <b>CONSOLIDATED TOTAL</b> |              | <b>2848</b> |             |

Although the number of employees by gender reflects the technical specificity of the Company's activities, Transelectrica promotes equal opportunities and diversity within the organization, implementing inclusion and professional development measures aimed at ensuring a fair working environment and equal opportunities for all employees, regardless of gender.

#### Employees by type of contract by gender at 31.12.2024

| The year 2024                                       | Female |        | Male |        | Total |
|-----------------------------------------------------|--------|--------|------|--------|-------|
| Number of employees                                 | 574    | 28,34% | 1452 | 71,66% | 2026  |
| Number of permanent employees                       | 569    | 28,38% | 1436 | 71,62% | 2005  |
| Number of temporary employees                       | 5      | 23,81% | 16   | 76,19% | 21    |
| Number of employees with non-standard working hours | 0      | 0%     | 0    | 0%     | 0     |
| Number of full-time employees                       | 572    | 28,29  | 1450 | 71,71% | 2022  |
| Number of part-time employees                       | 2      | 50%    | 2    | 50%    | 4     |

| The year 2024                      | Female |        | Male |        | Total |
|------------------------------------|--------|--------|------|--------|-------|
| Number of employees Transelectrica | 574    | 28,34% | 1452 | 71,66% | 2026  |
| Number of employees Teletrans      | 68     | 28%    | 174  | 72%    | 242   |
| Number of Smart employees          | 155    | 26,7%  | 425  | 73,3%  | 580   |



| The year 2024                                                        | Female |        | Male |        | Total |
|----------------------------------------------------------------------|--------|--------|------|--------|-------|
| Number of permanent employees Transelectrica                         | 569    | 28,38% | 1436 | 71,62% | 2005  |
| Number of permanent employees Teletrans                              | 64     | 27,46% | 169  | 72,53  | 233   |
| Number of permanent employees Smart                                  | 155    | 26,7%  | 425  | 73,3%  | 580   |
| Number of temporary employees Transelectrica                         | 5      | 23,81% | 16   | 76,19% | 21    |
| Number of temporary employees Teletrans                              | 0      | 0%     | 0    | 0%     | 0     |
| Number of temporary employees Smart                                  | 0      | 0%     | 0    | 0%     | 0     |
| Number of employees with non-guaranteed working hours Transelectrica | 0      | 0%     | 0    | 0%     | 0     |
| Number of employees with non-standard working hours Teletrans        | 0      | 0%     | 0    | 0%     | 0     |
| Number of employees with non-standard working hours Smart            | 0      | 0%     | 0    | 0%     | 0     |
| Number of full-time employees Transelectrica                         | 572    | 28,29  | 1450 | 71,71% | 2022  |
| Number of full-time employees Teletrans                              | 66     | 27,84% | 171  | 72,16% | 237   |
| Number of full-time employees Smart                                  | 151    | 26,4%  | 420  | 73,6%  | 571   |
| Number of part-time employees Transelectrica                         | 2      | 50%    | 2    | 50%    | 4     |
| Number of part-time employees Teletrans                              | 2      | 40%    | 3    | 60%    | 5     |
| Number of part-time employees Smart                                  | 4      | 44,4%  | 5    | 55,6%  | 9     |

In terms of employee dynamics, a total of 72 people were employed in 2024, while 69 left the Company, the average age of all employees as of 12/31/2024 being 42 years.

In the year 2024, 12 women and 2 men were on parental leave, benefiting from the articles dedicated to this case in both the Labor Code and the Collective Bargaining Agreement.

### Characteristics of unpaid workers in the enterprise's own workforce (S1-7)

Transelectrica runs annual internships and internship programs for students and graduates who wish to familiarize themselves with the energy field and develop their professional skills within the Company. These internships offer participants the opportunity to gain practical experience under the guidance of specialists in the field.

Given that the participants in these programs are not employed on the basis of individual employment contracts, but carry out their internships on the basis of internship agreements concluded between the Company and educational institutions, they are considered as non-



salaried workers. Thus, although they contribute to the Company's activities, students and graduates participating in internships and internship programs are not included in the total number of Transelectrica employees. Based on internship agreements between the Company and educational institutions.

In addition, in order to ensure a clear record of the workforce involved in Transelectrica's activities, steps have been taken to identify subcontractors, i.e. workers employed by third party companies that provide services to the Company. These companies collaborate with Transelectrica in various areas such as security, cleaning, pest control, maintenance and other outsourced activities essential for the smooth running of operations. As these workers are not direct employees of Transelectrica, but carry out their work on the basis of contracts concluded between the Company and the service providers, they are considered as non-salaried workers. Identifying and monitoring them is an important step to better manage contractual relations and to ensure compliance with the applicable safety and labor standards.

### **Coverage of collective bargaining and social dialog (S1-8)**

Transelectrica aims to maintain and strengthen a constructive partnership relationship with existing trade unions, based on open social dialog, transparency and mutual cooperation. Recognizing the essential role of trade unions in protecting the rights and interests of employees, the Company supports a balanced working climate geared towards the effective resolution of human resources challenges. Through regular consultations and active collaboration, Transelectrica aims to ensure a stable, fair and motivating working environment, thus contributing to increasing organizational performance and maintaining a balance between the Company's objectives and the needs of employees.

At Transelectrica, there are 12 trade unions, all affiliated to the National Federation of Electricity Trade Unions "Univers" (FNSE).

1. Union of Energy Dispatchers of the National Energy System Bucharest;
2. Energia pentru Viitor Bucharest;
3. Bucharest Transport and System Operator Union;
4. Executive Union Transelectrica Bucharest;
5. Transport/Maintenance Union Bacău;
6. Union Transelectrica Bucharest;
7. Electro-Energetica Union from ST/SMART Cluj;
8. Transelectrica Constanta Union;
9. Union CURENTUL Craiova Transport Branch;
10. SINDTEL Pitesti;
11. Union of Employees of the Territorial Transport Unit Sibiu;
12. Trans Energetica Timisoara.

According to Art. (1) lit. C of Law no. 367/2022 on social dialogue, the National Federation of Electricity Trade Unions "Univers" (FNSE) is the representative trade union organization at the unit level, which gives it the legal right to negotiate and conclude collective bargaining agreements, to actively participate in decision-making processes and to ensure the respect of employees' rights. This affiliation enables trade unions to benefit from the expertise and support of a higher-level trade union structure, thus strengthening their members' bargaining capacity and protection vis-à-vis the employer. The affiliation of Transelectrica unions to the National



Federation of Electricity Trade Unions "Univers" (FNSE) provides a significant strategic advantage, ensuring a strong and unified representation of employees' interests at Company and energy sector level.

| The year 2024                                                  | Total employees |
|----------------------------------------------------------------|-----------------|
| Number of employees covered by collective employment contracts | 2026            |
| Number of employees union members                              | 2012            |

For employees who are not subject to collective bargaining agreements, working conditions and conditions of employment are established in accordance with the provisions of the collective bargaining agreements applicable to other Transelectrica employees. This principle ensures a fair and unitary framework regulating the rights and obligations of all employees, regardless of their contractual status. Thus, issues such as remuneration, working hours, social benefits, occupational health and safety measures, as well as other rights and obligations are aligned with existing standards and practices within the Company, ensuring fair and transparent treatment for all employees.

With a union membership rate of 99.31%, Transelectrica employees recognize the usefulness of a trade union body set up to promote their interests in their relationship with the employer. At the same time, the absence of any labor conflicts in 2024 is a relevant indicator of the effectiveness of mediation between employees and employer.

The relations between Transelectrica and its employees are regulated both by individual employment contracts and by the Collective Labor Contract. The individual employment contracts establish the specific rights and obligations of each employee, while the Collective Labor Contract regulates the rights and obligations of the parties with respect to:

- its conclusion, performance, amendment, modification, suspension and termination;
- working time and rest time;
- pay;
- occupational health and safety, working conditions;
- vocational training;
- social protection of employees and other rights;
- rights and obligations arising from employment relationships;
- mutual recognition, rights and obligations of the employer and trade union organizations.

These legal instruments provide a clear and fair framework for cooperation, contributing to the protection of employees' rights and the smooth running of activities within the Company.

The Collective Bargaining Agreement in force for the year 2024 was registered with the ITM under no. 509/21.12.2022, for a period of 2 years, from 21.12.2022 to 24.12.2024. It has been amended by a number of 8 addenda. The amendments were aimed at adapting the working conditions to current requirements, improving the benefits package and reinforcing measures designed to support employees in various professional and social aspects. Through these adjustments, Transelectrica has reaffirmed its commitment to an open and fair social dialog, ensuring a stable, predictable working framework for the direct benefit of employees.



In order to solve the problems that may arise in the application of the CCM in force, to avoid labor conflicts, as well as to create the organizational framework that allows to remain in a permanent dialogue with the employee representatives, the parties signatory to the CCM have agreed to meet whenever necessary within the Joint Employer - Trade Union Committee, a joint committee that operates in accordance with its own rules of operation.

In 2024, in addition to maintaining the rights set out in the Collective Bargaining Agreement, a two-stage increase in gross base salaries was implemented in 2024, with the aim of mitigating the impact of inflation and increasing employee motivation. A new Collective Bargaining Agreement was also negotiated at the end of the year (in November and December), valid for two years, starting 01.01.2025.

The objectives of the trade union organizations for 2025 aim to ensure the full implementation of the provisions of the new Collective Bargaining Agreement, thus strengthening employee motivation and stimulating performance within the Company by increasing the wage package. It is also aimed at initiating negotiations for a salary increase to partially mitigate the impact of inflation, in line with the approved revenue and expenditure budget for 2025, as well as to improve occupational health and safety conditions for all employees.

Transelectrica's Collective Bargaining Agreement does not apply to the subsidiaries, as both Teletrans and Smart have separate CCMs.

#### **Teletrans Subsidiary**

| The year 2024                                                  | Total employees |
|----------------------------------------------------------------|-----------------|
| Number of employees covered by collective employment contracts | 242             |
| Number of employees union members                              | 184             |

#### **Smart Subsidiary**

| The year 2024                                                  | Total employees |
|----------------------------------------------------------------|-----------------|
| Number of employees covered by collective employment contracts | 580             |
| Number of employees union members                              | 560             |

As in the case of Transelectrica, for employees who are not subject to collective bargaining agreements, working conditions and terms and conditions of employment are established in accordance with the provisions of the collective bargaining agreements applicable to the other employees of the subsidiaries.

#### **Diversity indicators (S1-9)**

Transelectrica implements clear and transparent mechanisms to ensure a fair process of recruitment, hiring and promotion, eliminating any form of discrimination based on gender, marital status, gender identity, religion, political beliefs, ethnicity, race, nationality, genetic characteristics, age or other personal criteria. The Company's Internal Rules and Regulations contain strict provisions on compliance with the principle of non-discrimination and the elimination of any form of violation of dignity. As a result of this proactive approach, no incidents



of discrimination were recorded in 2024, and due to the preventive measures implemented, no corrective actions were necessary.

Gender distribution in number and percentage of top management/executive functions

| Type of function                                                | Number of employees |             | Gen         |             |            |             |
|-----------------------------------------------------------------|---------------------|-------------|-------------|-------------|------------|-------------|
|                                                                 |                     |             | M           |             | F          |             |
| Top management personnel (excluding members of the Directorate) | 82                  | 4,05%       | 54          | 3,72%       | 28         | 4,88%       |
| Executive personnel                                             | 1944                | 95,95%      | 1398        | 96,28%      | 546        | 95,12%      |
| <b>TOTAL</b>                                                    | <b>2026</b>         | <b>100%</b> | <b>1452</b> | <b>100%</b> | <b>574</b> | <b>100%</b> |

Structure by age groups, top management/exertional functions

| Type of function                                                | Number of employees |             | Ages           |             |             |             |             |             |
|-----------------------------------------------------------------|---------------------|-------------|----------------|-------------|-------------|-------------|-------------|-------------|
|                                                                 |                     |             | up to 30 years |             | 30-50 years |             | over 50     |             |
| Top management personnel (excluding members of the Directorate) | 82                  | 4,05%       | 0              | 0%          | 36          | 3,94%       | 46          | 4,54%       |
| Executive personnel                                             | 1944                | 95,95%      | 99             | 100%        | 877         | 96,06%      | 968         | 95,46%      |
| <b>TOTAL</b>                                                    | <b>2026</b>         | <b>100%</b> | <b>99</b>      | <b>100%</b> | <b>913</b>  | <b>100%</b> | <b>1014</b> | <b>100%</b> |

### Adequate salaries (H1-10)

Within Transelectrica, the employees benefit from a competitive, fair and adequate salary system, aligned to the complexity of the positions and the specific responsibilities of each position. The remuneration system applied to date has been implemented as of 01.01.2017, date on which 4 permanent bonuses were introduced in the basic salary, namely the seniority bonus, the bonus for years of uninterrupted service in the Company, the loyalty bonus and the confidentiality clause.

The current pay system has been built on fundamental criteria and principles designed to ensure fairness, transparency and link pay to the level of professional responsibility and competence. These principles include:

- the principle of "equal pay for equal work", implemented by grading functions on the basis of a unitary instrument;
- awarding the basic salary mainly on professional criteria - depending on the role of the post within the organization, the degree of complexity of the profession/job, responsibility, as well as on the qualifications required for the position; these were determined following an objective job evaluation process;



- ensuring internal equity by eliminating discrimination based on years of service or seniority within the Company;
- Pay commensurate with the importance of the job and attention to the level of performance creates the conditions for both retention and attraction of qualified personnel.

The personnel remuneration system is regulated in a unitary manner by the Collective Bargaining Agreement (CBA), which provides a clear and fair framework for employee remuneration. The CCM establishes a hierarchized salary system in accordance with the complexity of the activities carried out, the degree of technicality involved and the professional skills required for each position within the Company, defining the salary limits corresponding to each hierarchical level. In this context, the remuneration system is structured in 9 classes of positions, organized according to the nature of the activity carried out and the type of contribution made to the Company, thus ensuring a fair and motivating reward of employees.

### **Social Protection (S1-11)**

Transelectrica is fully aware of the importance of social protection and of the essential role it plays in ensuring the stability and well-being of all its personnel. The company undertakes to comply with all legal provisions in the field of social protection, implementing measures that guarantee the financial and professional security of employees in the face of major life events. At the same time, the management maintains a permanent and constructive dialog with the trade unions, ensuring an effective collaboration in order to strengthen and expand the social benefits offered to employees. With this approach, Transelectrica reaffirms its commitment to protect employees' rights and to create a fair, stable and motivating work environment.

All Transelectrica employees benefit from an extensive social protection system that provides financial support and compensation designed to mitigate the impact of major life events on their income. This system includes a range of material support and financial compensation, such as allowances for personal events (birth of a child, death of a family member), financial support in the event of the death of the employee, as well as support in the event of total loss of working capacity due to an occupational accident or occupational illness, for those retired on disability grounds.

In addition, the Company covers medical expenses for occupational illnesses, occupational accidents or serious illnesses, contributes to voluntary pension funds (up to 160 lei/month) and offers voluntary health insurance for employees who have opted for it (up to 164 lei/month). Employees also benefit from compensation for the costs of tourist services for rest and treatment up to the negotiated ceiling (up to 6000 lei), meal vouchers, material aid for the purchase of glasses (up to the negotiated ceiling), and insured transportation to and from work.

An additional benefit granted by Transelectrica is the in-kind benefit of 5,000 kWh/year, providing direct support to employees in terms of electricity costs.

With this extensive package of protective measures, Transelectrica reaffirms its commitment to support the financial security and well-being of its employees, ensuring them a stable and fair working environment, regardless of the personal challenges they face.



### People with disabilities (S1-12)

Transelectrica promotes inclusion and equal opportunities in its workforce by having employees with disabilities integrated in various positions. In 2024, the Company had 9 employees with disabilities, occupying the following positions: 1 manager, 1 expert within the National Energy Dispatching (DEN), 1 head of service, 1 electrical station manager, 2 station shift managers, 2 intervention team shift managers and 1 main specialist engineer.

