

Sustainability Annual Report

[2024]



**More than
120 years of
oil transportation
through pipelines
in Romania**



CONPET S.A. Commitment

to sustainable growth
and corporate
responsibility

Sustainability is at the core of
our vision and commitment to
progress, ensuring harmony
between crude oil
transportation and
environmentally responsible
practices for a secure and
sustainable future.

“Executive Statement

General Director
Dorin TUDORA

Dear colleagues, partners and collaborators,

I am honored to serve as the General Director of a company with a tradition of over 120 years in crude oil transportation through pipelines in Romania — an enterprise of strategic importance that plays a vital role in the country's energy security and economy. CONPET S.A. operates a network classified as critical infrastructure and we fully understand the significance of our activity and its contribution to building a sustainable and high-performing Romanian society.

Our company's management, continuously focused on growth and excellence, is supported by dedicated professionals who are well-prepared to tackle the challenges that constantly arise in an industry that keeps the world in motion.

We recognize and welcome recent legislative advancements, including EU Directive 2022/2464 on Corporate Sustainability Reporting (CSRD) and Order No. 85/2024 issued by the Ministry of Finance, which establish high standards of transparency and corporate responsibility.

CONPET S.A. has aligned itself with these requirements by adopting the European Sustainability Reporting Standards (ESRS), implementing rigorous reporting methods, and ensuring independent validation of data for full credibility. We view these requirements not only as legal obligations but also as opportunities to strengthen our operational sustainability and actively contribute to a cleaner economy.

History, Present and Future

The history of CONPET S.A. has always followed a path of continuous evolution. Survival and progress would not have been possible otherwise. The way we transport crude oil today is vastly different from the methods used over 30 years ago.

Over the years, we have demonstrated strong adaptability and a forward-thinking vision focused on modernization and development, allowing us to meet the demands of a dynamic operational environment. Our continuous investments in modernizing critical transport infrastructure and adopting advanced technological solutions reflect our firm commitment to minimizing environmental impact and supporting social and economic development.

Energy efficiency remains one of our key objectives, alongside our core business operations. Through strategic planning and annual investments, we aim to reduce costs and energy consumption. New technologies and efficient investment projects enable us to enhance service quality, security and operational efficiency.

While our primary activity is transporting crude oil through pipelines, we have also embraced a sustainability strategy, integrating electric and hybrid vehicles, photovoltaic panels and electric locomotives into our operations.

This is yet another testament to our commitment to environmental protection and to ensuring that our business keeps pace with modern advancements. Striking a balance between being a crude oil transporter and promoting eco-friendly practices is essential for the future. We honor our past and recognize our critical role in keeping the world moving, yet we remain forward-looking, prioritizing efficiency, progress and environmental protection.

The present and future of our operations focus on sustainable investments and eco-friendly initiatives, aimed at protecting the environment and ensuring efficient resource utilization. By implementing advanced technologies for optimizing transport and developing innovative projects, we are committed to building an infrastructure that is both efficient and environmentally friendly, further strengthening our position as a reliable and trusted service provider.



Our Tangible Steps Towards Sustainability

This report is more than just a formal obligation – **it is a testament to our commitment to creating lasting value for all stakeholders.**

We invite you to explore the document in detail and join us in our collective effort to build a more sustainable future.

Social Policies and Responsible Governance

An essential development area for CONPET S.A. is its corporate social responsibility (CSR) initiatives. A successful and responsible company must demonstrate care and engagement toward the community and its people. We recognize our role and the influence we can exert and we strive to be both an example and a positive force within the community.

In 2024, CONPET S.A. continued its active participation in various projects across rural and urban communities, covering diverse areas such as sports, education, social support, and cultural initiatives. Internally, our CSR efforts focus on employee development, fostering a corporate culture rooted in the company's values and principles, which we also promote within the broader community.

As part of these efforts, 2024 marked the third consecutive year in which CONPET S.A. organized a blood donation campaign, providing employees with the opportunity to contribute to a noble cause, supporting patients in need through an act of empathy and solidarity.


On a social level, the company is committed to promoting an inclusive work environment based on diversity and equity, enabling employees' continuous growth through dedicated training and development programs. At the same time, our community initiatives focus on supporting regional development through projects that foster social and economic resilience.

Furthermore, our corporate governance principles are guided by transparency in decision-making and adherence to the highest ethical standards, reinforcing trust and collaboration with our partners.

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CONPET S.A. transports essential resources, contributing to a sustainable future through responsible governance and international best practices.

1. REPORT FUNDAMENTALS

This Sustainability Report 2024, prepared for **CONPET S.A.**, provides a clear and detailed picture of the company's environmental, social and governance (ESG) performance. The document is produced in compliance with **the Corporate Sustainability Reporting Directive (CSRD)** and the **Order of the Ministry of Finance (OMF) No. 85 of January 12, 2024 for regulating sustainability reporting aspects**, ensuring compliance with the latest national and European legislative requirements in the field of non-financial reporting.

This sustainability report is an individual report of **CONPET S.A.** and includes operations carried out by **CONPET S.A.** in its crude oil, condensate and ethane transport activities for the period January 01 - December 31, 2024. It is aligned with the latest **European Union** regulations on sustainability reporting, complying with the requirements of the **CSRD** and the **European Sustainability Reporting Standards (ESRS)**. Specific details on the activities included in the report will be presented in the following sections.

In 2024, CONPET S.A. did not encounter any specific circumstances that prevented the full application of the ESRS requirements (ESRS 2 (BP-2)). The report was prepared with validated internal information, without intentional omission of data, and where estimates were used (e.g. in the absence of complete value chain data), they were based on documented methodologies.

This report has taken into account multiple relevant regulatory frameworks:

- ✔ **Directive 2022/2464 on Corporate Sustainability Reporting Directive (CSRD)** - imposes strict standards on sustainability reporting transparency for European companies.
- ✔ **ORDER No. 85 of January 12, 2024 for the regulation of sustainability reporting issues** - establishes national requirements for non-financial reporting and harmonization with European requirements. This Order ensures the alignment of the reporting process with the **European Sustainability Reporting Standards (ESRS)** and introduces clear requirements for transparency, comparability and verifiability of ESG information, thus strengthening the integration of sustainability principles into corporate strategies.
- ✔ **The European Sustainability Reporting Standards (ESRS)** - provide the detailed structure for reporting, including specific aspects on climate impact (**ESRS E1**), social aspects and labor relations (**ESRS S**) and corporate governance (**ESRS G**).
- ✔ **Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investments (EU Taxonomy)** - defines the criteria by which economic activities can be considered environmentally sustainable.
- ✔ **Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on Sustainability Disclosures in the Financial Services Sector (SFDR)** - imposes specific transparency requirements on the integration of ESG factors into financial decisions.

The following sections detail the scope and methodology of emissions reporting, explain how compliance with the CSRD and ESRS influences CONPET S.A.'s future sustainability strategy, and describe the role of complementary EU regulations on sustainable finance (such as the EU Taxonomy and the SFDR) in guiding our decisions. We also highlight the improvements in the sustainability disclosure process compared to previous years, underlining CONPET S.A.'s commitment to continuously improve transparency and accountability in reporting.



CONPET S.A. uses a rigorous approach for monitoring greenhouse gas (GHG) emissions, covering all three emission areas defined by the GHG Protocol and required by ESRS E1. In accordance with these standards, the company reports the following emission categories:

- *Scope 1 emissions*
- *Scope 2 emissions*
- *Scope 3 emissions*

Scope and methodology of emission reporting (ESRS)

This classification follows the internationally recognized GHG Protocol (Greenhouse Gas Protocol - GHG) methodology, which has been adopted in the ESRS E1 standard to ensure consistency in reporting emissions.

The collection of emissions data by CONPET S.A. is comprehensive:

- **For scopes 1 and 2**, we rely on internal records (e.g. log sheets for our fleet of vehicles and equipment, meter readings and utility bills for electricity and heat consumption at our facilities, technological consumption).
- **For Scope 3**, we aim to work with suppliers and partners to collect relevant data (such as fuel and energy consumption information) and, where direct data are not available, use estimation techniques and industry baselines to approximate emissions from activities such as procurement, waste disposal and end-use.

All greenhouse gas emissions are calculated in CO₂ equivalent (CO₂e) using recognized emission factors. For example, we apply conversion factors set by national authorities or the IPCC for fuels and electricity, ensuring that all significant greenhouse gas (GHG) emissions are accounted for in CO₂e based on their global warming potential.

By aligning our calculations and reporting to ESRS E1 guidelines, CONPET S.A. ensures that our emission figures for areas 1, 2 and 3 are reported with clarity and credibility. ESRS E1 requirements require absolute emissions to be reported for each scope, and we provide this information in the report, together with explanations of the methodologies used.

Compliance with ESRS E1 also means that we report emissions in a similar way to other companies in the EU, as the standard prescribes the definitions and measurement methods set out in the GHG Protocol. This alignment improves the comparability of our data, allowing stakeholders to assess CONPET S.A.'s carbon footprint relative to other companies in the industry and track our progress in reducing emissions over time.

In short, the emissions data in this report reflect a rigorous, standards-aligned process - from data collection to calculation, designed to ensure the accuracy and transparency of our climate impact reporting.

CSRD AND ESRS COMPLIANCE AT CONPET S.A.

The emergence of the CSRD and its detailed ESRS framework has shaped CONPET S.A.'s idea of sustainability and governance approach. Far from being a mere reporting obligation, these regulations serve as a model for mainstreaming sustainability at all levels of corporate decision-making. CSRD is ushering in a "new era of transparency" for European companies by requiring a **dual** assessment of the **materiality** of sustainability issues - i.e. assessing not only how social and environmental issues influence CONPET S.A.'s financial performance, but also how CONPET S.A.'s activities influence society and the environment. This dual perspective drives CONPET S.A. to communicate/collaborate with its stakeholders.

Compliance with CSRD is an important aspect of CONPET S.A.'s governance structure. The ESRS includes specific governance standards (ESRS G1 to G4) that outline expectations on corporate governance issues, emphasizing aspects such as business ethics, internal control, risk management and stakeholder engagement. In response, CONPET S.A. has strengthened Board and Executive oversight of ESG issues. Sustainability performance and risks are regularly monitored at Board level, ensuring that top management takes full responsibility when it comes to meeting the company's ESG objectives and obligations.

In line with ESRS G4 (Stakeholder Engagement), CONPET S.A. is optimizing its processes for interacting with stakeholders and on sustainability issues. By involving stakeholders, CONPET S.A. aims to ensure that their concerns are taken into account and addressed in the company's decision-making process. This not only fulfills regulatory expectations, but strengthens trust and relationships with those who are affected by or have an impact on our business.

Compliance with the CSRD and ESRS also requires CONPET S.A. to expand the scope its risk management to fully integrate ESG risks. In line with ESRS G3 (Internal Control and Risk Management), companies are expected to describe their systems for identifying and managing sustainability risks, including climate change and social risks. In response, CONPET S.A. will update the enterprise risk management framework to include sustainability risks alongside traditional financial and operational risks. CONPET S.A. assesses human capital, as well as social and environmental risks (such as labor practices, health and safety, and/or environmental impact on the community) as part of this integrated approach to risk management. The results will influence strategic planning; for example, the risks identified have prompted us to invest in the modernization of the Pipeline Transporta System (PTS) and energy efficiency. By transparently reporting on these risks and how we are managing them, CONPET S.A. is committed to CSRD and demonstrates to stakeholders that the company is proactively mitigating sustainability threats. Aligning CONPET S.A. to this principle means having ESG monitoring mechanisms in place, implementing actions to continuously improve our resilience to a changing environmental and regulatory landscape.

In short, compliance with CSRD and ESRS acts as a sustainability catalyst for CONPET S.A. to integrate ESG requirements into governance, stakeholder engagement and risk management. These regulations are driving us to formalize and improve our internal processes - from sustainability oversight by the Board of Directors, to stakeholder engagement in decision-making, to the expansion of our risk assessments - thereby strengthening our overall sustainability performance and accountability.

Table 1.1 Data points deriving from other EU legislation (ESRS IRO2.56)

Submission requirement and related data point	Reference in the Benchmarks Regulation [1]	EU Reference from Climate Law [2]
ESRS 2 GOV-1 Gender diversity in governing bodies point 21(d)	Commission Delegated Regulation (EU) 2020/1816[3], Annex II	-

Submission requirement and related data point	Reference in the Benchmarks Regulation [1]	EU Reference from Climate Law [2]
ESRS 2 GOV-1 Percentage of members of the governing bodies who are independent point 21(e)	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Regulation (EC) No 1893/2006	-
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, point 14		Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-4 Greenhouse gas emission reduction targets point 34	Delegated Regulation (EU) 2020/1818, Article 6	-
ESRS E1-6 Gross values of 1, 2, 3 and total GHG emissions point 44	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)	-
ESRS E1-6 Gross GHG emission intensity Rows (53)-(55)	Delegated Regulation (EU) 2020/1818, Article 8(1)	-
ESRS E1-7 GHG removals and carbon credits point 56	-	Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Benchmark portfolio exposure to climate-related physical risks paragraph 66	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS E1-9 Exposure of portfolio to the opportunities climate-related point 69	Delegated Regulation (EU) 2020/1818, Annex II	-

Submission requirement and related data point	Reference in the Benchmarks Regulation [1]	EU Reference from Climate Law [2]
ESRS S1-1 Due diligence policies on the issues addressed by the fundamental Conventions 1-8 of the International Labor Organization paragraph (21)	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS S1-14 Number of fatalities and number and rate of work-related accidents point 88(b) and (c)	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS S1-16 Gender pay disparity in unadjusted form point 97(a)	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines point 104(a)	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)	-
ESRS S3-1 Failure to respect the UN Guiding Principles on Business and Human Rights, ILO principles and/or OECD guidelines point 17	Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)	-
ESRS G1-4 Fines for violation of laws against corruption and bribery point 24(a)	Delegated Regulation (EU) 2020/1816, Annex II	-

[1] 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).

[2] 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).

[3] 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).

EU TAXONOMY AND SFDR

In the context of new EU sustainability requirements, the EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR) are two key frameworks for increasing transparency and aligning capital flows towards sustainable investments. These regulations provide a clear framework for investors and companies, contributing to a greener and more responsible economy.

The EU Taxonomy is a classification system designed by the European Commission to identify economic activities that make a significant contribution to the European Union's environmental objectives. It sets clear technical criteria for six environmental objectives. To be considered aligned with the Taxonomy, economic activities must make a significant contribution to one of these objectives, do no significant harm to other objectives (DNSH - Do No Significant Harm) and comply with minimum social governance requirements.

The SFDR Regulation sets out strict reporting requirements for financial firms and fund managers on the integration of sustainability risks and the impact of investments on ESG (environmental, social, governance) factors. It requires financial products to be categorized according to their level of sustainability:

- Article 6 - Products without specific ESG objectives
- Article 8 - Products promoting ESG features
- Article 9 - Products with a focus on sustainable investments

The SFDR obliges investors to publish clear and comparable information on how ESG risks are managed and to what extent their funds contribute to sustainability objectives.

CONTINUOUS IMPROVEMENT OF REPORTING PRACTICES AND TRANSPARENCY

CONPET S.A. is committed to improving our reporting on ESG issues, continuously increasing the accuracy and transparency of our information. Each annual report builds on the previous one, incorporating new guidelines and stakeholder feedback to enhance the clarity and detail of the information provided. In the past, under the former EU Non-Financial Reporting Directive (NFRD), our sustainability disclosures covered key aspects of our ESG performance in a more simplistic manner. Now, under the CSRD, we have significantly expanded and refined our reporting practices.

Overall, the *Reporting Basics* section outlines how CONPET S.A. approaches sustainability reporting with diligence and integrity. By detailing our methodologies, aligning with EU regulations (CSRD, ESRS, EU Taxonomy, SFDR) and continuously improving our practices, we strive to clearly present our sustainability performance and how we manage ESG impacts and risks. This approach ensures that readers of the report - be they investors, regulators, partners or members of the public - can confidently understand and assess CONPET S.A.'s sustainability efforts in 2024 and the progress we are making towards our long-term ESG goals.

CONPET S.A. STRATEGIC OPERATOR

of the National Crude Oil
Transport System,
ensuring the efficient
delivery of Romania's
energy resources.

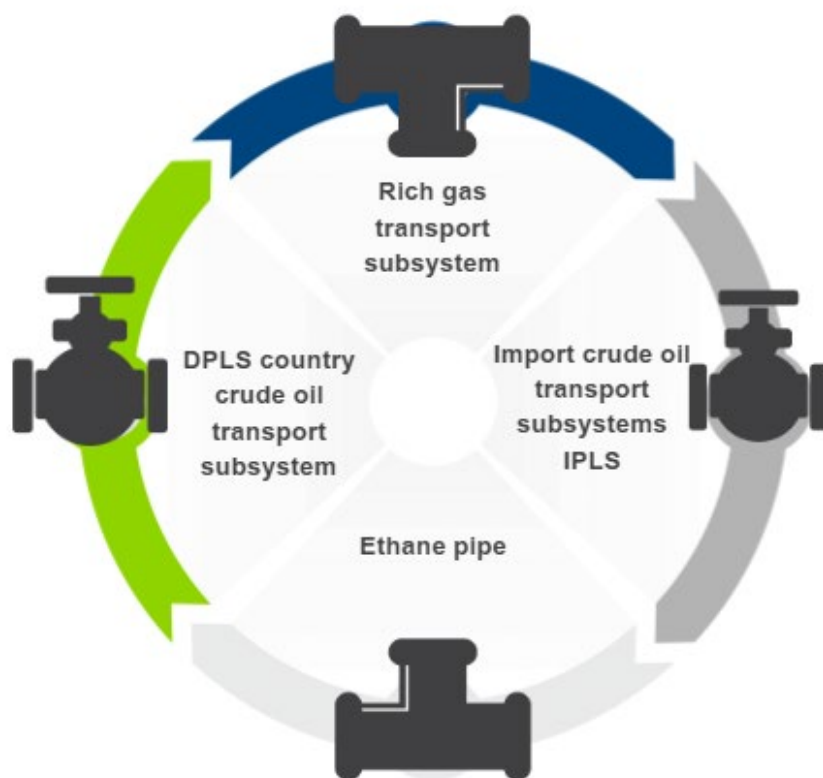


2. COMPANY OVERVIEW

2.1 Business model and market position

CONPET S.A. is the operator of the "National Transport System for Crude Oil, Rich gas, Condensate and Ethane" (SNT), whose activity is the transport through pipelines, in order to supply the refineries in Romania.

Oil transport through the National Transport System is a service of national interest and strategic importance. The National Crude Oil Transport System is the set of interconnected trunk pipelines that collect the oil extracted from the exploitation perimeters, or imported, and route it from the delivery points of the producers/importers to the processing units, through the pumping stations, loading and unloading ramps on the railways, as well as all the installations, equipment and facilities related to them. According to the concession agreement, the company must ensure **open and non-discriminatory access** to its pipelines for all eligible customers on equal terms. This guarantees that any authorized producer or importer of crude oil can use CONPET S.A.'s infrastructure, and transport tariffs are regulated by the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide (ANRMPSG).



Graph 2.1. Composition of the National Pipeline, Rich gas and Ethane Transport System

The National Pipeline, Rich gas and Ethane Transport System currently has an operational capacity of approximately 18.75 million tons. In regions where there are no main pipelines, CONPET S.A. also manages the rail transport infrastructure, including loading ramps, as well as a fleet of tank wagons and locomotives, thus ensuring efficient and safe delivery of products.

This integrated pipeline and railroad model provides CONPET S.A. with flexibility in its operations and the ability to serve remote locations, strengthening its role in Romania's crude oil supply chain. The National Crude Oil Transport System is a vast network of pipelines, both trunk and local, with a total installed length of approximately 3,800 km, of which 3,200 km are available. The company currently has an operational pipeline network of approx. 2,200 km, which is why the total nominal transport capacity of about 27.5 million tons per year is operationally reduced to about 18.75 million tons per year. This is caused by the closure over time of some production and processing units of crude oil, rich gas, ethane in Romania, which led to the inactivation of some pipelines and related pumping stations.

Table 2.1. Distribution of transport infrastructure by subsystem

Subsystems	Network length	Total transport capacity	Storage capacity
Domestic crude oil	1.540 km of pipeline	6,9 million tons per year	120.000 cubic meters
Imported crude oil	1.348 km of pipeline	20,2 million tons per year	79.500 mc
Rich gas/liquid ethane	921 km pipelines	0,33 million tons per year	250 mc
CF crude oil/ rich gas	13 loading ramps	2 unloading ramps	13 locomotives and 55 wagons

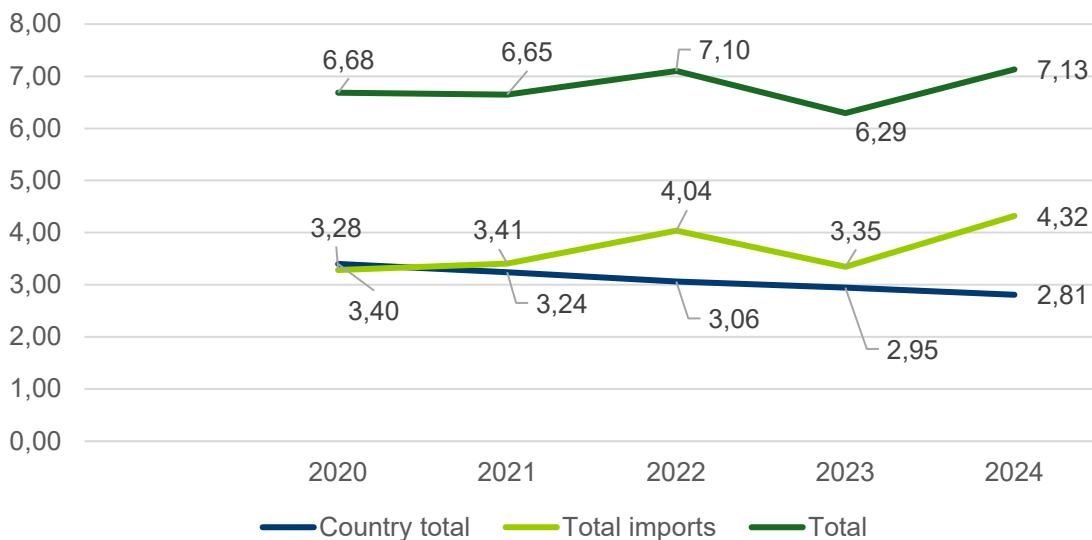
The infrastructure and transport capacity of Conpet S.A. serves its main customers, OMV Petrom and Petrotel Lukoil, key players in the refining and distribution of petroleum products.

Table 2.2. Market position and operational capacity

Metric	Value
Length of operational pipelines	approx. 2.200 km active pipelines
Annual operational transport capacity	18,75 million tons/year
Main customers	OMV Petrom, Petrotel Lukoil
Surveillance regulations	National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide (ANRMPSG)

The evolution of the quantities transported by CONPET S.A. between 2020 and 2024 recorded a gradual decrease in the transport of domestic crude oil, reaching 2,81 million tons in 2024, while the volume of imported crude oil recorded a steady increase, reaching 4,32 million tons in the same year, which contributes to maintaining a stable total of transported quantities, with a peak of 7,13 million tons in 2024.

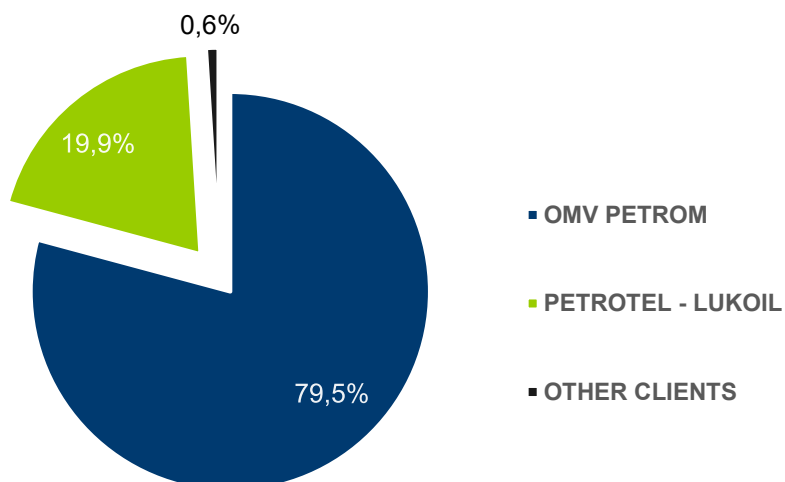
**Evolution of quantities transported during the period
2020 - 2024: Import vs. Domestic (mil. tons)**



Graph 2.2. Evolution of quantities transported from 2020 to 2024

The distribution of CONPET S.A.'s customers according to their share in sales in 2024 shows the dominant position of OMV Petrom (79.5%), the main crude oil producer in Romania, followed by Petrotel Lukoil (19.9%) and other customers (0.6%).

Share of customers in turnover (2024)



Graph 2.3. Share of customers in turnover

Market share and customer base: Due to its unique position, CONPET S.A. manages almost all the crude oil transported through pipelines in Romania, making it an indispensable partner for the oil industry. The company's **main customers** are **OMV Petrom**, the largest and only upstream oil producer in Romania, and **Petrotel Lukoil**. These long-term partnerships underline the strategic importance of CONPET S.A..

BREAKDOWN OF INCOME AND ASSETS BY SIGNIFICANT SECTORS (ACCORDING TO ESRS 2 SBM-1, 40B)

In accordance with the requirements of ESRS 2 - Strategy and Business Model (SBM-1, par. 40b), companies are required to disclose a breakdown of the revenue and equity components, as included in its financial statements, by material ESRS segments in the context of sustainability to enable stakeholders to better understand the structure of the business model, the contributions of each operating segment to economic performance, and exposure to ESG risks and opportunities.

CONPET S.A. is active in the fossil fuels (oil and gas) sector, earning revenues from their transport, and 99.59% of revenues from customer contracts (turnover) are associated with crude oil transport activities. Thus, in accordance with IFRS 8 Operating Segments, the company has only one reportable segment, i.e. the provision of crude oil pipeline transport services. This is disclosed in the annual financial statements, Note 3 "Accounting policies" point (t) Reporting by business segments.

Table 2.3. Total revenue (2024), broken down by accounting category (financial statements - statement of financial position at 31 DECEMBER 2024)

Category	Value (thousand RON)	Percentage (%)
Revenue from turnover (Revenue from contracts with customers - IFRS 15)	533.618	87,10%
Other operating income	72.663	11,86%
Total operating income	606.282	98,96 %
Financial income	6.384	1,04%
Total revenue	612.666	100,00%

By offering a mutually beneficial and secure transport solution, CONPET S.A. enables its customers to ensure a constant supply of raw materials. Alternative modes of transport are more expensive and less efficient compared to pipeline transport.

MAIN INTANGIBLE RESOURCES (INTANGIBLE ASSETS)

The main intangible resources of CONPET S.A., which contribute directly to the company's operational success and competitiveness, are:

- **Intellectual capital and employee expertise:** The company has a solid base of technical knowledge and accumulated experience in the transport of crude oil through pipelines. This expertise covers the operation and maintenance of complex transport systems, the application of advanced technologies to optimize operational efficiency and the implementation of effective risk management mechanisms.
- **Technical and procedural know-how:** CONPET S.A. applies an integrated management system that ensures high standards of quality, environmental protection, operational safety and energy efficiency. These principles are regularly validated by independent external audits and contribute to maintaining operational performance and compliance.

The company's certification basis within the integrated management system is optimal and ensures the implementation of best practices in the relevant areas, facilitating adaptation to industry-specific legislative and operational requirements.

Competitive advantages: CONPET S.A.'s business model confers several competitive advantages. First, it operates within a **stable regulatory framework** that guarantees predictable revenues - transport tariffs are set and approved by the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide (ANRMPSG). This regulated tariff system, in accordance with the **Petroleum Law (Law 238/2004)** and the company's concession agreement (Government Decision No. 793/2002), provides a clear legal basis for CONPET S.A.'s operations and rights. Secondly, the company benefits from **economies of scale and network effects** as the sole pipeline operator: its nationwide infrastructure and centralized dispatching allow efficient transport of large volumes, giving it a cost advantage over any potential fragmented competitor. Third, CONPET S.A.'s **extensive experience** - over a century in pipeline transport - has built a reputation for reliability and operational excellence. CONPET S.A. is today recognized as a **strategic company for the national economy** and a major player on the Romanian capital market. This legacy translates into valuable technical know-how, a solid safety culture and strong stakeholder confidence. Finally, the company's strategic importance (with the Romanian state as majority shareholder) means that it operates under close supervision, aligning its goals with national energy security objectives. In short, CONPET S.A. holds a **unique market position**, characterized by an exclusive asset base, captive demand from the Romanian oil industry and a favorable regulatory environment governing the transport of crude oil.

Table 2.4. Economic efficiency and operational costs transport methods

Metric	Pipeline transport (CONPET S.A.)	Transport road	Rail transport	Maritime transport
Cost per tonne-km	Lowest cost thanks to continuous flow and low energy consumption	High cost due to high fuel consumption	Intermediate but high cost for short distances	Low cost over long distances but requires port infrastructure
Transport capacity	High volume, continuous, uninterrupted	Limited by truck capacity	Depends on the availability of tank wagons	High capacity but port-dependent

Metric	Pipeline transport (CONPET S.A.)	Transport road	Rail transport	Maritime transport
Impact on infrastructure	Does not require frequent road or rail maintenance	Affects roads and requires constant maintenance	Requires maintenance of rail lines and terminals	Requires large investments in ports and terminals

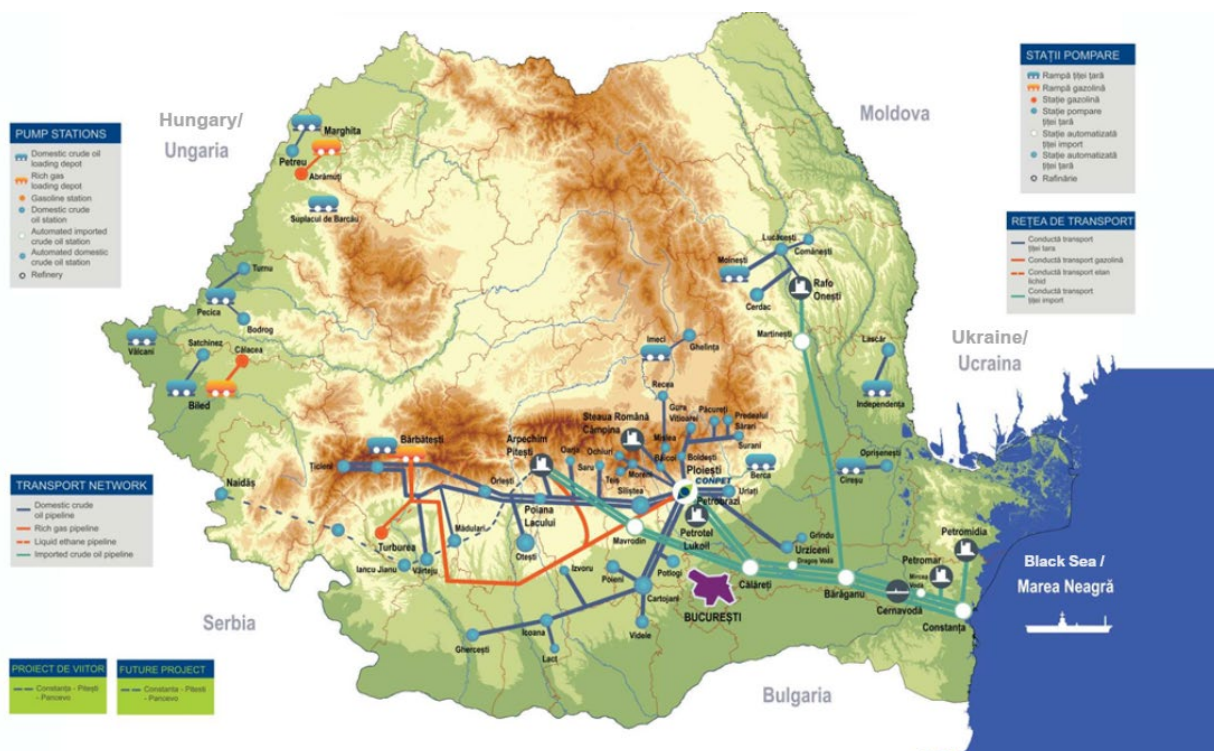
Table 2.5. Operational safety and accidental pollution risk in transport

Indicator	Pipeline transport (CONPET S.A.)	Road transport	Rail transport	Maritime transport
Risk of accidents	Lowest without interaction with road traffic	High - risk of accidents	Environment - risks of derailments and accidents	Raised in case of maritime collisions
Spills and pollution	Minimized thanks to continuous monitoring and control systems	High - risk of spills in case of accident	Environment - risks of soil and water pollution	Picked up in accidents at sea

NATIONAL TRANSPORT SYSTEM OPERATED BY CONPET S.A.