With this approach, Transelectrica reaffirms its commitment to providing equal opportunities to all employees, ensuring an inclusive work environment that capitalizes on the skills and expertise of each individual, regardless of any physical limitations.

| Reporting year 2024                    |       |
|----------------------------------------|-------|
| Total number of employees              | 2026  |
| People with disabilities               | 9     |
| Percentage of people with disabilities | 0,44% |

### Training and skills development indicators (S1-13)

Due to the technical specificity of the activity, Transelectrica pays great attention to the provision of training and professional skills development programs. These initiatives are essential to ensure a high level of technical expertise required in the operation and maintenance of ETG's critical infrastructure. Transelectrica is constantly investing in specialized training, professional certifications and refresher programs designed to support employees in adapting to new technologies, safety requirements and developments in the energy sector. Through these measures, the Company consolidates its leading position in the energy sector, ensuring the continuity and security of its operations.

The aim of training and professional development activities in 2024 was to increase the professional efficiency of employees by acquiring, improving and diversifying their professional skills, thus leading to increased professional performance of the Company's personnel.

The training activity at Transelectrica in 2024 was carried out in accordance with the "Annual program of maintenance, training and professional development of the Company's employees".

The program covered:

- learning, updating and accumulating new knowledge;
- consolidate existing knowledge and acquire new skills;
- increasing and diversifying professional skills, especially specialized skills;
- developing employees' skills and abilities;
- developing professional knowledge and training.

The implementation of the "Program for the maintenance, training and professional development of the Company's employees" was based on fundamental principles, aimed at ensuring a well-structured and fair training process. These include efficiency in the use of resources, effectiveness in achieving professional development objectives, consistency in the application of training strategies, equal treatment for all categories of employees, rigorous planning of training programs and transparency in their implementation and monitoring.



The courses organized in 2024 have been designed and structured according to the specific needs of the employees, based on customized curricula and topics tailored to the concrete requirements identified. They were differentiated according to professional category and level of knowledge, pursuing key objectives such as improving professional efficiency and effectiveness, increasing confidence in their own competences and, at the same time, providing a clear and realistic perspective on career development within Transelectrica.

The priority in 2024 was to ensure the organization and conduct of training sessions for personnel who, in their professional activity, require certification, authorization, recertification or reauthorization.

|                   | Number of trainings |      | Gen  |        |     |        |
|-------------------|---------------------|------|------|--------|-----|--------|
|                   |                     |      | M    |        | F   |        |
| Internal training | 1625                | 100% | 1600 | 98,46% | 25  | 1,54 % |
| External training | 434                 | 100% | 281  | 64,75% | 153 | 35,25% |
| TOTAL             | 2059                | 100% | 1881 | 91,36% | 178 | 8,64%  |

In the year 2024, there were a total of 2059 participations in maintenance, training and professional development programs. The total number of training hours was 33876 hours with an average of 16.7/participant.

In terms of in-house training, technical vocational training took place throughout 2024 as part of the merged vocational training, with 1505 participants. This training lasted for 2 days/week and was intended for operational personnel, CTSI, personnel in the activity of admissions acceptance of works, as well as the management personnel of the substations (substation managers). The total number of training hours was 23648 hours. The training was carried out with internal lecturers (own employees, acting as trainers), so no training costs were incurred for this category of training.

At the same time, another category of internal courses organized was that of specialized technical courses, carried out with the Company's own lecturers, from the Company's employees. The number of participants in this category was 120 and the total number of hours was 3840.

As regards external training, in 2024 courses were organized with training service providers, courses in the fields of investment, technical, economic, SSM, legal, IT&C, etc. The expenses recorded with this category of courses amounted to 1.619.485 lei.

### Health and safety indicators (S1-14)

Within Transelectrica, its own workforce is fully covered (100%) by the occupational health and safety (OHS) management system, implemented in accordance with national legislation and international standards (SR ISO 45001:2023). This system includes preventive measures,



regular trainings, workplace risk assessment and implementation of prevention and protection plans.

At Transelectrica, the entire training process in the field of occupational health and safety is carried out in accordance with the provisions of Law no. 319/2006 on occupational health and safety and Government Decision no. 1425/2006, which regulates the methodological rules for the application of this law. The training process is also aligned with the Operational Procedure TEL 18.02 - Training of employees in the field of occupational health and safety.

In order to ensure a safe working environment and in compliance with the legislation in force, prevention and protection services dedicated to occupational health and safety are organized, methodologically coordinated by the Integrated Management Directorate.

Personnel training is initiated from the first day of work (on recruitment) and continues with regular training sessions that have different frequencies (monthly, half-yearly and yearly) in relation to the risk assessments for each job.

Stages of occupational safety and health training:

1. general introductory training - carried out by specialists from the prevention and protection services;
2. on-the-job training - carried out by the direct manager of the workplace;
3. periodic training - carried out by the prevention and protection services personnel or by the workplace manager, on a monthly or biannual basis, depending on the specifics of the activity.

Training topics are developed and constantly updated by the specialized services, in line with legislative changes and the specifics of the Company's activities (equipment upgrades, change of workplace, etc.).

Each workplace is assessed individually to identify the risks and the necessary measures to reduce or control them are integrated in the Prevention and Protection Plans, concretized in annual programs of measures.

Frequency of training:

- annually, minimum one session per employee;
- semi-annually, for the authorized technical personnel of the Energy Dispatching;
- monthly, for operational and/or authorized SSM personnel in power substations/CTSI;
- semesterly, for the periodic joint training.

This training system ensures rigorous compliance with occupational safety and health rules, reducing risks and strengthening the organizational safety culture.

The company has 24 occupational health and safety (OSH) specialists dedicated to occupational health and safety (OHS) throughout the organization.

In order to improve emergency response capacity, multi-annual simulation programmes are developed, covering environmental protection, occupational health and safety (OHS) and emergency situations (ES). These simulations are carried out both under the coordination of specialized entities (ISU, Police, etc.) and internally with own personnel.



| Events                                                                | 2024 | Comments                     |
|-----------------------------------------------------------------------|------|------------------------------|
| No. of events followed by incapacity temporary work (own employees)   | 1    | 180 days sick leave          |
| No. of persons with occupational diseases (own employees)             | 0    |                              |
| No. of occupational accidents (own employees)                         | 0    |                              |
| No. of occupational accidents with fatalities (own employees)         | 0    |                              |
| Total events (own employees)                                          | 1    |                              |
| No. of occupational accidents with fatalities (self-employed workers) | 0    | No deaths have been reported |

No occupational events / accidents were reported at Teletrans and Smart branches.

In 2024, there was only one work event resulting in temporary disability, with a total of 180 days of sick leave. There were no reported work-related accidents, fatalities due to workplace incidents or cases of occupational diseases among its own employees.

Through regular controls, audits and dedicated training programs, Transelectrica monitors and verifies the correct implementation of measures to prevent accidents and occupational risks, thus ensuring a safe and sustainable work environment for all workers involved in its operational activities.

The occupational medicine activity within Transelectrica is provided by doctors specialized in occupational medicine from the medical cabinets located both at the Executive level and within the Company's STTs.

In the year 2024, the structure of occupational medicine doctors remained unchanged, being covered in the following medical practices: Executive, BUCHAREST, Bucharest, Cluj, Craiova, Pitesti, Sibiu and Timisoara.

With regard to third party workers working on the Company's sites, there have been no reported fatalities due to work-related injuries or diseases. Transelectrica maintains high safety standards and continuous risk monitoring to prevent such events.

### Work-life balance indicators (S1-15)

All Transelectrica employees benefit, in accordance with national legislation and the applicable Collective Bargaining Agreement, from several types of leave and days off granted for family reasons. These leaves allow employees to fulfill their family responsibilities (childbirth and raising children, caring for family members, important family events, etc.) without jeopardizing their employment relationship.



According to the CCM applicable in the year 2024, in Transelectrica, employees benefited from several types of leave and days off for family reasons, which are clearly regulated to support work-life balance.

### Types and use of family leave

- paternal leave - 10 working days are granted to the father of the newborn child, provided he has completed a childcare course;
- day off for child health care - employees are entitled to one paid day off per year for an annual health check-up;
- carer's leave - up to 10 days is granted for employees who have to provide care for a relative in need of medical assistance;
- days off for personal events - on request, employees are granted paid days off for important events such as birthdays, their own wedding, the death of a family member, days off for family emergencies;
- for unforeseen circumstances, such as illness or a family accident, employees may be absent for up to 10 days a year, provided they notify their superior in advance and make up the absence;
- days off for blood donation - Transelectrica encourages blood donation by granting two paid days off.

**Reduced working hours for parents.** Employees caring for children up to the age of 7 may work part-time (6 hours/day) with the employer's agreement. Also, those who give up childcare leave for children up to the age of 2 are entitled to reduced working hours of 6 hours/day.

**Degree of use of family leave.** Transelectrica employees use these leaves according to their personal needs and the rights are clearly regulated in the CCM. Days off for personal events, paternity leave and caregiver leave are most frequently used. Parental short-time working facilities are requested by employees with young children, but require employer approval.

| 2024                                                             | Female |        | Male |        | Total |
|------------------------------------------------------------------|--------|--------|------|--------|-------|
| Total number of employees                                        | 574    | 28,34% | 1452 | 71,66% | 2026  |
| No. of employees entitled to family leave                        | 574    | 28,34% | 1452 | 71,66% | 2026  |
| No. of employees who took maternity, paternity or parental leave | 24     | 44,44% | 30   | 55,56% | 54    |
| No. of employees who took child health care leave                | 19     | 79,17% | 5    | 20,83% | 24    |
| No. of employees who took leave for unforeseen circumstances     | 0      | 0      | 0    | 0      | 0     |
| No. of employees who took time off to donate blood               | 9      | 30%    | 21   | 70%    | 30    |



In conclusion, Transelectrica offers a favorable framework for work-life balance, providing multiple types of holidays and days off dedicated to family situations.

At the same time, both Teletrans employees and Smart employees benefited in 2024, according to the CCM applicable at branch level, from several types of leave and days off for family reasons, which are clearly regulated to support work-life balance.

### **Remuneration indicators (pay gap and total remuneration) (H1-16)**

The current Transelectrica salary system was built on the basis of fundamental criteria and principles, designed to ensure fairness, transparency and correlation of remuneration with the level of professional responsibility and competence, as described in Section - Adequate Salaries (S1-10).

The gender pay gap, defined as the difference in average pay levels between female and male employees, is 5%.

### **Incidents, complaints and serious human rights issues and incidents (S1-17)**

Transelectrica attaches great importance to respect for human rights, ensuring a fair working environment based on non-discrimination, diversity and equal opportunities. The company has integrated clear principles on combating discrimination and promoting equal treatment both in the Internal Regulations and in the Code of Ethics and Professional Conduct, providing a well-defined framework for the respect of these fundamental values.

In addition, the internal mechanisms through which employees can raise concerns about their rights have been detailed in the Section "Processes for Addressing Negative Impacts and Channels through which the workforce can raise concerns" (S1-3), reaffirming the Company's commitment to an organizational climate based on fairness, transparency and mutual respect.

During the 2024 reporting period, Transelectrica did not record any labor-related incidents or complaints and there were no serious human rights impacts on its own workforce. There were also no fines, sanctions or compensation related to such situations.

| 2024                                                                             |   |
|----------------------------------------------------------------------------------|---|
| Total number of incidents of discrimination, including harassment                | 0 |
| Number of employee complaints                                                    | 0 |
| Total amount of fines, penalties and compensation for damage caused by incidents | 0 |

Transelectrica maintains its commitment to respect the rights of employees and ensures a safe, fair and ethical working environment, being concerned with preventing any form of discrimination or violation of labor rights.



As far as the branches are concerned, no incidents of discrimination/harassment have been recorded at both Teletrans and Smart.

## **2. Value chain workers (S2 1-5)**

### **Stakeholder interests and views (SBM-2)**

Within Transelectrica, value chain workers are a key stakeholder group affected by the Company's activities, and respect for human rights and the integration of sustainability principles are central to its strategy and business model.

Transelectrica's stakeholders are showing a growing interest in responsible value chain management, emphasizing transparency, social sustainability and operational efficiency. Investors and regulators are looking for compliance with ESG (environmental, social and governance) standards and ethical practices in dealing with value chain workers.

Value chain partners, including equipment suppliers and maintenance services, demand fair contracts, access to long-term collaboration opportunities and clear conditions on quality and safety standards. At the same time, value chain workers, both those of Transelectrica subsidiaries and subcontractors, emphasize job security, access to training and respect for social rights, including fair pay and safe working conditions.

Trade union organizations and labor rights NGOs monitor compliance with the principles of non-discrimination, equal opportunities and inclusion, and local communities express their expectations regarding the social and economic impact of infrastructure projects. In this context, Transelectrica is adapting its strategies to respond to these expectations, integrating stakeholder feedback into the development and optimization of its value chain.

The implementation of the European objectives on sustainability and responsible financing at Transelectrica level requires the involvement of all specialized departments to ensure compliance with the regulations in force and respect for the rights of workers in its value chain.

The interests, opinions and rights of Transelectrica's value chain workers may be significantly affected by the Company's activities, as these workers represent a major stakeholder group. In this respect, Transelectrica has adopted a number of measures to ensure fair working conditions, the protection of fundamental rights and compliance with the principles of social sustainability in its relations with workers in its value chain:

- Safe working conditions - The company imposes strict standards for health and safety in the workplace, protecting workers involved in the operation and maintenance of transportation infrastructure;
- Pay rights and fairness - promoting gender equality and equal pay for work of equal value in line with social commitments;
- Diversity and inclusion - Transelectrica supports the employment and inclusion of people with disabilities in its activities and within its subcontractors;
- combating illegal practices - forced labor, exploitation and discrimination are prohibited and respect for human rights is mandatory.

In conclusion, the responsible management of Transelectrica's value chain is essential to ensure the Company's social and economic sustainability, as well as to maintain an efficient and



secure energy system. By recognizing the impacts on workers, addressing risks and seizing opportunities, Transelectrica aligns its strategy and business model with the highest standards of corporate governance and corporate responsibility. The active involvement of stakeholders, the monitoring of working conditions in the value chain and the promotion of fair treatment for all workers contribute to strengthening a relationship of trust between the Company, its partners and the affected communities. By integrating ESG principles and implementing proactive sustainability policies, Transelectrica not only improves its operational performance, but also supports the transition towards a more responsible and inclusive energy system, adapted to the requirements of the future.

### **Significant impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)**

Transelectrica, as the sole transmission and system operator of electricity, relies on a complex value chain, made up of various categories of workers, detailed in the Strategy, Business Model and Value Chain section (SBM-1).

The company conducted a dual materiality analysis in line with the requirements of the new sustainability standards. This analysis was conducted during an internal meeting with the active involvement of management representatives, who contributed to the identification and assessment of significant issues influencing both the business strategy and the Company's impact on the environment and society.