The complete infrastructure of the National Transport System (NTS) operated by CONPET S.A. covers the main production and refining regions in Romania, including all pumping stations, depots and rail ramps that could transport more than 27 million tons of crude oil annually. The dense pipeline structure in the key areas - Constanța (maritime terminal), Prahova Valley (main refining area) and the West of the country (domestic production area) emphasizes the strategic role of CONPET S.A. in ensuring Romania's energy security.

The map below shows the pipeline networks for domestic crude oil (blue), imported crude oil (green), rich gas (orange) and liquid ethane (orange).



2.2 Company profile

CONPET S.A. is a public enterprise and falls within the regulatory scope of G.E.O. no. 109/2011 on the corporate governance of public enterprises (with subsequent amendments and additions), as well as the specific legislation on the capital market.

At the reference date (31.12.2024) the total number of issued shares of CONPET S.A. is 8,657,528, held by 16,251 shareholders. Each share is subscribed and paid at par value 3.3 RON, conferring to the holder the right to one vote in the General Meeting of Shareholders, the right to elect and be elected in the management bodies, the right to participate in the distribution of dividends in accordance with the provisions of the Articles of Incorporation and legal provisions, as well as other rights provided for therein. The shareholder structure, corresponding to the consolidated summary shareholder structure on the same reference date, is as follows:

➤ Romanian State through the Ministry of Energy (1 shareholder)

Number of shares:	5.083.372
Contribution to the share capital (RON)	16.775.127,60
Share in profit and loss (%)	58,7162

➤ **Legal entities (100 shareholders)**

Number of shares:	2.083.424
Contribution to the share capital (RON)	6.875.299,20
Share in profit and loss (%)	24,0649

➤ **Individuals (16,150 shareholders)**

Number of shares:	1.490.732
Contribution to the share capital (RON)	4.919.415,60
Share in profit and loss (%)	17,2189

Shareholders exercise their rights in the General Meeting of Shareholders (G.M.S.), which is the highest decision-making body of the company. The powers of approval of the General Meeting of Shareholders, the conditions for the organization and validity of such meetings are laid down in the Company's Articles of Association, in accordance with the applicable regulations, and are supplemented by the relevant legal provisions. The Company's Articles of Incorporation, the Regulations on the Organization and Conduct of the G.M.S. and Information on Shareholders' Rights are available on the Company's website.

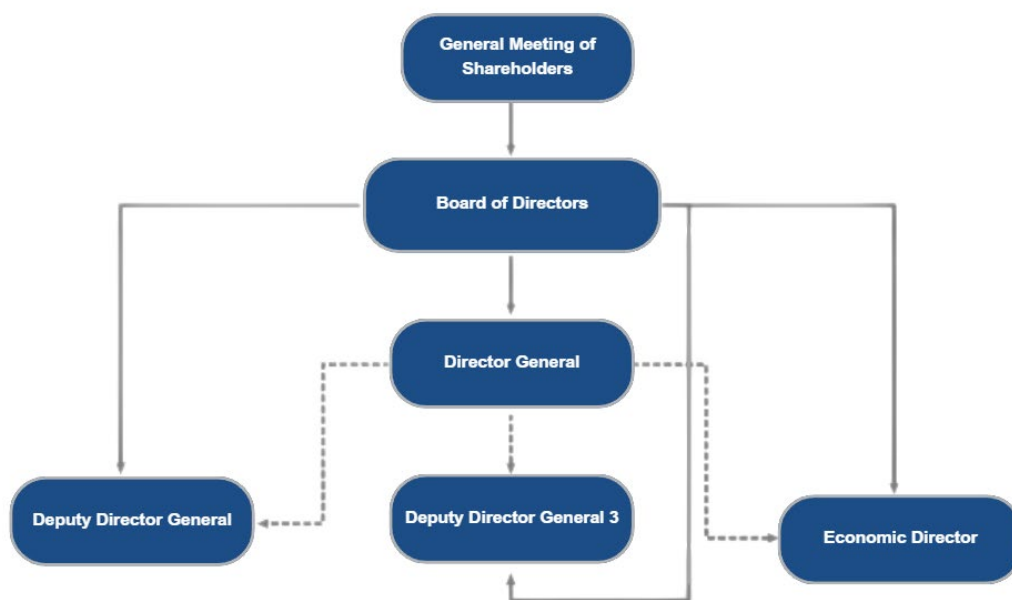
COMPANY MANAGEMENT

➤ **General Meeting of Shareholders**

The General Meeting of Shareholders is the governing body of the company, which decides on the company's activities and policies in accordance with the legal provisions in force.

➤ **Board of Directors**

CONPET S.A. is managed in a unitary system, by a Board of Directors, composed of 7 directors (all non-executive members), appointed by the Ordinary General Meeting of Shareholders for a period of 4 years, starting from 22.08.2023, following the conduct and completion of the recruitment and selection process of directors at the level of the Public Authority of the Ministry of Energy. The Board of Directors is headed by a Chairman, elected by the Board of Directors from among its members. The decision on his appointment or removal shall be taken by a majority vote of the members of the Board of Directors. The Chairman of the Board of Directors of the company may not also be its General Director.



Management structure of CONPET S.A.

➤ Executive Management

The executive management of the company is ensured by a team of 4 directors with a mandate contract (General Director, Deputy Director Generals and Economic Director), appointed by the Board of Directors, with a 4-year mandate (period 2023 - 2027), following the completion and finalization of the recruitment and selection procedures for directors in accordance with the provisions of the G.E.O. no. 109/2011 on the corporate governance of public enterprises.

2.3 Sustainability commitment

CONPET S.A. aligns itself with both European and national strategies in terms of sustainability and makes every effort to have a positive year-on-year evolution in terms of energy efficiency and carbon footprint reduction.

The main sustainability initiatives and objectives of CONPET S.A. are:

🌱 Environmental Management

Protecting the environment is a priority for CONPET S.A. in view of the potential environmental risks associated with the transport of crude oil, rich gas and condensate. The company has implemented an ISO 14001 certified environmental management system, which ensures the identification and continuous control of environmental aspects and associated impacts in all operations. CONPET S.A. is fully committed to complying with environmental legislation - it operates in strict compliance with all applicable laws and permits relating to air emissions, water and soil quality and waste management. In practice, this means monitoring pollutant emissions from its facilities (e.g. pumping stations, storage tanks) and keeping them within regulated limits, as well as treating waste properly and preventing any unauthorized discharges.

Beyond compliance, CONPET S.A. emphasizes pollution prevention and continuous improvement of environmental performance. The company proactively invests in technologies and processes that reduce the risk of spills and environmental incidents. For example, advanced spill detection systems and upgrades to the cathodic protection system of its pipeline network minimize the risk of leaks and corrosion. It also conducts regular maintenance and pipeline integrity inspection programs so that potential problems are identified and resolved before they affect the environment.

A significant part of our environmental protection strategy focuses on **reducing greenhouse gas emissions and energy consumption** in transport operations. Although pipeline transport generates fewer carbon emissions than other modes of transport, CONPET S.A. still consumes electricity (e.g. to power pumping stations) and fuels (for maintenance vehicles and back-up generators), which contribute to its carbon footprint. The company has adopted an **energy efficiency policy** that includes improving energy performance and complying with energy efficiency regulations. CONPET S.A. maintains an ISO 50001 certified **energy management system**, demonstrating its dedication to systematic energy savings. Through this system the company closely monitors energy consumption, sets targets to reduce avoidable losses and invests in efficiency measures. The company's objectives include keeping the consumption of electricity and fuel in the transport process within the set quotas and technological consumption within the limits set for the transport process. In line with these objectives, CONPET S.A. is actively replacing old equipment with energy-efficient alternatives and optimizing processes to reduce energy consumption. Although the company has not yet publicly announced specific greenhouse gas reduction targets, it strives to achieve year-on-year improvements in energy intensity and carbon footprint. This approach is evidenced by the fact that in recent years key performance indicators related to technological consumption in transport operations and energy consumption have been met, indicating progress in efficiency efforts.

Table 2.6. Environmental performance initiatives

Initiative	Impact
Implement and maintain Environmental Management System (ISO 14001)	Ensure compliance with environmental regulations and environmental issues are kept under control
Implement and maintain Energy Management System (ISO 50001)	Ensures regulatory compliance and Improves energy efficiency
Modernization of the NTS	Reduces risks of accidental product loss and soil/water pollution
Investing in renewable energy	Offsets electricity consumption from conventional sources
Leak detection system	Prevents environmental incidents

Renewable energy projects

CONPET S.A. has installed a **photovoltaic panel** system at the **secondary office (administrative office 2)**. By the end of 2022, the first phases of this project (design and procurement) were completed and the actual installation of the solar panels on the office building took place in 2023. This system covers approximately 27% of the site's electricity consumption, directly reducing grid consumption and associated emissions. Through these investments in renewable energy, CONPET S.A. not only reduces its carbon footprint, but also protects itself against volatile energy prices by generating some of its electricity in-house. The company has evaluated the results obtained as a result of the implementation of this project and has extended the use of solar energy to other locations (Constanța Sud and Călăreți), projects implemented in 2024, which will be operational in the first part of 2025.

ESG and innovation-oriented investments

In addition to renewable sources of energy, CONPET S.A. has channeled capital expenditures into projects that support social and environmental outcomes. A prime example is the **modernization of critical pipeline infrastructure** to enhance safety and environmental protection. In 2023, CONPET S.A. completed a critically important project: **the replacement of pipeline segments under the Danube River and the Borcea Arm**. These new underground pipelines were built using modern materials and methods, reducing the risk of leaks in environmentally sensitive areas. The investment significantly improves the protection of water and soil resources as it ensures the continued safe operation of crude oil transport across the Danube, thus **avoiding potential environmental damage** from obsolete pipelines.

Similarly, CONPET S.A. is undertaking a multi-year program of **upgrading storage tanks and pumping systems** - including a large crude oil storage tank recently commissioned at the Călăreți station - incorporating improved safety features and emission controls. These infrastructure upgrades not only reduce environmental risks and emissions (e.g. by minimizing steam losses and preventing accidental spills), but also improve operational efficiency. On the technological side, CONPET S.A. is investing in **digital monitoring and control systems (SCADA)** to optimize pipeline flow and quickly detect any anomalies, which improves both energy efficiency and incident prevention. The company's development strategy explicitly mentions the implementation of a leak detection system and the modernization of the control and data acquisition system as key strategic elements, emphasizing the integration of sustainability with operational excellence.

In addition to environmental investments, ESG components extend to its **and community**. The company also focuses on social issues such as employee well-being, community involvement and ethical governance. Internally, CONPET S.A. promotes **a safe and inclusive workplace**. The company has an ISO 45001 certified occupational health and safety management system and **has a target of "zero accidents"** each year. Health and safety and security (H&S) training and instruction has led to accident prevention, which has been achieved in recent years. In addition, the company invests in the **development of its human capital**: employees benefit from continuous training programs to improve their skills and career development. CONPET S.A. also prioritizes the well-being of its employees, offering health maintenance programs, ensuring fair remuneration and promoting work-life balance. These efforts contribute to maintaining a motivated workforce and low staff turnover.

CONPET S.A.'s human capital strategy emphasizes **continuity, diversity and professional development**, integrating **proactive retention measures** and **improving working conditions**. By **investing in training, promoting gender equity** and **active social dialog**, the company ensures **long-term stability** and **adaptation to the demands of a changing industry**.

SOCIAL RESPONSIBILITY (CSR) AND COMMUNITY INVOLVEMENT

CONPET S.A. has a strong tradition of supporting the communities in which it operates. The company's CSR approach is based on **transparency, stakeholder engagement and respect for the community and the environment**. Through sponsorships and partnerships, CONPET S.A. contributes to various social causes, considering this an integral part of its sustainable development mission. In recent years, the company has **sponsored numerous cultural, educational and health initiatives**. For example, CONPET S.A. has supported prestigious cultural events such as the "Paul Constantinescu" National Music Competition and the "Toma Caragiu" National Theatre Festival, recognizing the importance of cultural heritage. It has also funded national health campaigns (improving public health awareness and services) and supported educational programs, including school competitions and academic olympiads for students. Sport is another area of involvement - the company has sponsored clubs and sports events, promoting healthy lifestyles and youth involvement in its community. The company carefully selects projects that meet the needs of the community and monitors the results, ensuring full transparency of expenditure by publishing an Annual Sponsorship Report on the company website. It emphasizes the effectiveness of sponsorship spending so that financial support generates tangible social benefits and provides real support to citizens. By maintaining an active dialogue with non-profit organizations and local authorities, CONPET S.A. directs its CSR efforts where they are most needed

CONPET S.A. has implemented a **ISO 9001 certified quality management system**, which brings significant benefits in terms of **transparency, process effectiveness and continuous improvement**. This standard supports ESG governance through documented policies and processes, providing a clear framework for the effective management of operational activities. ISO 9001 also contributes to the identification and management of risks, ensuring the implementation of measures to control and improve organizational performance. In addition, ISO 9001 supports the ESRG G1 requirements on control mechanisms, governance structures and business ethics through clear documentation of processes and the implementation of an effective monitoring system.

In addition to this standard, CONPET S.A. has also implemented the requirements **ISO 37001 for anti-bribery management system**, reinforcing its commitment to **transparency, integrity and ethical compliance**. This system provides a **rigorous framework to prevent, detect and combat bribery** through strict internal control mechanisms and compliance measures.

In the context of **ESG Governance**, the ISO 37001 certification ensures the company's credibility in the eyes of its stakeholders, contributing to an organizational climate based on ethics and responsibility. The application of these standards demonstrates CONPET S.A.'s firm commitment to operational excellence and corporate governance, strengthening the trust of investors and business partners.

The company follows **corporate governance** best practices with a structured approach **risk management and ESG compliance**. It also has a well-defined governance framework that balances state ownership interests, capital market requirements and professional management.

CONPET S.A. will publish an annual sustainability report, in compliance with Romanian law and EU regulations, providing a transparent picture of its environmental, social and governance (ESG) impacts. The 2022 sustainability report highlighted the integrated policy on quality, safety, energy efficiency and key projects for pipeline security and community support. The company demonstrates its commitment by responsibly managing environmental impacts, investing in renewable energy, protecting employee health, and implementing sound corporate governance practices, thereby strengthening stakeholder trust.

Through dual materiality analysis

CONPET S.A. turns sustainability challenges into strategic opportunities for the future.



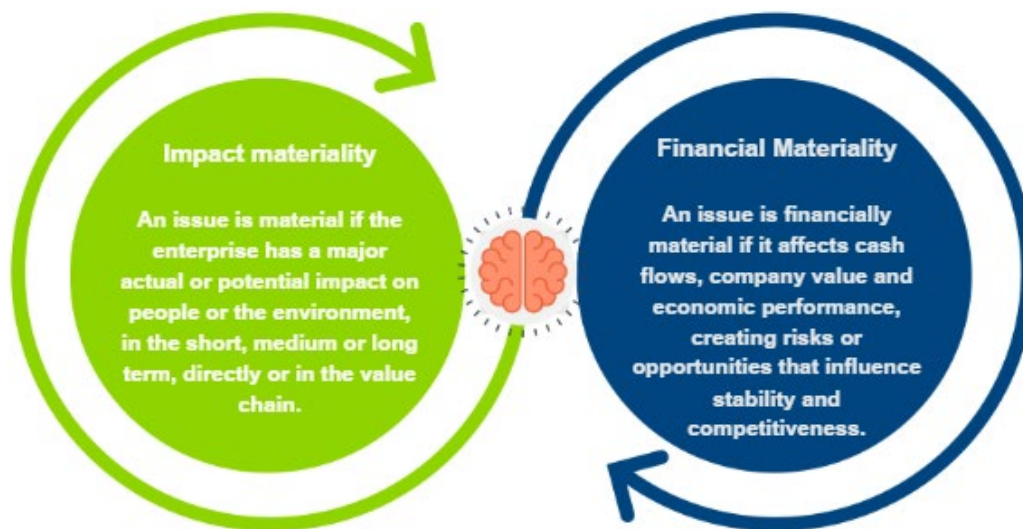
3. DUAL MATERIALITY ANALYSIS

3.1 Legal framework and applied standards (CSRD, ESRS)

The dual materiality analysis methodology applied by CONPET S.A. has been developed in accordance with the requirements of the **European CSRD and ESRS Directives**, with the aim of identifying and prioritizing sustainability impacts, risks and opportunities for the company and its stakeholders. It is based on a modular approach, assessing both **the impacts on the environment and society (impact materiality)** and **the financial implications on the company (financial materiality)**, according to the requirements of ESRS 2 and ESRS 1. The full dual materiality analysis is available to interested parties on request.

The **Corporate Sustainability Reporting Directive (CSRD)** expands the reporting requirements on **ESG (environmental, social and governance) impacts and risks**, with the main objective of providing consistent and comparable data for investors, consumers and other stakeholders, thus contributing to the achievement of the EU's climate and environmental objectives.

FIGURE 3.1 - Dual materiality diagram



GENERAL DESCRIPTION OF THE METHODOLOGY USED

The approach used by CONPET S.A. complies with the Delegated Regulation (EU) 2023/2772, which allows flexibility in the identification of material factors, using impact studies, secondary sources and scientific data, thus ensuring rigorous and transparent reporting.

The methodology is carried out in **four major steps**, which allow collecting, analyzing and validating relevant data for determining significant ESG topics, therefore the materiality assessment process at **CONPET S.A.** was structured in four main steps:

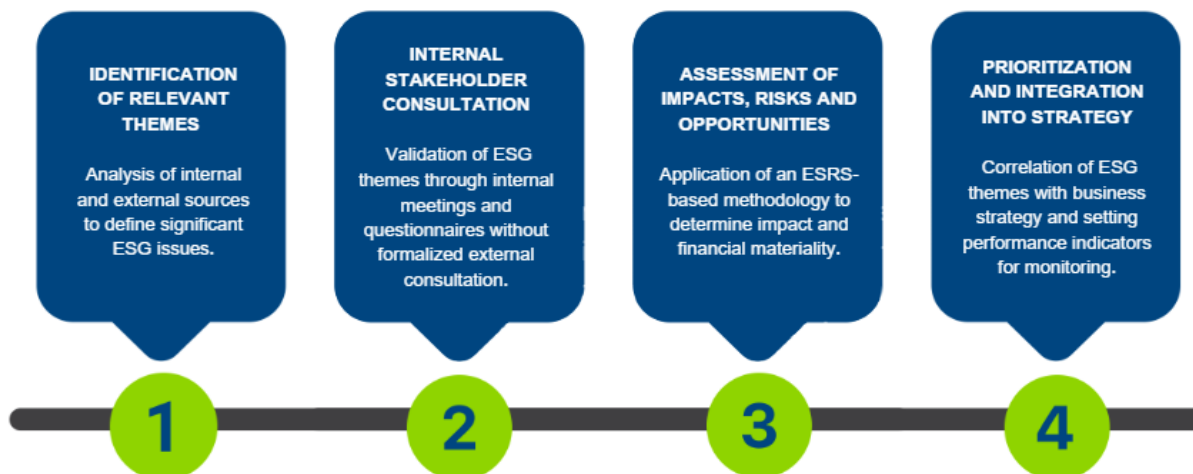


FIGURE 4.2 - Dual materiality diagram

The steps of the dual materiality analysis process are detailed below:

a. Identifying relevant topics for the company and its stakeholders

At this stage, CONPET S.A. analyzed sources, including:

- ✔ International Standards and Regulations (ESRS).
- ✔ Review internal documents (policies, previous sustainability reports, ESG impact and risk assessments).
- ✔ Scientific research and industry reports relevant to energy.

This assessment did not make use of **performance benchmarking with other companies in the fuel transport sector**, as the methodology applied was based on scientific studies, sector analysis and regulations, which provide an objective and comparable framework. Nor was the assessment of feedback from regulators and applicable regulations in the field of crude oil transport used. This has been done because according to IG Materiality 1 (Implementation Guide for Materiality Assessment), materiality analysis can be carried out without formal consultation with external stakeholders as long as credible and valid sources are used, and Delegated Regulation (EU) 2023/2772 confirms that companies can use existing data and secondary sources for materiality assessment without requiring direct involvement of external stakeholders. Thus, the analysis of investor and stakeholder requirements through benchmarking studies (comparative analysis) and the assessment of feedback from regulators and applicable fuel transport regulations were not included in the process, as ESRS 2 - SBM-3, paragraph 45 clarifies that the analysis can be based on alternative sources such as industry reports, scientific studies or internal data, ensuring compliance with ESRS.

b. Stakeholder consultation and validation of material themes

The stakeholder consultation was **mainly** conducted **internally**, with the aim of validating the identified ESG themes and ensuring their alignment with the company's vision.

Methods used for consultation:

- ✔ Working meetings with internal entities (HSE, Human Resources, Transport Operations, Management).
- ✔ Questionnaires and semi-structured interviews with employees of different internal entities.

In line with the methodology applied, no formalized external consultation was carried out in this reporting cycle. Analysis of investor and financial stakeholder requirements through benchmarking studies and assessment of feedback from regulators were not included in this process.

c. Assessing impacts, risks and opportunities

After identifying and validating the ESG themes, each material topic was assessed from a dual materiality perspective:

- ✔ Impact on environment and society (materiality of impact).
- ✔ Financial impact on the company (financial materiality).

The impact assessment methodology has been developed based on the ESRS 2 SBM 3 framework, applying the following criteria:

- ✔ Scoring by impact size: each ESG theme was assessed according to the size, duration, reversibility and severity of impact.
- ✔ Assessment of risks and opportunities: risks identified include regulatory costs, reputational risks and direct financial impact, while opportunities are related to operational efficiency and attracting green finance.
- ✔ Determination of financial significance: for each ESG theme, CONPET S.A. used a quantification system based on financial materiality thresholds established by analyzing the impact on operating income and expenses.
- ✔ The assessment led to a final list of material themes, presented in the List of Material Themes, which ranks each ESG theme according to its importance for stakeholders and the company.

d. Prioritizing and integrating material themes into the strategy

The final step in the process was to integrate the findings of the materiality analysis into the company's ESG reporting framework. This is accomplished by:

- Set specific ESG objectives and targets for each material theme.
- Link ESG themes to the company's business strategy and current risks/operations.
- Identify ESG performance indicators (KPIs) to monitor progress towards the objectives.

As a result of this process, CONPET S.A. defines a clear ESG reporting framework, ensuring the correlation with the ESRS and other relevant international standards that will result in a sustainable development strategy.

RESULTS OF THE METHODOLOGY

As a result of applying the dual materiality methodology, CONPET S.A. has identified material themes grouped into the following categories:

TABLE 3.1 Material themes according to ESRS

Categories	Material themes
Medium (ESRS E1-E5)	Climate change, Pollution, Water resources management, Biodiversity, Circular economy
Social (ESRS S1-S4)	Working conditions, Social dialogue, Protection of human rights, Impact on local communities, Customer data privacy
Governance (ESRS G1)	Corporate culture, Anti-corruption and bribery, Whistleblower protection, Supplier relationship management

These themes were assessed and ranked based on the criteria of **impact and financial materiality**, resulting in a clear prioritization of ESG priorities for the company.

Improvement actions taken in the cacul for the next time horizon:

- **Extend stakeholder consultation process** - Although the report mentions the involvement of internal stakeholders, **a broader external consultation process** (e.g. supplier surveys, meetings with local communities) would increase the credibility of the methodology and align CONPET S.A. with ESRS best practice standards.
- **Assessment of financial scenarios for ESG themes - Quantitative modeling of the financial impact of ESG risks** (e.g. impact of climate regulation on operational costs) would allow for **more efficient allocation of resources** and **better strategic integration of sustainability**.
- **Continuous monitoring and regular updating of materiality** - It is recommended that the materiality assessment be **reviewed annually** to take into account regulatory changes and global ESG developments.

3.2 Assessment of dual materiality

A comprehensive dual materiality assessment was conducted to identify the main ESG risks and opportunities affecting CONPET S.A. and its stakeholders.

TABLE 3.2 Main material aspects of climate change

Material aspect	Impact on environment and society	Impact on the company (financial impact)
Greenhouse gas emissions (GHG emissions and climate change mitigation)	<ul style="list-style-type: none"> - CONPET S.A.'s direct and indirect emissions contribute to global warming, having a negative effect on climate and ecosystems. - Air pollution from CO₂ and other GHGs affects the quality of the environment in the long term, intensifying extreme weather events that can harm communities. 	<ul style="list-style-type: none"> - Increased costs of compliance with climate regulations (e.g. carbon taxes, emission limits). - Pressure from investors and authorities to reduce carbon footprint, with potential consequences for market value and access to finance. - The need to invest in green technologies (renewable energy, energy efficiency) to avoid penalties and maintain competitiveness.

Material aspect	Impact on environment and society	Impact on the company (financial impact)
Physical climate risks (effects of extreme weather events)	<ul style="list-style-type: none"> - Climate change is increasing the frequency and intensity of extreme weather events (floods, droughts, heat waves) that can affect the environment and local communities. - Extreme events can cause environmental accidents: for example, severe flooding can erode soil and cause oil spills, polluting the water and surrounding land. - Communities in the areas of operation are exposed to hazards (e.g. pollution, fires) if the infrastructure does not withstand the changed climatic conditions. 	<ul style="list-style-type: none"> - Infrastructure damage: extreme weather events threaten pipelines and pumping stations, potentially causing operational disruptions and high repair costs. - Significant financial losses can result from natural disasters (in Romania, climate damage already amounts to billions of euros and is growing). - Higher insurance costs and the need for emergency provisions. <p><i>Note:</i> A major incident (e.g. a pipeline burst due to a landslide) would generate environmental and financial costs that may exceed the internal financial materiality threshold established (as set out in Annex I).</p>
Energy transition and climate regulation (transition risk and opportunity)	<ul style="list-style-type: none"> - Climate benefits: The transition to low-emission energy (e.g. renewables) contributes to global climate goals by reducing air pollution and public health impacts. - Society as a whole benefits from climate change mitigation: a more stable climate, fewer natural disasters, improved long-term quality of life. - Local social impact: In areas where CONPET S.A. operates, adapting to the energy transition (e.g. cleaner technologies) can bring green jobs and sustainable development; conversely, an unexpected transition without preparation can affect employees and communities dependent on traditional activities. 	<ul style="list-style-type: none"> - Market risk: Declining demand for fossil fuels in the long term (as the economy decarbonizes) may reduce the volumes of crude oil transported by CONPET S.A., affecting revenues. - Regulatory risk: European climate policies (Green Deal, Fit for 55) require emissions to be reduced by 55% by 2030 and climate neutral by 2050. For CONPET S.A., this means stricter environmental standards and possible additional capital costs for plant modernization. - Opportunities: Adapting the business model can open new directions - for example, using existing infrastructure to transport biofuels. Early investments in green energy can also provide a competitive advantage (lower long-term operational costs, access to green finance and funds for sustainable projects).

Material aspect	Impact on environment and society	Impact on the company (financial impact)
Pollution	<ul style="list-style-type: none"> - Pipeline failures and exceedances of hydrocarbon indicators resulting from CONPET S.A.'s activity can have an impact on the environment and society if not kept within normal limits. - These forms of pollution can have long-term ecological effects, requiring decontamination and soil remediation works. - The responsible management of hazardous waste by CONPET S.A. contributes to reducing risks to public health and protecting the surrounding communities. 	<ul style="list-style-type: none"> - Possible environmental penalties or fines, especially for exceeding contamination limits or late reporting. - Damage to company reputation if incidents are publicized. - Costs with monitoring, assessment and intervention (e.g. excavation works, neutralization, relocation of contaminated soil).

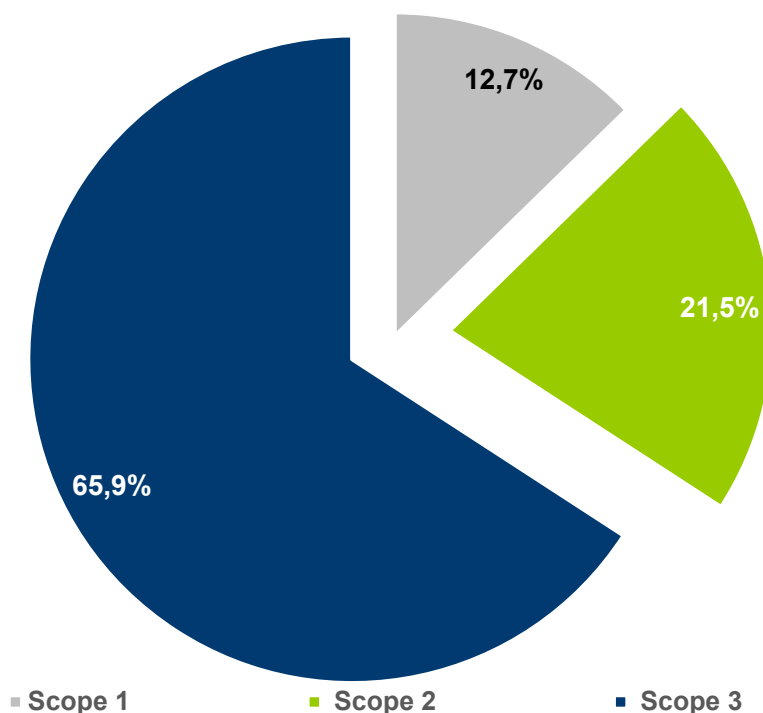
The emissions are structured into the following three areas of application:

Table 3.3 Greenhouse gas emissions by area of application

Scope 1 emissions	Scope 2 emissions	Scope 3 emissions
2.630,41 tons CO₂e	4.451,10 tons CO₂e	11.825,08 tons CO₂e
mainly from the combustion of fuels for the company's own vehicles and facilities.	generated by the electricity consumption required to operate the pumping stations and ancillary facilities of the pipeline system.	representing other indirect emissions in the value chain (third-party logistics, business travel, goods and services purchased, waste management).

These significant emissions underline the climate responsibility of CONPET S.A., highlighting the impact of its operations on the carbon footprint and the need to reduce it in order to minimize environmental impacts.

Graph 3.1. - Percentage distribution of emissions by areas of application



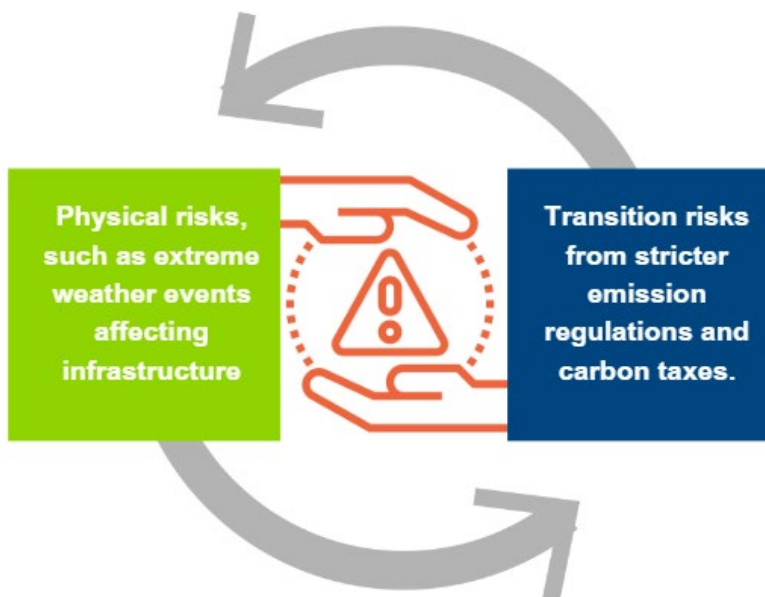
From a broader social perspective, every ton of CO₂e reduced contributes to avoiding the adverse effects of climate change (droughts, floods, extreme heat) that affect people and the environment. Local communities and the public expect energy operators to reduce their pollution and support efforts to combat global warming. Therefore, mitigating climate change (by lowering GHG emissions) is a central objective for the company, with direct benefits for the environment and society. CONPET S.A. has already started to implement important sustainable initiatives, such as energy efficiency projects and investments in renewable energy, such as the installation of photovoltaic panels at the administrative headquarters and other operational locations. Such measures contribute directly to reducing emissions, support the region's energy transition and set a positive example of engaging in responsible climate action . In addition, the company educates and engages its employees in sustainability actions (such as green skills training or participation in green volunteering activities), thus reinforcing an organizational culture oriented towards environmental and social responsibility.

Table 3.4 Financial risks and opportunities of climate change

Outlook	Main climate risks with financial impact	Main financial opportunities
Academic literature	<p>- Physical risks: Studies show that climate change jeopardizes the long-term reliability of oil infrastructure. Pipelines and facilities with decades of life are facing more severe events (extreme temperatures, hurricanes, floods, fires), increasing the risk of failures, leaks and unplanned shutdowns.</p> <p>- Transition risks: To reach climate targets, a substantial share of fossil fuels will be unusable</p> <p>- For example, ~1/3 of global oil reserves are expected to remain untapped by 2050 according to a Nature study. This implies the risk that oil-related assets (fields, pipelines) will lose their value (<i>stranded assets</i>) as demand for oil falls. Oil companies also face market uncertainties (oil price volatility in the context of decarbonization) and possible legal costs related to climate responsibility.</p>	<p>- Adaptation and resilience: The Academy highlights the need to adapt infrastructure to new climatic conditions. Measures such as strengthening vulnerable pipelines, redesigning exposed routes, and operational continuity plans can mitigate disaster losses and are essential for long-term financial sustainability.</p> <p>- Strategic transition: Opportunity to reuse existing infrastructure in the low-emissions economy - for example, technical research suggests that much of the gas pipeline networks can be retrofitted for hydrogen transport at only ~10-35% of the cost of building new ones. Such innovations can expand the business model of fuel transport companies, allowing them to remain relevant in the future energy mix.</p>

Outlook	Main climate risks with financial impact	Main financial opportunities
Consultancy (PwC, EY, McKinsey etc.)	<p>- Financial and market risks: Advisory firms emphasize that failure to adapt to the climate transition erodes the value of companies. In recent years, under pressure from investors and lower demand forecasts, oil companies have seen massive write-downs on fossil assets</p> <p>Investors are redirecting capital to climate-resilient firms and governments are announcing policies to phase out fossil fuels (e.g. targets to phase out rich gas/diesel cars, ban new oil exploration)</p> <p>- all of which threatens the long-term sustainability of oil-focused companies.</p> <p>- Regulatory and reputational risks: Consultants draw attention to the avalanche of new ESG regulations (e.g. CSRD, EU Taxonomy) that may impose costly compliance on oil companies. The reputation of these companies is also suffering as the public and NGOs demand swift climate action</p> <p>- a risk that is difficult to quantify financially, but real (loss of social license, lawsuits, funding restrictions).</p>	<p>- Efficiency and future-proofing: Adopting sustainable practices is seen as an opportunity to increase efficiency and future-proof the business. EY notes that implementing strategies to reduce emissions and "greener" operations contribute to future-proofing operations, i.e. maintaining long-term competitiveness in the context of the energy transition.</p> <p>- Diversification and new markets: Consultants advise oil companies to diversify their portfolio by investing in renewable energy, biofuels, carbon capture, etc. to capitalize on the growth of these segments. For example, McKinsey points out that many O&G companies have committed to net-zero targets and are investing in technologies such as direct carbon capture from the air and low-emission solutions. A pipeline operator can explore new services - from transporting hydrogen or captured CO₂ to green infrastructure management expertise - creating alternative revenue streams as the economy decarbonizes.</p>

In conclusion, the company faces significant climate risks:



GRAPH 3.2. - Types of risks faced by CONPET S.A..

PHYSICAL RISKS (IMPACT ON CONPET S.A. INFRASTRUCTURE)

Climate change is intensifying extreme weather events that can directly affect the physical infrastructure of CONPET S.A. (the operator of the Romanian crude oil pipeline network). Globally, the frequency and severity of storms and floods are expected to increase, events that can damage oil extraction, production and transport infrastructure and disrupt the operation of crude oil pipelines. A report by [Deloitte](#) shows that 79% of global business leaders believe that the planet is at a tipping point and requires solutions to combat the effects of climate change, which is already negatively affecting businesses. For CONPET S.A., whose pipelines cross major watercourses and flood-prone areas, this risk is highly relevant. Adaptation measures are already being observed: for example, the company has completed a ~€26m project to replace and bury pipeline segments under the Borcea arm of the Danube (using horizontal directional drilling), **significantly** reducing the likelihood of leaks or damage caused by extreme floods. This modernization increases the resilience of the infrastructure to increased flows and protects continuity of supply.

Other relevant physical risks include **extreme temperatures** and drought. Warmer climates can bring heat waves that stress infrastructure (expansion of pipelines, overloading of pumping equipment) and jeopardize the health of operating employees, possibly requiring temporary shutdowns. Changes in rainfall patterns - dry spells followed by heavy downpours - can cause subsidence or landslides that threaten pipeline stability. The literature emphasizes that these phenomena (heat waves, severe droughts, vegetation fires, permafrost melting in northern regions, etc.) pose major challenges throughout the oil supply chain, from downstream to

transport and refining. A relevant example for Romania is the impact of extreme weather events on energy infrastructure. Major floods in the Danube basin can affect transport and storage of petroleum products, while vegetation fires in the Bărăgan can endanger pipelines and pumping stations. Such events can significantly disrupt CONPET S.A.'s operations, highlighting the vulnerability of critical infrastructure to climate change and associated risks. Physical risk management requires **strategic adaptation**.

In international practice, energy companies are investing in the consolidation of vulnerable assets and business continuity plans. Through such measures, the risk of outages and property damage is minimized, thereby also protecting financial performance (avoiding repair costs or environmental penalties following an incident). It is worth noting that cost-benefit analysis at sector level supports these investments: **investments in climate resilience bring net benefits in the long term**, avoiding much higher losses in the event of a disaster.

TRANSITION RISKS

The global transition to a low-carbon economy poses substantial risks to the business model of fossil fuel-based companies such as CONPET S.A. A first set of risks is **legislative and regulatory**: increasingly ambitious climate policies may impose direct and indirect costs. For example, increasing the price of carbon (through CO₂ taxes or cap-and-trade systems) will penalize high-emitting activities. The oil sector, being a major contributor to emissions, will be significantly affected - carbon taxes increase operational costs and can erode companies' margins, affecting both profitability and the price of final oil products. CONPET S.A., although it would not directly pay a carbon tax on transported crude oil, may feel the indirect impact: higher electricity costs (if producers pay CO₂), higher auxiliary rail transport prices, or taxes on its own emissions from fossil fuel consumption in operations. In addition, new European regulations (e.g. *ReFuelEU*, stricter emission standards for fuels) may reduce the demand for petroleum products, thus reducing the volume of crude oil transiting the CONPET S.A. network.

A second transition risk is the **decline in demand for crude oil in the medium to long term**, amid market and technological change. As electric vehicles displace traditional fuels (International Energy Agency (IEA) scenarios show the market share of electric vehicles (EVs) rising to over 60% of car sales by 2030), and alternative energies (solar, wind) replace fossil fuels in the power sector, oil demand could peak and then fall. Academic research supports this outlook: a study published in *Nature* estimates that to keep global warming below 2°C, about **a third of global oil reserves, half of global natural gas reserves and more than 80% of coal reserves would have to remain unused** by 2050. This implies that many planned extraction projects will not materialize and the related infrastructure (including transport pipelines) risks becoming *loss-making* (financially unrecoverable) assets. With previous refining and petrochemicals closures, transport capacities are already under-utilized. In this context, a further fall or stagnation in crude oil demand could exacerbate this situation, reducing CONPET S.A.'s revenues and putting additional pressure on tariffs.

Signs of these transition risks are already visible in the market, where investors and financiers are turning to companies with clear adaptation plans, reducing their exposure to climate risk. A [McKinsey report](#) notes that in the first three quarters of 2020, amid the pandemic and accelerating energy transition, oil majors in North America and Europe saw asset write-downs of around \$145 billion - about 10% of their market value - reflecting the expectation that some of their oil and gas reserves will no longer be exploitable profitably. At the same time, governments are taking unprecedented measures: for example, Denmark has announced the cessation of all North Sea oil operations by 2050. For CONPET S.A., whose business depends entirely on transporting crude oil to refineries, such developments signal the **strategic risk** of a gradual decline in long-term volumes and the potential *erosion of its business model* unless diversification takes place. In addition, **technological innovation** is a transition risk: advances in batteries, energy efficiency and alternative fuels may reduce oil's competitiveness. For example, if green hydrogen or next-generation biofuels become economically viable on a large scale, the transport requirement for crude oil could fall accordingly.

Last but not least, there are **legal and reputational risks**. As public awareness of the climate emergency grows, oil companies face increasing scrutiny. Environmental organizations and civil society are pushing for accountability for the fossil industry - including through lawsuits against companies for climate damage or for failing to meet emission reduction targets. A relevant example is the Climate Action 100+ initiative, which brings together investors managing more than \$50 trillion and calls for clear strategies from major emitters to align with the Paris Agreement targets. In this context, ignoring the energy transition is no longer an option, becoming a **risk of losing social license**: companies perceived as reluctant to change may lose public support, be excluded from certain sources of finance and incur higher capital costs. CONPET S.A. is aware of these risks and integrates them into its internal assessments, analyzing both **compliance risks** (such as new emission requirements, EU Taxonomy and ESG standards) and **technological and market risks**, including shifting consumer preferences towards low-emission alternatives.

Opportunities (transition to a sustainable business model)

While climate change poses serious risks, it also creates strategic opportunities for companies that adapt early. For CONPET S.A., the opportunities stem from its role as an intermediary in the energy chain - a role that can be expanded and reinvented in a decarbonized economy. A first opportunity lies in the **transition to alternative and efficient sources**, which can bring both cost reductions and new revenues. For example, reducing your own emissions by making pumping stations more efficient and using renewable energy not only reduces the risk of future carbon taxes but also lowers your operational energy costs. Experts emphasize that implementing sustainable strategies and reducing emissions can ensure the long-term sustainability and competitiveness of operations, making them more resilient in a context of increasingly stringent climate regulations.

In the case of **CONPET S.A.**, the company has already started energy diversification by installing a photovoltaic system at the secondary administrative headquarters, which was implemented and operated throughout 2024. This initiative makes it possible to partially supply its own consumption with green energy, thus reducing dependence on conventional sources. In addition, the system

contributes to lower electricity bills and reduced emissions, providing protection against fluctuations in energy prices and the cost of carbon in the electricity sector.

A second major opportunity is to **extend the business model** to the new needs of the energy transition. CONPET S.A.'s pipeline infrastructure and technical expertise can be leveraged in emerging areas, from green hydrogen transport to biofuels distribution or carbon capture and storage. CONPET S.A. is already exploring such directions - assessing the long-term potential of adapting certain pipelines or facilities for the transport of biofuels or other low-carbon liquids. While crude oil transport remains the core business for now, these forward-looking investments signal the company's commitment to evolve with the new energy landscape and reduce its reliance on carbon-intensive activities. Moreover, early involvement in hydrogen projects may position CONPET S.A. as a key partner in Romania's future green value chains.

Last but not least, **building resilience** should also be seen as an investment opportunity. Capital spending to adapt infrastructure to climate change - for example, installing modern pipeline monitoring systems, replacing critical segments with next-generation ones - can prevent costly environmental incidents and unplanned outages, thereby protecting company value. In addition, insurance and reinsurance companies are starting to prioritize firms that have implemented robust climate risk management plans, which can lead to lower insurance premiums or more favorable coverage for those that have adapted their operations to climate change. IEA emphasizes that investing in resilience brings net benefits and strengthens overall energy security, so companies that act early can gain an advantage. CONPET S.A., through its program to modernize and integrate climate risks into its governance, is already building this resilience, which gives it a competitive advantage in the medium term.

In conclusion, the impact of climate change on CONPET S.A. presents both opportunities and challenges, outlining a landscape of favorable and unfavorable aspects. On the one hand, physical risks threaten the integrity of the pipeline infrastructure and continuity of operations, while transition risks - from carbon policies to declining demand for crude oil - call into question the long-term viability of the fossil fuel-only model. On the other hand, there are real opportunities for business to redesign its future: **the transition to alternative energy sources, increased resilience and innovation** can become drivers for growth and adaptation. A balanced perspective, based on international data and analysis, suggests that oil companies that invest in sustainability and diversification today will be better positioned tomorrow - both to cope with intensifying climate risks and to thrive in a global economy on a decarbonization path. Through the steps already taken and planned, CONPET S.A. is demonstrating that it can leverage its experience and infrastructure to adapt to these changes, ensuring its relevance and financial stability in a changing climate.

Relevant sources were consulted in the above analysis, including international organizations, academic studies and consultancy reports. International organizations provide key guidance for climate policy and sustainability, such as [UNEP FI](#), [Climate Action Network](#), [Carbon Disclosure Project \(CDP\)](#) and the [International Energy Agency \(IEA\)](#). Academic literature includes the [Katopodis et al. \(2019\)](#) (*Infrastructures*) and [McGlade & Ekins \(2015\)](#) (*Nature*) studies, which examine the sustainability of infrastructures and the viability of fossil fuels. Advisory

reports come from [McKinsey](#), [Ernst & Young \(EY\)](#) and [DNV](#), providing insights on decarbonization, ESG regulation and climate risks.

These reports provide detailed analysis and applied scenarios on the energy transition and the risks and opportunities associated with implementing sustainable policies. They contribute to understanding market trends and to developing effective strategies for integrating Environmental, Social, and Governance (ESG) principles. Each of these sources has been used to ensure an informed and balanced approach to the topic covered in this section, and detailed references are available through the hyperlinks included.

RESULTS OF THE MATERIALITY ANALYSIS

As a result of the analysis, CONPET S.A. has identified a number of **material themes** on which this report focuses. The list below summarizes these themes, grouped by ESRS standard domains, together with an indication of the materiality perspective:

TABLE 3.5 Main material themes (2024)

ESRS domain	Material theme	Materiality perspectives
E1 - Climate change	<i>Climate change</i> (mitigation and adaptation, transition plan, energy and GHG emissions)	Impact and financial risk
E2 - Pollution	<i>Pollution</i> (air, water, soil; pollution prevention and control)	Impact and financial risk
E3 - Water resources	<i>Water and marine resources</i> (water consumption, discharges)	Impact
E4 - Biodiversity and ecosystems	<i>Biodiversity and ecosystems</i> (impact on ecosystems, land degradation)	Impact
E5 - Circular Economy	<i>Circular economy</i> (waste management, circularity targets)	Impact and financial risk (opportunity)
S1 - Own workforce	<i>Working conditions</i> (safe workplaces, health and safety, social dialog, collective bargaining, internal reporting mechanisms)	Impact and financial risk
S1 - Own workforce	<i>Employee development and equal opportunities</i> (training, equal opportunities)	Impact and financial risk (opportunity)
S3 - Affected communities	<i>Impact on local communities</i> (community rights, community safety)	Impact and financial risk (opportunity)
S4 - Consumers and end-users	<i>Data protection and consumer information</i> (data privacy, access to information)	Impact (and potential risk)
G1 - Professional conduct	<i>Corporate culture and organizational ethics</i>	Impact and financial risk
G1 - Professional conduct	<i>Protection of public interest warnings</i>	Impact
G1 - Professional conduct	<i>Fight against corruption and bribery</i> (prevention, detection, anti-bribery training)	Impact

ESRS domain	Material theme	Materiality perspectives
G1 - Professional conduct	<i>Supply chain responsibility</i> (supplier relations, payment practices)	Impact

Table 3.6. ESRS topics and subtopics that were not considered material and the reasons for their exclusion (according to ESRS 1 IRO-2:54-59)

Domain	Subjects	Topics	Sub-topics	Sub-sub-topics	Reasons on lack of materiality
Environment	ESRS E4 – Biodiversity and ecosystems	Impacts on biodiversity	Ecosystem development and condition	Protected areas, vulnerable species, relations with NGOs	The company does not operate in areas with sensitive biodiversity or near protected areas. There have been no direct interactions with vulnerable ecosystems and the assessments carried out do not indicate any relevant actual or potential impacts.
Environment	ESRS E3 – Water and marine resources	Marine resources	Marine extractions	Marine water for operations	CONPET S.A. does not utilise or extract marine resources; all activity takes place on land, in continental areas. Therefore, there is no impact associated with the topic.
Environment	ESRS E3 – Water and marine resources	Marine resources	Spills in marine environments	Accidental or controlled marine pollution	There are no spills or operations in marine ecosystems. The infrastructure is not located in coastal or marine areas.
Social	ESRS S2 – Value chain workforce	Working conditions	Workers' rights in the value chain	Secure jobs, forced labour, freedom of association	The company's suppliers and partners are exclusively local or EU-based, with similar compliance obligations. No relevant exposure or value chain labour risks have been identified.

Domain	Subjects	Topics	Sub-topics	Sub-sub-topics	Reasons on lack of materiality
Social	ESRS S3 – Affected communities	Civil and political rights	Discrimination, access to justice, fundamental freedoms	-	No incidents, risks or concerns expressed by local communities regarding these rights have been identified. The company operates in industrial zones with minimal exposure to fundamental rights risks.
Social	ESRS S4 – Consumers and end-users	Health and safety	Products and services	User safety	The company does not deliver products or services directly to end consumers. The business is B2B, with no direct interaction with end-users that creates health or safety risks.
Governance	ESRS G1 – Professional conduct	Business practices	Tax strategies	Tax structure, tax avoidance, transparency	The company is state-controlled and operates under the national tax reporting framework. There are no tax-avoidance schemes or cross-border activities giving rise to tax risks.
Governance	ESRS G1 – Professional conduct	Political influence	Lobbying, donations, public interactions	-	There is no political lobbying and the donation policy does not include contributions to political parties or affiliates. There were no activities with significant political influence.

Below, we present a detailed analysis of each material theme, highlighting their implications and impact in the context assessed.

MEDIUM (ESRS E1 - E5):

🌱 *Climate change (ESRS E1)*

Impact on the company: Climate change is a major issue with dual materiality for the company. From a financial perspective, CONPET S.A. faces significant **climate risks**: both physical risks (e.g. extreme weather events affecting infrastructure) and transition risks (stricter emission regulations, carbon taxes, etc.). The internal analysis highlights the absence of a climate transition plan aligned to the Paris Agreement and the lack of clear emission reduction targets, which is a strategic risk for the future. In 2024, the company reported no direct losses from climate change, but these risks may affect both operating costs (e.g. through increased environmental taxes) and revenues in the medium term if not proactively managed.

Impact on the environment and society: The company's activity (transport of crude oil through pipelines and CF) contributes to the emission of greenhouse gases (GHG) through the consumption of fossil fuels for transport and natural gas for heating. These air pollutants have a direct effect on the global climate. The analysis to 2024 revealed a **current negative impact** related to GHG emissions generation, exacerbated by the lack of an integrated strategy to reduce emissions across all application areas (1, 2 and 3). On the other hand, incipient **positive impacts** were also noted: the company has initiated actions to use renewable energy sources and increase energy efficiency, which indicate steps towards reducing the carbon footprint.

Risks: The main climate **risks** for CONPET S.A. are regulatory and reputational - for example, stricter environmental regulations may impose additional costs or production limits. Also, the lack of a transition plan increases the risk that investors or partners may consider the company unprepared for the low-emission economy. **Opportunities:** Investments in climate change mitigation (e.g. retrofitting equipment to reduce emissions, alternative energy sources) represent opportunities for efficiency and accessing green transition funds. Early adoption of green technologies can also improve a company's image as a sustainable operator. A **relevant example** in the industry is the trend for major oil companies to set climate neutrality targets - showing the importance of integrating climate change into business strategy (CONPET S.A. can follow a similar path, adapted to the crude oil transport sector).

Pollution (ESRS E2)

Impact on the company: Environmental pollution, in the form of accidental hydrocarbon spills, is an operational and compliance risk for CONPET S.A.. In 2024, **financial risks** associated with land, air and water pollution have been identified - for example, pipeline leaks can incur significant penalties and remediation costs. The company has implemented strict pollution prevention and monitoring policies and procedures precisely to reduce the incidence of such events and comply with environmental regulations. The effectiveness of these measures is reflected in the fact that **no major incidents of uncontrolled pollution were reported in 2024**, a sign that prevention systems are working as expected. However, the risk remains as long as the transport infrastructure involves old pipelines and hazardous substances.

Impact on the environment and society: CONPET S.A.'s **current negative impact** on the environment comes mainly from crude oil **pollution of the soil**, caused by possible underground pipeline failures. Such events contaminate land, affecting soil and groundwater quality, with consequences on local ecosystems and potentially on rural communities (degraded agricultural land, drinking water pollution). The operation of pumping stations also involves air emissions (generator exhaust gases, volatile compounds), but the company actively monitors these emissions and wastewater discharges to maintain legal compliance. On the positive side, CONPET S.A. has developed an **effective environmental management system** with pollution prevention and control procedures and continuous monitoring, which significantly reduces the frequency and severity of pollution incidents.

Risks: A major pollution incident (e.g. a major pipeline failure) would result in substantial greening costs, possible legal penalties and damage to the company's reputation as a responsible operator.

Strict pollutant regulations may also require additional investment in emission control technology.

Opportunities: Good performance in pollution prevention provides an opportunity for the company to demonstrate its commitment to the environment - for example, maintaining ISO 14001 environmental certification and promoting a **clean operating record** can strengthen relationships with customers (refineries) and authorities. Innovations in early leak detection technologies (IoT sensors on pipelines) can be an opportunity to minimize risks and reduce costs in the long term if implemented.

Water and marine resources (ESRS E3)

Impact on the company: The management of water resources is a material issue mainly from an impact perspective and less as a direct financial risk. The operation of the pipeline network does not consume large volumes of water directly, but CONPET S.A. uses water for certain processes. There **was a negative impact** related to the **extraction of water from its own boreholes in areas with high water stress (Videle, Cartojani, Constanța C2)** - i.e. in some regions where water resources are limited, the company withdraws groundwater for operational use, potentially affecting local availability. This may create future restrictions or costs (e.g. if the authorities impose extraction limits or higher tariffs). On the other hand, the immediate financial risks for CONPET S.A. are low, as the cost of water is not significant in the cost structure, and no outages due to water shortages have been reported in 2024.

Impact on the environment and society: The impact of CONPET S.A.'s operations on water is manifested through potential **accidental pollution of surface or groundwater** (from oil spills) and **consumption of water** from local resources. The materiality analysis shows that the company has internal procedures in place for **responsible water management**, including measures to prevent accidental pollution and constant monitoring of water consumption and quality. These actions are having a **positive impact**: in 2024 there were no significant water pollutions due to CONPET S.A., a sign that prevention is working. At the same time, water consumption is monitored to avoid waste. However, **water withdrawals in vulnerable areas** remain a concern as they can impact local communities (wells, irrigation) if not well managed.

Risks: Accidental water pollution (e.g. contamination of a river due to a burst pipe) would cause environmental damage and possible penalties. Also, in the context of climate change, water resources are becoming more precious - there is a risk that future access to water for operations will be limited or more expensive. **Opportunities:** By reducing its own water consumption and using water recycling technologies (e.g. for washing equipment), CONPET S.A. can achieve savings and improve its environmental performance. Also, by maintaining a clean (pollution-free) water record, the company strengthens its relations with local communities and compliance with stakeholder expectations.

Biodiversity and ecosystems (ESRS E4)

Impact on the company: Biodiversity is a material issue through the **environmental impact of** CONPET S.A.'s activities, rather than through immediate direct financial risks. The operation of crude oil pipelines crosses different terrestrial ecosystems; an incident (such as a major crude oil

spill) may entail environmental remediation costs and legal obligations to restore habitats. In 2024, the company did not incur any biodiversity-related penalties, a sign that no serious events affecting ecosystems occurred. However, awareness of these risks is important: protected areas or sensitive species in the vicinity of infrastructure could lead to operational restrictions if not properly managed (e.g. restrictions on maintenance works during certain wildlife breeding periods).

Impact on the environment and society: The main **potential negative impact** on biodiversity comes from **soil and water pollution** from oil spills. The analysis shows that oil spills can cause **land degradation** and damage to soil and water organisms, disrupting local ecosystems. In practice, soil contaminated with hydrocarbons loses its fertility, affecting vegetation and small life forms, which can have knock-on effects on the local ecosystem. If remediation work is not carried out, such incidents can have long-term environmental consequences. In order to prevent these effects, CONPET S.A. intervenes through authorized companies, carrying out greening works that ensure the restoration of the affected land and its reintegration into the natural circuit.

Risks: A pollution event affecting biodiversity (agricultural land, forests or water) may result in loss of community trust and intervention by environmental authorities, with potential temporary shutdowns until remediation. **Opportunities:** Active involvement in protecting biodiversity (e.g. partnering with NGOs to plant trees along pipeline corridors) could bring significant reputational benefits. Such actions would demonstrate environmental responsibility and could reduce public opposition to future infrastructure expansion.

🌱 **Circular Economy - Waste (ESRS E5)**

Impact on the company: The management of waste, especially hazardous waste resulting from the operation of the pipeline system, is material both in terms of environmental impact and potential operational efficiency. CONPET S.A. generates hazardous waste (waste oil, oil sludge, contaminated soil) from the maintenance and operation of facilities. The associated **negative impact** is the quantity of these wastes and the risk of pollution if not properly managed. Throughout 2024, the company has maintained rigorous waste management according to the "waste hierarchy" - prevention, reuse, recycle, recover before disposal. This proper management reduces the risks of penalties and long-term costs (e.g. landfill or decontamination costs). Furthermore, treating hazardous waste correctly is essential to maintain operating licenses and avoid legal problems.

Impact on environment and society: The **positive impact** noted in 2024 is that the waste generated by CONPET S.A. is treated according to legal requirements and good practices, most of it being **recovered or recycled** rather than disposed of as such. The company keeps transparent records on the quantities and types of waste, demonstrating accountability and traceability. This contributes to the circular economy by putting some materials back into the loop (e.g. oil recovery, recovery of scrap metal from pipe replacement). However, **the generation of hazardous waste remains an unavoidable negative impact of oil activities**. Any incident of improper disposal could lead to soil or water pollution. No such incidents were recorded in 2024, indicating effective control.

Risks: Increases in hazardous waste could increase management costs and environmental liabilities. Future regulations could impose tougher recycling targets or ban certain practices (e.g. disposal of sludge in landfills). **Opportunities:** Waste management can bring financial and operational benefits if properly optimized. For example, waste can be processed by third parties into usable products, helping to reduce costs. However, in the case of oil sludge, processing in a fiscal warehouse under the Fiscal Code can involve significant costs, without generating direct revenues for CONPET S.A., but only operational expenses. In this context, the company can explore waste-reducing technologies, such as more efficient filters and sustainable materials, thus contributing to both optimizing costs and improving its ESG score, an important aspect for investors.

SOCIAL (ESRS S1 - S4)

Detailed social impact analysis according to ESRS S1 - S4:

🌱 Working Conditions - Health, Safety and Industrial Relations (ESRS S1)

Impact on the company: CONPET S.A.'s own workforce is an important asset and good working conditions lead to productivity and organizational stability. In 2024, a **positive impact** has been observed by providing a stable and fair working environment with a competitive wage policy and extensive employee benefits. The company offers **secure and stable** jobs, protecting employees from economic risks by paying social contributions (pension, health, unemployment) and respecting their rights. This has resulted in high staff satisfaction and retention in 2024. Social dialog is also well reinforced, which provides employees with representation and structured communication channels. Collective bargaining through the Collective Bargaining Agreement (CBA) ensures transparency and fair resolution of labor issues, contributing to a stable organizational climate. All this strengthens the culture of employee protection and reduces labor conflicts.

Impact on the environment and society: High-standard working conditions have a positive social impact beyond the company's gates, as they promote the well-being of 1,398 employees and their families. CONPET S.A., through its personnel policies, contributes to the **development of the local community** (employees have financial stability, purchasing power, access to health services through insurance, etc.) In addition, a safe and healthy working environment is also reflected in the company's reputation as a responsible employer. In 2024, there **were no occupational accidents at CONPET S.A.**, which indicates the effectiveness of the implemented Occupational Health and Safety (OHS) measures. However, the risk of accidents is not completely eliminated, given the nature of operations (flammable substances, heavy industrial equipment). The potential impact of a major accident would be significant, affecting not only the employee, but also the community (through loss of trust) and the company's business.

Risks: The main risks in the area of working conditions relate to the safety and health of employees. A serious incident (explosion, technical accident) could have major human and financial consequences, including interruption of operations. Ineffective management of **working time** and schedule can also lead to fatigue, human error and work tensions - this has been

highlighted as a potential financial risk (low efficiency, paid overtime). **Opportunities:** A safe and satisfying work environment leads to increased productivity and employee loyalty. CONPET S.A. has the opportunity to **strengthen** its **prevention culture** through regular SSM training, emergency drills and continuous improvement of working conditions (ergonomic equipment, modern technology to take over dangerous tasks). Harmonious labor relations can also serve as an example in the industry, increasing the company's attractiveness on the labor market.

Employee development and equal opportunities (ESRS S1)

Impact on the company: Investing in employee training and skills development has a **direct positive impact** on CONPET S.A.'s long-term performance and sustainability. In 2024, the company continued to organize employee training programs tailored to specific needs (technical, SSM, management, etc.). These initiatives improve the skills of the workforce, increase productivity and the quality of transport system operation. Training programs are also accessible to all categories of staff, promoting **equal opportunities** for career development and advancement. In 2024 an inclusive, non-discriminatory working climate was maintained, with the company having policies against any form of unequal treatment. This reinforces organizational stability and reduces staff turnover as employees feel valued and have prospects for advancement.

Impact on the environment and society: Through continuous employee training, CONPET S.A. contributes to the **growth of human capital** in the region. Better qualified employees also benefit communities - they become specialists who can share knowledge, have higher job satisfaction and improved living standards. Internally promoted equal opportunities reflect a positive social impact, ensuring fair treatment regardless of gender, age or other criteria. Although these effects are harder to quantify at macro level, at micro (company) level they translate into better social cohesion and an example of good practice in labor relations. In 2024 no cases of discrimination or complaints of unequal opportunities were reported, suggesting the effectiveness of existing policies.

Risks: If skills development were neglected, there would be a risk of a shortage of critical skills in the company in the medium term (particularly as experienced staff retire). This could affect operational performance and safety. Lack of development prospects may also lead to talent leaving for other companies. **Opportunities:** Employee training is seen as a **financial opportunity** in itself - by increasing efficiency and reducing incidents/errors, the company saves money and improves its services. Materiality analysis included skills development as an opportunity to create value. Moreover, by promoting diversity and equality (e.g. equal promotion opportunities for all employees), CONPET S.A. can innovate and make better decisions, benefiting from varied perspectives.

Impact on local communities (ESRS S3)

Impact on the company: The safety of the communities in the areas crossed by the pipelines is a major material concern, intrinsically linked to the safety of CONPET S.A. operations. A serious incident (e.g. an explosion, fire or widespread pollution) would affect local communities and, by

extension, the company's relationship with those communities and authorities. In 2024, no major incidents affecting communities were reported due to the strict prevention measures implemented. CONPET S.A. operates an extensive network of pipelines crossing many localities; therefore, the company maintains emergency response plans and collaborates with the authorities (ISU, local authorities) to ensure a rapid response. From a financial perspective, good relations with communities represent **intangible capital**: they ensure continuity of operations (without protests or local opposition) and reduce the risk of litigation. The materiality analysis indicated that managing community impacts well can be seen as an **opportunity** to strengthen the company's "license to operate".

Impact on environment and society: Local communities may be affected by CONPET S.A. activity in several ways: risks of accidents with physical impact (fires, explosions, water/soil pollution affecting public health and the local environment) or operational inconveniences (noise, maintenance works). **The potential negative impact** on communities is mainly related to **operational incidents** - accidental oil spills, fires or explosions may endanger the population and property. CONPET S.A. has shown that it addresses these risks seriously: advanced pipeline monitoring technologies, rigorous maintenance and staff training significantly reduce the likelihood of incidents. Thus, in recent years (including 2024), there have been no emergencies with serious impacts on communities, which highlights a **contained impact**. However, communities remain vigilant and the company is constantly monitoring this issue as infrastructure expansion increases the potentially affected area.

Risks: Any major accident would have immediate effects on communities (evacuations, water pollution, potential casualties), generating an image crisis for CONPET S.A. and possible legal action. Tensions with communities may also arise if they feel that they are not sufficiently informed or compensated for the risks they assume by hosting the infrastructure. **Opportunities:** Open and accountable conduct with communities presents an opportunity to build public trust. The analysis showed that involving communities and respecting their rights can be seen as opportunities (e.g. community dialogue, social projects). CONPET S.A. can initiate community programs (pipeline safety education, local social investments) to compensate for inconveniences and improve relations. A community that perceives the company as a **reliable partner** will more easily support future projects (rehabilitations, new pipeline routes).