Ensuring equal opportunities and fair treatment for all workers in Transelectrica's value chain is essential for the development of a sustainable and inclusive work environment. This implies the application of clear principles of non-discrimination, equal opportunities and fair remuneration for employees who are part of the Company's value chain.

|                    | <b>Impacts (I)</b>                                                                                                                                                                                                                                                                                                                    | <b>Risks (R)</b>                                                                                                                                                                                                                                                                                            | <b>Opportunities (O)</b>                                                                                                                    |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Working conditions | <p>Positive:</p> <p>Job stability for employees of subsidiaries and subcontractors involved in infrastructure modernization projects</p> <p>Respect of social rights through requirements imposed on service / subcontractors and construction workers / employees of subsidiaries regarding labor protection and employee safety</p> | <p>Operational and safety risks: occupational accidents caused by working at height, high-voltage equipment or extreme weather conditions; non-compliance of subcontractors and construction workers/subsidiary employees with safety and occupational protection standards, creating risks for workers</p> | <p>Strengthen partnerships with ESG-compliant suppliers and monitor their compliance more closely</p>                                       |
|                    | <p>Negative: Failure to respect the rights of employees in the value chain (applies to the entire value chain identified at Transelectrica level)</p>                                                                                                                                                                                 | <p>Legal and reputational risks: negative impact on the Company's image, if subcontractors and construction workers / employees of subsidiaries are involved in unethical labor practices</p>                                                                                                               | <p>Developing a code of conduct for suppliers and subcontractors/employees of subsidiaries, enforcing social rights and labor standards</p> |



|                                           |                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                               |                                                                                                           |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Opportunities and equal treatment for all | <p>Positive:<br/>Increase diversity and inclusion in the value chain by implementing gender equality policies, non-discrimination and support for vulnerable groups</p> <p>Fair access to employment for all categories of workers, including women, people with disabilities and other underrepresented groups</p> | Reputational risk for Transelectrica in case of unfair labor practices or discrimination among subcontractors and construction workers / subsidiary employees | Implement anonymous reporting systems to report discrimination and unethical practices in the value chain |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|

Transelectrica has significant dependencies on workers in its value chain, which include employees of subsidiaries, suppliers, subcontractors and construction workers. These actors play an essential role in the operation, maintenance and development of the critical electricity transmission infrastructure, ensuring the continuity and safety of the National Energy System (NES).

- **Employees of subsidiaries** (*SMART, TELETRANS, FORMENERG, OPCOM*):
  - **SMART** - responsible for the maintenance of the transmission network, technical interventions and repairs, ensuring optimal functioning of the infrastructure;
  - **TELETRANS** - provides telecommunications and information technology services essential to the operation and security of the energy system;
  - **FORMENERG SA** - contributes to the professional training of Transelectrica and other energy sector employees;
  - **OPCOM** - manages the energy balancing market, facilitating transactions and managing supply and demand.
- **Equipment and service providers:**
  - ensures the delivery of high-voltage equipment, monitoring systems and digital solutions necessary for the efficient operation of the transmission grid;
  - contribute to modernizing the infrastructure and integrating new technologies to make the network more efficient.
- **Subcontractors and construction workers:**
  - involved in the **expansion, modernization and maintenance of the** electricity transmission network;
  - responsible for implementing strategic projects, including interconnection with European grids and integration of renewable energy;
  - high exposure to operational risks, requiring strict safety and occupational protection measures.

This reliance on value chain workers is essential for Transelectrica's efficient and sustainable operation, which is why the company implements strict compliance, safety and performance standards for all its operational partners.



The employees of the Teletrans and Smart subsidiaries have been included in our own labor force statistics and are highlighted as such. Any statistics that do not explicitly mention them refer strictly to Transelectrica employees.

The significant impacts, risks and opportunities associated with Transelectrica's value chain workers directly influence the Company's strategy and business model, driving proactive measures to ensure social sustainability and operational efficiency. The actual and potential impacts, such as working conditions, pay equity, worker safety and respect for social rights, require the integration of rigorous standardization and regular monitoring of value chain partners.

By identifying impacts, managing risks and capitalizing on opportunities, Transelectrica can build a more inclusive, equitable and competitive value chain, aligned with the highest international labor and corporate governance standards.

### **Policies on value chain workers (S2-1)**

To ensure effective collaboration with value chain workers, Transelectrica has implemented dialogue and monitoring mechanisms, which include fair working conditions and equal treatment for all value chain workers, as well as policies set out in the section MDR-P Policies - Policies adopted to manage significant sustainability issues. By applying strict occupational health and safety requirements, Transelectrica protects its workers involved in maintenance and construction operations, reducing the risks associated with occupational accidents and exposure to hazardous conditions.

The occupational health and safety risk assessments carried out at Company level also include the workplaces where Transelectrica's value chain workers work. The policy statement on quality, environmental, occupational health and safety management is implemented through the application of a rigorous legislative framework, aligned with the requirements and guidelines of the European Union, ensuring a safe working environment and in accordance with the highest standards of labor protection.

Transelectrica has strengthened its commitments to respect human rights for workers in its value chain, aligning itself with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. All of this has been highlighted by the conclusion of a negotiation of a new Collective Bargaining Agreement at Company level, which confirms these commitments. These commitments are integrated into its sustainability and social responsibility policies, with the objective of ensuring fair and safe working conditions throughout its value chain.

As regards procurement, currently, the procurement activity within Transelectrica is carried out by the Commercial Department. The activity of the Commercial Directorate is carried out in strict compliance with the provisions of Law no. 99/2016 on sectoral procurement, as well as with GD no. 394/2016 for the approval of the Methodological Norms for the application of the provisions on the award of sectoral contracts and framework agreements provided for by this law. Within the Company, the procurement process is managed through clearly defined internal procedures aimed at ensuring transparency, compliance and operational efficiency. These procedures regulate the entire procurement flow, from the identification of needs and the preparation of



documentation, to the evaluation of tenders, the awarding of contracts and the monitoring of their implementation, thus ensuring compliance with the principles of non-discrimination, transparency and equal treatment.

Transelectrica's approach to value chain workers is to ensure fair working conditions, respect for social rights and responsible risk management. Through continuous monitoring and promotion of ethical standards in its supply chain, Transelectrica contributes to creating a sustainable and inclusive work environment aligned with European requirements for social sustainability. This commitment reflects not only a corporate responsibility, but also an essential strategy for maintaining a stable, efficient and future-oriented value chain

There is no Supplier Code of Conduct at the Company level, but PO TEL 04.08 - Acceptance of suppliers of products/services/works is used, which aims to present how to evaluate the producers of goods, contractors and service providers in order to include/maintain them in the List of Accepted Suppliers. In accordance with the policy in the field of SMI, only manufacturers/contractors who have implemented a quality/environmental management system, where applicable certified by an accredited certification body, are accepted as suppliers of products/works/services.

### **Collaborative processes with value chain workers on impacts (S2-2)**

Transelectrica maintains an active and transparent dialog with the workers in its value chain, ensuring an effective collaborative framework for managing actual and potential impacts on them. Through its governance and sustainability mechanisms, the Company promotes fair labor principles, providing support and monitoring to ensure that social rights and safe working conditions are respected within its suppliers and subcontractors.

Transelectrica's complaints policy, together with the related reporting channels, is applicable and accessible to all employees in the value chain, ensuring a transparent and efficient framework for reporting any irregularities. In accordance with the legislation in force, any person wishing to submit a whistleblowing in the public interest may submit a complaint [tooffice@transelectrica.ro](mailto:tooffice@transelectrica.ro) , benefiting from confidentiality and protection against any retaliation, in accordance with the rules on integrity and business ethics.

Aspects related to value chain workers that have not been included in this report due to inaccessibility or non-existence of aggregated data will be carefully analyzed by Transelectrica's management in order to expand the reporting in future reports. The efforts that the Company will make to aggregate and report this information will refer to the direct involvement of the management bodies, both at the top level of Transelectrica and at lower levels, to ensure the desired outcome.

### **Processes to remedy negative impacts and channels through which value chain workers can voice their concerns (S2-3)**

Transelectrica maintains an active collaborative framework with its value chain workers and their representatives (including subsidiaries, suppliers and subcontractors), with dialog mechanisms in place to manage actual and potential impacts on them. These include:

- imposing strict standards for occupational health and safety, protecting workers involved in the operation and maintenance of transport infrastructure;



- monitoring compliance with social rights and labor standards in suppliers and subcontractors;
- ban illegal practices such as forced labor, exploitation and discrimination.

The Company's approach is aligned with international sustainability and human rights standards.

The company implements collaboration with value chain workers in several key steps, including:

- risk assessment - occupational safety and health risk assessments include the workplaces of value chain workers;
- Compliance monitoring - The company carries out regular audits and checks on value chain partners to ensure compliance with safety standards;
- Reporting mechanisms - Transelectrica has implemented a reporting system to enable the reporting of discrimination or unethical practices in the value chain.

Transelectrica has a number of processes in place to ensure that negative impacts on workers in its value chain are addressed, either through direct measures or by actively working with its partners and suppliers to implement effective solutions.

Through regular controls, audits and dedicated training programs, Transelectrica monitors and verifies the correct implementation of accident and occupational risk prevention measures, thus ensuring a safe and sustainable working environment for all workers involved in its operational activities. Where problems are identified, Transelectrica applies a due diligence approach and gradual corrective measures.

Any worker in the value chain can submit a complaint on [www.office@transelectrica.ro](mailto:www.office@transelectrica.ro), with confidentiality and protection against retaliation. A complaint form is available on the Company's website.

Transelectrica's value chain workers are actively involved in the decision making process through regular consultations with their representatives, thus ensuring that their perspectives and concerns are integrated into the Company's strategies and policies. These consultations take place in meetings where measures to improve working conditions, safety and fairness in the value chain are discussed.

Transelectrica assesses the level of knowledge and confidence of value chain workers in the structures and processes in place for voicing concerns and addressing them through a variety of methods. The company conducts regular surveys among workers and contract partners to analyze the level of accessibility and effectiveness of reporting mechanisms and the degree of trust in them.

So far, the company has not adopted a channel for voicing the concerns of value chain workers, but it intends to develop such a channel and is taking steps to do so starting this year.

#### **Adoption of measures on significant impacts on value chain workers and approaches for managing significant risks and pursuing significant opportunities related to value chain workers, and the effectiveness of these actions (S2-4)**

The same rigorous health and safety measures are in place for Transelectrica's value chain workers, thus ensuring a safe working environment that complies with the standards in force.



The company enforces strict compliance with occupational safety, health and labor protection regulations, applying these requirements to its own employees, as well as to suppliers, subcontractors and value chain partners.

Transelectrica addresses the significant impacts on workers in the value chain through an integrated strategy, focused on prevention, monitoring and remediation, thus ensuring a safe and fair working environment across its network of partners and suppliers.

**Measures to address significant impacts on value chain workers.** To ensure adequate working conditions and prevent significant risks, Transelectrica implements the following actions:

- Standardizing occupational safety and health requirements - The company imposes the same safety and health rules for both its own employees and value chain workers, including strict requirements for protective equipment, training and accident prevention measures;
- assessment and monitoring of working conditions - Transelectrica carries out regular checks and audits at suppliers and subcontractors to verify compliance with occupational health and safety standards;
- Implementation of an irregularity reporting system - The company has established communication channels through which value chain workers can report problems related to their rights or safety at work, including anonymous reporting mechanisms.

In situations where Transelectrica contributes, directly or indirectly, to negative impacts on workers in the value chain, it works with all stakeholders to identify sustainable solutions, from improving working conditions to ensuring fair standards of pay and social protection.

|                                                                                                                   |                                                                                                                                                                                                                 |                                                                                                                                                                                                            |                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Identifying negative impacts through controls, audits and reporting mechanisms from workers and contract partners | Developing a remedial plan which may include changes in working conditions, adjustments in contractual relations with suppliers, sanctions for non-compliance or support for corrective and preventive measures | Evaluating the effectiveness of corrective measures, monitoring the implementation of solutions and feedback from affected workers to ensure that negative impacts are eliminated or sustainably mitigated | Review internal processes to prevent the same type of negative impact on workers in the value chain |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|

In addition to risk management, Transelectrica also pursues opportunities to improve working conditions and professional development of workers through:

- Promoting diversity and inclusion - The company encourages suppliers and subcontractors to implement diversity and equal employment opportunity policies;
- Raising professional qualification standards - Transelectrica supports training and upgrading initiatives for workers in the value chain, offering them access to regular training in the field of work safety and efficiency;
- investing in innovation and digitalization - automating certain processes and modernizing work equipment helps reduce the risks associated with manual activities and create a safer working environment.

Transelectrica is monitoring the impact of the measures adopted by:

- regular reporting on occupational health and safety - assessment of the number of accidents, complaints and corrective measures applied;



- Direct feedback from workers - collecting opinions and suggestions from employees and workers in the value chain to improve existing policies.

The company prioritizes addressing significant negative impacts on workers in its value chain through an integrated approach that combines direct corrective measures, responsible procurement practices and strategic collaborations. Transelectrica aims not only to reduce the risks associated with its value chain, but also to create fair, safe and sustainable working conditions for all workers involved.

Transelectrica ensures that the processes for providing or facilitating remedies for significant adverse impacts on workers in the value chain are available and effective, through a structured approach based on accessibility and effectiveness of the remedial mechanisms. Accessibility is guaranteed through secure and confidential reporting channels and direct consultation sessions with workers' representatives, thus ensuring an open and non-repressive framework for raising concerns. At the same time, the effectiveness of these processes is monitored through a robust complaint investigation and resolution system, which includes prompt analysis of complaints, application of appropriate corrective measures and impact assessment of the implemented remedies. At 2024, there were no complaints

Through this integrated approach, Transelectrica ensures that value chain workers benefit from safe, fair and sustainable working conditions, thus contributing to a responsible and effective working relationship across its operational network.

Aspects of Transelectrica's dependencies on value chain workers have been detailed in the Significant Impacts, Risks and Opportunities and their interaction with the strategy and business model (SBM-3) section of this chapter.

**Measures planned or underway to mitigate significant risks associated with value chain workers.** Transelectrica is implementing a series of measures to reduce the significant risks associated with the workers in its value chain, especially those in subsidiaries, suppliers and subcontractors. The main risks identified include occupational accidents and non-compliance with health and safety standards.

Measures adopted:

- monitoring compliance with health and safety rules through regular checks and audits of suppliers and subcontractors;
- implementing strict requirements for protective equipment and training of employees in the value chain;
- regular supplier assessments, with corrective action in case of non-compliance;

In order to monitor the effectiveness of these measures, Transelectrica periodically analyzes the number of accidents, complaints related to working conditions and corrective measures applied, ensuring that the identified risks are effectively managed. During 2024, no accidents or complaints related to working conditions were reported.

**Planned measures to pursue significant opportunities for value chain workers** - Raising professional qualification standards by providing access to training programs for value chain workers, with a focus on safety and security at work.

**Measures to prevent negative impacts on value chain workers.** Transelectrica has implemented clear mechanisms to avoid contributing to negative impacts on workers in its value chain. Approaches adopted to prevent negative impacts:



- Fair contracts with suppliers and subcontractors, including specific clauses on compliance with social and labor standards;
- Prohibit illegal practices such as forced labor, exploitation and discrimination both within the Company and in the value chain.

As of 2024, there are no reported problems and serious human rights incidents related to its upstream and downstream value chain.

### **Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities (S2-5)**

Given the complexity of the value chain identified at Transelectrica level, a strategic and detailed approach is essential to manage significant impacts. The company considers in detail the setting of specific targets for managing significant negative impacts, promoting positive impacts and minimizing risks, which are reflected in the documents related to the contracting of services/products.

Within this extended value chain - employees of subsidiaries, suppliers, sub-contractors, all the way to the final consumer - addressing the management of impacts on workers is all the more challenging. Each link in this chain has its own operational characteristics, specific regulations and challenges, requiring detailed analysis and an integrated strategy to ensure a fair and safe working environment throughout the supply chain.

In terms of managing significant negative impacts, Transelectrica analyzes the most effective methods to prevent poor working conditions, reduce the risk of injury and improve standards of protection of workers' rights in its value chain. This analysis involves regular supplier assessments, social audits and irregularity reporting mechanisms so that any potentially negative situations are promptly identified and remedied. During 2024, there was no such assessment

For the 2024 reporting year, no targets have been set for the topics identified as significant in the value chain. Transelectrica will take steps during 2025 to establish such targets.

### **3. Affected communities (S3 1-5)**

#### **Stakeholder interests and views (SBM-2)**

The diversity of the stakeholders involved (local authorities, communities, NGOs, industry and social partners) is reflected in varied concerns related to Transelectrica's activity. In 2024, the Company received feedback and interacted with these groups and found the following dominant perspectives:

- **Local authorities** - working with mayors and county councils is essential in infrastructure projects. In 2024, local authorities emphasized the need for Transelectrica **to comply with urban and environmental regulations** and to ensure transparent communication on works affecting the community. For example, during the authorization phase of new lines, the city halls requested early information to citizens about possible expropriations or temporary access restrictions. In general, local authorities support Transelectrica's investments - recognizing that upgrading the network brings local



economic benefits - but ask for guarantees that the **inconvenience for the population will be minimal and adequately compensated** (e.g. restoration of roads after works or environmental protection measures);

- **Local communities** - people in the areas where Transelectrica operates lines and substations expressed concern in 2024 about the **safety and quality of their environment**. Common views included: concerns about possible health effects of electromagnetic fields, the visual impact of poles and overhead lines, and the protection of property and land values. Affected communities also want to be consulted and listened to - they expect the Company to hold public information sessions before major projects are started and to provide solutions to their specific problems. A clear message from communities in 2024 was that **community engagement is necessary to gain the respect of local people**, not just commercial success. Transelectrica has taken note of these expectations, maintaining an **open dialog with local communities** and trying to respond promptly to any complaints or queries received;
- **Non-governmental organizations (NGOs)** - Environmental and civic NGOs have been closely following how Transelectrica is carrying out its 2024 projects. These stakeholders have insisted **on transparency and rigor in environmental protection**, demanding fair impact assessments and measures to preserve biodiversity (e.g. protecting birds from electrocution on overhead lines or restoring areas affected by construction sites). At the same time, NGOs focused on community development emphasized the importance for Transelectrica to bring added value to the areas where it operates - through social, educational programs or financing local needs. In 2024, the Company worked with some NGOs as implementing partners, which indicates openness to working **with civil society for the good of communities**. However, NGOs maintain their constructive critical role, monitoring the fulfillment of sustainability commitments and signaling any slippages;

### **Significant impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)**

Transelectrica continuously integrates significant impacts, risks and opportunities into its strategy and business model in order to fulfill its mission as a critical infrastructure operator in a sustainable way. The corporate strategy recognizes that long-term performance depends not only on financial indicators but also on the relationship with society. Thus, the Company adapts its development plans taking into account the impact on communities and the environment: major investment projects are planned with measures to reduce negative impacts (e.g. relocation of routes to avoid populated areas or sensitive areas) and with compensation or benefit programs for affected communities. At the same time, Transelectrica's business model - being that of a public utility service provider - naturally includes community responsibility as a central element. The provision of an essential service (electricity) imposes on the Company an active role in sustainable development, and this role is assumed through clear policies of governance, ethics and social responsibility.

Identifying and managing social risks is part of the enterprise-wide risk management process. Significant risks associated with the relationship with communities (ranging from opposition to projects to reputational risks) are assessed and monitored, and the strategic response includes measures such as: increasing transparent communication with local stakeholders, involving



stakeholders in decision-making, and implementing high safety and environmental standards to prevent incidents that could affect the population. This proactive approach reinforces the resilience of Transelectrica's strategy - a strong relationship with communities reduces obstacles to the implementation of business plans and protects the Company from unexpected social disruptions.

The opportunities identified in the social and environmental sphere positively influence the Company's strategic directions. Transelectrica capitalizes on opportunities to collaborate with the community through action directions included directly in the Company's Social Responsibility Policy. For example, social value creation objectives are translated into concrete targets - number of educational programs supported, local partnerships developed, investments in communities - aligned with business objectives (such as public acceptance of infrastructure projects or improving operational efficiency through local support). In this way, Transelectrica's strategy becomes an integrated one, where commercial success and business model evolution are interlinked with the well-being of communities and sustainable development of society.

Significant risks and opportunities identified in 2024 arising from impacts to and **dependencies** on affected communities and linkages to specific **affected community** groups

| Impacts (I)                                                                                                                                                                                                                                                                                                                                                                       | Risks (R)                                                                                                                                                                                                                                                                                                                                            | Opportunities (O)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securing electricity supply - Transelectrica has a key positive impact by ensuring a reliable and continuous electricity supply. This directly supports the well-being of local communities by powering homes, public institutions and businesses, and enables regional economic and social development                                                                           | <b>Public Safety and Continuity of Service</b> - Serious technical incidents (line failures, downed poles, equipment fires) can endanger community members and cause widespread power outages. This risk, which is operational in nature, has significant social implications: it affects people's daily lives and can lead to major dissatisfaction | Supporting the energy transition for communities - Grid modernization and the integration of renewable energy sources offer regional development opportunities that communities can benefit from. Transelectrica can play an active role in promoting green energy and energy efficiency projects at the local level by informing and involving communities in these efforts. Such a participatory approach not only accelerates the achievement of the company's strategic decarbonization targets, but also ensures that the benefits of the energy transition (cleaner energy, possible cost reductions) are shared with society |
| Local economic development and jobs - The Company's infrastructure projects and operations generate local jobs (both temporary, in the construction phase, and permanent, in operation and maintenance) and opportunities for local suppliers. By investing in the transmission network, Transelectrica contributes to the economic growth of the areas served by the power lines | Community opposition to new projects - A major risk is the possible opposition from local communities to the extension of the transport network (construction of new lines or stations). If people's concerns about environmental, health or property impacts are not adequately addressed, projects may be delayed, cost overruns or even stalled   | Partnerships with local authorities and communities - Early involvement and open dialog with local stakeholders offers the opportunity to create beneficial partnerships. Consulting communities in the planning phase of projects can lead to the identification of the best routes and technical solutions while minimizing social impacts. At the same time, cooperation with local authorities (mayors, county councils) can facilitate the rapid obtaining of public approvals and support, accelerating the implementation of strategic investments                                                                           |



| Impacts (I)                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Risks (R)                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Opportunities (O)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact on the environment and community land - The construction of high voltage power lines and substations can affect communities through land take, landscape alteration and potential nuisances (e.g. background noise or electromagnetic field concerns). These impacts are managed through public consultation, environmental studies and nuisance mitigation measures to protect the quality of life in local communities                                                       | Reputational risk and loss of trust - Strained relations with the community or poor management of social issues can damage Transelectrica's reputation. For example, poor communication in the event of major power outages or failure to resolve complaints promptly (land compensation, plant safety) can diminish public and authorities' trust in the Company. Maintaining the social license to operate depends on the Company meeting community expectations            | Community and educational development programs - Transelectrica can capitalize on the opportunity to invest in the development of local social capital. Through CSR programs focused on education (scholarships, endowments to universities), training and energy awareness, the Company contributes to training the next generation of specialists and increasing understanding of the role of energy infrastructure. This not only creates social value but also ensures a long-term talent base and public support for the Company's activities                                                                     |
| Social Involvement and Community Support (CSR) - In parallel with its core business, Transelectrica has a positive impact through social responsibility programs. The company runs community support initiatives (ex. education and health sponsorships, corporate volunteering, environmental partnerships), contributing to solving local needs and increasing social cohesion. These actions enhance the relationship between the Company and the communities in which it operates | Failure to fulfill social responsibility expectations - In the current context, infrastructure companies are expected to be responsible corporate citizens. A long-term risk is that Transelectrica does not sufficiently engage in community issues or communicate its actions transparently. Lack of visible involvement (in educational, environmental or local development projects) may attract criticism from civil society and weaken relations with local authorities | Involvement in social and environmental projects - By expanding its corporate volunteering and sponsorship initiatives, the Company has the opportunity to respond directly to the needs of communities (from humanitarian actions to local environmental protection projects). Such projects (e.g. support for local institutions such as hospitals and schools) improve the quality of life at the local level. At the same time, these actions strengthen the community-Company relationship, increasing the acceptance of Transelectrica's operations and reinforcing the Company's prestige as a reliable partner |

## Examples and relevant data from 2024

To illustrate in concrete terms the Transelectrica-communities relationship, we present some examples and key dates in 2024:

- **Emergency resilience** - in June 2024, Transelectrica managed to maintain the integrity of the Romanian power system during a major regional blackout, preventing any consequences for consumers in the country. This example highlights how investments in the grid directly protect communities from severe power outages;
- **Completed infrastructure projects** - in Dobrogea, a region with numerous investments in wind and solar, Transelectrica completed the connection of 400 kV lines in Medgidia Sud substation, increasing the capacity of renewable energy. This work, completed in 2024, contributes to the stability of the local and national grid, while facilitating the integration of new green energy projects benefiting both the economy and the environment (reduction of local CO2 emissions);
- **community investments and sponsorships** - with a budget of RON **5.82 million allocated for social responsibility**, the company supported dozens of local initiatives in 2024. For example, Transelectrica financed the travel of the robotics team of B.P. Haşdeu College to an international competition in the USA, demonstrating support for excellence in education. It also supported social protection projects such as camps for underprivileged children and drug prevention campaigns in high schools, showing



concern for current social problems. The diversity of these examples underscores Transelectrica's commitment to **investing in the well-being of communities**, beyond its technical mission of energy transmission;

- **employee volunteering and involvement** - in December 2024, the "*Waiting for Santa Claus*" campaign mobilized Transelectrica employees to collect gifts for poor children in the areas where the Company operates. This gesture brought joy to children in Bucharest and the counties of Ilfov and Călărași and strengthened the links between the Company and the community, showing the **human face of** Transelectrica. At the same time, volunteers continued to collect plastic caps for recycling together with the NGO *Capace cu Suflet*, contributing to a cleaner environment. These actions have a positive impact that is difficult to quantify financially, but very visible in the public perception: Transelectrica is seen as an involved and supportive partner;

Overall, these examples from 2024 show that Transelectrica is assuming its role in the community on multiple levels: technical (grid safety and modernization), social (education, health, volunteering) and governance (transparent dialogue with stakeholders). They serve as positive case studies that can be replicated and scaled up in the coming years. At the same time, no events with significant negative impacts on local communities were reported in 2024.

### **Policies related to affected communities (S3-1)**

Transelectrica is strongly committed to corporate social responsibility and considers it an integral part of its governance. Policies related to affected communities are detailed in the section MDR-P Policies - Policies adopted to manage significant sustainability issues. These policies include setting out the Company's framework for minimizing the impact of its operations on local communities, promoting open dialogue with stakeholders and implementing sustainable development measures. By applying these principles, Transelectrica aims to strike a balance between its economic objectives and social responsibility, ensuring that its activities contribute to the well-being of communities and the protection of the environment. The company aims to be a factor of positive change in society, supporting the development of local communities and promoting their inclusion, education and well-being. Through such initiatives and by supporting diversity and equal opportunities, Transelectrica aims to contribute to a sustainable and equitable Romanian society. The Company's vision is to promote values such as innovation, team spirit, respect for diversity and commitment to the community - values that underpin its performance and guide its relationship with its stakeholders. These strategic principles are directly integrated into Transelectrica's sustainable development objectives, with the Company aligning itself with the highest international standards to support local communities and create the foundation for a sustainable future.

To effectively manage the impact of its activities on affected communities, Transelectrica has adopted dedicated policies and procedures. The Company's Corporate Social Responsibility Policy provides a formal framework for internal social responsibility and defines how Transelectrica approaches its relationship with communities and other stakeholders. Also, as part of the planning processes for new investments (such as transmission grid development), the Company assesses the acceptability of projects to affected local communities and the feasibility of obtaining the necessary land rights and authorizations before work starts. This proactive approach ensures compliance with legal requirements and reduces the risk of unanticipated negative impacts on the population in the areas concerned.



Transelectrica also implements environmental policies and technical measures aimed at minimizing discomfort or risks for the population in the vicinity of the electrical installations. The company recognizes, for example, that the operation of overhead power lines can generate noise that affects local communities. The operational policies therefore address these issues with the aim of mitigating noise impacts and protecting the quality of life of local residents. The preventive approach to social impacts is essential, and Transelectrica is aware that environmental or infrastructure changes, if not properly managed, may generate dissatisfaction and opposition from affected communities.

### Measures for dialog, compensation and social responsibility

Transelectrica translates its principles and policies into concrete actions aimed at ensuring an active dialog with communities, appropriate compensation of impacts and positive social engagement. Key measures include:

- **Dialogue with communities** - The company emphasizes transparent communication and collaboration with the local public. Transelectrica maintains an open and constant dialog with stakeholders, including local authorities and citizens in affected areas, in order to listen to their concerns and incorporate their feedback. In line with legal obligations, public consultations and local briefings are organized prior to the start of major projects, ensuring that the voice of communities is heard. There are also dedicated channels (regular meetings, contact lines, online platforms) through which community members can report problems or express their views, and the Company is committed to treating these seriously and providing appropriate solutions;
- **Compensation and impact mitigation** - Transelectrica respects the rights of owners and communities when carrying out infrastructure works. In situations where the use of private land is necessary or inconvenience to local residents arises, *fair compensation* and redress is provided in accordance with the law, demonstrating respect for community interests. From the planning stage, measures are taken to minimize the impact on the environment and property: from optimizing line routes to avoid sensitive areas as much as possible, to applying protective measures on site (noise abatement, restoration of affected land, etc.). Environmental and social impact assessments (including *impact studies* and *environmental management plans*) underpin decisions so that any significant negative effects on communities are prevented or compensated for appropriately. The proactive approach in this direction contributes to maintaining the Company's *social license to operate* and building mutual trust;
- **Social responsibility (CSR) initiatives** - in addition to managing direct impacts, Transelectrica voluntarily invests in the well-being and development of communities as part of its social commitment. In 2024, the Company continued its *corporate volunteering* programs and community partnerships, as well as its CSR projects supporting numerous non-governmental organizations. These investments reflect the Company's desire to create a long-term positive impact beyond its core business, strengthening its relationship with communities through beneficial actions and contributing to their social development.

The policies concerning affected communities do not operate in isolation, but are closely interconnected with Transelectrica's overall development strategy. The company systematically integrates social and environmental objectives into its long-term strategic planning, thus ensuring coherence between energy infrastructure development and community responsibility.



Commitments to local communities and socially responsible actions are aligned with Transelectrica's strategic mission - to keep the National Power System safe and to facilitate the transition to a sustainable energy future.

A sustainable approach to community relations brings mutual benefits, contributing to both the social well-being and long-term success of the Company. By cultivating open dialog and transparency, Transelectrica strengthens its relationships of trust with the public and local authorities, which facilitates the implementation of strategic projects in the territory. Furthermore, the fact that Transelectrica actively supports the development of local communities and takes their interests into account makes the business strategy more resilient: investment projects become more sustainable, social risks are mitigated and the Company maintains its reputation as a *responsible leader* in the energy sector. Thus, policies related to affected communities are not only a compliance obligation, but also a central element of Transelectrica's business model, contributing to achieving its vision of sustainable growth and harmonization of economic and social objectives.