Data Protection and Consumer Information (ESRS S4)

Impact on the company: although CONPET S.A. does not directly serve individual "consumers" (being a B2B operator, with customers such as refineries), the S4 theme is relevant in terms of **personal data protection** and transparent communication with service users. In 2024, the company has prioritized GDPR compliance and cybersecurity, with rigorous measures in place to protect the personal data of employees, customers and partners. **The potential negative impact** identified is the risk of personal data being lost or compromised in the event of a security breach, which would harm customers and/or employees by exposing their information. Such an incident would also have repercussions for the company - loss of trust, possible fines and reputational damage. In 2024, there **were no major** cybersecurity **incidents** or data leaks at CONPET S.A., but threats of this type are on the rise globally. The company recognized that while risk cannot be

completely eliminated, it is proactively managed through advanced IT security systems, strict data access policies and incident response plans.

Impact on the environment and society: For society as a whole, respect for the right to privacy and accurate consumer information are essential aspects of sustainability. In the case of CONPET S.A., ensuring **data privacy** helps to protect individuals (employees, partners) from potential abuses or frauds that could result from leaked information. Although the company does not sell a product directly to the public, it does provide information to customers and the public (crude oil transport reports, safety-related communications) - maintaining the **transparency** and accuracy of this information is a trust factor. A positive impact in 2024 was the continuity of transparent reporting and responsible corporate communications, with no incidents of misinformation or complaints from customers about lack of information.

Risks: A cybersecurity incident remains a latent risk - the compromise of personal data can attract significant GDPR fines and damage relationships with business partners. Likewise, any miscommunication or opaqueness to customers about transport services could undermine their trust. **Opportunities:** Continued investment in information security (technology and staff training) and obtaining cybersecurity certifications can become a competitive advantage - customers will prefer an operator that they know is protecting their data and operating to high IT standards. At the same time, CONPET S.A. can capitalize on its **transparency**: publishing environmental and safety performance data to stakeholders shows accountability and can prevent misinformation. By being proactive in communicating, the company can avoid rumors or unfounded public fears.

GOVERNANCE (ESRS G1)

Detailed social impact analysis according to ESRS G1:

Corporate culture and organizational ethics (ESRS G1)

Impact on the company: the corporate culture of CONPET S.A. - defined by values, ethical principles and organizational practices - has a **positive material impact** on employee morale and implicitly on the company's performance. In 2024, the work environment at CONPET S.A. is described as positive and motivating, based on fair and transparent policies towards employees. This leads to high productivity and retention of valuable staff. A culture that promotes integrity, meritocracy and mutual respect contributes to workforce **commitment** to the company. From a financial perspective, corporate culture relates directly to risks such as corruption, fraud or non-compliance - a strong ethical culture reduces the likelihood of non-compliant behavior. Dual materiality is present: '**corporate culture**' and **business conduct** have been identified as a risk factor (if deficient) for the company. The absence of major deviations in 2024 suggests the maintenance of a stable and balanced climate.

Impact on environment and society: A strong organizational culture, centered on ethics and professionalism, has positive effects beyond the company. CONPET S.A., as an important economic entity, influences the local business community - by setting an example in **corporate governance**. If employees are treated fairly and encouraged to adhere to high standards, this is

also reflected in the way they interact with customers, suppliers and authorities. An ethical culture helps to prevent malpractices (intentional pollution, bribery, favoritism), thus having an indirect positive impact on society (the environment is better protected, local communities are respected, the economy runs cleaner). In 2024, CONPET S.A. maintained its reputation as a company with **integrity**, which is also evidenced by the absence of public scandals or criminal investigations.

Risks: Any weakening of the corporate culture and ethical standards could expose the company to risks such as decreased trust from employees, partners and authorities, increased vulnerability to corruption and fraud, as well as possible financial and reputational consequences, affecting long-term stability and sustainability. **Opportunities:** A strong corporate culture aligned with rigorous ethical principles represents an opportunity to attract and retain valuable talent, strengthen relationships with partners and authorities, and improve access to sustainable financing, positioning the company as a model of responsible governance in the energy sector.

Protection of whistleblowers (ESRS G1)

Impact on the company: The existence of an effective mechanism for the protection of whistleblowers demonstrates CONPET S.A.'s commitment to transparency and compliance with ethical principles. The company has in place an operational procedure dedicated to whistleblowers, updated in 2023, in relation to the specific legislation in force on the protection of persons reporting violations of the law. Also, on Conpet S.A.'s own website, whistleblowers have the possibility to report violations of the law using the external reporting channel to the Ministry of Energy. This **positive impact** is to create a safe framework for employees and other parties to report violations of the law or code of conduct without fear of retaliation. As a result, the risks of corruption and fraud are better prevented, as potential problems can be identified early. In 2024, there were no notable cases of whistleblowing at CONPET S.A., which may indicate either the absence of major integrity incidents or their discreet internal resolution. Importantly, the mechanisms are in place and reinforce employee and stakeholder confidence in the company's governance.

Environmental and social impact: Whistleblower protection has a positive impact on society by **discouraging illegal or immoral practices**. If CONPET S.A. employees can report irregularities (e.g. non-compliance with safety rules, hidden pollution, corruption) knowing that they are protected, the company becomes more responsible towards the environment and the community. In this way, the warning mechanism serves the public interest by ensuring that potential problems that could affect society are not covered up. CONPET S.A.'s initiative to align its policy with the Whistleblower Protection Act contributes to a culture of integrity that goes beyond the boundaries of the organization, setting an example for other entities.

Risks: Without adequate whistleblower protection, the company would be at risk of employees failing to report critical issues in a timely manner, which could worsen the consequences (e.g. undetected fraud can result in large losses, a non-compliant environmental practice can lead to a disaster). **Opportunities:** By strengthening the early warning system, CONPET S.A. can discover and internally remedy malfunctions before they escalate or become public. This saves costs and reputation. Also, being a **whistleblower-protective company** can improve governance ratings

and attractiveness to ethically concerned investors. In the context of the new EU legislative requirements on whistleblowers, CONPET S.A. is positioned ahead of the curve, which is an opportunity to easily comply and avoid sanctions.

Fighting corruption and bribery (ESRS G1)

Impact on the company: Preventing and combating corruption is essential for CONPET S.A., given its nature as a state-owned/listed company and exposure to public contracts. The materiality analysis shows a **major positive impact** of the implemented anti-corruption measures: in 2024 there were no incidents of bribery or corruption within the company. CONPET S.A. has an effective compliance framework aligned with the National Anti-Corruption Strategy 2021-2025, which includes clear reporting mechanisms, regular staff trainings and continuous monitoring. This framework significantly reduces the risks associated with corruption and ensures an ethical and transparent business environment. The benefits for the company are multiple: avoiding financial losses through fraud, maintaining access to finance (many investors impose anti-corruption criteria) and protecting corporate reputation. In addition, the integrity of the supply chain is strengthened by imposing these standards on suppliers.

Impact on environment and society: Fighting corruption also has beneficial effects on society. A corruption-free company delivers services more efficiently and at fair cost, contributing to the national economy in an honest way. In the case of CONPET S.A., avoiding bribery and fraud means that the company's financial resources (including those derived from tariffs paid by customers, and thus indirectly by the company) are used for their intended purpose, not diverted. Also, through the integrity of its operations, CONPET S.A. contributes to the **wellbeing of the business community** - contractors know that they have to play by the rules, so competition for contracts is fair. The fact that there were no corruption cases in 2024 means that the associated negative impacts (loss of public trust, local economic damage) were avoided. We can say that it is a **significant positive impact**: the company's reputation and business relations have been protected from corruption attempts.

Risks: Corruption is a severe risk - a single incident (e.g. a case of bribery) could lead to loss of shareholder and public trust, a decrease in market value and legal consequences (fines, criminal cases). It would also jeopardize **good internal governance**, creating a toxic organizational climate. **Opportunities:** Being proactive in preventing corruption, CONPET S.A. benefits from the **opportunity of** a clean business environment around it - trustworthy business partners will be attracted and those seeking illicit gains will stay away. The company can pursue regular anti-corruption training as an opportunity to educate and sensitize employees and partners, creating a local business community that shares the same ethical standards. Fair anti-corruption performance can be highlighted in reports and communications, enhancing **the value of the** responsible company **brand**.

Supply Chain Responsibility (ESRS G1)

Business Impact: Working with local suppliers and ensuring responsible sourcing practices has been identified as a material theme in 2024, with a **major positive impact** for both CONPET S.A. and the local economy. The company depends on a variety of suppliers (equipment, maintenance services, rail transport, etc.), and through rigorous selection and monitoring procedures, ensures that the supply chain is efficient and integral. For the company, a reliable supply chain means fewer operational disruptions and greater flexibility. Transparent business relationships (no unfair payment practices or favoritism) also ensure timely delivery of the resources needed to operate.

Impact on the environment and society: by focusing on local and fair suppliers, CONPET S.A. has a **positive impact on society**: it stimulates regional economic development and creates value in the communities where it operates (suppliers can grow their businesses, hire staff). The on-time payment practices and predictable contracts offered by CONPET S.A. contribute to the financial stability of these smaller firms, with a multiplier effect in the local economy. Also, by imposing ethical and quality standards in the supply chain, the company extends the culture of compliance and responsibility to its partners. On the environmental side, working closely with suppliers can lead to more **sustainable** solutions - for example, purchasing less polluting equipment from suppliers or recycling materials used in pipeline maintenance in partnership with them. In this way, positive impacts are transmitted vertically up the value chain.

Risks: Dependence on certain sole suppliers can be a risk (if one has financial or integrity issues, it can affect CONPET S.A. projects). Also, if a supplier does not comply with environmental or labor standards, it may entail chain liability for CONPET S.A. (reputational and compliance risk).

Opportunities: By maintaining and expanding its network of reliable local suppliers, CONPET S.A. has the opportunity to **optimize** its **costs** (by shortening logistic chains) and to innovate (by working with partners that can offer customized solutions). Developing **supplier sustainability assessment** programs (including ESG criteria in procurement) could be the next step, ensuring that the entire supply base meets the standards of future CSRD reporting. Through a responsible supply chain, the company increases its overall resilience and contribution to sustainability horizontally.

CONCLUSIONS

In reviewing the results of the 2024 dual materiality analysis, CONPET S.A. has identified a clear set of material themes according to ESRS standards, reflecting both **the environmental and social impacts of its operations** and **the financial risks and opportunities** arising from the sustainability context. The year 2024 was characterized by **operational stability** and the absence of major incidents in critical areas (workplace accidents, catastrophic pollution, incidents of corruption), indicating the effectiveness of the company's current management. The analysis highlighted areas for improvement based on existing data and practices.

TABLE 3.7. Key findings dual materiality analysis

Strong social and governance performance

Environmental impact under control, but long-term vision needed

Double materiality confirmed for some of the themes

CONPET S.A. enjoys a **positive internal climate**, with protected, well-trained and involved employees (intensive social dialog, training programs). The organizational culture promotes integrity and safety, as evidenced by the absence of SSM incidents in 2024 and any cases of corruption or fraud. These strengths provide a solid foundation for long-term sustainability and significantly reduce operational and reputational risks.

In 2024, the environmental impacts (GHG emissions, pollution, waste) were managed according to legal requirements and did not produce any critical events. However, **climate** and environmental **challenges** require the company to take a more proactive strategic approach. The lack of a climate transition plan and decarbonization targets is an identified pain point. Also, issues such as **biodiversity** and **water supply** require continuous monitoring, even if they have not currently generated problems (prevention remains essential to avoid potential future incidents).

Double materiality confirmed for 9 out of the 23 themes identified with both an impact and a financial dimension. For example, climate change affects the global community through the company's emissions, but also entails financial risks for CONPET S.A. (regulations, transition costs). Similarly, safe management of operations prevents impacts on communities and the environment, but also protects the company from loss and damage. This interdependence (impact ↔ financial risk) emphasizes the importance of **integrating sustainability into strategic decisions**: what is good for the environment and society ends up being good for the health of the business.

Initiatives being considered for the period ahead, based solely on 2024 findings:

- a) **Elaboration and implementation of a Climate Transition Plan:** In view of the identification of climate change as a priority material issue, CONPET S.A. aims to develop a concrete plan for GHG emission reduction and adaptation to climate effects, aligned with European and national objectives. The absence of such a plan was highlighted as a gap in 2024, and addressing it would turn a risk into an opportunity (access to green financing, increased energy efficiency, long-term competitive advantages).
- b) **Maintain and expand pollution prevention and ecosystem protection measures:** Although 2024 performance was good (no major pollution incidents), the company should continue to invest in pipeline monitoring technologies, preventive maintenance programs, and environmental training for employees. In addition, exploring voluntary environmental initiatives, such as conservation actions in areas where the company operates, can demonstrate commitment to biodiversity and help mitigate any potential negative impacts.

These measures, based on identified risks, fall within the known scope of operations and are natural extensions of existing initiatives.

- c) **Continued focus on staff and community health and safety:** 2024 results confirm the value of a strong focus on **safety** - zero workplace injuries and zero major community incidents. It is imperative that this vigilance continues. The company aims to maintain SSM procedures and emergency response plans up-to-date, conducting regular drills and internal audits. Dialogue with local communities should also be maintained and strengthened, communicating safety measures to them and involving them in any decisions that concern them (transparency engenders trust, decreasing reputational risk in case of an incident). In essence, the aspects that worked well in 2024 should be formalized and subject to a constant process of improvement.
- d) **Strengthening governance and ethical practices:** In light of new legislative requirements (including the EU Sustainability Reporting Directive - CSRD), CONPET S.A. aims to capitalise on its identified governance strengths. The whistleblower protection mechanisms, anti-corruption policies and ethical culture in 2024 are at a high level - the company intends to maintain and communicate them transparently in future reporting. At the same time, extending ESG criteria to the supply chain (assessing suppliers on environmental and social, not just economic, aspects) would formalize the positive impact already existing in supplier relationships. Thus, the company is preparing for value chain **due diligence** requirements, building on current positive experience.

In 2024, CONPET S.A. has demonstrated that sustainability and economic performance are mutually supportive, avoiding major incidents and proving resilience. However, the future requires proactive action. The recommendations based on the materiality analysis outline the direction: consolidating successes and addressing vulnerabilities, ensuring a sustainable, responsible and ESRS-aligned path forward.

3.3 Key stakeholders and the process of involvement

In order to ensure transparency and sustainable development, CONPET S.A. actively cooperates with multiple stakeholders that influence or are influenced by the company's activities.

TABLE 3.7. Stakeholders with direct impact

Category	Stakeholder (examples)	Type of collaboration
Industrial customers	OMV Petrom, Petrotel Lukoil, NIS	Use of crude oil transport services
Service providers (ESG consultants, financial audit and other financial services, certification bodies, other service providers)	TDP Partners, Carbon Tool, PKF FinAccount	Compliance and sustainability strategies
	Bureau Veritas, SRAC CERT	Inspection, conformity checking and certification services
	Romanian Railway Group, Talpac, Eye Mall	Rail transport, logistics and infrastructure Execution of replacement/ repair works of pipelines and installations related to NTS Electricity supply

Category	Stakeholder (examples)	Type of collaboration
	Central Depository	Managing the distribution of dividends to shareholders
Local communities	Local communities in the areas of operation	Sustainable development projects and public consultations
Employees and trade unions	Free Trade Union CONPET S.A.	They are consulted in the development and implementation of annual training programs, in the discussion of all occupational safety and health issues, as well as in the development and implementation of decisions in this area, while being constantly concerned about training, occupational safety and enhancing staff well-being.
Public authorities	Ministry of Energy, National Energy Regulatory Authority, Ministry of Environment	Regulating and monitoring environmental compliance
	Emergency Inspectorates	Prevent accidental pollution
	National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide (ANRMPSG)	Regulation, supervision, sustainable and efficient management of mineral resources, oil reserves and geological storage of carbon dioxide, in line with Romania's obligations, strategies in the field and reducing environmental impact.
Academic institutions and research centers	Petrol-Gas University of Ploiești (UPG)	Research, technological innovation, training
NGOs	Prahova Chamber of Commerce and Industry	Involvement in the Governing Board, support for sustainable regional economic development
	Employers' Organization "PETROGAZ"	Participation in economic and legislative debates, working groups, legislative monitoring
	Romanian Standards Association (ASRO)	Member in TC 320 - standardization for fuels, combustibles, lubricants and petroleum products. Participation in the definition of product measurement, classification and labeling methods. Access to working documents and influence in the development of national standards relevant to CONPET S.A. activity.
	Romanian National Committee of the World Energy Council (CNR-WEC)	Collective member. Participation in FOREN, Board meetings and dialog with over 100 energy companies. Deputy Managing Director, member with decision-making role. Promotion in the Energy Messenger.
	Romanian National Committee for the World Petroleum Council (CNR-WPC)	Founding member. Access to strategic oil industry information, legislative support, promotion of Romanian investments and specialists. Participation in international events. Deputy Director General, member with decision-making role.

The company collaborates with stakeholders with direct impact in different forms (service contracts, supply contracts, Collective Labour Contracts, contributions, etc).

CONPET S.A. emphasizes dialogue with stakeholders and capitalizes on their feedback in order to integrate relevant perspectives into the company's strategies, thus ensuring sustainable and responsible management.

Methods of consultation and dialogue

CONPET S.A. maintains an active dialogue with stakeholders through various methods, including:

- Regular meetings with authorities, investors, local communities and employees to discuss relevant issues concerning the impact of the company's activities.
- Questionnaires to employees and partners to collect opinions on working conditions, safety and environmental impact.
- Open communication channels for stakeholder feedback.

Actions and measures taken

Following dialogue with stakeholders, CONPET S.A. has implemented concrete measures to address the concerns expressed, including:

- Modernisation of oil transport infrastructure to reduce pollution risks and increase operational efficiency.
- Improve safety and environmental protection measures by updating emergency response procedures and investing in monitoring technologies (LICs).

Integrating views into strategic decisions

The feedback received from stakeholders is used to improve and adapt the company's strategies, as follows:

- Improve environmental and safety policies in response to concerns expressed by communities and authorities.
- Optimise working conditions and training programmes for employees, based on feedback received through surveys and internal meetings.
- Implement transparency measures in sustainability reporting in line with shareholder and regulatory requirements.

Through these measures, CONPET S.A. reaffirms its commitment to responsible and sustainable management, ensuring a balance between operational efficiency and compliance with stakeholder requirements.

Stakeholders with indirect impact on the activity of CONPET S.A.

Although **CONPET S.A.** has not had direct collaboration with all relevant entities in the energy ecosystem, they play a significant role in the context of sustainability, influencing regulations,

environmental policies, technological innovation and market trends. This chapter highlights how these stakeholders indirectly contribute to the formulation of the company's sustainability strategy.

✚ Energy companies (customers and end-users)

Major players in the energy industry, such as **OMV Petrom, Lukoil, Romgaz, Rompetrol, Transgaz, Hidroelectrica, Nuclearelectrica, Engie, E.ON, Enel and MOL Romania**, determine the strategic directions of the energy market and set standards of efficiency and sustainability.

Energy transition and decarbonization influence the demand for crude oil transport and the potential adaptation of CONPET S.A. infrastructure. Investments in renewable energy and clean technologies may lead to changes in transport flows and the need to optimize the current system. In addition, the ESG requirements imposed on these companies create a knock-on effect on the entire energy ecosystem, including transport service providers.

✚ Consulting Agencies & Big4

Consulting firms, including PwC, Deloitte, EY, EY, KPMG, McKinsey & Company, Boston Consulting Group (BCG), Roland Berger, Accenture, Oliver Wyman and Bain & Company, offer expertise in implementing and promoting international standards for corporate governance, financial transparency and sustainability strategies

These companies indirectly influence CONPET S.A.'s strategy by guiding major energy players in aligning with the **European Sustainability Reporting Standards (ESRS)** and **Corporate Sustainability Reporting Directive (CSRD)** requirements. Reporting standards for emissions, energy efficiency and climate risks are thus becoming essential factors for infrastructure operators as well. At the same time, the trends in digitalization and operational efficiency promoted by these agencies are shaping the innovations needed to modernize the oil transport network.

✚ NGOs

Environmental organizations, such as **Bankwatch, ClientEarth, CDP, Climate Action Network Europe, E3G, Transport & Environment (T&E), Romanian Environmental Partnership Foundation, Terra Millennium III Foundation**, have an indirect impact on the sustainability of the industry by monitoring environmental policies and promoting stricter rules for reducing emissions.

Public campaigns on carbon footprint reduction and the energy transition are influencing environmental regulations and standards, including in the oil transport sector. Organizations such as **CDP and Climate Action Network Europe** are monitoring companies' transparency in emissions reporting, leading to a growing need to align with international sustainability requirements.

Stringent energy efficiency and emissions standards are driving operational adjustments, and the financing mechanisms available for the energy transition can provide opportunities for infrastructure modernization. New European directives such as the **Green Deal and Fit for 55** require structural changes across the whole energy sector, with an impact on fossil fuel transport and its infrastructure.

Even if these stakeholders did not have a direct relationship with **CONPET S.A.** in 2024, they influence the company's operating environment, driving **compliance, sustainability and operational efficiency** requirements. By closely monitoring industry trends and dialoguing with relevant stakeholders, CONPET S.A. can anticipate changes and adapt its sustainability strategy to remain competitive and compliant with new ESG standards.

In 2024, the Board of Directors and the Executive Directors were informed through monthly progress reports on ESG issues, including on stakeholders' interests and expectations (e.g. Environmental Authorities, Labour Inspectorate, BVB, etc.), by the specialised departments (e.g. HSE, Communication and Corporate Governance).

4. ENVIRONMENTAL IMPACT AND CLIMATE STRATEGY

Environmental impact and climate strategy covers how the activities of a company, sector or country affect ecosystems and natural resources, and the measures taken to minimize these negative impacts and combat climate change.

Environmental impacts include all the effects of economic or industrial activities on nature, while the climate strategy is the set of policies and actions designed to reduce these impacts and support efforts to mitigate climate change.

Global warming, caused by greenhouse gas emissions from human activities, is causing global temperatures to rise. The carbon footprint measures the total emissions of CO₂ and other GHGs over the life cycle of products, services or economic activities. Managing it brings strategic, economic and reputational benefits by helping organizations to reduce emissions, improve energy efficiency and comply with environmental regulations, demonstrating a real commitment to sustainability.

RELEVANT ENVIRONMENTAL POLICIES AND OBJECTIVES

CONPET S.A. has a number of clearly defined [policies and procedures](#) for environmental protection and responsible management of the impacts generated by its operations, complying with national legal requirements and European standards, including the [Quality, Environment, Occupational Health and Safety Policy](#), the [Energy Policy](#) and specific procedures for energy and waste management, monitoring of environmental factors (air, water, soil), and biodiversity protection.

CONPET S.A. implements risk management policies and policies oriented towards energy efficiency and environmental management, which are reflected in the activities carried out by the company.

The company's energy policy emphasizes continuous improvement and optimization of operations to reduce energy consumption and related costs. It aims at minimizing energy losses, in particular through the efficient use of electricity and fuels, improving performance in thermal power generation, vehicle operation and rail shunting. Energy efficiency is also integrated into new projects, investments and modernizations of equipment, facilities and processes, thus supporting long-term sustainability. CONPET S.A. pays attention to the procurement of energy efficient products and services, ensuring their optimal use and maintenance, and aligns with international standards such as ISO 50001:2019 for energy management and ISO 14001 for environmental management.

However, although there is an extensive risk and impact assessment procedure in place, the significant issues identified at company level are mainly focused on environmental protection issues such as contamination and waste management. Key topics such as the energy transition and reducing the impacts of climate change are not thoroughly addressed by existing policies, so CONPET S.A. proposes that in the medium term it will expand the strategic framework to explicitly include these priorities.

By implementing them, CONPET S.A. aims to contribute to reducing its carbon footprint and contributing to achieving climate neutrality by 2050. The company also commits to a reduction of greenhouse gas (GHG) emissions (Scope 1 and Scope 2) by 8% by 2030 compared to the reference year 2024, indirectly aligned with EU climate targets ([European Climate Act.](#))

4.1 Carbon footprint and emission reduction targets

GHG emission calculation methodology and reporting limit

The inventory of greenhouse gas emissions at CONPET S.A. was carried out in accordance with international standards and methodologies, ensuring **the accuracy, transparency and comparability** of the reported data. The company has simultaneously aligned itself with the requirements of the **GHG Protocol** in line with the provisions of ESRS E1-6. The full report is available to interested parties on request.

Delimitation of reporting boundaries

The organizational and operational boundaries for the GHG inventory were defined based on CONPET S.A.'s **operational control**. All significant sources of emissions associated with our crude oil pipeline and tanker transport activities and supporting operations were included. Through this delineation, we ensure that **the entire value chain relevant to** the company's business is covered, in line with the requirements of the CSRD and [OMF no. 85/2024](#) to include sustainability information along the value chain, but also avoid double counting or inclusion of negligible irrelevant emissions.

Data collection processes and tools used

CONPET S.A. used the digital platform **CarbonTool** (specialized SaaS solution) to collect, centralize and calculate GHG emissions. Activity data, such as the amounts of fuel consumed, electricity consumption, kilometers traveled by employees on business or the tonnage of waste generated, were collected systematically, following internal reporting procedures. Both direct measurement methods were applied (where tools/metrics were available, e.g. for energy consumption from invoices, fuel quantities from management records) and estimation methods where direct measurement was not possible (e.g. estimating emissions from employee **telecommuting** based on average household energy consumption and national energy mix). All calculations were performed using **recognized and updated emission factors** from reliable national and international databases: e.g. conversion factors from official inventories (ANRE for electricity in Romania, [national emission inventory for fossil fuels](#)), factors from the [IPCC, DESNZ – Department for Energy Security and Net Zero](#) and [EPA](#) database (for standard fuel combustion), as well as specific factors recommended by **ADEME France** ([Bilan Carbone database](#)) were used where detailed estimates were needed (e.g. for the footprint of capital goods or purchased services).

Methodological principles applied

The entire accounting process followed the principles of **relevance, completeness, consistency, accuracy and transparency**. It has ensured that all significant (relevant) emission sources are included, that there are no major omissions (the inventory is complete per defined perimeter), that calculation methodologies are consistently applied for all categories, that data are accurate and verifiable, and that the calculation method and assumptions are transparent and documented. This allows stakeholders - both internally (management, shareholders) and externally (authorities, investors) - to **have confidence in the information reported** and to compare CONPET S.A.'s performance with that of other companies.

For **Scope 1 and Scope 2 emissions**, the calculation methodology was straightforward: activity data (e.g. thousand liters of diesel consumed, MWh of electricity consumed) were multiplied by the emission factors corresponding to each fuel/energy type. CH₄ and N₂O emissions were converted to CO₂ equivalents using 100-year [global warming potentials \(GWP\)](#) according to the IPCC 5th Assessment Report, ensuring uniformity of metrics. For **Scope 2 emissions** under the GHG Protocol, both *location-based* (based on national grid-averaged emissions) and *market-*

based (based on the contractual mix of purchased energy) approaches were applied. The main reporting was done using the *location-based* methodology and the difference was transparently disclosed.

For **Scope 3 emissions**, the GHG Protocol Corporate Value Chain (Scope 3) standard and the guidelines associated with each category were followed. The complete list of indirect emission categories in the value chain (15 possible categories according to the GHG Protocol) was identified and, based on significance to CONPET S.A.'s activity, emissions have been quantified for the applicable categories: *purchased goods and services*, *capital goods*, *fuels and energy related to downstream activities* (emissions from the production of fuels and energy used by the company), *upstream transport and distribution* (in our case, emissions from the transport of crude oil by third parties, but this component is small as transport is mostly provided by CONPET S.A.), *waste generated in operations*, *business travel*, *employee commuting*. The categories of *downstream transport and distribution*, *processing and use of products sold* are not relevant, as the company does not sell a finished product for use by the customer, but provides a transport service for industrial customers. The company also has no emissions from *franchises* or *financial investments* of the type covered by the GHG Protocol in other entities, as these are not part of our business model. Through this filter, **Scope 3 reporting has included all significant sources** and excluded non-applicable sources, ensuring compliance with the **materiality principle** - we focus on the most relevant emissions.

For each sub-category of Scope 3 included, **the calculation methodology** was tailored to the specifics: for example, emissions from *capital goods* were estimated based on the value of capital investments in 2024 and average emission factors (tCO₂e per million euro invested, broken down by project type, according to ADEME database) calibrated with information on the main projects (station modernization, new pipelines - which have larger footprint - vs. standard equipment purchases). Emissions from *purchased goods and services* were calculated using emission factors per monetary unit for different expenditure categories (e.g. metallic materials, chemicals, IT services, etc.), according to extended input-output methodologies in terms of environmental impact. Emissions from *waste* were calculated according to the type and treatment of each waste (e.g. incineration vs. recycling, each with its own emission factor). For *business travel*, transport documents (km traveled) and mode-specific emission factors (flight by average distance per passenger-km, car transport per km, etc.) were used. *Employee commuting* was estimated by an internal survey on modes of transport and average distances, then applying emission factors per km for each mode (private car, public transport). *Upstream fuel and energy* emissions were calculated as a percentage of direct consumption emissions (using standard factors that add the footprint from exploration, refining and transport for each fuel or kWh consumed).

Ensuring data quality

The data collected from the different working points have been cross-checked with primary sources (invoices, consumption registers, technical reports) to detect any omissions or anomalies. The platform used has automatic validation mechanisms that signal if certain intensities (e.g. liters of fuel per km traveled) fall outside the expected ranges, allowing input errors to be quickly corrected. At the end of the calculation process, the inventory has been reviewed by an internal

multidisciplinary team (environment, energy, operations) to ensure consistency and accuracy of the data. This approach ensures a high level of confidence in the 2024 GHG emissions inventory, thus establishing the base year for setting future targets and measuring progress.

Results of the calculation footprint report (emission calculation scopes 1, 2 and 3)

In **2024**, the **total GHG emissions of CONPET S.A.** were **18,906.59 tons of CO2 equivalent (tCO2e)**, distributed as follows by categories of scopes:

- **Scope 1 Emissions:** The main sources of Scope 1 emissions cover all direct emissions from sources owned or controlled by CONPET S.A., including, but not limited to, company vehicles and on-site fuel combustion. Emissions from this scope accounting for approximately 12.7% of total emissions, or **2,630.41 tCO2e**, are mainly from company-operated vehicles and on-site fuel combustion. Therefore, **the emission reduction priorities for Scope 1** are mainly aimed at decreasing fuel consumption in stationary processes and internal road/rail transport.
- **Scope 2 Emissions:** This scope includes greenhouse gas (GHG) emissions from the production of electricity, heat and steam purchased and consumed by CONPET S.A. These indirect emissions are a consequence of the company's energy consumption, but occur in sources owned or controlled by another entity. Their value is approximately 21.4% of the total, namely **4,451.10 tCO2e** are **mainly generated from electricity consumption at CONPET SA's pipeline pumping stations and operational facilities**. They highlight **the operational dependence on electricity** and justify the company's focus on increasing energy efficiency and increasing the contribution of renewable sources in its own electricity consumption.
- **Scope 3 emissions:** These are indirect emissions from value chain activities such as goods purchased, business travel and product use. This category includes GHG emissions from CONPET S.A.'s extended value chain and constitutes the largest part of its carbon footprint. Their total value is **11,825.08 tCO2e which represents** approximately 65.9% of the total attributed to **third party logistics, business travel, upstream procurement and waste management activities**. These emissions - representing almost **two thirds of the total** - emphasize the importance of climate impacts beyond the direct operations of CONPET S.A. Certain sub-categories have been assessed as **not applicable** to CONPET S.A.'s business model and are not included in the inventory, respecting the materiality principle (e.g. the company has no emissions from franchises or from the use of products sold to end customers, as CONPET S.A. provides transport services and does not commercialize a final product with own emissions). With this approach, the reporting covers the entire relevant value chain, focusing on material sources of emissions and aligning with the requirements of OMF 85/2024 on the inclusion of sustainability information along the value chain.