### Relevant examples from 2024 with community impact

To illustrate Transelectrica's approach, below are six social responsibility projects recently undertaken by the Company - different from those described above - that reflect its social targets and the way it engages with communities:

- **"Cunoaște pentru a preveni!"** (Health - cancer prevention) - Project run by the "Totul despre cancer" Association, aiming to inform and early detection of cancer among people in disadvantaged areas. The initiative involves medical education campaigns (online and offline) and the provision of **free investigations** (analysis and diagnosis) for participants recruited from vulnerable communities. The direct beneficiaries are **patients from disadvantaged backgrounds** who would otherwise not have access to such services, and the indirect beneficiaries are their families and the health system (by reducing the number of undiagnosed cases). The project covered transportation and accommodation costs for patients, consumables and medical services not covered by insurance, as well as the updating of the cancer information web platform;
- **Health for children - mobile dental treatment:** Transelectrica has supported initiatives aimed at bringing vital medical services closer to vulnerable communities. One example is the sponsorship provided to the Merci Charity Boutique organization for the project "Dental treatment for children with oncological diseases". The project consisted in the operation of a mobile dental surgery (DSP authorized) located within the premises of the Bucharest Oncology Institute, where children with cancer received free dental care. Through this initiative, over 100 seriously ill children have benefited from treatments that improve their oral health and comfort without having to travel - a positive social impact achieved with the financial support of Transelectrica;
- **"Energie pentru viață** (Environment and Community Development) - Project run by the Energia Inteligentă Association, focused on **electrification of remote areas** without access to the national electricity grid. The main goal is to **bring electricity** to remote hamlets in Alba County, by installing individual systems for the production and storage of electricity (e.g. photovoltaic panels with batteries) and realizing interior electrical installations in compliance with safety standards. The direct beneficiaries are the **families in these remote hamlets**, who for the first time will have light and energy in their homes; the indirect beneficiaries include the entire local community (who will



benefit from improved living conditions, education and safety) and the environment (through clean energy solutions instead of polluting alternatives such as fuel generators);

- **"GRIVIȚA53 - the first theater built together by the community"** (Culture and community development) - A large-scale cultural project, initiated by the Cultural Association Grivița 53, which aims to **build from scratch an independent theater** financed by the contribution of the community and private partners. It is the first of its kind in Romania in more than 70 years - a **theater built with the direct involvement of the local community** and supporters from all over the country. The aim of the project is to create a new cultural space in Bucharest where artists can stage performances and audiences can enjoy theater in a modern arts building. The direct beneficiaries are the **creators and consumers of culture** (actors, directors, technicians, and the general public who love theater), and the indirect beneficiaries are the local community of Grivița district and the entire Romanian cultural scene, which gains a new artistic center;
- **"Aventurile lui Little Edu"** (Education - digital content for children) - A creative project of YouStars Events Association, which consists of a **series of educational cartoons** used as modern teaching material. The aim of the initiative is to make learning attractive for children through an **animated superhero** (Little Edu) who guides them through various educational themes. Transelectrica has sponsored the purchase of the animation equipment necessary for the series, thus supporting the content production. The direct beneficiaries are **school children** across the country, who watch the episodes and learn in an interactive way, as well as **teachers** who can integrate the material into their teaching. Indirect beneficiaries are parents (who benefit from more motivated children to learn) and the education system, which gains an alternative teaching tool;
- **"Casa cu Bine"** (Social Support - Community Development) - Project implemented by the Association "Atelierul de Bine", focused on **improving living conditions** for disadvantaged families in rural areas. The aim is the rehabilitation of housing for **four vulnerable families** and the renovation of the **Day Care Center for children** in Pârscov locality (Buzău county). The initiative provides the building materials and covers the costs of the necessary works so that these families have safe and decent homes and the children in the community benefit from an adequate space for educational activities and care. The direct beneficiaries are **the four families in difficult circumstances** (including their children) whose homes are being renovated, as well as the dozens of **children from Pârscov** who will attend the rehabilitated day center. Indirect beneficiaries are the local community and the authorities (a community with stabilized families and well-cared for children has fewer social problems in the long term).

These examples show how the measures taken by Transelectrica in 2024 had tangible results in the affected communities. Whether it was direct help at critical moments, support for education and culture or involvement in day-to-day community life, the Company demonstrated its commitment to social responsibility. The actions described have helped to improve the quality of life for beneficiaries, reduced some social pressures and created new opportunities, validating the effectiveness of the approaches adopted by Transelectrica S.A. in its relationship with affected communities.



### Collaborative processes with affected communities on impacts (S3-2)

Transelectrica uses a number of mechanisms to actively involve the local communities affected by its projects and operations. During the planning phase of new power lines or substations, the Company works closely with local authorities (town halls, county councils, prefects) and community representatives, maintaining an open dialog throughout the investment. The presence of county authorities at the inauguration of major projects in 2024 (e.g. authorities from Caras-Severin and Mehedinți counties at the inauguration of the 400 kV Porțile de Fier-Reșița line) reflects this local partnership approach. The company has also set up dedicated feedback and referral channels for the public - such as an online contact form - through which communities can voice their concerns or report any problems related to Transelectrica's activities. Transelectrica also runs corporate social responsibility (CSR) initiatives in communities, including employee volunteering campaigns and partnerships with local NGOs, to strengthen relations with the public and contribute to their well-being. These varied mechanisms - ranging from formal consultations to voluntary social engagement - ensure that we constantly engage with affected citizens and constructively incorporate their views.

Consultation and dialog processes with affected communities have a direct impact on Transelectrica's decisions and strategy. Feedback received from citizens and local authorities is analyzed and, where appropriate, investment plans are adapted to minimize social or environmental impacts. For example, Transelectrica integrates community concerns into its electricity grid development strategy, emphasizing the benefits to the area (increased security of supply, local economic opportunities) as part of the project justification. The Company's commitment to sustainable investment remains strong precisely because of its dialog with stakeholders and awareness of local needs. In addition, transparency and proactive communication - such as issuing clear press releases and responding quickly to breakdowns - are part of Transelectrica's strategy to meet community expectations and protect its reputation. Thus, internal decision-making constantly takes into account the perspectives of affected communities, leading to **impact mitigation measures** (technical or environmental) and local development programs aligned with both the Company's objectives and the interests of the public.

### Processes to remedy negative impacts and channels through which affected communities can voice their concerns (S3-3)

Transelectrica manages the social impacts of its projects through consultation and proactive actions.

In order to monitor the reputational risk associated with including information appearing in the media related to Transelectrica's activity, the Company conducted a detailed analysis of the materials published on various media channels in 2024. This assessment aimed to identify and manage potential impacts on the Company's image and credibility. As a result of the analysis process, the following were found:

| News category | Number of articles | % articles |
|---------------|--------------------|------------|
| Neutral news  | 11543              | 91,42%     |
| Positive news | 724                | 5,74%      |
| Negative news | 359                | 2,84%      |
| Total news    | 12626              | 100%       |



Looking ahead, Transelectrica aims to further strengthen dialog with communities and impact prevention. The strategy for the coming years includes early involvement of communities from the investment planning phase (through public meetings and debates), so that local concerns are integrated into projects from the outset. The company is also considering the development of dedicated social impact management plans and the possibility of adopting a formal policy for handling complaints from communities, aligning with the new European Social Sustainability Reporting Standards (ESRS) that require increased transparency in this area. At the same time, Transelectrica will continue to invest in technologies and practices with low social impact - for example, the use of technical solutions to mitigate noise and environmental risks near inhabited areas - and will maintain social responsibility programs as an integral part of the strategy to generate positive impacts in local communities and offset any negative impacts. The aim of these measures is that, in the future, infrastructure projects will be implemented with maximum social tolerance, avoiding conflicts and strengthening public trust in the Company.

Transelectrica does not yet have a separate policy dedicated to dealing with complaints from affected communities, but addresses any complaints on an *ad hoc* basis, through open dialog and in accordance with the law. The commitment to transparent communication with the public is reflected in existing practices - for example, the Company maintains active working relationships with local authorities and supports local social initiatives, which also facilitates informal resolution of issues that arise. At the same time, Transelectrica provides all interested parties with accessible channels for expressing concerns or complaints. Affected communities can submit complaints through the online form on the official website (section "*Complaints form*"), contact the Company by email or telephone (publicly available data: correspondence address, telephone/fax numbers and dedicated email) or contact Transelectrica directly. Community members also have the opportunity to voice their concerns and request clarifications at public meetings organized for environmental opinions or other consultation forums. These multiple channels ensure that the voices of communities can be heard and issues raised are responded to. Transelectrica carefully monitors the feedback received and aims to satisfactorily resolve any complaints as part of its commitment to promptly remedy negative impacts on communities and to maintain a constructive dialog with civil society.

#### **Taking action on significant impacts on affected communities and approaches for managing significant risks and pursuing significant opportunities related to affected communities, and the effectiveness of these actions (S3-4)**

In 2024, Transelectrica continued and expanded actions aimed at mitigating the impact of its operations on local communities. In terms of infrastructure investments, the Company adopted responsible design measures for new electric transmission lines. The routes of the lines have been chosen to avoid as far as possible intra-village (inhabited) areas and protected areas, minimizing potential negative impacts on local residents and the local environment. For example, environmental assessments for major projects have taken into account the avoidance of sensitive localities and areas, with technical measures to minimize impacts in areas that cannot be avoided.



Transelectrica mitigates risks associated with public safety and continuity of service through strict maintenance programs, real-time network monitoring and emergency response plans to protect the population and ensure the rapid resumption of supply.

In 2024, all major infrastructure projects included transparent consultations with local authorities and affected communities to identify concerns and adopt appropriate solutions. The company has implemented measures to reduce local nuisance (e.g. noise monitoring, compliance with safety clearances, environmental protection at construction sites). Any one-off complaints from local residents were promptly addressed through direct dialog and corrective interventions, and no major conflicts with communities were reported in 2024. In parallel, Transelectrica carried out corporate social responsibility initiatives aimed at supporting local communities, continuing partnerships with NGOs and technical educational institutions - which increased the Company's visibility and trust at the local level. These efforts have helped to remedy or prevent negative impacts, strengthening the relationship with affected publics.

At the same time, Transelectrica has implemented corporate social responsibility (CSR) initiatives that have a direct positive impact in the communities where it operates. In 2024, the Company *focused its efforts in areas such as education and training, humanitarian actions, environmental protection*, as well as in support of its own employees. Corporate volunteering and sponsorship programs were carried out, continuing projects started in previous years and initiating new ones in partnership with non-governmental organizations, educational institutions and local authorities. These actions aimed both to reduce negative social impacts (by supporting vulnerable communities) and to increase the *benefits to society*, indirectly offsetting inconveniences such as land taken for infrastructure.

Special emphasis was placed on communication and collaboration with the communities affected by Transelectrica's works. The company followed public consultation procedures for infrastructure projects, ensuring transparency and informing citizens in advance about works that might affect them. Also, where it was necessary to obtain land for poles and substations, Transelectrica applied the legal framework of expropriation with fair compensation for the owners, working with the authorities to ensure a fair and fast process. Such measures prevent social tensions and ensure that investments are carried out with minimal negative impact on local communities.

Transelectrica proactively addresses the social risks associated with its activities, integrating their management into its business strategy. The Company's Corporate Social Responsibility Policy *encourages the active participation of employees in community actions* and supports initiatives that strengthen the relationship with civil society. Through voluntary involvement of personnel and partnerships with local NGOs, the risk of conflict or dissatisfaction among affected communities is reduced, while building trust and cooperation.

A key strategy is to maintain an open dialog with communities and stakeholders. In 2024, Transelectrica has been increasingly visible and constant in the communities, standing alongside local organizations and energy/technical educational institutions. This active presence allows local concerns (such as safety, noise, visual impact or others) to be identified early on and managed before they become significant risks to projects. For example, by supporting technical schools and universities, the Company capitalizes on the opportunity to train future local specialists, while enhancing its reputation as a partner in education and regional development.



Transelectrica also treats social opportunities as important issues: community involvement is not only seen as an obligation, but also as a chance to achieve mutual benefits. By supporting local development (grid investments that bring reliable energy, social programs, cultural and sports sponsorship), the Company contributes to the general well-being, which in the long term leads to a *favorable environment for doing business*. In other words, a community that feels positive effects from the energy transmission operator will be more willing to accept and support its projects. Transelectrica recognizes that community involvement is necessary not only to ensure commercial success, but also to gain the respect of the communities in which it operates, thus contributing to the sustainable development of society. This principle guides the Company's approach to social risk management: building a positive relationship with the public reduces the risks of opposition and delays, turning potential challenges into opportunities for collaboration and shared progress.

The effectiveness of Transelectrica's social measures in 2024 can be seen both in the continuation of successful programs and in the expansion of their impact. The fact that many initiatives have become recurrent indicates positive results and good responsiveness from communities. The continuity of these actions reflects their effectiveness: they have generated concrete benefits for the beneficiaries and strengthened the links between Transelectrica and the wider community. Results can also be measured by the resources allocated and the number of projects supported. As reported in the 2024 report, Transelectrica secured funding for more than 60 *initiatives* nationwide. These initiatives covered a wide range of community needs - from equipping local hospitals and humanitarian aid, to supporting technological education and promoting sports and traditional culture. The large number of indirect beneficiaries (students, patients, disadvantaged families, etc.) and the diversity of the areas reached indicate a significant social impact. Practically in every region where Transelectrica has major operations, projects have been carried out with a positive effect, whether we are talking about improved living conditions, educational opportunities or environmental protection.

Feedback from communities and local partners has been good, as evidenced by Transelectrica's increased visibility in public life and the strengthening of its reputation. The company has fulfilled its duties to society not only according to legal requirements, but also according to public expectations, demonstrating that it can operate responsibly. Through these results, Transelectrica has managed to reduce the social risks associated with its activities (the number of complaints or local opposition has remained low) and to capitalize on opportunities to be a catalyst for community development. Overall, the actions taken in 2024 were effective, creating both social value and supporting the Company's long-term objectives. Transelectrica is continuing to monitor relevant indicators (e.g. community satisfaction, progress of sponsored projects) to further assess the impact and improve its future strategies.

In 2024, all major infrastructure projects included transparent consultations with local authorities and affected communities to identify concerns and adopt appropriate solutions. The company has implemented measures to reduce local nuisance (e.g. noise monitoring, compliance with safety clearances, environmental protection at construction sites). Any one-off complaints from local residents were promptly addressed through direct dialog and corrective interventions, and no major conflicts with communities were reported in 2024. In parallel, Transelectrica carried out corporate social responsibility initiatives aimed at supporting local communities, continuing partnerships with NGOs and technical educational institutions - which increased the Company's



visibility and trust at the local level. These efforts have helped to remedy or prevent negative impacts, strengthening the relationship with affected publics.

### **Relevant examples from 2024**

**- Inauguration of the 400 kV Porțile de Fier-Reșița power line (April 2024)** - This large-scale project, to be completed in 2024, was realized with the support and in collaboration with local stakeholders. Transelectrica emphasized the major benefits of the investment for the communities in the western part of the country, highlighting that the new infrastructure enhances regional economic development and the security of energy supply. The inauguration event was attended by representatives of the communities and local authorities, a sign of the close and constructive dialog during the works. The project included information to citizens in the localities crossed by the line and measures to mitigate the impact in sensitive areas, resulting in a harmonious integration of the investment into the community.

**- The "Waiting for Santa Claus" campaign - volunteering in support of the community** - Transelectrica continued in 2024 the tradition of social involvement through the corporate volunteering program. As part of the third edition of the "Waiting for Santa Claus" campaign, the Company's employees, in partnership with non-governmental organizations, prepared Christmas presents for children from disadvantaged families in Bucharest, Ilfov and Călărași. This initiative not only brings joy to the vulnerable, but also strengthens the link between Transelectrica and local communities, demonstrating the Company's concern for their welfare beyond its core business. The direct involvement of Transelectrica's personnel in community actions contributes to increasing public trust and consolidating a positive long-term dialog.

**- Environmental projects and environmental education** - In the first part of 2024, Transelectrica supported community actions to protect the environment, recognizing the importance of a clean environment for the quality of life of local residents. One example is the partnership with the "Capaces with Soul" Association as part of the campaign to collect and recycle plastic lids, in which Transelectrica employees participated as volunteers. Through such projects, the Company collaborates with the community in waste reduction and environmental education efforts, mitigating potential dissatisfaction related to environmental impact. The initiative has been well received locally and is part of Transelectrica's commitment to support the sustainable development of the communities in which it operates.

In conclusion, during 2024 Transelectrica demonstrated through multiple concrete actions the importance it attaches to working with affected communities. The mechanisms of dialog and involvement facilitated the integration of energy projects in the territory, and the lessons learned from the interaction with the public were reflected in more responsible business decisions and in the strengthening of the relationship of trust between the Company and society.