TABLE 4.1. Categories and quantities of greenhouse gas emissions

Emissions category	Amount of greenhouse gas emissions (tCO ₂ e)
Related emissions Scope 1	2.630,41
Fuel burned on site	1.394,46
Mobile emission sources	1.235,95
Fire-fighting equipment	N/A - No use of fire-fighting equipment recorded
Refrigeration and air cooling equipment	N/A - There were no completions for coolant
Related emissions Scope 2	4.451,10
Purchased electricity	4.451,10
Heating purchased	N/A - No centralized heat energy was supplied to CONPET S.A.
Purchased cooling	N/A - No centralized cooling energy was supplied to CONPET S.A.
Related emissions Scope 3	11.825,08
Goods and services purchased	1.674,95
Capital goods	8.220,41
Waste	376,19
Business travelers	34,15
Employee commute	78,76
Upstream transport and distribution	Issues already included in Goods and services purchased
Downstream transport and distribution	N/A - CONPET S.A. does not sell products
Upstream leased assets	Emissions already covered in Scope 1 and 2
Downstream leased assets	Emissions already covered in Scope 1 and 2
Processing of products sold	N/A - CONPET S.A. does not sell products
Treating products sold at the end of their life cycle	N/A - CONPET S.A. does not sell products
Francize	N/A - No franchises available
Investments	N/A - No investments available
Fuel and energy-related activities	1.440,62
Total emissions (tCO₂e)	18.906,59
Domestic water purchased (out of scope)	8,12

According to the table above, **Scope 3 emissions dominate the company's carbon profile (~66%)**, while **the contribution from Scope 1 is relatively small (~13%)** and **Scope 2 is ~21%**. This distribution indicates that **CONPET S.A.'s own operations (scopes 1 and 2)** generate only a fraction of the total climate impact, while **upstream and downstream activities (scope 3)** have a major share. This underlines the need to extend decarbonization efforts **beyond the company's immediate operational boundaries** - for example, by working with suppliers to reduce emissions in the supply chain and by integrating environmental criteria into procurement and investment design (eco-design) - while optimizing own emissions.

Compliance with ESRS E1 (E1-5, E1-6, E1-7, E1-8)

Energy intensity is a key indicator in assessing the sustainable performance of an energy company. In the case of CONPET S.A., the 2024 sustainability report presents in Section 8.1 a precise indicator in line with ESRS requirements: 13.21 kWh/1,000 RON net revenues. This result reflects the energy efficiency of the company's operations and is in direct correlation with the energy modernization and optimization initiatives mentioned in Chapter 4.3. To strengthen future performance, CONPET S.A. proposes an annual energy intensity improvement target (e.g. - 2%/year), which allows for tracking progress and comparability over time.

Greenhouse gas (GHG) emissions intensity is also reported in line with GHG Protocol and ESRS standards. CONPET S.A. indicates a value of 13.26 kg CO₂e/1,000 RON net revenue, a result obtained by aggregating emissions from all three scopes (Scope 1, 2 and 3), as detailed in Chap. 3.3 and Chap. 8.1 of the report. This reporting provides a complete picture of the company's climate impact. In order to support transparency and to encourage performance improvement, the company aims in the medium term to contextualize this indicator through sector benchmarking - a comparison with other European energy transport operators.

Regarding the use of offset mechanisms such as carbon credits, it appears from all the compliance tables (including the integrated ESRS) that CONPET S.A. did not use offset mechanisms such as afforestation, carbon capture and storage (CCS) or other voluntary methods of greenhouse gas (GHG) emissions absorption in 2024. This absence is justifiable and does not affect compliance with the ESRS, but for the post-2025 period the company proposes to develop a feasibility analysis on the integration of voluntary offsetting instruments in the context of the progressive decarbonization of the energy sector.

Concerning the internal carbon price, the report does not present in 2024 a calculation model or any applied simulation. However, the ESRS Integrated Table mentions the intention to model such a tool for the next reporting cycle. The implementation of an internal carbon price (e.g. 85 €/t CO₂e) would allow the integration of climate risks into investment appraisals and strengthen ESG governance. This would allow the company to report in the next report the estimated impact of decisions on the carbon footprint and cost associated with emissions, aligning with European best practice in climate risk accounting.

Climate change mitigation and adaptation targets (ESRS E1-4)

The company allocates resources to climate change mitigation and adaptation, focusing mainly on optimizing energy consumption and transition to renewable energy sources. Well-grounded measures to reduce energy consumption are included in the Action Plan to Achieve 2024 Energy Goals and Targets, and are geared towards maintaining and continuously improving energy efficiency within the organization.

In the absence of previous quantification of greenhouse gas (GHG) emissions, no concrete targets have been set. There has also been no formal assessment of assets exposed to climate risk and this is reflected in the absence of specific measures to address this issue.

IMPLEMENTATION OF THE CLIMATE STRATEGY FOR CARBON FOOTPRINT REDUCTION AT CONPET S.A.

In 2024, CONPET S.A. has implemented a series of **concrete measures to reduce its carbon footprint**, which have proven their effectiveness and underpin the achievement of its long-term climate goals. **Key achievements in 2024** include:

- ✔ **Procurement of electricity from renewable sources:** The company has a contract with a supplier that provides 90% of its total electricity consumption with an energy label with a high share of renewable energy. This has directly contributed to the reduction of Scope 2 emissions by reducing the dependence on energy from conventional sources with higher emission factors.
- ✔ **Improved operational energy efficiency:** Investments were made in upgrading pumping stations and optimizing pipeline transport processes. The implementation of consumption monitoring systems and upgrading of equipment resulted in **to maintain electricity consumption kwh/tonne transported within the limits approved by the AGM**, improving the energy performance of the national crude oil transport system. Thus, emissions associated with energy consumption (Scope 2) were mitigated compared to a lower efficiency scenario.
- ✔ **Installation of solar energy systems at work points:** In 2024, CONPET S.A. initiated the installation of photovoltaic panels at two automated stations (Constanța Sud and Călăreți) to generate clean energy on-site. Each installation has a capacity of ~60 kWp, with an estimated annual production of ~70-80 MWh green electricity per location. This energy will offset part of the grid consumption of the respective stations. The photovoltaic projects - implemented in 2024 and operational in the first part of 2025 - will give CONPET S.A. **prosumer status at the respective locations**, allowing any surplus solar energy to be injected into the local grid. Harnessing on-site renewable energy helps lower operating costs and **increases the company's resilience** to possible future increases in electricity prices or carbon costs.

These actions realized in 2024 demonstrate CONPET S.A.'s desire to align with European climate objectives (European Ecological Pact) and chart a trajectory towards **net zero operational emissions**. At the same time, the **2024 operational context** also included factors that

temporarily increased the carbon footprint: the expansion of sourcing activities and the deployment of major investments led to increased Scope 3 emissions (especially those associated with **capital goods** and **third-party logistics**). For example, strategic infrastructure modernization projects have involved increased purchases of equipment and materials, generating additional emissions in the supply chain. Scope 3 emissions are the most difficult to reduce as they depend on supply chain practices and processes, but CONPET S.A. aims to work with sustainable suppliers in the future, in line with the principles of public procurement in place, to reduce its overall indirect emissions.

Having already substantiated decarbonization actions, CONPET S.A. is in a favorable position to continue its emission reduction trajectory in the coming years. The company will continue to implement measures to reduce greenhouse gas emissions by optimizing operational processes and increasing the use of sustainable energy sources. The company will also develop sustainable strategies to reduce its carbon footprint and identify alternative energy solutions. By combining these efforts with a clear strategic vision on sustainability, CONPET S.A. is integrating the requirements of ESRS E1 (Climate Change) into its day-to-day business, increasing transparency and stakeholder engagement. In the future, progress will be reported regularly and the strategy will be updated as necessary so that the emissions reduction trajectory remains aligned with the latest science, aiming to limit global warming to 1.5°C. In the long term, the company is pursuing a **vision of climate neutrality by 2050**, in line with EU targets and the Paris Agreement, ensuring stakeholders that the decarbonization path is firmly set and pursued step by step.

4.2 Climate change risks and adaptation measures

Pollution-related policies (ESRS E2-1)

CONPET S.A. has implemented an Environmental Management Program in order to achieve environmental objectives and manage the risks associated with pollution. This program includes specific actions to monitor and prevent pollution in various environments.

The company constantly monitors environmental factors such as water, air and soil to ensure compliance with the quality standards set by the regulations in force. This monitoring allows early identification of possible deviations and implementation of necessary corrective measures.

In order to prevent accidental pollution and technological risks, specific measures have been established, including the reduction of the number of failures with significant environmental impact and the identification of major hazards for lower-tier objectives. These measures are an integral part of the annual environmental management program and are regularly reviewed to ensure their effectiveness.

During 2024, a total of 13 environmental incidents occurred. All identified environmental incidents were remediated in accordance with the requirements of the regulatory acts.

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

CONPET S.A. has implemented an advanced pollution prevention and remediation system in compliance with the requirements of environmental regulations and environmental authorizations. This system includes technical and operational measures designed to minimize pollution risks, prevent environmental accidents and ensure rapid responses in case of adverse events. The whole system is built to protect the environment and ensure compliance with water, air and soil quality standards.

To prevent accidental pollution, the crude oil tanks are equipped with automated measurement and control facilities and the storage areas are equipped with retention dikes and spillways, which are essential to capture and redirect any spills of hazardous substances. In addition, all tanks are built on concrete platforms and pumps are installed in enclosed spaces with safety systems to prevent any risk of accidental spills. For emergency situations, the pumping stations are equipped with absorbent materials and fire-fighting means, including water tanks and foam generators.

The company monitors all air pollutants covered in the environmental permits, following specific procedures. In this context, the impact is positive and current, but minimal, as it is mainly related to compliance with the legislation in force, without involving additional measures going beyond the regulated requirements.

The company monitors water pollutants in accordance with the Environmental Authorization (MA) and the Annual Program for Monitoring and Measurement of Environmental Factors Characteristics, complying with the frequencies established for each category. Until the reporting year, the results of this monitoring were reported exclusively through the Environmental Report to the competent authorities. This information was not made public until this year. Continuous monitoring and reporting is essential to identify and reduce any negative environmental impacts so that the impact is positive, current but negligible.

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

There is a comprehensive inventory of hazardous substances, managed through the ITM Lists, with clearly assigned hazard classes for each substance and mixture. The impact is positive but not negligible since this is a legal compliance criterion. The quantity of hazardous substances is monitored under the Environmental Authorization. Being a legal requirement, the impact, although positive, is negligible. CONPET S.A. does not use groups of hazardous substances from lists I and II and priority/priority hazardous substances for which phase-out measures are to be implemented.

All chemical substances are declared to ATPMs and included in environmental authorizations. Internally, the management of hazardous chemical substances and chemical mixtures is detailed in the operational procedure "Management of hazardous chemical substances and chemical mixtures" (COD PO-20-07). CONPET S.A. uses a substance included in the SHVC authorization list - potassium chromate - for laboratory analysis. The following substances are used in the SHOC process: crude oil, rich gas, condensate (and mixtures), dyes (including primers) and

chloroform (for analysis). The reduction of the use of SHOC/SHVC substances, without a change in the business model or core activity, aims at optimizing the reactants and liquids used for maintenance. For SHVCs (mercury and potassium chromate), a minimum stock, kept under maximum security conditions, has been confirmed. This standard is included in the crude oil transport contracts with partners OMV and Lukoil. In 2024, the quantity of 10% potassium chromate solution used was 100 ml (0.1 L). As the company does not produce this substance, it was not necessary to submit a REACH declaration. Currently, the laboratory has a stock of 200 ml of 10% potassium chromate solution. Mercury is present at the site because it has been previously used in laboratory analysis. As a precursor of banned substances, it is kept under maximum security and the local authorities are informed of this situation.

Products such as crude oil, rich gas (methanol, toluene, benzene) and condensate are classified as hazardous substances and cannot be substituted. However, depending on the type of crude oil (e.g. if it has a high sulfur content), the company implements appropriate protective measures for employees, such as the use of gas semi-masks with filter cartridges, when the situation requires it. In 2024, no such measures were necessary.

The associated risks are carefully analyzed and protective measures are adapted according to the exposure time of the employees. In the process of analyzing the composition of crude oil, the substances used cannot be substituted with less hazardous alternatives, as no such substitutions exist; however, the handling of these substances is carried out under the niche to minimize exposure.

As regards paints, where possible, the company has replaced traditional paints with less toxic water-based variants, thereby helping to reduce environmental and health risks to employees. For workers who handle hazardous substances as part of the work process, the employer provides protective nutrition as an additional safety measure and to support their health.

For all these reasons, it can be stated very clearly that there is no negative impact related to CONPET S.A.'s ShOC/SHVC. All measures that can be taken for safe replacement/maintenance of these substances are being followed. The impact is postic but minor (related to paint replacement).

CONPET S.A.'s main activity is the transport of crude oil and petroleum products, without being involved in upstream activities (such as extraction or exploration) or downstream activities (such as processing and refining), which are usually associated with the use of hazardous or REACH-regulated substances. The company does not process or chemically modify the transported crude oil, but purchases it strictly for onward delivery. Thus the dimension related to the reduction of the use of hazardous substances is not relevant to the specific activity of the company, as it only operates as a transporter, without influencing the value chain beyond the actual delivery.

Pollution targets (ESRS E2-3)

The company has set targets for compliance with pollutant limits in accordance with the requirements of each environmental permit issued. Thus, the negative environmental impact is effectively limited. However, the efforts made by the company are in line with the legal provisions, and no additional measures beyond those already regulated by the legislation in force are considered necessary to achieve these targets. The impact is positive but minor.

The regular assessment of these risks is integrated into CONPET S.A.'s risk management strategy, allowing the company to take appropriate adaptation and mitigation measures. The main categories of climate risks identified include:

- 🚩 **Physical risks:** The increase in the frequency and severity of extreme weather events as an effect of climate change poses a direct threat to oil transport infrastructure. According to the ["State of the Climate - Romania 2024"](#) report and other climate analyses, Romania is already facing an increase in the frequency and intensity of extreme weather events - major floods, severe droughts, heat waves and severe frost episodes - projected to worsen by 2050, affecting agriculture, public health and infrastructure. Such events can affect pipeline routes (landslides caused by heavy rainfall), flood pumping stations or cause **thermal stress on equipment**, increasing the risk of operational disruptions or failures.
- 🚩 **Regulatory risks:** Evolving climate policies and regulations at EU and national level may lead to **stricter compliance requirements and increased costs** for companies in the hydrocarbon transport sector. The European Climate Act stipulates to reduce GHG emissions by 55% by 2030 (compared to 1990 levels) and achieve climate neutrality by 2050. These objectives are translated into policies such as carbon pricing mechanisms (ETS and CO₂ emission taxes), increasingly stringent emission standards and stricter environmental permits for climate-risk infrastructures, as well as by reducing the amount transported. For CONPET S.A., such changes may mean **higher operational costs** - e.g. carbon taxes on fuel and electricity consumption - as well as **additional capital expenditure** to modernize facilities to comply with new safety and environmental standards. Adapting to regulations such as the forthcoming requirements of the "Fit for 55" package requires investments and forward planning so that the company avoids penalties and takes advantage of opportunities created by green transition policies (retrofit funds, sustainable financing, etc.).
- 🚩 **Market transition risks:** The global transition to low-carbon energy and the decarbonization of the economy present long-term challenges for the oil industry and, by extension, for crude oil transport operators. EU policies - such as the *Green Deal* and the *Fit for 55* package - are promoting **the electrification of economic sectors and the development of alternative fuels**, with the aim of drastically reducing fossil fuel consumption. In this context, the demand for transported crude oil could gradually decrease: for example, the accelerated transition to electric vehicles and green technologies in transport may reduce the volumes of petroleum products needed, and thus also the volume of crude oil that needs to be transported by pipeline or rail. For CONPET S.A., a structural decrease in demand for crude oil transport (as the national energy mix

changes) could lead to **underutilization of existing infrastructure** and pressure on revenues if the company does not adapt its business model. This transition risk requires the company **to diversify its long-term use of infrastructure** and identify new opportunities in the decarbonized economy in order to maintain its relevance and profitability.

ADAPTATION AND RESILIENCE STRATEGIES IMPLEMENTED

In order to manage the above climate risks, CONPET S.A. is acting proactively through a series of measures aimed at increasing operational resilience and mitigating vulnerabilities. Thus, the company is carrying out an ongoing program of **modernization and strengthening of the transport infrastructure**, aimed at increasing the network's ability to withstand the impact of extreme weather events. A notable example is the project completed in 2023 **to cross under the bed of the Danube River and the Borcea Arm** through horizontal directional drilling (investment ~€26 million), which replaced a vulnerable section of pipeline. This modernization significantly reduces the risk of crude oil spills or major flood damage, while ensuring the continuity of a critical transport link. CONPET S.A. also has programmes to **gradually replace obsolete pipelines**, upgrade pumping stations and **improve the integrity of the National Transport System (NTS)**, anticipating the possible effects of increasing rainfall, temperature variations and other climatic stress factors. Such preventative measures improve operational safety and **reduce the likelihood of environmental incidents**, protecting both the company and the ecosystems it crosses.

In 2024, CONPET S.A., with the support of an external service provider, conducted its first full ESG reporting exercise. To ensure compliance with the specific requirements, the company implemented a set of integrated measures aimed at improving the accuracy, transparency and reliability of reported data.

Key measures implemented in 2024:

- **Collecting ESG data from CONPET S.A.'s operational reports, consolidating a centralized system for tracking them.**
- **Continuous external validation of the ESG indicators** by specialized consultants, by linking directly to the explicit requirements of the ESRS (E1-E5, S1-S4, G1), ensuring accuracy and compliance of the reported information
- **Independent external audit** performed on ESG data to ensure reliable reporting and alignment with European and international standards (ISO 14064-1, GHG Protocol).
- **Improve the data management process**, reducing human error and improving the efficiency of the collection and analysis process.

2024 RESULTS

- **ESG data** was collected and integrated according to the ESRS methodology.
- **External audit** by independent firm to validate ESG compliance.

a. Integrating ESG requirements into corporate strategy

ESG compliance is not only a reporting obligation but also a strategic tool for improving corporate competitiveness and transparency. In this regard, CONPET S.A. has already started to actively integrate ESRS requirements into its business strategy by creating a dedicated sustainability responsibility structure with specific ESG data management tasks.

🟢 Proposed measures:

- **Continuous assessment of the company's activities** against the **EU Taxonomy Regulation 2020/852**, ensuring that eligible activities are identified and aligned with the technical criteria of DNSH (Do No Significant Harm).
- **Formation of a Sustainable Development Working Group.**
- **Identify strategic ESG indicators**, linking them to the **financial materiality** assessment to anticipate sustainability risks and opportunities.

🟢 The impact of these measures:

- **Employees** involved in the collection and reporting process will be trained in ESRS and CSRD methodologies.
- **New sustainable projects will be** integrated into the corporate development strategy, including investments in renewable energy and reduction of resource consumption, with the potential for concessional financing through sustainability clauses.

b. Audit and certification of ESG management systems

To guarantee the quality and reliability of the reported data, CONPET S.A. will strengthen the ESG management systems by maintaining the relevant international certifications:

- **ISO 9001** quality management system **certification**
- **ISO 14001** environmental management system **certification**
- **ISO 37001** anti-bribery management system **certification**
- **ISO 45001 certification** for occupational health and safety management system
- **ISO 50001** energy management system **certification**

Objectives for verifying compliance in sustainable development:

- **100% compliance with** ESRS and CSRD requirements for the first reporting cycle.
- **Zero major non-conformities** identified in the ISO audits performed.
- **Optimization recommendations** to improve the ESG collection and reporting process, to be integrated into the 2025-2026 strategy.

c. Evaluated initiatives for continuous improvement of ESG reporting

To ensure continued compliance with ESRS requirements and to improve the transparency of ESG reporting, CONPET S.A. proposes to implement the following improvements:

- **Standardize the reporting format**, using structured tables and quantifiable indicators for each ESG aspect.
- **Linking ESG performance to financial impact**, directly highlighting the link between sustainability and the company's financial results.

These improvements will contribute to increasing the accessibility and comparability of ESG data for investors and stakeholders, enhancing the transparency and credibility of ESG reporting at national and international level, as well as reducing ESG risks and anticipating future legislative requirements through a proactive approach.

Investment in alternative energy sources and diversification of activities

As part of its strategy to mitigate transition risks, CONPET S.A. is investigating opportunities in the field of green energy and reuse of existing infrastructure. In the medium term, the company is investing in renewable energy generation and energy efficiency, both to reduce operational emissions and to gain expertise in the new energy landscape.

At the same time, CONPET S.A. is assessing possibilities for adapting its infrastructure to transport low-emission products - for example, it is investigating whether certain pipelines or facilities could be reused in the future for the transport of biofuels or other low-carbon liquids. While the transport of crude oil remains the core business today, these forward-looking investments signal CONPET S.A.'s commitment to evolve with the energy transition and reduce dependence on high-emitting activities. By progressively aligning its asset base and competencies with Romania's national decarbonization strategy, the company aims to mitigate the risk associated with the transition and capitalize on new opportunities in an increasingly *green* economy.

Overall, CONPET S.A.'s approach to climate change combines measures to reduce its own climate impact (decreasing GHG emissions) with adaptation to the already felt or anticipated effects of climate change. The company approaches climate change both as a **business risk to be managed** and as a **corporate responsibility**, integrating these concerns into strategic planning, investments and daily operations. Adaptation measures described above increase the resilience of critical infrastructure, while mitigation initiatives reduce the carbon footprint and prepare the company for future regulations and market conditions. CONPET S.A. is committed to continue regular climate risk assessment and to expand the portfolio of response actions, ensuring **long-term sustainable development** in harmony with global climate goals and stakeholder expectations.

ANALYSIS OF CLIMATE SCENARIOS AND IMPACT ON CONPET S.A.

As part of the climate risk management process, CONPET S.A. analyzes the potential impact of climate change on its infrastructure and operations by identifying physical and transition risks. In line with **TCFD ([Task Force on Climate-related Financial Disclosures](#)) recommendations**, climate scenarios are essential for **anticipating future challenges** and adapting the company's strategy to a changing operating environment.

Currently, the material deals with two main climate scenarios:

TABLE 4.2 Main climate scenarios

Scenario 1: Moderate global temperature increase (+2°C by 2050)
Impact: Increased frequency of extreme weather events (heat waves, floods)
Adaptation measures: Investments to maintain an advanced degree of operational safety and to monitor the condition of pipelines.
Scenario 2: Severe global temperature increase (+4°C by 2050)
Impact: Increased risk of major floods, increased frequency of landslide events
Adaptation measures: Implement an advanced monitoring system to prevent damage to pipelines in risk areas.

In the future, **CONPET S.A. aims to develop a framework for the assessment of climate scenarios**, including specific modeling for the physical and financial risks associated with each scenario. These assessments will enable **the alignment of business strategy with climate resilience objectives** and help adapt infrastructure to anticipated environmental changes.

4.3. Energy efficiency and renewable energy initiatives

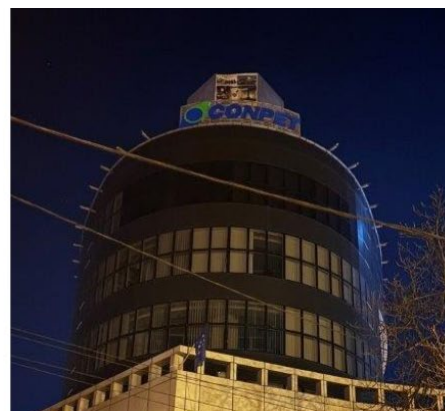
CONPET S.A. focuses its efforts on **reducing its carbon footprint and increasing energy efficiency** in all aspects of its operations, aligning with national and European climate objectives through projects to **harness renewable sources**, modernizing means of transport to make them more environmentally friendly and implementing smart energy management solutions.

Key initiatives undertaken or planned include:

- Solar energy projects in Constanta Sud and Călăreți:** The two photovoltaic projects at the Constanța Sud and Călăreți stations will act as **prosumers** in the CONPET S.A. electricity grid having the possibility to deliver back to the local grid the eventual surplus of renewable energy produced. In addition to reducing emissions, these investments strengthen the **energy security of** the operations (by providing part of the consumption from own sources) and protect the company from volatile energy prices and possible future carbon costs associated with conventional electricity.
- Solar energy projects at the secondary headquarters (Administrative Headquarters No. 2):** This system contributes to reducing grid electricity consumption and related emissions. This initiative is part of CONPET S.A.'s wider strategy to transition to green energy, alongside the photovoltaic projects at the Constanța Sud and Călăreți stations. The project provides the company with a reduction in CO₂ emissions associated with the consumption of electricity from conventional sources, increased energy efficiency and lower electricity costs, increased energy security through diversification of power supply sources and alignment with the company's sustainability direction and national and European climate goals.
- Optimizing energy consumption in the pipeline system and intelligent automation:** the SCADA system implemented at CONPET S.A. supports the company to **monitor in**

real time the flow rates, pressures and energy consumption at the pumping stations on the route and can adjust the operating parameters for optimal efficiency. Operators, with permanent monitoring of the network, can adjust the pumping schedule, redistribute loads between stations and prevent equipment from running inefficiently. The company's energy objectives explicitly include **maintaining energy, fuel and lubricant consumption** in transport processes. Concrete measures implemented or planned include: installation of **frequency converters** on pump motors (to fine-tune power to pumping requirements and avoid excessive consumption), improving pipeline flow (e.g. by adding friction-reducing additives and periodic cleaning of pipelines) and reducing technological product losses. In addition, the company integrates **automation and smart grid** technologies into the stations' energy system so that electricity consumption is optimized and correlated with local renewable energy production. In major stations such as Constanța Sud and Călăreți, the new photovoltaic plants will be managed by smart inverters and controllers, allowing the company to **maximize the use of available solar energy** and supplement from the grid only the amount needed. These efficiency measures, while primarily aimed at reducing emissions and costs, also have the effect of **increasing operational reliability** by reducing the chances of equipment overload and reducing thermal stress on system components. Overall, investments in energy optimization and automation contribute both to **lower carbon emissions** associated with the operations and to **strengthen the financial sustainability of CONPET S.A.** through the savings achieved.

Among the initiatives carried out in 2024 is CONPET S.A.'s participation in the largest voluntary environmental action in history, #EarthHour, now in its 18th edition. In March, between the company turned off the lights for an hour at its headquarters in Ploiești, reaffirming its commitment to environmental protection.



Through the implementation of the above initiatives, CONPET S.A. demonstrates its commitment to **harmonize operational growth with environmental protection**, leveraging technological innovation to achieve efficiency and decarbonization goals. The energy efficiency and renewable energy projects not only reduce the company's carbon footprint, but also serve as examples of best practices in the energy transport industry.

4.4 Water resources management (ESRS E3)

Water and marine policies (E3-1)

Within the Action Plan for Achieving the 2024 Energy Goals and Targets, there is a section that focuses on optimizing and maintaining water consumption in accordance with the requirements of the Water Management Permit. However, there are no specific actions other than those necessary to comply with legal requirements.

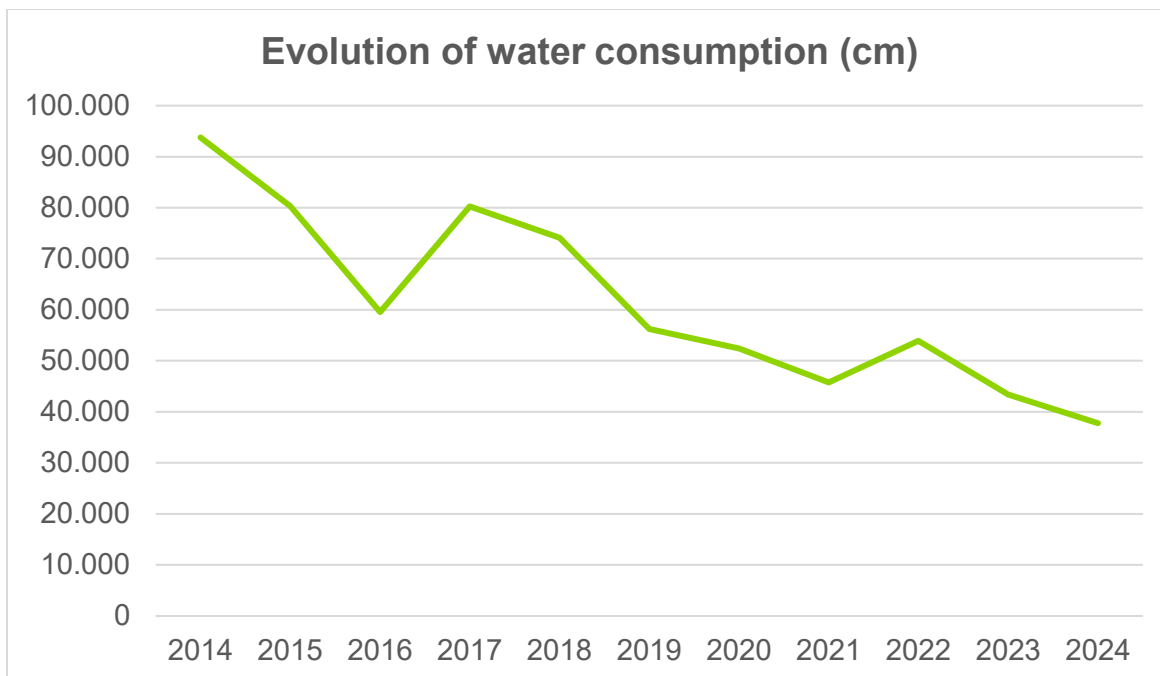
The company has implemented specific measures for the responsible management of water resources through the operational procedure "Water Management" (OP code 20-05). This sets out the modus operandi and responsibilities for water supply, collection, treatment and discharge of domestic, technological and stormwater wastewater, ensuring control over significant environmental aspects related to water use and wastewater discharge. It also regulates the management of water resources for consumptive and non-consumptive water uses.

In the case of water pollution, the greening works are carried out by a specialized company and the company has the obligation to monitor. Monitoring of watercourses is also carried out by the territorial water management authorities.

In order to prevent accidental pollution, the company has set up, by decision of the Managing Director, a dedicated team, made up of representatives from each area of activity, with defined responsibilities. In accordance with Order 278/1997, accidental pollution prevention and control plans are drawn up and endorsed, which include intervention measures and periodic simulations to ensure their effectiveness. On the prevention side, the crossings of watercourses with transport pipelines are equipped with shut-off valves on both banks, accidental spills collection sumps and protection tubes. Pipelines are also regularly inspected for corrosion losses and the results are used to prioritize capital repairs. The company holds stocks of rapid response materials, including skimmers, check dams, check dams, sorbent dams and biodegradable absorbent, helping to improve the quality and control of water discharged to the natural environment. The impact of these activities is positive but minor as they are limited to compliance with legal requirements. The implementation of these measures ensures compliance with the regulations in force, but does not bring significant additional benefits in terms of sustainability, only on the side of prevention and treatment of a potential negative impact related to water pollution. As the standard emphasizes, prevention/mitigation of a negative impact itself does not constitute a positive impact.

Water consumption (ESRS E3-4)

The company quantifies its water consumption, including locations in water-risk areas. The company has made significant progress in reducing water consumption, with a decrease of up to 60% since the start of monitoring. This reduction reflects the effectiveness of the policies and procedures in place. The impact is relevant, especially in the context of the risk of water stress, as optimizing water use contributes both to protecting natural resources and to ensuring greater availability for other essential uses.



Graph 4.1- Evolution of water consumption (cm)

Although the operation of the pipeline system does not involve significant water consumption, CONPET S.A. recognizes the importance of **responsible water management** and protection of water resources. Water is used by the company in certain supporting processes and operations - for example, in hydraulic strength testing of pipelines, for firefighting and for some maintenance works. The absolute volume of water used is not high compared to other industries; however, the **local context of water sources** is a factor to be taken into account. In some regions (**Videle, Cartojani, Constanța C2**) where the company has its own boreholes or extracts groundwater for operational use, water resources may be **under stress (water stressed areas)**. Water abstraction in such areas could, if not well managed, affect local availability for communities (wells, irrigation) and ecosystems, generating potential conflicts of use or future restrictions.

In terms of **the impact on the company**, water is not a significant cost (water expenses are minor in the total structure), and in 2024 there were no business interruptions due to lack of water. However, the **management of water resources is considered a material issue** especially in terms of the impact that operations may have on the environment and communities, even if the immediate financial risks for CONPET S.A. are low.

In terms of environmental and social impacts, the main water-related issues are: the possibility of **accidental pollution of surface or groundwater** in case of oil spills and the **consumption of water from local sources**. The company has implemented strict internal procedures to minimize these risks. Pollution prevention plans include specific water protection - for example, booms and weirs prepared to prevent crude oil from polluting rivers or streams in the event of a breakdown. In 2024, due to these preventive efforts, **there was no significant water pollution** caused by CONPET S.A.'s activities, which indicates the effectiveness of the protection systems. Water

consumption is also constantly monitored to detect possible losses and prevent wastage. **However, water abstractions in vulnerable areas remain an environmental concern:** even if the volumes are small, the long-term cumulative impact on local aquifers needs to be carefully assessed and managed so as not to negatively influence human users or habitats that depend on those water resources.

The risk analysis reveals several specific **risks and opportunities** in the water sector: A major **risk** is the scenario of accidental water pollution - for example, contamination of a river or groundwater following a pipeline burst - which would cause environmental damage, potential legal penalties, and substantial cleanup costs. Another risk, in the context of climate change, is that **water resources are becoming more precious** and there may be tougher restrictions on industrial water use (or higher costs of accessing it) in the future. On the other hand, there are **opportunities** for efficiency: by **reducing own water consumption** (e.g. optimizing testing processes and reusing water used in hydro-treating plants) and by applying **water recycling technologies** (such as filtering and recirculation systems for water used to wash equipment), the company can achieve operational savings and improve its environmental performance. By maintaining a track record of no significant water protection incidents (e.g. pollution incidents), the company also strengthens its relationships with local communities and authorities, demonstrating social responsibility and compliance with stakeholder expectations.

Water and marine resources targets (ESRS E3-3)

The Company complies with the limits imposed on the maximum flow rates for water supply from wells as required by law. However, there are no additional initiatives or measures that go beyond the compliance requirements required by law. The current impact of this practice is positive but negligible, as compliance with the limits contributes to the management of water resources without overexploiting them. Given that water is not a critical factor in CONPET S.A.'s operations - not being used directly in a production process - the influence of this progress on the company's overall sustainability remains moderate. The lack of proactive actions or extensive policies to conserve underground resources significantly reduces the potential to generate a more significant impact in the longer term. In this regard, CONPET S.A. proposes to formulate medium-term targets related to risk/opportunity management in water scarce locations/ reduction of water consumption, especially in water scarce locations.

In conclusion, while water management is not a major financial risk for CONPET S.A. in the short term, the company is taking this issue seriously, integrating sustainable water management principles into its operations and preparing for a future in which water will be an increasingly valuable resource.

4.5 Biodiversity and environmental protection (ESRS E4)

Protecting the environment and biodiversity are key components of CONPET S.A.'s sustainability strategy. Taking into account that the crude oil transport infrastructure crosses diverse ecosystems and communities, the company applies **good practices to prevent**

ecological impacts and has rigorous plans in place for incident management, ensuring a positive contribution to the conservation of local biodiversity.

Biodiversity and ecosystem policies (ESRS E4-2)

The company has environmental risk assessment procedures in place and has risk registers and control mechanisms in place for activities that may impact biodiversity. Although there is currently no dedicated biodiversity conservation policy, relevant assessments are integrated in the context of the risks associated with depollution works, accidental spills and maintenance activities. These assessments include preventive elements through monitoring of sensitive areas and corrective action in case of events. Although the biodiversity policy is not yet structured as a separate document, its principles are already implemented within the environmental risk management system. CONPET S.A. aims to translate them into a biodiversity policy.

Biodiversity targets (ESRS E4-4)

At present, there are no quantitative targets or dedicated strategies defined for the restoration of affected habitats, but there is a commitment that all greening works will comply with legal limits on land restoration and prevent the accumulation of petroleum substances. The internal assessment process recognizes that the lack of post-depollution biodiversity studies is a limitation and that this needs to be strengthened in the future. However, the current approach is based on the principle of "minimal impact and rapid remediation", which can be considered an operational form of targeting, even if not formally stated. Although CONPET S.A. has not implemented this policy at the date of the report, it is part of the strategy for the coming period.

Impacts on biodiversity (ESRS E4-5)

The impact on biodiversity is recognized as moderate and potentially negative, given that the infrastructure crosses natural areas where vulnerable species may occur. Both direct effects (such as accidental mortality, contamination or reduction in diversity) and indirect effects (alteration of food chains or habitat degradation) are recognized within the company, even if the degree of quantification is limited. In the absence of a clear dose-effect function, impact assessment is difficult, but the precautionary approach and integrated risk management provide an acceptable framework for compliance with ESRS requirements.

CONPET's main efforts in this direction cover:

Monitoring pipeline integrity and preventing leaks

CONPET S.A. uses advanced technologies for continuous monitoring of the pipeline network and early detection of any product leakage, among which we mention: the modern system of **detection and localization of crude oil leaks**, capable of quickly identifying abnormal variations in pressure or flow rate that may signal a rupture in the pipeline, the **cathodic protection** system

(which prevents corrosion of underground pipelines), the SCADA system, which provides centralized monitoring of operational parameters.

The company also applies **preventive and predictive maintenance** methods: pipelines are regularly inspected, including internal inspections with *smart dilwells* (devices that walk inside the pipeline and detect any corroded or defective areas), so that weakened sections can be remedied before damage occurs. Data analytics and risk modeling are used to identify segments more likely to fail, directing maintenance resources to critical areas. In addition, the company has also begun using **remote sensing techniques** to monitor pipeline corridors - for example, aerial drone surveys and satellite monitoring - aimed at detecting unauthorized activities near pipelines (construction, digging) or sudden changes in the landscape (landslides, flooding) that could indicate a problem. By integrating these technologies, the company improves its **early warning** and incident prevention capabilities. **Early detection of a leak** is crucial to enable a rapid response and limit the extent of the impact: immediate intervention can prevent a major environmental disaster while reducing remediation costs. Overall, the monitoring systems and proactive maintenance programs implemented by CONPET S.A. enhance the safety of transport operations and **protect the environment from accidental pollution**.

Oil spill prevention and response measures

The prevention of oil spills into the environment is an absolute priority for CONPET S.A., given that some pipelines cross sensitive areas (watercourses, fertile agricultural areas, protected natural habitats). At the watercourse crossings, the pipelines are equipped with sectioning valves on both banks and collection bays for any accidental spills. In addition to prevention, the company has strengthened its **rapid response** capacity in the event of an incident. **Automatic shut-off valves** have been installed on strategic segments of the pipelines, which can immediately isolate the affected portion in the event of a sudden drop in pressure, limiting the volume of crude oil that could leak. At pumping and storage stations, **retention basins and additional emergency barriers** have been installed. For example, at the Constanța Sud station, the company has installed a buried spill collection tank equipped with a pump for liquid evacuation, equipped with an automatic pumping system that can **capture any accidental crude oil spill** before it contaminates the soil or water. Even in unfavorable scenarios, these facilities ensure that spilled fluids are quickly contained, preventing their dispersion into the environment. In terms of operational preparedness, CONPET S.A. maintains **plans to prevent and combat accidental pollution**, in accordance with legal requirements, and has specialized, adequately equipped intervention teams. In collaboration with the local authorities (Emergency Situations Inspectorates, environmental authorities), the company organizes **regular simulations and drills** for crude oil pollution scenarios in order to train staff and optimize response times. CONPET S.A. has also invested in modern spill response equipment: **skimmers, booms, absorbent and protective booms**, strategically stored along pipeline routes (especially near water) to be deployed quickly if the situation requires it. Sustained efforts towards preventive maintenance and early detection have yielded notable results - recent years have seen a **decrease in the number of pollution incidents and the volume of oil spills**, reflecting the effectiveness of the measures put in place. At the same time, key projects such as the replacement of the Borcea sub-crossing pipeline section (mentioned above) have substantially reduced the risk of spills in environmentally

sensitive areas. In the unlikely event of a major spill, the company cooperates closely with the relevant environmental authorities to **remediate the affected sites**, aiming to restore the environment to its original state. Each incident is analyzed in detail, with a focus on continuous improvement of response time and intervention techniques so that the likelihood of similar events is minimized.

Conserving biodiversity and restoring ecosystems

CONPET S.A. pays particular attention to **the restoration of the environment** following any construction or maintenance works on its infrastructure. Internal procedures require that, after the completion of pipeline works, the affected land must at least be restored to its original condition. This involves, for example, **replanting of local vegetation and trees** in areas where soil has been excavated for pipeline replacement/inspection, as well as **rehabilitation of the soil structure** (compaction, restoration of topsoil) to allow habitat to be restored. In regions where pipelines cross valuable ecosystems - forests, wetlands, protected natural areas - CONPET S.A. works closely with environmental authorities to minimize the impact. A common practice is to use technologies **without open trenching** (e.g. horizontal directional drilling) when working under sensitive areas, as was the case for the Danube river undercrossing, precisely to avoid disturbing the riverbed and aquatic habitats. All of its operations strictly comply with applicable environmental regulations and standards; the company has a **certified Environmental Management System (ISO 14001)** that ensures continuous monitoring of environmental performance and compliance with legal requirements. Through these practices and standards, CONPET S.A. contributes to the **protection of local flora and fauna** and strives to leave a **positive environmental legacy** in the areas where it operates. Every approach - from proactive pipeline monitoring, to prompt spill response and land restoration - reflects CONPET S.A.'s commitment to sustainability and is aligned with ESRS guidelines on climate and environmental protection. The company will continue to enhance these programs, recognizing that **protecting the environment is essential to creating long-term value** and maintaining the trust of communities and partners.

4.6 Circular Economy - Waste Management (ESRS E5)

CONPET S.A. recognizes the importance of the circular economy and the reduction of waste generated by its activities, both for environmental protection and operational efficiency. The pipeline system operation and equipment maintenance activities generate various types of waste, including some hazardous ones, which require proper management. Waste generated includes: waste oils (from greasing of equipment and vehicles), oil sludge (residues collected from pumping stations or retention pans), contaminated soils and oil-soiled absorbent materials (from cleaning up minor incidents or maintenance work), and general industrial and household waste from the company's facilities.

Policies on circularity and resource utilisation (ESRS E5-1)

The company already applies a well-functioning waste collection, sorting and management system, implemented in all relevant workplaces. Collection is done selectively, with authorized partners and permanent take-back contracts, for controlled recovery or disposal. This process complies with current legislative requirements and its operation is integrated into the environmental compliance management system. Although there is no separate formal policy for circularity, the operational framework already demonstrates the consistent application of circular economy principles, in particular through actions aimed at preventing accidental pollution and maintaining a sustainable resource traceability regime. CONPET S.A. aims to adopt a policy on circularity and resource utilization in the coming period.

As part of its waste prevention and reduction program, CONPET S.A. invests in innovative technological solutions, such as advanced equipment for cleaning paraffin pipes and reducing the amount of sludge in tanks. The company also purchases solutions for the **efficient** and selective **storage of** recyclable waste (paper, metal, plastic, glass), thus optimizing the waste management process.

These measures contribute to **reducing waste quantities, improving waste management**, minimizing environmental impact through the use of state-of-the-art technologies and **increasing the efficiency and safety of internal operations**.

From a **business impact** perspective, waste management is a material issue, as large amounts of waste or improper waste management can lead to environmental risks (pollution, odor, health problems) and additional costs (disposal fees, legal obligations for fines). At the same time, good waste management can bring operational efficiencies by recovering some reusable materials and reducing the volume requiring final disposal.

In 2024, CONPET continued to apply a rigorous waste management system, following the principles of waste hierarchy. This approach has resulted in **minimizing the volume of waste sent to landfill**, reducing the risk of long-term pollution and possible future remediation costs. At the same time, the correct management of hazardous waste is essential for maintaining environmental permits and operating licenses, as any non-compliance can result in significant penalties.

To support these principles, CONPET has implemented internal measures to prevent and reduce hazardous and non-hazardous waste, which include:

- 🌱 **Allocation of competent human resources:** dedicated waste management and monitoring teams are present at each working point, ensuring constant monitoring.
- 🌱 **Sorting at source:** Waste is separated by type (paper, metal, plastic, glass), facilitating efficient recycling and reuse.
- 🌱 **Monitoring and reporting:** waste is monitored by type and location, and reports are submitted to the authorities as required by law, guaranteeing transparency and compliance, while ensuring waste traceability
- 🌱 **Waste trend analysis:** Waste quantities are monitored to identify any significant increase so that causes can be identified and corrected.

- 🌱 **Resource planning:** Emphasis is placed on the efficient use of materials that can generate waste, thereby reducing waste quantities.
- 🌱 **Preventive maintenance:** Continued investment in technical equipment and processes helps to reduce breakdowns that could generate specific waste, such as oil-contaminated soils.
- 🌱 **Rapid response to damage:** Rapid response measures limit the spread of pollution and prevent the generation of hazardous waste such as contaminated oil.
- 🌱 **Waste Management Contracts:** All CONPET sites are equipped with compliant waste management contracts, respecting the principles of waste prioritization.

Thus, these measures contribute to **reducing the amount of waste generated**, protecting the environment and complying with legal regulations, strengthening the efficiency of internal processes and maintaining the company's responsible environmental status.

Re-use and recovery targets (ESRS E5-3)

The company's approach includes clear measures to valorize waste and reduce the amount disposed of, in particular by avoiding the accumulation and efficient treatment of hazardous categories. Waste is identified, recorded and treated according to legal standards and is tracked through internal monitoring procedures. This practice continues to support recovery by authorized operators, and the implicit objective is to maintain a high level of re-use. Even if not expressed in a fixed annual percentage, there is an active strategic direction to minimize the quantity disposed of and maximize the recoverable components.

In terms of **environmental and social impact**, it is noted that in 2024 CONPET S.A. managed the waste generated **in accordance with legal requirements and good industry practice**. Most of the waste collected was **recovered or recycled**, avoiding direct disposal. The company keeps **transparent records** of the amounts and types of waste generated and how it is treated, allowing full traceability - from the point of generation to the final destination (recycler, incinerator or landfill). This transparency demonstrates accountability and facilitates reporting to authorities and stakeholders. Through its recovery efforts, the company makes a practical contribution to the circular economy by **reintroducing useful materials back into the economic cycle**: for example, waste oils are taken back by specialized companies for re-refining or use as alternative fuels, metal from pipe section replacement is largely sent for recycling, and oil sludge is treated so that the hydrocarbon fraction can be recovered.

However, it is important to note that the generation of hazardous waste is an unavoidable negative impact of CONPET S.A.'s activities, and regardless of process optimization, the maintenance of the crude oil infrastructure will continue to produce certain amounts of contaminated sludge and other residues. In 2024, there were no incidents of improper waste storage or disposal, which demonstrates the effectiveness of the waste management system. All hazardous waste was transferred to authorized operators and CONPET S.A. sites were not affected by pollution related to uncontrolled waste disposal

On waste **risks and opportunities**: A potential **risk** is that as operations grow or become more complex, the volume of hazardous waste could increase, putting pressure on temporary storage capacities and increasing disposal costs. Environmental regulations also tend to become more stringent - more ambitious recycling targets or even **bans on practices** such as the landfilling of hydrocarbon-containing sludges could be imposed in the future, which may require new technological solutions. On the **opportunities** side, innovative waste management can bring financial benefits by generating revenues or savings for the company. CONPET S.A. can explore partnerships or emerging waste reduction technologies - for example, the use of more efficient filters and separators to reduce the amount of sludge produced, or the implementation of on-site **bioremediation** solutions for lightly contaminated soils, converting them to a safe state without the need for off-site transport. Also, engaging employees in *Reduce-Reuse-Recycle* initiatives (such as reducing the consumption of disposables in the office, donating used equipment that can be reused by other entities, etc.) contributes to a **circular economy culture** in the organization.

Resource inputs - materials used (ESRS E5-4)

In operations, compliant materials and technological substances are used, but no centralized input table is currently published. However, as part of the environmental management system, the company tracks and documents the amounts of resources consumed, especially those related to critical processes. It recognizes the importance of integrating this data into a dedicated inventory in the future, with clear indications of the percentage of recycled or sustainably sourced materials. The company's strategic direction is already moving in the direction of supply chain efficiency and optimization of resource consumption.

Resource outputs - waste and recovery (ESRS E5-5)

Waste generated is identified by category - hazardous and non-hazardous - and is managed according to the treatment hierarchy. Recovery and disposal operations are carried out exclusively through authorized partners and monitoring is constant. The company keeps detailed records of waste types and treatment methods. Full traceability is followed and operational transparency is ensured including regular reporting to the authorities. The approach is a mature one, where ESG performance is reinforced by the internal control system and practical experience in circularity.

Waste generated in 2024

Generat	Recovery		Elimination		Other operation
	Recycle	Co incineration	Incineration	Storage	
2.336,58	171,81	89,60	1,03	193,45	1.840,89

Table 4.3. Waste generated in 2024

In conclusion, CONPET S.A. treats both the **consumption of water resources** and **waste management** with the utmost responsibility as integral parts of its environmental performance. By carefully monitoring water consumption, preventing water pollution and reducing reliance on

vulnerable sources, the company is minimizing its water footprint and potential adverse impacts on communities. At the same time, through effective waste management in line with the principles of the circular economy, the company reduces the risks of soil and water pollution, valorizes secondary resources and aligns with the EU's objectives of transition to a sustainable economy with **minimized waste and reused resources**. These practices contribute to **increasing the company's environmental resilience** and strengthen stakeholder confidence that operations are run in a long-term sustainable way.

According to ESRS E1-3, companies must clearly demonstrate that **their climate strategy** is backed up by concrete actions and resource allocation - not just declarations of intent. CONPET S.A. has integrated its climate commitment into its operational and investment plans, mobilizing both financial and human resources to implement decarbonization and adaptation policies.

CONCRETE ACTION TO MITIGATE CLIMATE CHANGE

In recent years, CONPET has initiated projects and measures that are part of its **Low Emission Business Plan**:

- ✔ **Programs to increase energy efficiency**, such as modernization of equipment and facilities (e.g. replacement of pumps and motors with more efficient ones, automation) have been carried out to reduce fuel and energy consumption per unit of activity.
- ✔ **Waste reduction** and logistics optimization **programs** have been implemented (e.g. reuse of metal drums and other materials, circular economy projects, newly built tanks are equipped with mixers that, during operation, considerably reduce the amount of sludge (sludge-type waste) on the bottom of the tank) in order to decrease indirect emissions associated with waste transport and disposal.
- ✔ **Renewable energy pilot projects** have been launched (photovoltaic panels at stations, with plans to expand) marking the transition towards the use of zero emission sources in CONPET S.A.'s energy mix.

Resources allocated and capacities developed

In order to support the above actions, CONPET S.A. is considering the allocation of **dedicated financial resources** in its multi-year investment budgets. The company has also set up an **internal sustainability/environmental structure** that coordinates the reporting, monitoring and implementation of climate policies, and training programs have been carried out for staff on good practices in energy saving, waste management, environmental emergency response, etc.

CONPET maintains **transparent communication** with investors and authorities on climate issues: it regularly reports on environmental indicators, responds to shareholder requests for information on ESG components and participates in corporate social responsibility initiatives that include environmental components. Thus, CONPET S.A. creates a **collaborative environment** around it, where customers, partners and communities can support and multiply the effects of its climate actions.

Monitoring and evaluating the effectiveness of actions (as per E1-3)

A key element required by the ESRS E1-3 is the demonstration that the measures taken effectively lead to **emission reductions**. **CONPET S.A. is committed to monitor greenhouse gas emissions annually** and to continuously implement reduction measures so that in future years clear **progress** can be reported - i.e. a decrease in absolute emissions and improvement in intensity indicators compared to baseline.

Another aspect highlighted by ESRS E1-3 is the **alignment of resources with climate transition plans**. In this respect, CONPET S.A. wants to integrate climate objectives into its future plan (including financial projections), ensuring dedicated budgets for emission reduction projects.

CONPET S.A. does not operate in isolation, but can extend its climate initiatives throughout the value chain. Collaboration with external partners is a key resource: for example, selecting suppliers with high climate performance and integrating environmental criteria into the procurement process (as mentioned above) can amplify the impact beyond the limits of the company's direct operations. If suppliers also reduce emissions, the overall effect becomes significantly greater than what they could achieve on their own. Such initiatives, which involve time, effective communication and sometimes technical support for partners, reflect a concerted effort and strategic use of CONPET S.A.'s relationship capital in achieving climate goals.

In conclusion, there are tangible actions underway, dedicated financial and human resources and the company is prepared to measure and communicate the results of these actions. Through consistent implementation of its plans and stakeholder engagement, the company demonstrates a **planned and managed transition** to a low-emission economy, fulfilling the ESRS E1-3 requirements for disclosure of climate policy actions and resources.

A photograph of a male worker wearing a blue hard hat and a purple work jacket. He is looking upwards and to the right, focused on his work. He is standing next to a large, horizontal industrial pipe or vessel with several bolted flanges. The background shows more industrial structures and equipment under a clear sky.

CONPET S.A. invests in people, supporting workforce development and contributing to a sustainable future.

5. SOCIAL RESPONSIBILITY AND WORKFORCE DEVELOPMENT

5.1 Workforce composition and inclusion

Employee structure of CONPET S.A. in 2024:

The employee structure can be organized and presented according to various classification criteria, depending on the specifics and needs identified. This can be done on the basis of hierarchical level, internal functional entities, type of employment contract or field of activity. Employees may also be grouped according to education, specialization, qualifications, skills or specific responsibilities

Strictly from a workforce composition and inclusion perspective, data will be presented according to the following criteria:

- ✚ **The demographic criterion based on age** - considered relevant in this case, as it allows the analysis of the age structure of the workforce, thus facilitating the implementation of fair employment and professional development policies.
- ✚ **The inclusion criterion** - considered relevant in this case as it is essential to ensure representativeness and equal access to opportunities for all categories of employees, including people with disabilities.
- ✚ **The qualification criterion** - considered relevant in this case because of its importance in assessing the educational level of employees, contributing to the development of effective training and career mobility strategies.

On 31 December 2024, **the actual number of employees is 1,398** and **the average number of employees is 1,387**. The analysis in this chapter has been based on the actual number of employees, as this gives a more accurate picture of the structure of the workforce at a given point in time. At the same time, in line with ESG standards, the reporting of employment data is based on the actual number of employees to ensure comparability between companies and industries.

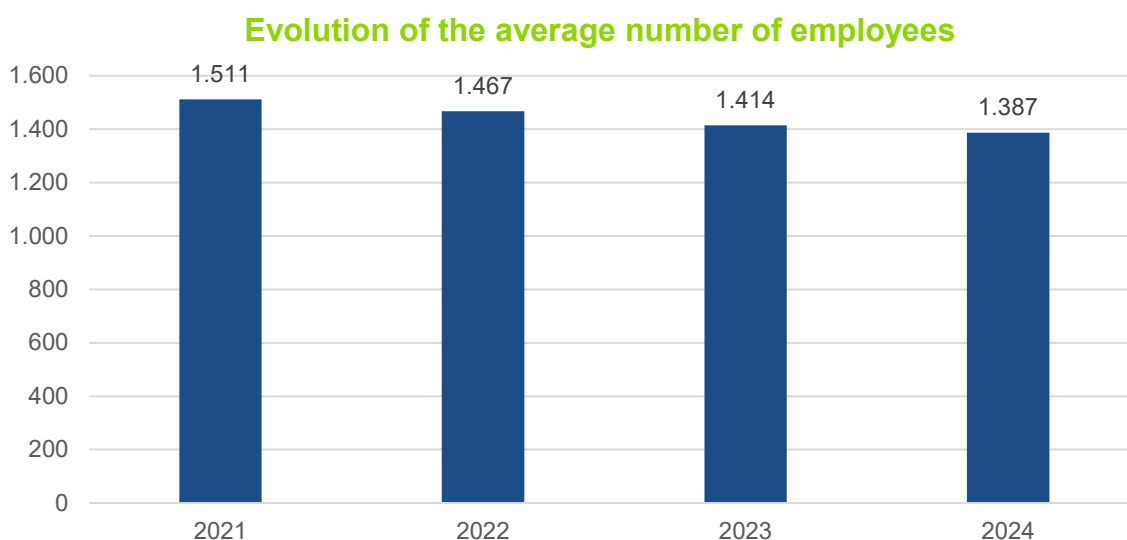


CHART 5.1. Evolution of the average number of employees at CONPET S.A. level.

Out of the total number of employees, 16 of them have fixed-term employment contracts and the rest are employed on permanent contracts.

Within the company, the breakdown by gender is as follows: 287 female employees, representing 21% of the total, and 1,111 male employees, which constitutes 79% of the total number of employees.

Table 5.1. Actual number of employees by gender

Country	Total number of employees	Number of male employees	Number of female employees
România	1.398	1.111	287

In terms of the distribution of employees by geographical area (according to SBM1-40.a.iii), the largest share is held by employees from the Municipality of Ploiești, representing 43.71% of the total workforce.

Table 5.2. Distribution of employees by geographical area

County	Region/ Geographical area	Total number of employees	Percentage of total employees	Types of activities carried out
Prahova	Băicoi	23	1,65%	Operational
	Boldești	2	0,14%	Operational
	Brazi	15	1,07%	Operational
	Ploiești	611	43,71%	Operational Economic Administrative
	Scorțeni	4	0,29%	Operational
	Urlați	44	3,15%	Operational
Ialomița	Fetești	8	0,57%	Operational
	Grindu	2	0,14%	Operational
	Urziceni	5	0,36%	Operational
Buzău	Berca	15	1,07%	Operational
Brăila	Cireșu	23	1,65%	Operational
	Ianca	2	0,14%	Operational
Bacău	Comănești	4	0,29%	Operational
	Moinești	32	2,29%	Operational
Covasna	Cătălina	12	0,86%	Operational
Galați	Independența	24	1,72%	Operational
Dâmbovița	Moreni	27	1,93%	Operational
	Răcari	9	0,64%	Operational
	Raciu	29	2,07%	Operational
Argeș	Pitești	5	0,36%	Operational
	Poiana Lacului	49	3,51%	Operational
Giurgiu	Marșa	13	0,93%	Operational
	Roata de Jos	38	2,72%	Operational
Arad	Pecica	16	1,14%	Operational
Timiș	Biled	30	2,15%	Operational
	Vâlcani	4	0,29%	Operational
Bihor	Marghita	29	2,07%	Operational
	Salonta	7	0,50%	Operational
	Suplacu de Barcău	18	1,29%	Operational

County	Region/ Geographical area	Total number of employees	Percentage of total employees	Types of activities carried out
Gorj	Bărbătești	62	4,43%	Operațional
	Țicleni	6	0,43%	Operațional
Vâlcea	Orlești	49	3,51%	Operațional
Dolj	Fărcaș	6	0,43%	Operațional
	Ghercești	14	1,00%	Operațional
Olt	Cungrea	9	0,64%	Operațional
	Icoana	16	1,14%	Operațional
Constanța	Cernavodă	10	0,72%	Operațional
	Constanța	47	3,36%	Operațional
	Mircea Voda	5	0,36%	Operațional
Călărași	Borcea	20	1,43%	Operațional
	Dragoș Voda	2	0,14%	Operațional
	Tămădău Mare	47	3,36%	Operațional
Vrancea	Tătăranu	5	0,36%	Operațional

Another key aspect of sustainability is diversity and equal opportunities. CONPET S.A. promotes an inclusive work environment where all employees have access to equal opportunities for professional growth:

- 32% of employees in management positions are women;
- 37.6% of employees with a higher education are women, showing balanced access to expert roles.

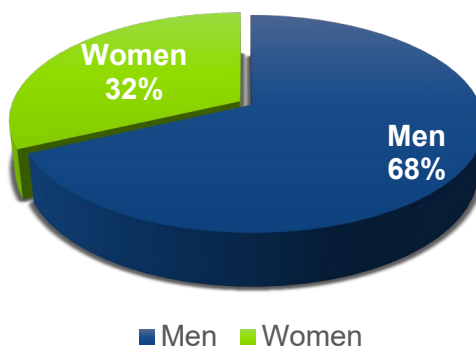


CHART 5.2. Management structure by gender in 2024 (without senior managers with mandate)

The evolution of the staff structure by education and gender reveals that the company promotes a non-discriminatory behavior by hiring female specialists with higher education and professional skills that contribute to the growth of the company's business results. These data confirm

CONPET S.A.'s commitment to creating a fair and inclusive environment, an essential element of sustainable performance.

Demographic structure

The age structure of CONPET S.A.'s staff reflects the fact that 59% of the employees are over 50 years of age, which suggests an experienced team, but also a need to train a new generation of specialists. The average age of staff is 50.2 years, reflecting the experience and stability of the organization. New hires in the last two years have an average age of 40.41, indicating a gradual transition to a younger team.

The age structure of employees at company level is reflected in 3 broad categories as follows:

- Under 30 - 56 out of the total number of employees;
- 30-50 years - 511 employees;
- Over 50 - 831 employees.

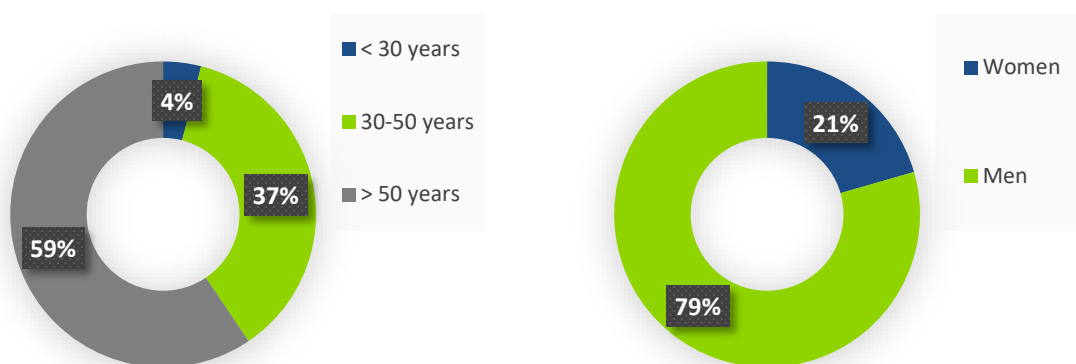


CHART 5.3. Staff structure by age groups and gender in 2024

Inclusive structure

From the perspective of the inclusive structure, the analysis of CONPET S.A.'s workforce focuses on two key aspects: the degree of unionization and the employment of people with disabilities.

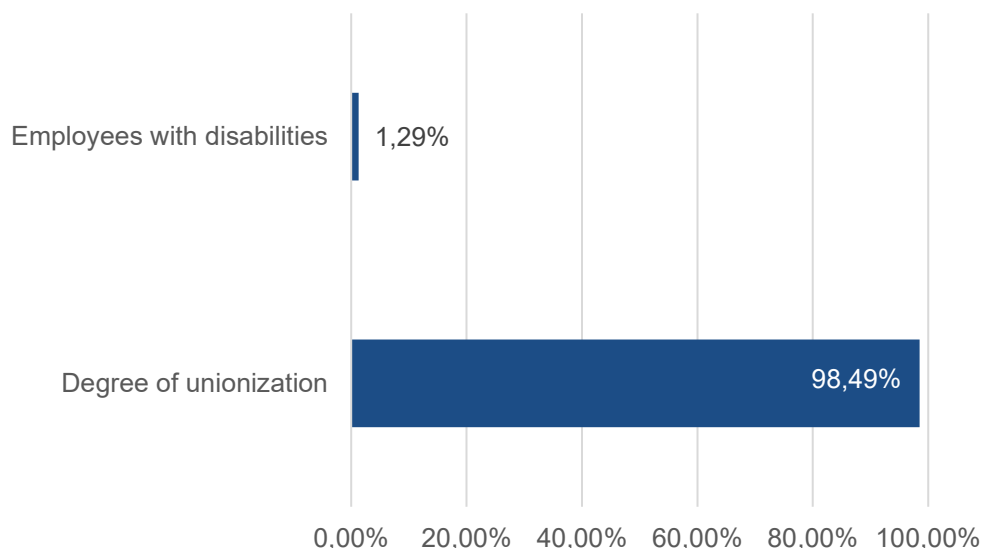


CHART 5.4. Employee inclusion in 2024

The degree of unionization refers to the membership of employees in the LIBER CONPET Trade Union, an organization that represents the interests of employees and supports their rights in their relationship with the employer. According to the data collected 98.50% of the company's employees are members of the trade union Liber Conpet S.A. This reflects a **high level of cohesion and solidarity** among CONPET S.A. employees, demonstrating that they are actively involved in protecting their rights and supporting a fair working environment. Membership in the **LIBER CONPET Trade Union** not only provides representation in the relationship with the employer, but also strengthens a framework of effective social dialog, where the voice of the employees is heard and respected. This collective involvement underlines a strong commitment to **stability, fairness and job security** within the company.

In terms of **employment of people with disabilities**, 1.29% of CONPET S.A.'s workforce is in the category of employees with disabilities, this indicator reflects the company's commitment to inclusion and equal opportunities. The concern for the integration of people with disabilities in the work environment contributes to the diversity of the workforce and demonstrates an active policy of social responsibility.

The nature of the company's activity imposes strict requirements on the aptitudes of employees, which limits the possibility of employing a larger number of people with physical and/or cognitive disabilities, since in most workplaces within the production sectors, risks have been identified that may generate accidents or occupational diseases with serious, irreversible consequences, namely death or disability (*art.2, point 4 of HG 1425/2006 for the approval of the Methodological Norms for the application of the provisions of the Law on occupational safety and health no. 319/2006*).