### **Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities (S3-5)**

Transelectrica aims to minimize any significant adverse effects of its activities on local communities. The company implements preventive environmental and safety measures in its investment projects so that the inconvenience for the population is minimized. For example, the modernization of power stations in digital concept (such as the pilot project of Mostiștea station



retrofitting) is designed with low environmental impact, reducing pollution and noise felt locally. Transelectrica also aims to maintain the continuity of electricity supply to avoid unplanned outages in communities. In the year 2024, the Company aims to fully (100%) achieve the annual maintenance program of the electric transmission grid, ensuring the stability of the infrastructure and preventing the negative impact of power outages on consumers. At the same time, public health protection rules (e.g. limits for electromagnetic fields and safety of installations) are strictly complied with, so that the communities in the vicinity of Transelectrica's objectives are not exposed to risks.

### **Promoting positive impacts and creating social value**

The company has set clear objectives to generate positive effects in society and create social value in the communities where it operates. Among Transelectrica's major targets, established through its Corporate Social Responsibility Policy, are investing in the education and development of young people, supporting humanitarian initiatives of non-governmental organizations, participating in the development of culture and local communities, and protecting the environment. These strategic directions guide Transelectrica's social responsibility projects. The company will be involved in projects in education (scholarships and equipment for schools), health and social aid (support for vulnerable people, donations for medical causes) and community development (access to energy, cultural events), thus contributing to the long-term well-being of society. Transelectrica sees these social investments as an integral part of its sustainable performance, assuming its role as a partner of communities in solving local problems such as poverty, access to education, health services and electricity.

### **Managing risks and capitalizing on opportunities in community relations**

A proactive and transparent relationship with communities and other social stakeholders is essential for Transelectrica in managing risks and maximizing opportunities. The company recognizes that ignoring stakeholder expectations can have negative effects on its business. Transelectrica therefore maintains a constant dialog with local stakeholders, ensuring that the concerns and interests of the communities affected by its operations are promptly addressed. The aim is to obtain long-term community support for the Company's projects, which reduces the risk of opposition and conflict while creating opportunities for mutually beneficial collaboration. In Transelectrica's view, stakeholders (including local communities) play a key role in the long-term viability of the Company, which is why meeting their expectations at least minimally is a strategic pillar. In practical terms, the Company integrates community feedback into its plans - from public consultations in the design phase of new investments, to partnerships with local authorities and NGOs - so as to turn potential social risks into regional development opportunities.

### **Monitoring progress towards targets**

Transelectrica systematically monitors progress towards these social targets through dedicated indicators and regular reporting according to ESRS/GRI standards. The company produces an annual Sponsorship and CSR Activities Report, a document that outlines the amounts invested, the areas of intervention and the results of the projects carried out. One concrete result monitored: 56 people diagnosed with serious medical conditions received financial support for treatment in 2024, reflecting the Company's commitment to mitigate urgent social cases. Transelectrica also tracks the number of projects and partnerships with NGOs, as well as the number of indirect beneficiaries of these initiatives (students, patients, families in isolated



communities, etc.) Progress is assessed both quantitatively - through its own internal indicators (included in annual reporting on sponsorships) - and qualitatively, through feedback received from communities and partners. On the basis of these annual assessments, the Company adjusts its strategy and resource allocation, ensuring continuous improvement in social performance and the achievement of targets.

#### **4. Consumers and end-users (S4 1-5)**

##### **Stakeholder interests and views (SBM-2)**

According to the stakeholder analysis identified by Transelectrica, the population, industrial consumers, other legal entities and institutions fall into the category of consumers and end-users, having an important role in the NES.

Depending on their national location, there are areas where end consumers directly impact the Company. For example, in high consumption areas (large cities, major industrial zones) the role of consumers is vital to the Company's strategy and business model. Moreover, impact studies and plans that generate large critical infrastructure projects are mainly based on local consumption need and general trends.

Industry and energy customers - industry players (power producers, large industrial consumers, renewable project developers) have a strategic interest in Transelectrica's performance. In 2024, these partners have emphasized the need for rapid expansion of the transmission grid to take up the new wave of renewable capacity and remove congestion in the system. Demand for the connection of wind and photovoltaic farms is increasing, especially in Dobrogea and Banat, and the industry has called for more efficient and transparent processes for issuing connection permits.

Transelectrica has partially responded to these concerns by starting 18 investment projects dedicated to the integration of renewables in the ETG 2024-2033 Development Plan. The Company's management has also acknowledged the high volume of connection requests and has initiated digitalization measures to speed up analysis and increase transparency. The industry appreciates Transelectrica's network modernization and dialogue efforts (regular meetings with energy investors, according to management statements), but expectations remain high regarding the pace of investments and the predictability of transmission tariffs.

From the point of view of Transelectrica's activities, end-users have a number of essential interests deriving from the Company's role in national energy transmission and security. These interests can be classified into several categories:

- **affordability and continuity**, with end-users expecting stable and reliable transmission of electricity without interruptions or fluctuations affecting domestic or industrial consumption;
- **costs and economic efficiency**, where the main concern is the tariff impact of the transmission service, reflected in the final electricity price;
- **the quality and safety of the service**, taking into account the need to maintain a modern, efficient infrastructure that complies with technical and safety standards;



- **sustainability and environmental impact**, as end-users are increasingly interested in energy transition, integration of renewables and reducing the carbon footprint of the energy system.

Thus, Transelectrica is adapting its strategy and business model to respond to these interests, by investing in grid modernization, digitalization, optimization of operational costs and implementation of sustainable solutions, contributing to a resilient and efficient energy system for all end-users.

Their interests, views and rights, including respect for human rights, influence the Company's strategy and business model through clear commitments to ensure continuity of electricity supply, tariff transparency and sustainability of energy infrastructure.

At the same time, the Company integrates in its strategy the objectives of sustainable development, investing in the modernization of the transmission network, digitalization of infrastructure and reduction of environmental impact, so as to contribute to a sustainable energy transition for the benefit of end users.

Through these measures, Transelectrica recognizes consumers and end-users as a main group of affected stakeholders, maintaining an active dialogue with consumer associations to ensure a quality public service in line with European requirements of sustainability and social responsibility.

### **Significant impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)**

The impacts on consumers and end-users are directly generated by Transelectrica's strategy and business model, as the Company plays a central role in electricity transmission and the stability of the NES.

Transelectrica is adapting its strategy and business model to respond to identified consumer needs and impacts by:

- investments in infrastructure and digitalization - modernization of the transmission grid and implementation of Smart Grid technologies contribute to improving the stability and efficiency of the energy system;
- alignment with sustainability objectives - the development strategy aims to reduce the carbon footprint and integrate renewable sources, having a positive impact on society and the economy;
- increased transparency and stakeholder involvement - through constant dialog with regulators and consumer associations, Transelectrica is adjusting its strategies to maintain a balance between operational performance and the protection of end-user interests.



| Impacts (I)                                                                                                                                                                                                     | Risks (R)                                                                                                                                                                                        | Opportunities (O)                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Affordability and continuity of transmission service - ensuring efficient and secure transmission of electricity has a direct impact on domestic and industrial consumers                                       | Risk of power supply disruptions - infrastructure failures, extreme weather conditions or cyber-attacks can affect the continuity of electricity transmission and therefore affect end consumers | Integration of renewables and energy transition - by adapting infrastructure to accommodate green energy, Transelectrica contributes to lower long-term costs for consumers and reduced dependence on fossil fuels                     |
| Quality of service and energy security - Transelectrica's business model is designed to ensure uninterrupted power supply, minimizing the risks associated with voltage fluctuations or infrastructure failures | Risk of non-compliance with EU regulations - failure to comply with sustainability and energy efficiency rules may lead to penalties and additional costs for the Company and users              | Digitalization and automation of systems - deployment of advanced monitoring and control technologies improves network reliability and reduces the risk of outages, with a positive impact on consumers                                |
| Tariff impact - having a regulated business model, Transelectrica's tariff structure may influence the costs borne by end consumers                                                                             | Risk of increased costs for consumers - any change in the transmission tariffs set by the National Energy Regulatory Authority (ANRE) may influence the final price of energy for consumers      | Increased transparency and dialog with end-users - through public consultation and reporting mechanisms, Transelectrica improves its relationship with stakeholders, strengthening consumer confidence and reducing reputational risks |

The impacts on consumers and end-users are deeply intertwined with Transelectrica's strategy and business model, which must ensure the continuity, accessibility and efficiency of the electricity transmission service. The associated risks can influence the stability of the energy system and costs for consumers, but the Company manages them by making strategic investments, digitalization and alignment with sustainability objectives. At the same time, the identified opportunities contribute to modernizing the infrastructure, increasing operational efficiency and improving stakeholder relations, strengthening Transelectrica's role as a key pillar of the national energy transition.

As an electricity transmission operator, Transelectrica does not directly provide commercial services to end-users, but indirectly influences the safety, accessibility and costs of electricity for all categories of end-users. By efficiently managing the grid, implementing cyber security measures and ensuring information transparency, the Company contributes to protecting the interests of vulnerable consumers and maintaining a secure and sustainable energy system.

Transelectrica has developed an in-depth understanding of how consumers and end-users may be exposed to a higher risk of harm, particularly in the context of impacts on energy security, affordability and sustainability.

The company recognizes that certain categories of users are more vulnerable to power outages, voltage fluctuations or changes in tariff structure, having a significant impact on quality of life and access to essential services. Among the most exposed consumer groups are:

- people with special medical needs who depend on electricity for essential medical devices such as oxygen therapy equipment or ventilators;
- financially vulnerable consumers for whom rising electricity costs can lead to major economic hardship;



- essential institutions such as hospitals, care centers or schools, which require an uninterrupted flow of power to run their operations safely.

Through these actions, Transelectrica demonstrates its commitment to end-user security, contributing to the creation of a resilient and equitable energy system that reduces risk exposure and supports the sustainable development of the energy sector.

#### **Consumer and end-user policies (S4-1)**

Transelectrica has adopted clear policies for managing the significant impacts of its services on consumers and end-users, taking into account the safety, affordability and sustainability of electricity transmission. These policies are set out in the section MDR-P Policies - Policies adopted for the management of significant sustainability issues and are integrated into the Company's development strategy, with the objective of ensuring a stable, efficient and sustainable electricity system in compliance with European sustainability regulations.

Given its status as a company of public interest and the essential role it plays in national energy transportation and security, Transelectrica implements strategic policies aimed at ensuring the stability, safety and reliability of the energy system. As end consumers are the direct beneficiaries of an efficient energy system, all the policies adopted at Company level - from investments in infrastructure, energy security, energy efficiency and digitalization, to sustainability and operational optimization measures - have a direct impact on the final result, namely the operation of a stable, predictable energy system that complies with the highest safety and performance standards.

Policies on grid modernization and maintenance ensure a stable flow of energy, preventing unplanned outages that could affect both domestic consumers and industrial operators or essential institutions (hospitals, schools, critical infrastructure). Sustainability and renewable integration policies also support the transition to a greener energy system, reducing environmental impacts and contributing to more efficient and affordable energy consumption in the long term. At the same time, pricing and regulatory policies influence the costs borne by users by optimizing grid efficiency and balanced resource management.

Thus, any strategic decision taken at Transelectrica level has a direct effect on the quality, reliability and affordability of electricity delivered to end-users, strengthening the security and stability of the national energy system.

#### **Collaborative processes with consumers and end-users on impacts (S4-2)**

Transelectrica does not directly supply energy to consumers, but it has a significant influence on the safety, reliability and costs of electricity. Thus, the Company integrates consumer and end-user perspectives into its strategic decisions through a constant dialog with regulators, consumer associations and key institutions. Collaboration takes place at several stages, from infrastructure planning and tariff setting to monitoring the impact of services on users.

To this end, Transelectrica has implemented collaborative processes that include:



- Regular consultations with regulators and consumer associations to integrate end-users' views into policy decisions;
- Active dialog with key institutions such as electricity distribution operators, cyber security and critical infrastructure protection (CIP) structures to ensure a stable power flow and prevention of unplanned outages;
- Transparency in communicating risks and impacts - regular publication of information on grid investments, energy stability and impact of tariff changes.

Transelectrica has put in place several reporting and troubleshooting mechanisms for end-users:

- Problem reporting form - end-users can report network-related problems through official communication channels;
- Public consultation sessions - conducted in collaboration with regulators to integrate consumer feedback into the Company's strategic decisions;
- transparency reports - detailing the measures taken to ensure energy security and their impact on end-users.

In terms of operational responsibility for ensuring collaboration with consumers and end-users, there is currently no dedicated structure in place and the tasks in this respect are divided between communication structures, reporting structures and technical structures. In the future, it is envisaged to focus more on these issues and clarify responsibilities within Transelectrica.

During 2024, 296 complaints, requests and petitions were registered in Transelectrica. All of them were resolved within the legal deadline.

### **Processes to remedy negative impacts and channels through which consumers and end-users can voice their concerns (S4-3)**

Given its specificity as an electricity transmission and system operator, Transelectrica does not work directly with end consumers, as its activity is focused on the transmission of electricity at national level and on ensuring the stability of the National Electricity System. The direct relationship with end-users is managed by distribution operators and energy suppliers, who interact with domestic and industrial consumers.

Nevertheless, Transelectrica maintains a constant dialog with regulators, distribution operators and other stakeholders to ensure that its operational and investment decisions contribute to the security, continuity and efficiency of the energy system, thus having an indirect impact on end consumers.

Transelectrica has implemented a collaborative framework and operational mechanisms to ensure or facilitate the remediation of negative impacts on consumers and end-users. These measures include investments in infrastructure, communication and consultation mechanisms, incident reporting processes and corrective measures to ensure continuity and energy security.

Transelectrica assumes responsibility for minimizing the impacts on consumers and end-users through a set of preventive and corrective measures, aligned with the requirements of European and national regulations.

- **investments in grid modernization** - digitalization and integration of Smart Grid technologies to reduce the risk of unplanned outages and optimize energy distribution;



- **Continuous network monitoring** - deploy advanced surveillance systems to quickly detect problems and take immediate corrective action;
- **Continuity and risk management plans** - creating strategies to prevent major negative impacts on consumers, such as outages in critical areas.

**Adoption of measures on significant impacts on consumers and end-users and approaches for managing significant risks and tracking significant opportunities related to consumers and end-users, and the effectiveness of these measures (S4-4)**

Transelectrica identifies and manages the major risks that may affect consumers and end-users through a series of technical, operational and strategic measures aimed at preventing malfunctions and ensuring the security of electricity supply. The main actions implemented include:

- modernization and digitalization of infrastructure - continuous investments in Smart Grid technologies, automation and digitalization to optimize energy flows and reduce incident remediation times;
- advanced monitoring and intervention systems - the implementation of real-time network surveillance mechanisms for the rapid detection of faults and prompt intervention in critical situations;
- business continuity plans - the development and regular testing of crisis scenarios to ensure system resilience and minimize the impact of outages on vulnerable customers and critical infrastructure;
- collaboration with authorities and distribution operators - real-time transmission of information on potential risks and incidents to enable a coordinated and efficient response.

To mitigate these risks, Transelectrica implements proactive measures, such as:

- Continuous monitoring of grid stability to prevent sudden outages and efficiently manage energy consumption.
- investing in infrastructure upgrades to ensure network efficiency and reliability in the face of unforeseen events such as extreme weather conditions.
- transparency in communicating risks and working with authorities to provide protective solutions for vulnerable consumers.

In addition to risk management, Transelectrica is exploring opportunities for operational efficiency and inter-institutional collaboration in order to improve the services provided indirectly to consumers and end-users. These initiatives include:

- Integration of renewable energy sources - facilitating the connection of green energy producers to the grid, thus contributing to a more sustainable energy system and stabilizing costs for consumers;
- Optimizing cross-border energy flows - increasing interconnection capacity with European grids to diversify energy sources and enhance national energy security;
- Energy efficiency and sustainability programmes - supporting initiatives that encourage efficient and smart energy use through partnerships with authorities and organizations in the field.

The impacts generated by Transelectrica's activity are managed through a set of measures aimed at:



- reducing the risks of energy supply interruptions - by modernizing infrastructure, implementing Smart Grid technologies and automating monitoring systems;
- tariff impact mitigation - optimizing network efficiency to minimize the costs borne by consumers, in accordance with ANRE regulations;
- protecting vulnerable consumers - by monitoring energy consumption, working with authorities to implement support solutions and rapid intervention in case of emergencies.