If the percentage of 1.29% can be considered a low value, compared to the total number of employees of the company, it should be noted that at national level (according to INSSE.RO) - about 2.7% of the national population is included in this category, but over 60% of these people

cannot be employed in the labor force for reasons of age + 65 or - 18 years. Thus - at national level, about 1.08% of the existing workforce has disabilities while at societal level, 1.29% of the workforce has disabilities.

According to art.78 para. 2 of Law 448 /2006 with subsequent amendments and additions, employers with more than 50 employees have the obligation to employ disabled persons in a percentage of at least 4% of the total number of employees. Since CONPET S.A. does not cover this percentage, in order to comply with the legal provisions, it has opted, in accordance with art.78 paragraph 3 of the same normative act, for:

- a) the monthly payment to the state budget of an amount equal to the guaranteed gross minimum basic national wage multiplied by the number of jobs in which they have not employed persons with disabilities, or*
- b) monthly payment to the state budget of an amount representing the equivalent of at least 50% of the minimum gross basic salary guaranteed in payment multiplied by the number of jobs in which they have not employed persons with disabilities, and with the amount representing the difference up to the amount provided for in letter a) to purchase, on a partnership basis, products and/or services made by their own activity of persons with disabilities employed in authorized protected units.*

Thus, the **employment of people with disabilities** is an important indicator of inclusion and diversity policy. The concern for their integration into the workforce demonstrates the company's commitment to the principles of equal opportunities and professional accessibility.

Educational structure

The analysis of **CONPET's** workforce structure in terms of **educational attainment** provides a clear picture of **diversity and professional balance**, highlighting how employee education contributes to the inclusion and stability of the organization.

Educational attainment is a key criterion in the **composition of the workforce**, as it influences the distribution of responsibilities, opportunities for professional development and access to management positions. It is also a relevant factor for **occupational inclusion**, having a direct impact on access to jobs and career advancement opportunities.

In terms of educational level, the majority of CONPET S.A. employees have medium and higher education, with a predominance of age groups between 41 and 60 years. The age distribution shows that 53.65% of the employees fall in the 51-60 age group, while 24.89% are in the 41-50 age group. Younger employees in the 20-40 age group represent approximately 15.67% of all staff, emphasizing the need for sustainable recruitment and retention strategies to gradually replace experienced staff.

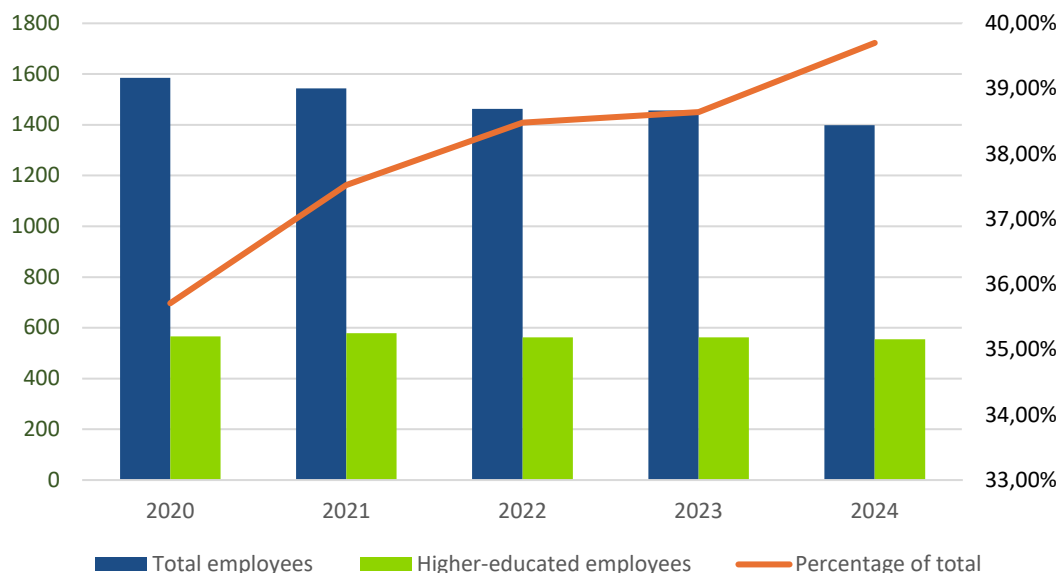


CHART 5.5. Percentage of staff with tertiary education 2020- 2024

In this context, the company carefully monitors the needs to fill vacancies, taking into account the demands of organizational structures, the complexity and diversity of activities, the professional skills required and the responsibilities of each position. This strategic approach ensures continuity of operations and the company's adaptability to labor market challenges.

To ensure the sustainability of the workforce, the company has stepped up mentoring, continuous training and intergenerational knowledge transfer programs.

TABLE 5.3. Distribution of CONPET S.A. employees by educational level and gender

Educational level	Total employees	Share total	in	Women	Men
General studies	83	5,94%		7 (0,50%)	76 (5,44%)
Medium education	760	54,36%		71 (5,08%)	689 (49,28%)
Higher education	555	39,70%		209 (14,95%)	346 (24,75%)

Distribution of employees by educational level

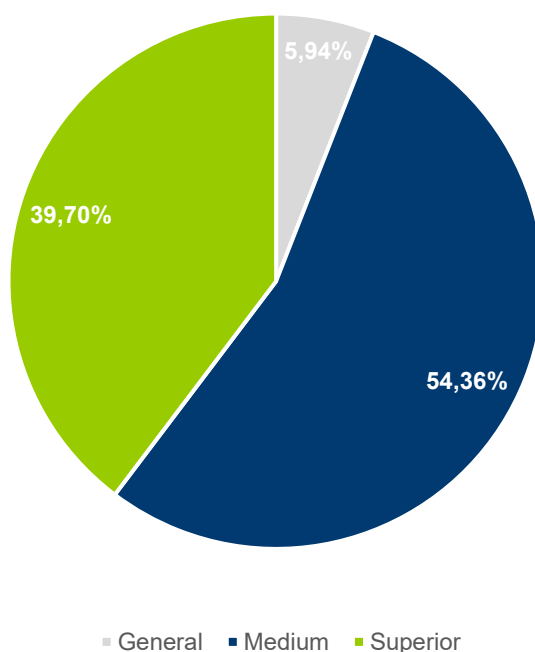


CHART 5.6. Distribution of employees by educational level

- Staff with general education (83 employees)** - This is a smaller category with predominantly operational roles. Even if these employees do not have advanced education, the experience and practical expertise they have acquired are important factors contributing to the smooth running of the company's business. **The inclusion of this segment** is essential to maintain a diverse workforce accessible to all social groups.
- Staff with secondary education (760 employees)** - This is the dominant segment within the company, demonstrating that **technical and operational specializations are fundamental to CONPET S.A.'s activity**. This category of employees benefits from continuous training, contributing to increasing professional skills and maintaining a high level of performance. In addition, the presence of a large number of employees with an average education emphasizes the **company's openness to the integration of a wide range of professional qualifications**, ensuring diversity and flexibility within the team.
- Staff with higher education (555 employees)** - The significant percentage of employees with graduate or post-graduate degrees emphasizes a **strategic orientation towards expertise, innovation and informed decision-making**. This category includes **leaders, specialists and advanced technical staff** with a direct impact on the organization's development. In terms of inclusion, it is important that this category is accessible to all through fair promotion and career development policies.

COMPARATIVE STAKEHOLDER ANALYSIS IN THE SOCIAL CONTEXT

Comparative conclusions - CONPET S.A. vs. other regional operators. The present analysis, based on academic literature and 2023-2024 reports, confirms that the **main social aspects (ESRS S1-S4)** - working conditions (including employee safety and well-being), diversity and inclusion, impact on communities and social due diligence along the value chain - are key in assessing the sustainable performance of Eastern European companies. **Companies in the region are broadly aligning in direction with international practices, but there are still differences in degree and maturity.** CONPET S.A. illustrates well both progress and remaining challenges:

- **Own Workforce (S1):** CONPET S.A. places a strong emphasis on **operational safety and employee well-being**, similar to large energy companies for which safety at work is "priority zero" ([ipieca.org](https://www.ipieca.org)). The extra-wage benefits, health and training programs implemented at CONPET S.A. reflect stakeholder expectations for **decent working conditions**. The differentiation from Western companies is in the **resources allocated** rather than in the commitment, while CONPET S.A. focuses on the basics (safety, competitive wages, training). However, the current level of CONPET S.A. is not to be neglected; salary increases and work-life balance initiatives are mentioned, indicating an effort to **align to modern HR standards**. Furthermore, it integrates environmental and health and safety policies, highlighting an integrated approach to operational sustainability.
- **Diversity and Inclusion (S1):** CONPET S.A. stands out for the fact that more than 30% of management positions are occupied by female employees.
- **Supply chain (S2):** In terms of social due diligence towards suppliers and contractors, CONPET S.A. is probably at a level comparable to local companies of similar size: it has procedures in place for selecting and evaluating contractors, enforces compliance with labor laws and safety standards, but **has not publicly reported the existence of an extensive due diligence framework** (e.g. human rights audits or remediation plans). CONPET S.A. is considering developing a **due diligence policy** aligned to EU standards, covering supplier social risk assessment, third party complaint mechanisms and improvement targets (this is also the direction indicated by 97% of oil and gas companies, which already report setting ESG targets that include the value chain ([ipieca.org](https://www.ipieca.org))). An indication that the focus is shifting to the supply chain is also the fact that *human rights (communities, own workforce and supply chain)* are emerging as one of the most important ESG themes of the future for companies ([ipieca.org](https://www.ipieca.org)). CONPET S.A. applies a clear set of rules and procedures regarding the selection and evaluation of suppliers and contractors, in accordance with the Procurement Procedural Rules - revision 6 and procedure PO-60-13 - Contracting transport of products through SNT and monitoring the fulfillment of contractual requirements. According to these provisions: 'The selection of suppliers shall be carried out on the basis of objective criteria that ensure accessibility and fairness, without restricting the participation of any supplier. Participation guarantee and performance bond shall be required for all contracts, ensuring transparency and contractual compliance.' In addition, the company applies specific procedures for

evaluating the performance of suppliers of products, services and materials (PO-50-02 and PO-50-07), and evaluation criteria include legal compliance, technical performance, ethics, integrity and adherence to contractual deadlines. Although there is no formalized supplier code of conduct, ethical and integrity requirements are built into the contracts and partners are obliged to comply with labour legislation, SSM requirements and environmental protection rules.

- **Local communities (S3):** CONPET S.A. stands out in terms of **traditional community involvement**, characteristic of companies with majority state capital and a historical presence in oil-industrial areas. Compared to other younger private companies or multinational corporations, CONPET maintains an institutional link with local communities, supporting them through sponsorships and partnerships tailored to specific needs. The company's activities are centered around the communities in the oil industrial zones, especially around the pumping stations, crude oil pick-up and transport points (locations such as Ploiești, Băicoi, Moreni, Independența, Cireșu, Moinești, Marghita, Biled, Orlești and Constanța-Bărăganu) where the company carries out its activities and has a direct impact on the community. These towns and municipalities, with a history in the oil industry, have developed an economic and social dependence on CONPET's infrastructure and employment. In the event of a reduction in the company's activity, accelerated energy transition without local support measures or operational risks (such as spills, pollution or major damage), these communities may be directly affected, which underlines the importance of protecting them through appropriate measures. In addition to operational impact, CONPET is actively involved in supporting local communities by supporting education and social causes.
- **Data privacy and accountability to users (S4):** CONPET S.A. does not have activities with direct exposure to individual consumers, having a B2B (business-to-business) operating model, but the ESRS S4 theme is considered material from the perspective of protecting personal data, correctly informing business partners and maintaining a high level of transparency. In this respect, the company has implemented a robust procedural framework for compliance with Regulation (EU) 2016/679 (GDPR), ensuring: protection of employee, customer and business partner data; limiting access to personal data through internal security controls; IT systems protected by cybersecurity policies; regular staff training on data processing and protection. In 2024, there were no incidents of data leaks or complaints of poor information. However, CONPET S.A. is aware that global information protection risks are increasing and will therefore: consider the opportunity to obtain information security certifications (e.g. ISO/IEC 27001); will expand its audit and control systems for data protection; will consider including in the next reporting cycle a feedback or complaints mechanism from industrial customers or partners on access to information, in line with ESRS S4.5 and S4.7 requirements. By this approach, the company ensures alignment with ESRS requirements on consumer rights, transparency and data protection, adapted to its specificity as a strategic infrastructure operator.

In conclusion, the social impact according to ESRS S1-S4 provides a comprehensive framework through which we can compare the performance of companies in Eastern Europe. The energy and fuel transport industry, by its nature, has a significant social impact, and companies in the

East are increasingly adapting their practices to stakeholder expectations. CONPET S.A. is aligned with regional trends in many respects: it has a strong track record on safety and community involvement, and is taking steps towards modernization in human resources management. The differences from similar companies in the region are subtle - some may have access to global expertise, so may be more advanced in diversity or supply chain due diligence, while others are at a comparable or even lower level.

In the ESRS S1-S4 benchmarking of social impacts, the priority issues are safe and fair working conditions, protecting and engaging employees and workers in the supply chain, promoting diversity, maintaining a responsible relationship with communities and ensuring diligence in the supply chain. Differences between CONPET S.A. and other similar companies in the region tend to be nuanced, relating to the maturity and transparency of approaches rather than their direction. By implementing good practices highlighted in the literature and rigorously reporting on progress, companies such as CONPET S.A. can not only meet ESRS requirements, but also gain a competitive advantage and build trust and confidence from stakeholders.

5.2 Employee welfare, training and safety

In this section, two essential aspects for the development and protection of **CONPET S.A.** employees will be analyzed:

- Professional training and attending courses;
- Occupational health and safety (OHS) indicators;

Vocational training - course participations in 2024

Investing in the **professional development** of employees is an essential element in **maintaining a high level of competence**, adapting to market demands and increasing organizational efficiency. By participating in training and specialization courses, employees improve their professional skills and competences, which contributes to **increased productivity** and **the creation of a knowledge-based and innovative working environment**.

TABLE 5.4. Structure of professional training and licensing courses 2021-2024

Type of training	Number of participations			
	2024	2023	2022	2021
Various authorizations	111	106	119	73
Authorizations C.F.	372	376	251	245
Training courses	371	464	413	302
Internal authorizations	428	407	450	439
Internal qualifications/training	2.327	1.345	1.167	15
Total training/authorizations	3.609	2.698	2.400	1.074

The highest share of participations is in **internal trainings and qualifications (2,327 participations)**, which demonstrates a constant concern for the continuous development of staff and their adaptation to the company's requirements.

Employee participation in training plays a key role in developing skills, maintaining workplace stability and preventing operational risks. Through continuous training, employees improve the skills they need to carry out their work in optimal conditions, meeting the safety and efficiency standards required by the company. These training programs contribute not only to increasing the level of qualification, but also to providing opportunities for professional development, strengthening the expertise needed to fulfill the specific responsibilities of each area of activity. The high number of participants in these courses demonstrates the company's commitment to continuous staff training, supporting a safe, high-performance working environment adapted to changing requirements.

Another essential component of social sustainability is ensuring employee well-being through fair benefits and working conditions, measures that contribute to staff retention and the creation of a motivating work environment, which CONPET S.A. actively supported in 2024 by:

- Increased per diem for domestic travel compared to the deductibility limit provided for in the Tax Code
- Paid day off on your birthday.
- Payment for tourist services.
- Contribution to the optional pension fund (Pillar III).
- Voluntary health insurance.
- Meal vouchers.

In addition, to ensure the sustainability of human resources, CONPET S.A. monitors and manages risk factors such as:

- ✔ Retirement of experienced employees, which requires mentoring and knowledge transfer strategies.
- ✔ Difficulties in recruiting technical specialists, especially in operational and engineering areas.

Through this approach, the company ensures that its workforce remains a factor of stability and progress in implementing ESG strategies.

Occupational Health and Safety (OHS) Indicators

In this section, **occupational health and safety (OHS)** issues are not represented graphically, but are analyzed on the basis of relevant indicators reflecting the measures put in place to protect employees and prevent occupational risks.

A key element of this analysis is the **total number of workplace accidents**, which in 2024 was **zero**. This result confirms the effectiveness of the prevention strategies implemented by the company and demonstrates that the implemented safety measures are effective in protecting employees.

Another key aspect is the **ISO 45001** certification, which has been obtained and maintained by the company. This certification attests that the occupational health and safety management system complies with international standards, thus ensuring a safe and controlled working environment for employees.

Another relevant indicator is the **frequency of SSM trainings**, conducted regularly according to the minimum mandatory topics approved at management level, as continuous safety training contributes to the awareness and prevention of occupational risks. Through these training sessions, employees are informed and prepared to manage risk situations, reducing the likelihood of occupational accidents.

In addition, **occupational risk assessment** is carried out whenever the situation requires it, which allows the identification and minimization of potential hazards in the work performed. This proactive approach is essential for maintaining a safe and compliant working environment and keeping the company's Global Risk Level below the target of 3.5.

In conclusion, by constantly monitoring these indicators and implementing effective preventive measures, **CONPET** ensures a safe and well-regulated working environment, minimizing risks for employees and strengthening the organizational culture focused on safety and responsibility.

Indicator	Value (2024)
Total number of accidents at work	0
ISO 45001 certification	Yes (certificate)
Frequency of SSM training	Periodical
Occupational risk assessment	Yes

5.3 Community engagement and CSR initiatives

Corporate Social Responsibility (CSR) is the voluntary commitment of a company to contribute to the sustainable development of the company, beyond its economic and legal obligations. In this sense, CSR goes beyond financial performance and includes actions to support employees, the community and the environment by promoting ethical and sustainable practices.

The CSR directions that will be considered to showcase the company's commitment to the community are:

- ✔ **Employee well-being** through social benefits, development opportunities and a safe working climate.
- ✔ **Supporting the community** through sponsorships and initiatives with educational, cultural and social impact.
- ✔ **Ethical governance and social responsibility** through transparency, equal opportunities and promoting diversity.

In this context, **CONPET S.A.'s commitment to the community and CSR initiatives** are reflected in a series of **concrete actions**, which are perfectly aligned with CSR principles:

a) Supporting employees and their families through social benefits

CONPET S.A. offers an extensive benefits package that supports both employees and their families, contributing to the economic and social stability of the community. These include:

- Payment of tourist and treatment services for employees.
- Financial support for the upbringing and education of employees' children, including after-school program.
- Aid for serious illness, prostheses, financial support for important life events (marriage, childbirth, death).
- Voluntary health insurance and contributions to the voluntary pension fund (Pillar III).

b) Social dialogue and relations with trade unions

One of the pillars of social responsibility is the relationship between employees and employer, and CONPET S.A. demonstrates a strong commitment to this issue. With a unionization rate of 98.50%, the company ensures an open and constructive dialogue with employee representatives, which is reflected in the protocols concluded and collective bargaining aimed at improving working conditions. This practice contributes to organizational stability and a professional climate based on respect and fairness.

c) Community involvement through sponsorships and partnerships

CONPET S.A. is actively involved in supporting the community, supporting educational, cultural and health projects through sponsorship and strategic partnerships. These actions contribute to the social and economic development of the regions where the company operates, thus strengthening its role as a responsible actor in the community.

In 2024 the third edition of the Blood Donation Campaign organized by CONPET S.A. took place. In October, with the support of the Ploiesti Blood Transfusion Center, 60 employees of the company donated blood at the Ploiesti Central Dispatch Headquarters.



EQUAL OPPORTUNITIES AND INCLUSION

In the spirit of responsible governance, CONPET S.A. promotes an inclusive and fair work environment, ensuring equal opportunities for all employees, regardless of gender or social status. The fact that 32% of managerial positions are held by women reflects the company's commitment to the principles of diversity and fairness in recruitment and promotion.

Through its employee support initiatives, active social dialogue, community involvement and promotion of diversity, CONPET S.A. not only respects CSR principles, but also actively integrates them into its organizational culture.



6. CORPORATE GOVERNANCE AND ETHICAL CONDUCT

Corporate governance: requirements and impact of ESRS G1

Corporate governance is Pillar **G (Governance)** of ESG approaches, and is codified in the new European Sustainable Sustainability Reporting Framework (**ESRF**) through **ESRS G1 - Business Conduct**. This standard requires companies to report on how the organization's management and control structures establish the ethical culture, manage risks and ensure compliance with integrity principles (getsunhat.com). ESRS G1 covers a number of key sub-topics related to business conduct, such as *corporate culture*, *protection of public interest whistleblowers*, *political involvement and lobbying*, *managing supplier relationships (including payment practices)*, and *preventing corruption and bribery (including mechanisms for detecting, training and reporting incidents)* (getsunhat.com). These issues are particularly relevant for companies in the energy and fuel transport sectors, where transparency, ethics and effective operational and compliance risk management are essential.

Corporate governance in Eastern Europe has improved in recent years, but challenges specific to the post-transition context remain. Many large energy and utility companies are still state-owned, which has in the past led to problems of political interference and non-transparent practices (sgi-network.org.) International organizations and European institutions have stressed the need to strengthen governance in these companies.

Integrating ESG responsibilities into the governance structure

In order to align the company's governance structure with the requirements of OMF No 85/2024, the report proposes to strengthen ESG integration through clear and legally compliant measures:

- Clarification of the Board's responsibilities for sustainability oversight (48⁶ lit. c): introduction of regular reporting on ESG performance to the Board and establishment of clear monitoring mechanisms.
- Ensure ESG competencies for the Board and BoD (48⁶ lit. c): develop a framework for mandatory ESG training for Board members and the management team, ensuring access to the necessary expertise as required by the legislation.
- Assess the opportunity of integrating ESG KPIs into the variable remuneration system (48⁶ lit. e): analyze the possibility of linking ESG indicators (emission reduction, energy efficiency, workplace safety) with the management incentive system.

These measures support transparency, alignment with the ESRS and strengthen accountability in corporate decision-making.

Declaration on due diligence - CONPET S.A. (GOV-4)

CONPET S.A. places particular emphasis on due diligence as part of corporate governance, with the aim of identifying, preventing and managing the risks associated with its activities. In this regard, the company will implement in the medium term a formalized system to ensure transparency and accountability in all decision-making and operational processes.

1. Risk identification

CONPET S.A.'s due diligence process will include the assessment of environmental, social and governance (ESG) risks associated with all of its activities, with a particular focus on their impact on stakeholders. This process will involve identifying risks at each stage of the value chain, from transport of crude oil to interaction with local communities and other stakeholders.

2. Risk prevention and mitigation

For each identified risk, the company shall adopt preventive and mitigating measures, integrating these measures into operational and decision-making strategies. These measures will include implementation of internal policies, safety protocols, and employee training programs.

3. Monitoring and reporting

CONPET S.A. will monitor risks and their impacts, taking into account local and international regulations. Progress in ESG risk management will be regularly reported to the Board of Directors and the results made available to stakeholders through transparent communication channels.

4. Integration into decision-making

The findings of the due diligence process will be integrated into the company's decision-making process to ensure alignment with CONPET S.A.'s sustainability and corporate responsibility objectives.

6.1 Board structure and ESG governance

Corporate Governance continues to be in a process of adaptation to the requirements of a modern economy, to the increasingly evident globalization of social life and at the same time to the needs of informing investors and third parties interested in the activities of companies.

CONPET's corporate governance system is constantly being improved in order to ensure compliance with the rules and recommendations applicable to a company listed on the Bucharest Stock Exchange. CONPET S.A. is a company whose shares are traded on the regulated market administered by the Bucharest Stock Exchange, on the Main segment, in the Equity Securities sector - PREMIUM category, under the symbol COTE, with the globally unique identifier for entities LEI Code 254900P00DXXOYOYGGAQ77.

CONPET's corporate governance is organized and carried out in accordance with the legal framework in Romania, namely the Companies Law no. 31/1990 and the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises.

Also, CONPET being a company listed on the Bucharest Stock Exchange, the capital market legislation is applicable to it and it has adhered to the provisions of the Corporate Governance Code of the Bucharest Stock Exchange, applying the provisions of this code regarding the responsibilities of the Board of Directors, the risk management and internal control system, fair reward and motivation, added value through investor relations.

As an issuer listed on the Bucharest Stock Exchange, CONPET has promoted and approved by Decision of the Board of Directors no. 7 of March 27, 2014 its own Corporate Governance Regulation. This document represents the voluntary assumption by the Company of the principles of corporate governance, taking into account its specific characteristics and activity in accordance with the principles set out in the Corporate Governance Code of the Bucharest Stock Exchange. The Regulation is a public document and can be viewed on the Company's website in the *Corporate Governance/ Corporate Governance Regulation* section.

CONPET presents detailed information on governance in its annual report, which includes a corporate governance chapter reporting how the company complied with the corporate governance code during the year by completing a corporate governance statement containing a self-assessment of how the company has complied with the corporate governance provisions.

This chapter also usually covers the activities of the board of directors, changes to governance policies, the work of board committees and any governance events during the year. The company also has policies on related party transactions and has an entity in place to ensure transparent communication with investors and regulators.

In applying the general regulatory framework, CONPET has adopted documents through which corporate governance is put into practice:

- The Constitution of CONPET, which contains provisions relating to the governing bodies (general assembly, board of directors, executive management), as well as their powers and operating procedures;
- The Rules of Organization and Functioning of the Administrative Board, which detail and operationalize how this body meets, how it reviews, debates and takes decisions, how it interacts with the executive management and other parties;
- CONPET's Rules of Organization and Functioning, Code of Ethics, Internal Rules, which take over, detail and operationalize some incidental aspects of the company's governance framework

The implementation of transparency and governance measures within CONPET S.A. takes into account aspects such as:

- adoption of the Corporate Governance Code;
- publication of annual/ preliminary annual/ quarterly/ half-yearly reports;
- AGM publication: notices, materials/documents related to the items on the agenda of the meetings, AGM resolutions (AGOA, AGEA), other documents considered to be relevant;
- adopting and publishing the social responsibility policy;
- adoption and publication of the Code of Ethics and Integrity;
- publishing declarations of assets and interests;
- publication of the Society's organizational chart;
- appoint members of the Board of Directors and executive management on professional criteria;
- adoption and publication of the Internal Rules of the Administrative Board and Advisory Committees;
- developing policies applicable at company level: Remuneration policy for directors and directors with a mandate, Policy on the evaluation of the Board of Directors, Policy on related party transactions;
- publication of the composition of the Board of Directors, including name, surname, position on the Board and CV;
- publishing the framework form of the management contract

The Board of Directors of CONPET S.A. contributes to the definition and implementation of the company's ESG strategy, thus ensuring the integration of sustainability principles in its strategic decisions.

Given that the requirements for transparency and social responsibility are increasingly high at the international level, the Board of Directors contributes to promoting an organizational culture based

on sustainability and responsible governance. The company-wide activities on ESG initiatives not only ensure compliance with international regulations, but also contribute to increasing the value of CONPET's shares in the long term for all investors.

Main mechanisms underlying ESG implementation:

- **Align the strategy with the principles of sustainable development**, so that every major decision is assessed in terms of its impact on the environment and society. This alignment is based on a clear set of ESG policies and objectives that are regularly monitored and adjusted in line with legislative changes and investor expectations.
- **Implement an integrated management system** based on international certifications that provides a rigorous framework for identifying, monitoring and managing ESG risks. This system is supported by independent audits and internal evaluations that measure the effectiveness of implemented ESG programs.
- **Establish clear targets and ESG KPIs** to measure performance and identify areas for improvement. For example, implementing initiatives to reduce carbon footprint or increase energy efficiency are included in the company's long-term strategy.

The Risk Management Committee set up at the level of the Board of Directors, aims to include concrete ESG aspects in its tasks, in the medium term, in order to monitor the progress of the implementation of ESG strategies at company level by the responsible structures and to ensure compliance with new European standards, such as CSRD and ESRS G1. To this end, in the medium term, clear policies on diversity and inclusion at the level of CONPET will be defined at the organizational structure, adapted to Romanian legislation, but also to the local culture and mentality.

By applying corporate best practices, the Board aims to guide the company in a dynamic environment, optimize financial performance and effectively manage risks, thereby contributing to sustainable growth and adapting to emerging economic and social challenges. All Board members operate under a **mandate contract** that sets performance criteria and fiduciary duties, aligning their responsibilities with shareholders' interests. The Board of Directors meets regularly to review the company's performance, approve major investments, and ensure compliance with the legal framework for conducting business and implementing internal policies and regulations in accordance with the law.

The Board of Directors delegates the management of the company to one or more Directors and appoints one of them as Managing Director. The Managing Director may be appointed from among the Directors, who thus becomes an Executive Director or from outside the Board of Directors. In accordance with the law, a Director is a person to whom the powers of management of the Company have been delegated by a decision of the Board of Directors and who enters into a contract of office with the Company in accordance with the applicable legal provisions. The General Director of CONPET S.A. represents the Company in relations with third parties and in court. The Board of Directors represents the Company in relations with the Directors with a mandate contract.

Powers of the Administrative Board:

- Delegates to the Managing Director(s) the powers of management of the company by areas of competence and sets out their rights and obligations, powers, duties, responsibilities, through the mandate contract; in the event that the Managing Director(s) are unable to exercise their duties (vacation, sick leave, travel, etc.), they may delegate their duties according to the provisions of the mandate contract and/or decisions of the Board of Directors;
- It supervises the work of the directors with a mandate in the management of the company, including its management, and approves the quarterly, half-yearly and annual activity reports drawn up by the directors, as well as any other activity reports submitted for approval;

Table 6.1 Composition of the Administrative Board

Name	Quality C.A.	Date Appointments	Status	Political affiliation	Professional experience
Cristian - Florin GHEORGHE	Non-executive non-independent member President C.A.	C.A. decision No 22/ 2023 Start of mandate: 22.08.2023 Mandate ends: 21.08.2027	Permanent	No political affiliation	Director General - Directorate General for Electricity, Oil and Natural Gas, Ministry of Energy
Nicușor - Marian BUICĂ	Independent non-executive member	Start of mandate: 22.08.2023 Mandate ends: 21.08.2027	Permanent	No political affiliation	Investment Consultant
Luminița - Doina KOHALMI - SZABO	Independent non-executive member	Start of mandate: 22.08.2023 Mandate ends: 21.08.2027	Permanent	No political affiliation	PhD, "Dimitrie Cantemir" Christian University
Oana - Cristina TĂNĂSICĂ	Independent non-executive member	Start of mandate: 22.08.2023 Mandate ends: 21.08.2027	Permanent	Affiliate - PNL	Lawyer, Law Office Tănăsica Oana
Florin - Daniel GAVRILĂ	Independent non-executive member	Start of mandate: 22.08.2023 Mandate ends: 21.08.2027	Permanent	No political affiliation	Director, Lion Capital S.A.
Andrei - Mihai ZAMAN	Independent non-executive member	Start of mandate: 22.08.2023 Mandate ends: 21.08.2027	Permanent	No political affiliation	General Manager, AFFICHAGE ROMANIA SRL
Alin - Mihael DĂNILĂ	Independent non-executive member	Start of mandate: 22.08.2023 Mandate ends: 21.08.2027	Permanent	Affiliate - PSD	Deputy General Director, Urban Management Services SRL, Ploiești

Diverse professional experience:

- **Board** members come from diverse backgrounds, including **energy, investment, legal, education and business administration**.
- The Chairman of the **Board of Directors, Cristian-Florin Gheorghe**, has significant experience in the Ministry of Energy, which can provide an advantage in linking the company's strategies with national policies in the energy sector.
- The presence of experts **in investment, law and academia** can bring beneficial strategic insights for the company's development.

Within CONPET S.A., the Board of Directors is composed of seven members, two of whom are women, representing approximately 29% of the total. This proportion is higher than the national average for the energy sector, where women occupy 26% of board positions, according to a study by Boston Consulting Group (BCG).