Transelectrica continuously monitors the impact and effectiveness of the measures adopted, adjusting actions according to the evolving needs of consumers and end-users. This process includes grid reliability analysis (duration and frequency of outages, incident response time), regular consultations with authorities and operators to optimize policies and investments, audits and technical controls to verify compliance and implementation of corrective measures, as well as transparency and public reporting through publication of progress and future measures. Through this integrated approach, Transelectrica reaffirms its commitment to the safety, efficiency and sustainability of the energy system, contributing to economic stability and consumer protection.

Transelectrica implements action plans and allocates strategic resources to manage significant impacts, risks and opportunities related to consumers and end-users. These include infrastructure modernization and digitalization of the grid to increase the reliability and security of energy supply, as well as continuous monitoring of the power system, using advanced technologies to detect and prevent outages. Resources allocated include investments in energy efficiency projects, cyber security and the integration of renewables, together with reporting and auditing mechanisms to assess and improve system performance. These measures help to increase energy resilience, optimize costs and protect vulnerable consumers, strengthening a reliable and sustainable energy system.

As of 2024, there have been no serious human rights issues and incidents involving its consumers and/or end-users.

Also, for the reporting year 2024, no resources have been allocated to manage significant end-user impacts.

#### **Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities (S4-5)**

For the 2024 reporting year, no targets have been set in relation to the expected outcomes in the lives of consumers and/or end-users. During 2025, work on this will be undertaken.

Transelectrica's activity is fundamental for the final consumer, ensuring the safe, stable and efficient transportation of electricity from producers to the distribution networks. As the sole transmission and system operator of electricity in Romania, the company plays a strategic role in maintaining the balance between production and consumption, guaranteeing continuity of supply and preventing the risks associated with unplanned interruptions.

Although it does not interact directly with domestic users, Transelectrica significantly influences the quality and reliability of energy services through constant investments in infrastructure modernization, integration of renewable sources and optimization of energy flows. Thus, each



measure adopted by the Company has a direct impact on the safety, cost and accessibility of electricity, contributing to market stability and the protection of end consumers.

To reduce negative impacts on consumers and end-users, Transelectrica aims to optimize the time to remedy incidents and reduce the duration of unplanned outages by digitalizing processes and implementing advanced network monitoring systems. The modernization of the infrastructure is a strategic priority, with the objective of reducing the frequency of faults and ensuring a continuous electricity supply.

In terms of promoting positive impacts on consumers and end-users, a major objective is to facilitate access to renewable energy by efficiently integrating green sources into existing infrastructure, thus supporting the transition to a sustainable energy system.

In order to manage risks and take advantage of significant opportunities, Transelectrica is developing an advanced forecasting and risk management system, which allows the anticipation of fluctuations in the network and the implementation of proactive measures to stabilize the energy system. The expansion of regional interconnections is another key element of the Company's strategy, with the aim of improving energy security and reducing major risks that could affect the continuity of supply. In addition, Transelectrica is developing and implementing an operational continuity plan, which includes clear procedures for quick and efficient interventions in case of emergency situations, thus ensuring better protection of consumers and critical infrastructure.

## **CHAPTER V**

### **G1**

#### **1. Professional conduct (G1 1-6)**

##### **Role of the management (Directorate) and supervisory (Supervisory Board) bodies (GOV-1)**

Transelectrica's professional conduct is determined by its status as a leader on the national market and its relevance on the international one. In this context, the Company has adopted sound corporate governance principles and transparent business practices, essential for the implementation of its business strategy and policies.

Through transparent decision making and compliance with national and European regulations, the Company creates an organizational environment that encourages professional ethics, innovation and continuous employee development.

Thus, through a well-defined corporate governance regulatory framework, Transelectrica is committed to maintaining a high standard of ethics, integrity and compliance in all its activities, thus ensuring sustainable development and a relationship of trust with all its stakeholders.

In order to strengthen this position, Transelectrica implements continuous training programs focused on governance, sustainability and compliance, thus ensuring that all employees understand and apply the Company's values. At the same time, Transelectrica emphasizes open dialogue and collaboration with stakeholders, maintaining a high standard of social and environmental responsibility.



In addition, through clear integrity policies and effective risk prevention mechanisms, Transelectrica supports an ethical and fair organizational climate where professionalism and performance are recognized and encouraged.

Transelectrica's statutory bodies are appointed in accordance with Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as amended and supplemented, ensuring a professional and responsible management. At the same time, the Company's listing on the BVB requires compliance with strict standards of transparency, compliance and reporting, thus reinforcing an ethical and responsible behavior in the relationship with investors and business partners.

The expertise of the statutory bodies in terms of professional conduct is essential to ensure an ethical and responsible framework within Transelectrica.

Transelectrica's corporate culture is based on ethical and compliance principles, integrated into the Company's strategies and processes. The Code of Ethics and Professional Conduct, approved by the Supervisory Board and implemented by the Directorate, defines the acceptable behaviors and essential values that guide the work of all employees and business partners.

In addition, the Anti-Fraud and Anti-Corruption Policy, approved by the Directorate, establishes strict mechanisms to prevent, detect and combat fraud, strengthening Transelectrica's integrity and compliance framework. The Policy on Whistleblower Protection in the Public Interest (an integral part of the Anti-Fraud and Anti-Corruption Policy) also provides safeguards for employees and third parties, encouraging the reporting of irregularities in a secure and confidential manner.

By applying these policies, Transelectrica is developing a corporate culture based on integrity, transparency and respect for ethical standards, strengthening the trust of investors, authorities and its partners.

Transelectrica's Directorate plays a strategic role in implementing and strengthening corporate governance, ensuring compliance with national and European regulations and integrating sustainability and ethical principles in all decision-making processes. Beyond the application of compliance policies, the Directorate, through its expertise in risk management, sustainability and international regulations, creates a robust framework for maintaining professional conduct and corporate integrity, actively contributing to the achievement of the Company's strategic objectives. At the same time, the Directorate assumes responsibility for sustainability reporting, promotes an organizational environment based on accountability and transparency, and implements continuous training and monitoring programs for professional conduct, thus strengthening Transelectrica's reputation and long-term sustainability.

Through the consolidated expertise of these structures, Transelectrica promotes a corporate culture based on integrity, accountability and operational excellence, aligning itself with the highest standards of corporate governance and sustainability.

The administrative and management bodies play a key role in promoting and applying the principles of professional conduct within the Teletrans and Smart subsidiaries. They are responsible for the definition and implementation of the Code of Ethical Conduct, which sets standards of professional behavior, prevention of conflicts of interest and compliance with corporate governance regulations.



The Boards of Directors and senior management also monitor compliance, take measures to prevent corruption and promote an organizational climate based on transparency, accountability and mutual respect.

### **Description of processes for identifying and assessing significant impacts, risks and opportunities (IRO-1)**

Transelectrica, as the sole transmission and system operator of electricity in Romania, plays a key role in the security and stability of the NES. In this context, issues such as professional conduct, whistleblower protection, supplier relationship management and payment practices, corruption and bribery are important factors influencing public trust, corporate governance, compliance with European and national regulations, and stakeholder relations.

By strengthening a transparent and ethical business environment, Transelectrica not only protects its reputation and financial stability, but also contributes to the sustainable development of the Romanian energy sector.

The risk management process within Transelectrica is carried out in accordance with the SGG Order no. 600/2018 on the approval of the Code of internal managerial control of public entities and with the internal operational procedure - Risk Management.

The purpose of the operational procedure is to implement a risk management process that facilitates the achievement of Transelectrica's objectives in conditions of economy, efficiency and effectiveness. At the same time, it ensures the continuous improvement of the way in which the steps related to the risk management process are carried out, namely the identification, assessment, establishment of the management strategy, monitoring the implementation of control measures and periodic reporting.

The procedure provides that each organizational entity is required to systematically analyze, at least once a year, the risks related to the conduct of its activities and to develop appropriate plans to limit the possible consequences of the occurrence of risks.

The Management Internal Control Monitoring Committee coordinates the process of updating the general and specific objectives, procedural activities, the risk management process, the performance monitoring system, the status of procedures and the monitoring and reporting system, respectively the reporting to the Directorate.

| <b>Subtopic</b>        | <b>Impact (I)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Risk / Opportunity (R/O)</b>                                                                                                                                                                                                                                                                                                                                                   |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organizational culture | <b>Positive impact:</b><br>- enhancing credibility and reputation by applying high standards of ethics, transparency and compliance;<br>- strengthening relationships with stakeholders, including investors, regulators and business partners, by respecting corporate governance principles;<br>- prevent operational sanctions or restrictions by complying with European and national regulations;<br><b>Potential negative impact:</b> in the case of | <b>Reputational risk</b> - negative exposure in the event of conflicts of interest, lack of transparency in decision making or malpractice in the administration of public contracts and tenders;<br><br><b>Opportunity</b> - creating an ethical and inclusive working environment that attracts and retains industry talent, thus supporting the sustainable development of the |



|                                                         |                                                                                                                                                          |                                                                                                                                                                          |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | serious breaches of ethical rules, there is a potential risk of reputational damage, which may undermine trust in the Company                            | company.                                                                                                                                                                 |
| Protection of early warnings                            | Transelectrica may encourage employees and partners to help identify and eliminate fraudulent practices, corruption or regulatory violations             | Risk - whistleblowers could be exposed to retaliation, discrimination or intimidation, leading to a reduction in reporting and a deterioration of organizational culture |
| Managing relations with providers and practices payment | No impacts identified                                                                                                                                    | No risks / opportunities identified                                                                                                                                      |
| Corruption and bribery                                  | Potential negative impact: in the case of corruption or bribery, there is a potential risk of reputational damage, which may affect trust in the Company | Reputational risk - negative exposure for incidents of corruption and bribery                                                                                            |

### Policies on professional conduct and corporate culture (G1-1)

Transelectrica promotes an organizational culture based on integrity, accountability and transparency. Through a series of internal policies and procedures, set out in the section MDR-P Policies - Policies adopted for the management of significant sustainability issues, the Company ensures compliance with ethical principles, legal compliance and corporate governance, strengthening a fair and safe working environment for all employees.

**Ethics and Corporate Integrity Policy.** Transelectrica establishes a set of rules and standards of behavior aimed at ensuring fairness, transparency and accountability in all activities carried out. These principles are communicated to employees and stakeholders through:

- *Code of Ethics and Professional Conduct*, which regulates obligations, responsibilities and acceptable behavior at corporate level;
- *The Integrity Plan*, elaborated according to H.G. no. 1269/2021 on the National Anti-Corruption Strategy, which aims at preventing and combating corruption;

Transelectrica's Code of Ethics and Professional Conduct establishes fundamental principles of ethics, integrity and transparency applicable to all employees. It is an internal regulatory document for the Company's employees, providing information on how they will conduct themselves morally and professionally, both during and outside work (insofar as it affects the Company's image).

The policy aims to ensure a working environment based on mutual respect, professionalism and accountability, contributing to the consolidation of an ethical and sustainable organizational culture. Through the Code of Ethics and Professional Conduct, Transelectrica assumes a set of general objectives aimed at strengthening integrity, transparency and accountability within the organization.

By promoting mutual respect and trust between employees, the Company ensures a collaborative working environment based on professionalism and ethics. At the same time, Transelectrica applies a zero tolerance policy towards corruption, fraud and conflicts of interest, implementing strict measures to prevent and sanction them.

| Code of ethics and professional conduct                      |                                                                            |                                                              |
|--------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|
| Impacts (I)                                                  | Risks (R)                                                                  | Opportunities (O)                                            |
| Ethical behavior ensures a solid reputation and the trust of | Risks of corruption or conflicts of interest may affect the credibility of | Implementing a strict code of ethics reduces legal risks and |



|                        |             |                                                      |
|------------------------|-------------|------------------------------------------------------|
| investors and partners | the Company | strengthens business and institutional relationships |
|------------------------|-------------|------------------------------------------------------|

The Code of Ethics and Professional Conduct is approved by the Supervisory Board and the Directorate is responsible for its implementation.

Transelectrica has implemented clear mechanisms for identifying and reporting illegal behavior or violations of its Code of Ethics and Professional Conduct, providing a transparent and secure framework for complaints from both employees and external partners. These mechanisms are essential for maintaining organizational integrity, regulatory compliance and protecting the rights of all stakeholders.

For ease of reporting, referrals for the 2024 reporting year<sup>30</sup> could be submitted via e-mail, available at [office@transelectrica.ro](mailto:office@transelectrica.ro). Complaints are reviewed by the company's Directorate and if deemed legitimate, action is taken to remedy the situation as soon as possible. The Company guarantees that all reports are treated confidentially and that the identity of persons reporting problems is protected.

The Code of Ethics and Business Conduct clearly sets out the types of reportable behavior, including violations of internal regulations, illegal practices such as corruption or fraud, conflicts of interest, occupational health and safety violations, harassment and discrimination, and non-compliance related to environmental protection or community relations. This approach allows problems to be detected and corrected before they create significant risks for the company and its stakeholders.

To protect whistleblowers, Transelectrica applies a strict policy against retaliation. Employees who report ethical violations may not be penalized, dismissed or discriminated against in any way for reports made in good faith. In addition, all reports are investigated impartially and decisions are made in accordance with internal rules and applicable law.

Through these measures, Transelectrica reinforces its commitment to ethics, transparency and corporate governance, promoting a safe and fair working environment, aligned with the highest standards of integrity and social responsibility.

The deviations from the Code are submitted to the Disciplinary Commission of the Company, which orders disciplinary measures in accordance with Law no. 53/2003 - Labor Code, as well as with the Transelectrica's Organization and Functioning Regulations.

Transelectrica aligns its ethics and corporate integrity policy with the provisions of the Corporate Governance Code of the Bucharest Stock Exchange (BUCHAREST), ANRE regulations and international standards in the field of professional conduct.

Following a detailed internal analysis and taking into account stakeholder expectations, Transelectrica's Supervisory Board approved, in February 2025, the new Code of Ethics, aligned with current requirements and adapted to the needs of stakeholders. This update reflects the company's commitment to integrity, transparency and compliance, strengthening the corporate governance framework and promoting high ethical standards.

<sup>30</sup> The Code of Ethics adopted in 2025 provides for different reporting mechanisms and channels.



Transelectrica's Code of Ethics is public and accessible both on the Company's website and through the internal communication network (Intranet), thus ensuring transparency and alignment requirements for all employees and stakeholders.

By implementing the Code of Ethics and Professional Conduct, Transelectrica strengthens its corporate culture, promotes ethical and transparent practices and ensures compliance with international standards of governance and sustainability. This approach supports the Company's objectives of integrity, efficiency and responsible development in the energy sector.

Both the Teletrans subsidiary and the Smart subsidiary have adopted Codes of Ethical Conduct to ensure a clear and uniform framework of principles and values to guide the professional activity of employees and management.

**The anti-fraud and anti-corruption policy adopted at Company level** aims to create and develop an internal and transparent institutional environment that facilitates the prevention, detection and combating of fraud and corruption. It aims at empowering all personnel, contributing to strengthening an environment that is aware of the risks and consequences of fraud and corruption. The Policy also aims to raise the awareness of the Company's personnel on the prohibition of illegal activities, including fraud for the benefit of Transelectrica or obtaining for oneself or for another person any benefit as a result of illegal, immoral activities.

To prevent corruption risks, Transelectrica implements:

- *System procedure on corruption preventive measures*, which ensures the identification, assessment and management of corruption risks;
- *Methodology for corruption risk management*, which establishes control and prevention measures, adapted to the causes that determine the likelihood of corruption, in order to keep these risks at a low level and minimize their impact on the Company's activities;
- *Mechanisms for reporting and sanctioning ethical misconduct*, which allow non-compliant practices to be promptly detected and dealt with.

| Anti-fraud and anti-corruption policy                                                                             |                                                                                                                         |                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impacts (I)                                                                                                       | Risks (R)                                                                                                               | Opportunities (O)                                                                                                                                                  |
| Positive impact: increased confidence of investors, partners and stakeholders in the company's business practices | Failure to comply with this policy may result in legal sanctions, financial loss and damage to the Company's reputation | The implementation of strict anti-fraud measures supports access to European funding and strengthens Transelectrica's position as a leader in corporate governance |

The policy is applied internally to ensure compliance with national and European legislation in relation to fraud, corruption and conflict of interest. The Policy covers all forms of fraud or suspected fraud involving Transelectrica personnel, including dealings with other public entities, authorities of any kind, public institutions, final beneficiaries, economic operators and other parties having financial or non-financial dealings with the Company.

The investigation of fraud or suspected fraud is carried out regardless of the level of risk involved, the position held, the circumstances or the relationship of the parties with Transelectrica.

The Directorate approves the Anti-Fraud and Anti-Corruption Policy, promoting a zero-tolerance policy on fraud and corruption. In this respect: internally investigates all reports of fraud or



suspected fraud, including anonymous ones, with sufficient evidence or details of fraud, implements, develops and strengthens an effective internal managerial control system, ensures the prevention, detection and correction of conflicts of interest, fraud, corruption and double funding in the Company's projects and activities.

In defining the Anti-Fraud and Anti-Corruption Policy, Transelectrica has also taken into account the requirements of key stakeholders:

- investors and shareholders - demand full transparency in transactions and clear measures to prevent corruption;
- regulatory authorities (ANRE, BVB) - enforce high ethical and compliance standards;
- suppliers and business partners - are obliged to respect the same principles of integrity in contractual relations;
- employees and trade unions - benefit from safeguards for reporting incidents and ensuring a fair and equitable working environment

Transelectrica is committed to ensuring the transparency and accessibility of its anti-fraud and anti-corruption policy, so that all stakeholders are properly informed and actively contribute to its implementation. The policy is available on the Company's official website, facilitating the access of investors, suppliers and business partners to the compliance principles and rules. In addition, employees have direct access to the Anti-Fraud and Anti-Corruption Policy through the internal platform (Intranet), where they can consult the applicable regulations and procedures necessary to ensure an ethical and responsible business environment.

**The Public Interest Whistleblower Protection Policy is an integral part of the Anti-Fraud and Anti-Corruption Policy.** Transelectrica promotes a safe environment for reporting incidents of professional misconduct in accordance with Law No. 361/2022 on Whistleblower Protection.

- Operational Procedure - Public Interest Whistleblower provides clear mechanisms for reporting, investigation and protection against retaliation;
- Secure reporting channels (e-mail, online platform, direct reporting to the Anti-Corruption and Integrity Department), which guarantee the confidentiality and protection of whistleblowers;
- Analyze and resolve reported incidents by applying effective corrective actions.

The main objective of the policies in place at Transelectrica is to minimize the risks of corruption within the Company by implementing a robust system of prevention, detection and reporting of integrity incidents. This system ensures prompt investigation and appropriate sanctioning of any violation, guaranteeing compliance with all applicable national and international regulations. For effective implementation, these measures are communicated transparently, published on Transelectrica's intranet and subsequently distributed by e-mail to all employees, thus reinforcing the organizational culture based on ethics and accountability. Transelectrica thus applies a solid system of professional conduct policies to maintain transparency, integrity and accountability in all its activities.

Transelectrica places emphasis on the continuous development of its employees, implementing annual training and professional development programs. In this context, in 2024, three employees received training and participated in the Corruption Risk Management Conference.



The training and professional development activities in 2024 were aimed at strengthening the competencies and diversifying the skills of employees, with the main objective of improving individual and organizational performance.

Teletrans Subsidiary has adhered to the core values, principles, objectives and monitoring mechanism of the National Anti-Corruption Strategy 2021-2025, developing an Integrity Plan for the implementation of the National Anti-Corruption Strategy 2021-2025. Smart subsidiary is also committed to transparent and ethical corporate governance, aligning with the National Anti-Corruption Strategy

**Functions at risk.** In 2024, no functions at risk were identified. However, members of the Company's senior management, by virtue of their work, hold functions that may be exposed to risk.

Both the Directorate and the Supervisory Board of Transelectrica carry out their activities in strict compliance with the applicable legislation and the statutory documents, ensuring that the principles of transparency, integrity and objectivity in decision-making are respected. In this respect, the Company applies clear mechanisms for the prevention, identification and management of conflicts of interest, in line with national and European requirements on corporate governance.

Transelectrica is currently in the process of updating the operational procedure on sensitive functions, with the objective of establishing a clear framework for their identification and management. In this context, a sensitive function is defined as a position that involves a significant risk in relation to the achievement of the Company's strategic objectives. Through this initiative, Transelectrica aims to strengthen internal control mechanisms, ensuring effective management of the risks associated with these functions and reinforcing compliance with corporate governance standards. Thus, the approach aims to ensure a systematic and preventive approach in managing compliance and integrity risks within the organization.

Through rigorous compliance procedures, including the obligation to disclose and declare personal interests, Transelectrica maintains a fair and independent decision-making process, thus protecting the interests of the Company and its stakeholders.

## **Supplier relationship management (G1-2)**

Transelectrica's relationship with suppliers is managed through a clear procedural framework, aligned with all national and internal procurement regulations. The selection and monitoring of suppliers is carried out according to specific operational procedures, which establish objective criteria regarding transparency, integrity and sustainability of the value chain. Through due diligence mechanisms, suppliers are assessed for ethical compliance, labor rights protection and environmental impact, and their performance is monitored through regular audits and compliance reports.

In 2024, the entire procurement process was conducted in accordance with the applicable legislative framework, respecting the principles of transparency and fairness in the selection of suppliers. Rigorous criteria on compliance with social and environmental standards were applied in the contracting process, ensuring that suppliers respect fundamental workers' rights.



|                                             |     |                                          |
|---------------------------------------------|-----|------------------------------------------|
| CONTRACTS SIGNED IN 2024                    | 346 | Percentage, relative to the number TOTAL |
| CONTRACTS SIGNED WITH ROMANIAN CONTRACTORS: | 341 | 98,55%                                   |
| CONTRACTS SIGNED WITH EU CONTRACTORS:       | 2   | 0,58%                                    |
| CONTRACTS SIGNED WITH NON-EU CONTRACTORS:   | 3   | 0,87%                                    |

Transelectrica's approach to late payments, especially to SMEs, is aimed at maintaining a stable financial flow and ensuring compliance with contractual deadlines, thus contributing to the economic sustainability of suppliers. The company applies strict cash management procedures, guaranteeing the processing of payments within the standard deadline of 30 days, except in contractually justified situations.

In order to support SMEs, Transelectrica constantly monitors compliance with financial obligations, using reporting and control mechanisms to prevent the accumulation of arrears. The Company has also implemented digital invoice processing systems to optimize the financial flow, reduce the risk of delays and improve transparency in dealing with suppliers.

### **Prevention and detection of corruption and bribery (G1-3)**

Transelectrica has implemented an integrated system to prevent, detect, investigate and respond to allegations or incidents of corruption and bribery, in line with both national and European regulations. This system includes proactive preventive measures such as regular assessment of corruption risks, implementation of the Code of Ethics and Professional Conduct and reporting mechanisms for employees and stakeholders.

The detection and investigation of incidents is carried out through clear analysis and reporting procedures, ensuring a prompt and effective response.

The *System Procedure on preventive anti-corruption measures* adopted at Transelectrica level establishes a clear framework for the prevention and reporting of acts of corruption, thus contributing to maintaining an ethical and transparent working environment, in accordance with the legal and integrity standards promoted by the Company.

Preventing corruption is essential for maintaining public confidence and the operational efficiency of the Company, so the main objectives of the procedure include:

- *prevention of corruption* - implementation of preventive measures to reduce the risks of corruption within the Company;
- *detection and reporting* - establishing an effective system for detecting and reporting incidents of corruption;
- *sanctioning corruption* - ensuring that any act of corruption is properly investigated and sanctioned;



- *promoting integrity* - creating and maintaining an organizational culture based on integrity and transparency;
- *Compliance with the law* - ensuring compliance with all relevant national and international laws and regulations.

Prevent corruption by:

- anti-corruption information and training;
- corruption risk management;
- evaluation, monitoring, reporting.

*The methodology for corruption risk management* aims to adopt control and prevention measures at the level of all organizational entities of the Company, adapted to the causes that determine the likelihood of occurrence of corruption and has the following objectives:

- promoting integrity, institutional transparency and the smooth running of specific activities;
- setting priorities for intervention in the field of corruption prevention;
- ensuring the implementation of measures to prevent and control the risks of corruption by senior management.

The implementation of the procedures has contributed to strengthening the Company's reputation and creating a fair and equitable working environment for all employees, based on the principles of the rule of law, transparency, prevention of corruption and integrity incidents, according to which the timely identification and removal of the premises of corruption are a priority and imperative in the fight against corruption.

Any suspicion or incident of corruption is immediately reported and analyzed by the Anti-Corruption and Integrity Department personnel. The transparent reporting and detailed analysis of such incidents is essential for the continuous improvement of preventive measures. The reporting procedure includes reporting channels, e-mail, whistleblower protection, analyzing incidents, taking corrective measures.

The determination and implementation of intervention measures against corruption risks is based on the classification of corruption risks and the results of the activities of identification, description and assessment of these risks, and then prevention and control measures are proposed by the members of the Working Group, according to the Methodology for corruption risk management within NPG CO. Transelectrica S.A.

At the same time, Transelectrica conducts regular training and education programs for employees, focusing on corruption risk management, the application of compliance and transparency standards, as well as the strengthening of an organizational culture based on integrity and accountability.

#### **Incidents of corruption or bribery (G1-4)**

Due to the effectiveness of the procedures listed above and the zero tolerance to corruption, Transelectrica had no incidents of corruption in 2024.

| <b>Reporting year</b> | <b>No. of complaints</b> | <b>Incident</b> | <b>Status</b> | <b>Remedial actions</b> |
|-----------------------|--------------------------|-----------------|---------------|-------------------------|
| 2024                  | 0                        | There was no    | NA            | NA                      |



### **Political influence and lobbying (G1-5)**

ESRS G1-5, which covers issues related to political activities and related expenses, does not apply to Transelectrica, as the company operates as the sole electricity transmission and system operator in Romania, being a strategic entity of national interest, under the strict regulation of national and European legislation.

Transelectrica does not engage in political financing activities and its corporate governance and transparency policy prohibits any involvement in such actions. In this context, the Company conducts its business exclusively in compliance with applicable regulations on business ethics and institutional integrity, without allocating resources or having any initiatives that fall within the scope of ESRS G1-5.

### **Payment practices (G1-6)**

Transelectrica follows a clear and rigorous process for managing payments to suppliers, ensuring compliance with contractual deadlines without exception. The company makes all payments in accordance with the established contractual provisions on payment terms, at a standard 30-day deadline for all categories of suppliers, including SMEs, with no recorded delays.

In order to maintain this financial discipline, Transelectrica has effective liquidity and cash flow management mechanisms in place. Thus, in extraordinary situations, the Company has credit facilities in place to ensure the continuity of payments without any impact on commercial partners.

As at the reporting date, Transelectrica has not and has not had any payment delays and there are no pending legal proceedings from suppliers for this reason. The company remains committed to responsible commercial practices, offering its suppliers predictability and stability in contractual relations.

## **CHAPTER VI**

### **Conclusions and Perspectives**

With this Sustainability Report, Transelectrica reaffirms its firm commitment to sustainable development, transparency and corporate responsibility. In a rapidly changing energy context, the Company assumes a strategic role in facilitating the transition to a cleaner, more efficient and resilient energy system. Investments in infrastructure modernization, integration of green technologies, human resource development and active involvement in communities reflect Transelectrica's vision of a sustainable and innovative future.

At the same time, the implementation of the most rigorous governance and ethical standards reinforces the Company's position as a responsible leader in the energy sector. Looking to the future, Transelectrica remains committed to its mission of ensuring the security and stability of the National Power System, supporting climate neutrality objectives and actively contributing to Romania's economic and social progress.



Transelectrica is a strategic company not only at national but also at regional level, playing an active role in the integration of the European energy market. As a member of the ENTSO-E network, Transelectrica participates in the elaboration of European energy sector policies and in the implementation of projects aimed at the single energy market, grid interconnection and EU decarbonization objectives. Through these efforts, the Company supports the achievement of an interconnected and reliable European energy market, contributing to the common objectives of energy security and sustainability.

Transelectrica approaches sustainability in an integrated and strategic way, aligning its practices with current international and European standards. The company has a tradition of transparency, publishing GRI-compliant sustainability reports for seven years. The 2024 reporting year is marked by the transition to the latest reporting framework under EU Directive 2022/2464, which ensures a more rigorous and comprehensive presentation of its ESG performance.

In its current Sustainability Report, Transelectrica emphasizes the integration of sustainability into all aspects of its operations and strategy, considering sustainability reporting not only a legal obligation, but also a strategic management tool. By fully aligning with the European Standards (ESRS) and adopting the concept of dual materiality, the Company reinforces its position as a responsible leader, reflecting its economic, social and environmental impacts in a transparent way to decision makers and stakeholders. This approach underlines Transelectrica's commitment to the ambitious objectives of the European Green Pact and the "Fit for 55" initiative, with the Company demonstrating its determination to support the transition to a greener and sustainable future through concrete actions and operational excellence.

Transelectrica plays a key role in climate change mitigation efforts, fully aligning itself with the climate objectives of the European Union and the European Green Pact. The company has embarked on a large investment program in ETG infrastructure, focused on low-emission technologies and energy efficient solutions to reduce the carbon footprint and facilitate the energy transition.

Through funds attracted from European mechanisms (Modernization Fund, PNRR - REPowerEU, etc.), amounting to hundreds of millions of euros, Transelectrica is modernizing and expanding its high-voltage grid according to the most modern standards, increasing the efficiency and reliability of the system. A central pillar of the climate strategy is the increasing integration of renewables into the NES. Transelectrica is developing grid extension projects in areas with high potential (such as Dobrogea for wind and solar) and is increasing interconnection capacities with the grids of neighboring countries, in line with EU requirements.

These measures contribute directly to the decarbonization of the Romanian energy sector and to the achievement of the European renewable energy and climate neutrality targets. The Company is also investing in the modernization and digitalization of infrastructure through Smart Grid solutions - digital substations, advanced control systems, intelligent equipment - to optimize flows and reduce energy losses in the grid.

By promoting energy efficiency (including by reducing internal consumption and technical losses), Transelectrica ensures both a decrease in indirect emissions and an increase in the operational efficiency of the network. All these initiatives underline the Company's significant contribution to combating climate change.



Transelectrica attaches particular importance to human resources and to protecting the rights of its workers, as well as those in the value chain. All employees benefit from fully protected rights in accordance with national and European legislation and International Labor Organization standards, and there are solid social dialogue mechanisms in place with the involvement of trade unions. The company promotes diversity, fairness and equal opportunities, ensuring a safe and non-discriminatory working environment. In addition, Transelectrica invests in the continuous training of its own personnel in order to adapt them to new technologies, which contributes to the professional development of its employees and to the increase of internal skills.

Transelectrica cultivates a close and responsible relationship with the local communities where it operates. In this regard, the Company runs numerous corporate social responsibility (CSR) programs aimed at bringing concrete benefits at the local level, with a focus on education, health and community development. A notable example is the involvement in educational programs: Transelectrica offers scholarships, supports the endowment of universities, and energy awareness and training initiatives, helping to train the next generation of specialists and increase understanding of the importance of energy infrastructure.

The company is characterized by robust corporate governance based on integrity, transparency and accountability. As a company listed on the BUCHCHAREST Stock Exchange, Transelectrica fully complies with corporate governance and transparency requirements, providing investors and the public with accurate and regular information on its financial and sustainability performance.