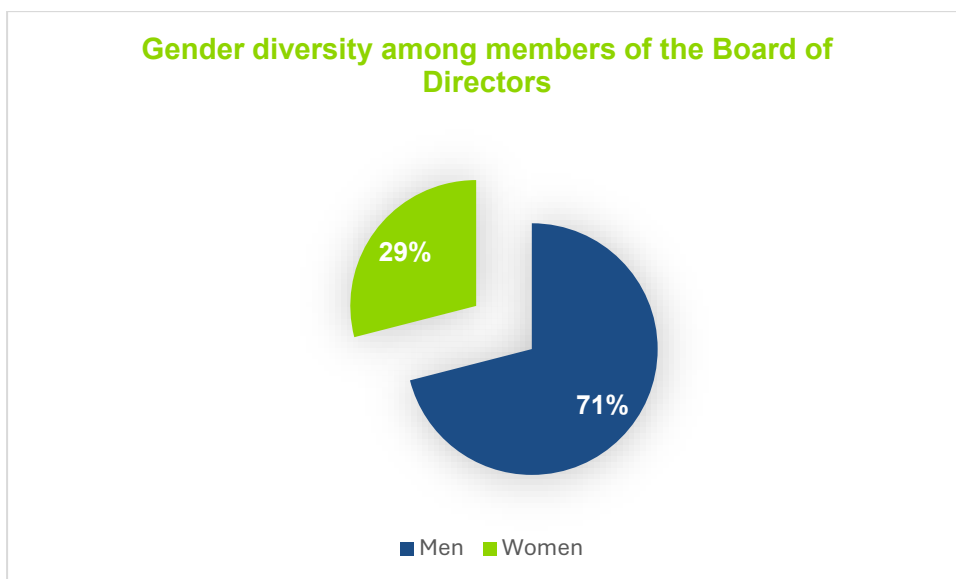
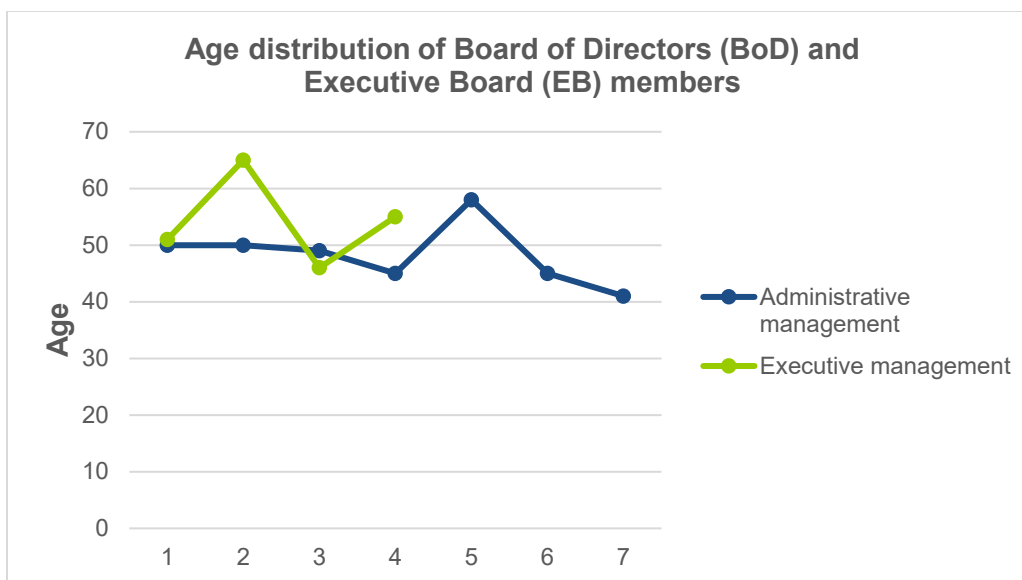


Chart 6.1. Gender diversity among members of the Board of Directors

The age structure of the 7 members of the administrative management (41-58 years old) and the 4 members of the executive management (46-65 years old) reflects a balance between experience and fresh perspectives, suggesting a strategic mix between stability and dynamism.

The chart shows, in linear format, the age of each member of the respective Boards of Directors and Executive Management. The vertical side shows the age and the horizontal side, numbered from 1 to 7, are the members of the two structures (7 members of the BoD and 4 members of the executive management):



Graph 6.2 Age distribution of members of the BoD and the EC

For more information, [the CVs of the members of the Board of Directors of CONPET S.A.](#) are available on the company's website.

CONPET S.A.'s Board of Directors has four Advisory Committees, each with an important role in the management and development of the company, specialized in the company's fields of activity. They exercise powers of analysis, verification, monitoring of financial reporting, internal control, monitoring the performance of the managerial internal control system and risk management and the appointment of executive management (directors with a contract of office), in accordance with best corporate governance practices. [The executive management](#) can be found on the company's website.

- **Advisory Committees**

The following Advisory Committees are set up at the level of the Administrative Board:

- Nomination and Remuneration Committee;
- Audit Committee;
- Risk Management Committee;
- Development and Investor Relations Committee.

[The terms of reference and the powers of the Board of Directors](#) and the [Advisory Committees](#) set up at the level of the Board of Directors can be found on the company's website.

Looking at the composition of these committees, some important aspects related to the specialization of members and the balance of decision-making can be observed:

➤ Audit Committee

The committee is headed by Florin - Daniel Gavrilă, a specialist in the financial-investment field, which is essential for monitoring financial reporting and financial transparency. The participation of Cristian - Florin Gheorghe, who also holds the position of Chairman of the Board of Directors, ensures the correlation between the audit policy and the company's overall strategy. Nicușor - Marian Buică, investment consultant, brings additional expertise in financial risk analysis. The structure is well balanced with a mix of financial and governance skills.

➤ Risk Management Committee

The structure of this committee reflects a multidisciplinary approach to risk management, combining academic, administrative and financial expertise. Luminița - Doina Kohalmi - Szabo, academic, as chair, proposes an analytical and research-based perspective on risk. Alin - Mihael Dănilă, with experience in urban administration, can provide an operational risk and local regulatory perspective. Nicușor - Marian Buică, investment consultant, contributes to financial risk analysis and management.

➤ Nomination and Remuneration Committee

Andrei - Mihai Zaman, with managerial experience in the private sector, is the chairman of this committee and can ensure a balanced selection in terms of appointing directors and promoting effective remuneration policies. Cristian - Florin Gheorghe has experience in similar energy companies. Luminița - Doina Kohalmi - Szabo brings expertise in human resources management. Oana - Cristina Tănăsică, a lawyer, contributes legal expertise essential for compliance policies, and Alain - Mihael Dănilă completes the team with his administrative background. The composition of the committee is diverse, with a mix of managerial, legal and administrative expertise, which is beneficial for the objectivity of the recruitment and remuneration process.

➤ Development and Investor Relations Committee

Oana - Cristina Tănăsică, lawyer, is the chair of this committee, and her legal expertise recommends her for managing relations with investors and authorities. Florin - Daniel Gavrilă, with investment experience, can contribute to attracting capital and maintaining an effective relationship with shareholders. Andrei - Mihai Zaman, presents an operational and strategic development perspective. The structure of this committee seems well chosen to ensure effective communication and sustainable development of the company.

Table 6.2 Composition of the Advisory Committees at 31.12.2024

Audit Committee	Risk Management Committee	Committee of Nomination and Remuneration	Development and Investor Relations Committee
Florin - Daniel Gavrilă - President	Luminița - Doina Kohalmi - Szabo - President	Zaman Andrei - Mihai - President	Oana - Cristina Tănăsică - President
Nicușor - Marian Buică - member	Alin - Mihael Dănilă - member	Cristian - Florin Gheorghe - member	Florin - Daniel Gavrilă - member
Cristian - Florin Gheorghe - member	Nicușor - Marian Buică - member	Oana - Cristina Tănăsică - Member	Andrei - Mihai Zaman - member
		Alin - Mihael Dănilă - member Luminița - Doina Kohalmi - Szabo - member	

Table 6.3 Key Governance Characteristics

Independence	All 7 directors are non-executive members, i.e. 1 non-independent and 6 independent members, thus managing the company.
Expertise	The Board of Directors brings together diversified experience in energy, engineering, economics, law and public administration, providing a strong strategic vision for the company's development.
Diversity gender	Female representation on the Board of Directors is approximately 29%, reflecting a commitment to inclusiveness and balance in decision-making.
Evaluation	Directors' performance is assessed annually by the Annual General Meeting of Shareholders (AGM), taking into account both the execution of the mandate contract and the implementation of the Management Plan, ensuring transparency and accountability in corporate governance.
Training	Board members benefit from continuous professional development in corporate governance best practices, thus contributing to the continuous improvement of the decision-making process and aligning the company to international standards.

In the year 2024, the members of the Board of Directors/ Risk Management Committee of the BoD received and reviewed the Annual Report on performance monitoring and risk management within CONPET SA, finding that the control measures for the significant risks identified were implemented and effective.

The members of the Board of Directors/ Risk Management Committee of the BoD also received and reviewed the report on the anti-bribery management system, finding that this system is maintained and operating effectively in the company.

On a quarterly basis, the Board of Directors was informed on the status of the achievement of the company's performance indicators.

The CONPET SA organization complies with national and international regulations on business ethics and ensures, right from the procurement process, that the suppliers of products, services and works comply with these regulations. Furthermore, business relationships are continuously assessed during the course of business relations, including in terms of compliance with the requirements of good conduct and anti-bribery criteria stipulated in contracts.

For compliance with the requirements of OMF 85/2024 on sustainability reporting, the company aims to formally integrate sustainable development responsibilities into the duties of CONPET S.A.'s management functions in the medium term. This will strengthen responsible corporate governance and ensure effective monitoring of the environmental, social and economic impacts of the company's activities.

Executive Management of CONPET S.A.

The executive management of CONPET S.A. ensures the implementation of the development strategy and the integration of ESG principles in the company's activity. Under the leadership of the Managing Director, the executive management optimizes resources, increases operational efficiency and aligns the company with corporate governance standards.

In a dynamic economic environment, the management levels support increased competitiveness and the strengthening of CONPET S.A.'s position, aiming at reducing environmental impact, operational safety and reporting transparency. In collaboration with the Board of Directors, they transform strategic directions into concrete actions to increase the company's value and benefit investors.

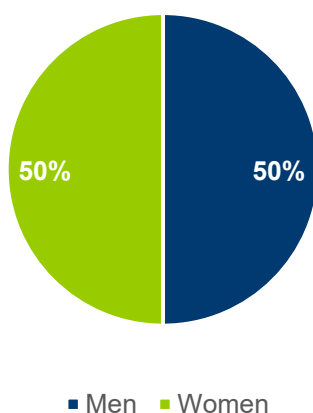
Executive management operates under performance-based mandate contracts and is responsible for risk management, optimizing financial performance and regulatory compliance. By applying best practices, the executive team contributes to modernizing processes, streamlining operations and adapting the company to economic and environmental challenges.

Table 6.3. CONPET S.A. executive management structure

Name	Function	Political affiliation	Professional Experience
Dorin Tudora	Director General	Affiliated	Director General CONPET S.A. (2010-2012, 2021-present). Experience in safety, occupational health and critical infrastructure management in the energy sector.
Mihaela-Anamaria Dumitrache	Deputy Director General	Unaffiliated	Deputy Director General on contract (2018-present). Over 15 years in senior management positions, expertise in legal, human resources, corporate governance, commercial, HSEQ, internal managerial control, information security and strategic project coordination within CONPET S.A.
Sanda Toader	Economic Director	Unaffiliated	Management positions in the economic and financial field at CONPET S.A., (Economic/Financial Director from 2012-present) with focus on financial strategies and accounting processes.
Radu-Florentin Necşulescu	Deputy Director-General 3	Affiliated	Leadership roles in the areas of energy sector critical infrastructure and security, integrity, information security and transport operations. 3rd Deputy Director General from 2022-present.

Chart 6.3. Gender diversity in the executive team

Gender diversity among members of the executive team



The executive team of CONPET S.A. is composed of four members, two of which are women, representing 50% of the total, which significantly exceeds the average of the Romanian energy industry, where women occupy 29% of all jobs in the energy sector according to the results presented by [Econmedia](#) of a study conducted by Boston Consulting Group (BCG). This balance can bring benefits in strategic decision-making and in strengthening the organizational culture.

Members of the management have extensive experience in the energy and financial sectors, which ensures operational stability. The Managing Director, Dorin Tudora, has held the same position for several terms, which indicates continuity in leadership and strategic stability for CONPET S.A. His long experience in managing critical infrastructure in the field of crude oil transport is essential, given the complexity and importance of this sector for national energy security.

In a highly regulated industry, where operational safety and logistical efficiency are priorities, his expertise contributes to managing operational risks, optimizing transport networks and maintaining a reliable and efficient infrastructure. His experience also gives him a solid perspective on market challenges, allowing him to adapt the company's strategy to industry changes and new regulatory requirements.

The executive team is predominantly made up of professionals with long experience, which provides stability and in-depth knowledge of the sector. However, a more balanced representation across generations could bring innovation and agility in decision-making, especially in a sector where digitalization and sustainable technologies are becoming strategic priorities.

All members of the executive team operate on the basis of mandate contracts with clear performance criteria, which ensures alignment with corporate governance standards.

Table 6.4. Integrating ESG principles in the organization

FUNCTION	AREA OF RESPONSIBILITIES	ESG INTEGRATION
Director General	<p>Directs, organizes, coordinates, coordinates and controls the company's activity and is responsible for the conduct of its business, both for direct tasks and those entrusted to the executive directors with a mandate.</p> <p>Directs, organizes, coordinates and controls the work of DGA2 in the areas of Occupational Health and Safety, Environmental Protection, Emergency Situations, Sustainability, as well as the work of the Maintenance Development Department</p>	<p>Through his areas of competence, management duties and area of responsibilities, the CEO ensures the alignment of the company's activities with all three ESG components.</p>

FUNCTION	AREA OF RESPONSIBILITIES	ESG INTEGRATION
Deputy Director General	Organizes, coordinates, manages and is responsible for the work of the subordinate: Legal, Human Resources, Management Systems and Internal Management Control, Integrity, Communication, Corporate Governance and Information Security	Through his areas of competence, management tasks and area of responsibilities, the Deputy Director General ensures the alignment of the Directorate's work with all three ESG components.
Economic Director	Organizes, coordinates, manages and is responsible for the work of the subordinate: Finance/Accounting, Controlling/Budgeting, Assets, Procurement and Contract Tracking, Administrative, Procurement	Through his areas of competence, management duties and area of responsibilities, the Chief Economic Officer ensures the alignment of the Directorate's work with all three ESG components.
Deputy Director-General 3	Organizes, coordinates, manages and is responsible for the work of the subordinate: Operations Transport /Production, Strategic Projects, Security, Critical Infrastructures, Classified Information, IT	Through his areas of competence, management tasks and area of responsibilities, the Deputy Director General 3 ensures the alignment of the Directorate's work with all three ESG components.

This approach reflects the **company's clear commitment to sustainable development**, integrating ESG principles into all areas of governance and operations.

In order to ensure compliance with sustainability requirements, CONPET S.A. aims, in the medium term, to:

- Revise the Rules of Organization and Functioning (ROF) and the Internal Rules of Organization and Functioning (RIOF) of the Advisory Committees set up at the level of the Board of Directors to include specific tasks related to sustainable development and environmental and social impact.
- Finalize non-financial impact monitoring mechanisms by establishing KPIs on resource use, environmental protection and operational safety.
- Establish a clear framework for sustainable development data reporting, ensuring transparency and accountability to all stakeholders.
- Integrate sustainability reporting requirements into decision-making processes, facilitating the link between economic performance and social and environmental impacts.

STRENGTHS OF CORPORATE GOVERNANCE AT CONPET S.A. (ESRS G1)

CONPET S.A. has a number of **good corporate governance practices** aligned with ESRS G1 requirements, which place it favorably compared to many similar companies in Eastern Europe. CONPET S.A. has a **Code of Ethics and Integrity**, an **Anti-Bribery Policy** and a **Corporate Governance Regulation**, as well as clear rules on shareholders' rights and the organization of General Meetings, all promoting *integrity, transparency and accountability* in its day-to-day business. The fact that the company is listed on the stock exchange has required adherence to high standards of transparency and reporting, aligned with the BVB's Corporate Governance Code, which provides a formal framework for the protection of minority shareholders' rights and public reporting of relevant information.

A **distinct strength of CONPET S.A.** is its **pro-ethical organizational culture and implemented anti-corruption system**. The company declares *zero tolerance* towards corruption and bribery, this attitude is supported by concrete measures of prevention, internal control and employee training. CONPET S.A. has adopted an *Integrity Plan* in line with the National Anti-Corruption Strategy 2021-2025. This plan is regularly updated, a sign of a commitment to **continuous improvement of** ethics and compliance policies. In addition, the company systematically invests in **ethics and compliance training for employees**: in 2024, for example, training programs such as *"Auditing the Corruption Prevention System"* or *"Management of the Prevention and Fight against Corruption"* were conducted with the participation of staff in relevant positions. Such sessions raise awareness of the ethical rules and legal responsibilities of staff, strengthening the culture of integrity. Through these efforts, CONPET S.A. is aligning itself with the practices of Western companies in the industry and even going beyond the regional average, given that in Eastern Europe the issue of corruption in state-owned companies has often been a **sore point**. CONPET S.A.'s initiatives to strengthen the ethical culture have a major positive impact, contributing to increased organizational transparency and integrity and responding directly to regional calls to reduce corruption risks in the public energy sector (cepa.org.)

Another strength of CONPET S.A.'s governance is the existence of **strong mechanisms for the protection of whistleblowers**. The company has implemented an operational procedure dedicated to public interest whistleblower protection, providing a clear framework and safeguards for confidential reporting of violations of the law or the code of ethics. CONPET S.A. provides employees with **dedicated reporting channels** - including its own platform as well as a platform of the supervisory authority, both accessible on the official website - guaranteeing confidentiality, impartiality of investigations and protection against retaliation. This whistleblowing system, which goes beyond the minimum requirements of the EU Whistleblowers Directive, is a notable element of good practice. Many similar companies in the region are just beginning to implement such mechanisms, some facing cultural barriers in encouraging internal reporting. In contrast, CONPET S.A. **constantly monitors** compliance with ethical standards through a dedicated ethics counselor and conducts regular assessments of employees' awareness of anti-corruption rules.

CONPET S.A. also emphasizes **transparency and rigor in corporate governance** through its management and risk control structure. The company has constituted advisory committees (audit, nomination/remuneration, etc.) as required by law and is developing an *internal managerial control system* aligned with national regulations (e.g. OSGG 600/2018 on internal control in public entities).

We can conclude that **CONPET S.A.'s strengths** - institutionalized ethical culture, rigorous anti-corruption policies, whistleblowing mechanisms and transparency - align both with ESRS G1 requirements and international good governance trends, positioning the company above the regional average in ESG **Governance** chapter.

IMPROVEMENT OPPORTUNITIES FOR THE GOVERNANCE OF CONPET S.A. COMPARED TO SIMILAR COMPANIES

CONPET S.A. has a solid corporate governance foundation. We aim to identify opportunities for improvement, particularly in formalizing standards of conduct for suppliers. Although the company imposes strict ethical, environmental and safety requirements, it does not yet have a dedicated Code of Conduct for suppliers, which may limit the uniform application of ethical principles and transparency on compliance. Compared with other multinational energy companies that have implemented codes of conduct and audit programs for suppliers, the adoption of such a code would improve control over value chain risks and align CONPET S.A. with ESRS G1 requirements, increasing transparency and investor confidence.

A second area for improvement is the **further integration of sustainability into the company's strategic governance**. CONPET S.A., as a medium-sized company, aims to adapt and develop its own digital system for ESG reporting, which would streamline the process and increase stakeholder confidence in the information published.

Last but not least, corporate governance within CONPET S.A. could benefit from continued alignment with the G20/OECD Principles of Corporate Governance (2023) - which emphasize sustainability risk management and stakeholder engagement as these principles become a benchmark for emerging markets as well.

The **corporate governance of CONPET S.A. could benefit from the continued diversification and professionalization of the management structure**. European governance practices emphasize the *competence, independence and diversity of* boards of directors to ensure effective oversight. In the case of CONPET, which is majority state-owned, the continued application of the legislation on the governance of public enterprises (GEO 109/2011) and the attraction of independent experts to the board could provide fresh perspectives and strengthen market confidence. Already, as required by the BVB, CONPET has independent directors and audit/risk committees, but maintaining the highest standards is a direction of evolution.

In conclusion, the comparative analysis indicates that **CONPET S.A. enjoys a well-founded corporate governance**, with numerous **strengths** in the area of ethics, transparency and risk control - essential elements of ESRS G1 - where its performance is at least at the level of similar

companies in Eastern Europe, if not superior in some respects (anti-corruption, warning mechanisms). There are also opportunities for improvement that can help bring CONPET's governance up to European best practice: formalizing a code of conduct in the value chain, strengthening ESG governance at the strategic level, digitizing reporting and optimizing the governance structure. By proactively addressing these issues, CONPET S.A. could not only ensure full compliance with the new sustainable reporting requirements, but also strengthen its resilience and corporate reputation in a sector subject to rapid transformation and public attention on ESG performance.

Bibliography section:

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- European Sustainability Reporting Standard **ESRS G1 - Business Conduct** (2022/2023) - sub-themes and reporting requirements.
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- OECD (2023/2024). *Updated Governance Guidelines for Public Enterprises* - Focus on Sustainability and Bribery Prevention.
- WBCSD (2023). *The Oil & Gas Transparency Initiative* - best practices in climate and sustainability reporting.
- Academic study (2024). *ESG Integration in Corporate Governance: Emerging Markets* - Regional comparison (Eastern Europe vs. Asia) on ESG practices.
- Other industry and regulatory sources (BVB, Transparency International, etc.) on corporate governance and ESG trends in Eastern Europe.

6.2 Ethics, compliance and anti-corruption

Ethics and compliance are fundamental pillars of corporate governance at CONPET S.A., ensuring the integrity of internal processes and strengthening stakeholder trust. To prevent corruption risks and promote ethical behavior at all levels, the company has implemented a number of specific policies and measures:

- 🌱 **ISO 37001:2017 certification** on anti-bribery management, which confirms the existence of a robust system to prevent bribery based on clear ethics and compliance policies. This certification provides a clear framework for incident reporting and prompt corrective action.
- 🌱 The regularly reviewed **Code of Ethics and Integrity**, which sets standards of behavior for all company employees and business partners. The Code covers issues such as conflict of interest, protection of confidential information and employees' responsibilities to the community.
- 🌱 **The Multi-Annual Integrity Plan**, which is part of CONPET S.A.'s commitment to the National Anti-Corruption Strategy and includes specific actions to combat unethical

practices. Its implementation involves regular trainings and awareness sessions for all employees.

- 🕒 **Whistleblowing mechanisms**, which allow employees and other stakeholders to confidentially report any breach of ethics and compliance principles. The company's whistleblowing system provides whistleblower protection and facilitates prompt action on reported cases.

For the future, the company plans to **extend ethics and compliance assessments throughout the supply chain** by introducing a Supplier Code of Conduct. This code would require adherence to high standards of integrity and social responsibility, ensuring transparent and ethical collaboration with all business partners. Monitoring of this code could be done through regular audits and feedback mechanisms from suppliers.

Anti-Corruption

In order to implement the **National Anticorruption Strategy 2021-2025 (N.A.S.)** at the company level, in May 2022 **the Declaration on the assumption of the organizational integrity agenda in the coordinates of the N.A.S. 2021-2025** and the **Integrity Plan** were adopted. The latter was updated in February 2024 by decision of the General Director of **CONPET S.A.** and details the specific corruption prevention measures applicable to the company, in line with the general and specific objectives set out in the S.N.A. for public enterprises. The plan is intended to identify risks, vulnerabilities and specific intervention needs/measures.

All corruption prevention measures with a deadline of 2024 have already been implemented. In addition, the company conducts annual training, internal training and awareness programs in the field of anti-corruption education. It is based on the premise that the promotion of ethical and upright behavior contributes to the reduction of anti-corruption misconduct, reduction of internal conflicts, prevention of fraud and proper use of company resources. This training system also limits the risks of misuse of the company's image for personal gain or behavior that could affect relations with customers and business partners. The effective functioning of such a mechanism strengthens organizational integrity, increases employees' sense of security and boosts overall company performance.

In 2024, training sessions were organized for both TESA staff and members of executive management, addressing key topics on transparency, ethics and compliance within the company.

Tabel 6.5. Training level situation in 2024

Type of training	Number of employees / training program	Number of trained employees	Training level	Target group of staff
Provisions on conflict of interest and incompatibilities	606	590	97,36%*	TESA Personell
Provisions for corruption offences	1.423	1.408	98,95%*	All staff (Executive Management and employees)

Ethics and integrity rules	1.424	1.411	99,09%*	All staff (Executive Management and employees)
Rules on the obligation to declare gifts	87	87	100,00%	Executive management staff (including directors under contract)
Provisions for declarations of assets and interests	88	88	100,00%	Executive management staff (including directors under contract)

* The difference results from labour contracts suspended at the time of training.

Following training on the legal provisions relating to conflicts of interest and incompatibilities, TESA management staff and employees were tested on their acquired knowledge. This took place between November and December 2024 and demonstrated a high level of compliance, with knowledge of the relevant provisions reaching **100%**.

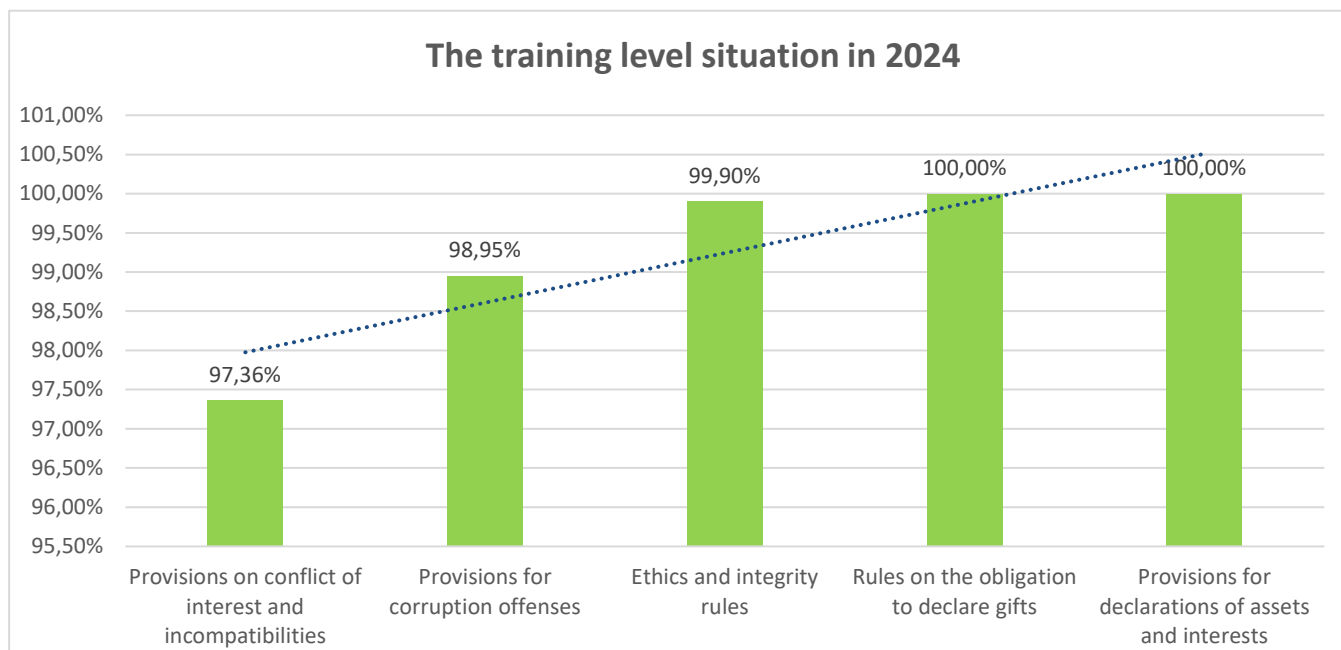




CHART 6.4. The training level situation in the year 2024

Training of new employees is provided by specialized staff and includes:

-  **The anti-bribery policy** and the requirements of the anti-bribery management system implemented in CONPET S.A., applicable to the positions included in the *Inventory of Sensitive Functions* and to the anti-bribery compliance function designated by decision of the General Director;
-  **The rules on conflicts of interest and incompatibilities**, addressed in particular to management and TESA staff.

Annually, in the first semester of each year, employees in sensitive positions, directors with a mandate contract and **CONPET S.A.** administrators fill in a **declaration of compliance** with the **Anti-Bribery Policy** and the requirements of the anti-bribery management system.

PROTECTION OF WHISTLEBLOWERS

CONPET S.A. has implemented a robust whistleblower protection system, providing internal and external channels for reporting irregularities. These were made known to all employees and stakeholders through:

- *Institutional Integrity* section on the company website;
- Internal Network *Info CONPET-Integrity*;
- Dissemination of information leaflets in the work sectors;
- Sending quarterly informative materials by e-mail to encourage reporting.

CODE OF ETHICS AND INTEGRITY

Updated in 2024, the **Code of Ethics and Integrity** sets out core values such as **transparency, honesty, integrity, respect for employees, accountability, non-discrimination and freedom of expression**. It governs the ethical conduct of administrators, directors, employees, as well as delegated or seconded staff, interns and collaborators.

- The Code also includes aspects on the specific measures foreseen by the National Anti-Corruption Strategy 2021-2025 for: Declaration of assets, gifts, protection of whistleblowers in public interest and conflicts of interest;
- Identifying sensitive functions and assessing Integrity incidents and corruption risks;

Role of the ethics and integrity counselor

The Ethics and Integrity Advisor is responsible for **advising management and employees**, organizing training sessions and monitoring the application of ethical rules. In 2024, he has:

- Organized trainings on the **Code of Ethics and Integrity** and the **Rules of the Ethics Adviser**;
- Disseminated information materials via e-mail and printed brochures;
- Organized information sessions for various internal entities, reporting practices that could lead to ethical violations;
- Assessed compliance through employee **questionnaires**, the results of which are included in an **annual report** with measures to improve the ethical climate.

On a quarterly basis, the Ethics Counselor shall report to the management relevant information about the counseling, training and compliance activities, as well as the administrative measures necessary to correct any misconduct.

COMPLIANCE AND INTERNAL AUDIT

Compliance with regulations is an essential component of **CONPET S.A.'s** activity, given the company's highly regulated field (crude oil transport, environmental protection, occupational health and safety, stock exchange rules, etc.).

To ensure compliance, the company has:

- 🕒 **Compliance Officer**, appointed by decision of the Director General, in accordance with the **National Anti-Corruption Strategy 2021-2025** and **GEO 109/2011**;
- 🕒 **Anti-bribery compliance function**, designated under **ISO 37001**, the international standard for anti-bribery management systems;
- 🕒 **Internal audit of the integrated management system**, focused on checking compliance with quality, environmental, occupational health and safety, energy and anti-bribery standards.
- 🕒 **Public internal audit**, as an independent, objective assurance and advisory activity, is designed to add value and lead to improvements in the company's activities.

The assessment of compliance with legal requirements is systematically ensured by specialized internal entities according to internal procedures. Regular auditing of the **integrated management system** contributes to the continuous improvement of the company's activities and to maintaining a high level of transparency and organizational ethics.

For the future, it is recommended to **extend ethics and compliance assessments throughout the supply chain** by introducing a Supplier Code of Conduct. This code would require high standards of integrity and social responsibility, ensuring transparent and ethical collaboration with all business partners.

The main mechanisms through which ESG governance is implemented include:

- 🔧 **Align the strategy with the principles of sustainable development**, so that every major decision is assessed in terms of its impact on the environment and society. This alignment is based on a clear set of ESG policies and objectives that are regularly monitored and adjusted in line with legislative changes and investor expectations.
- 🔧 **Implementation of an integrated management system**, recognized through certifications by accredited bodies, which provides a rigorous framework for identifying, monitoring and managing ESG risks. This system is evaluated internally and externally and regularly reviewed by top management, which monitors the effectiveness of the ESG programs implemented.
- 🔧 **Establish clear targets and KPIs** that allow performance to be measured and areas for improvement to be identified. For example, energy and environmental performance improvements are included in the company's management programs, with clear actions, deadlines and accountabilities

- **Adoption of a Corporate Social Responsibility Policy**, which includes the implementation of principles on: accountability for the impact of activities on society, economy and environment, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law and human rights, respect for international norms of behavior

RECOGNITION FOR ESG ETHICS, PERFORMANCE AND ACCOUNTABILITY

Conpet S.A. has consolidated its reputation as a reliable operator in the crude oil transport sector by respecting **the principles of corporate governance, ethics and social responsibility**. Its performance in terms of **transparency, sustainable investments and community impact** has been recognized by several relevant awards:

- ◇ **1st place in the category "Services - Very Large Enterprises"** - confirms financial stability and business ethics, reflecting Conpet's commitment to operational excellence and integrity.
- ◇ **Top Investor Award** - highlights the implementation of responsible investment practices, including **infrastructure modernization, digitalization and energy efficiency**, thus contributing to sustainable development.
- ◇ **Corporate Social Responsibility Trophy** - highlights positive impact on the community and environment through **sustainability** programs, **employee support and social initiatives**.

These awards confirm that **CONPET S.A.** respects **the highest ethical and governance standards**, ensuring transparency and accountability in all its activities. By integrating **ESG principles into its business strategy**, the company actively contributes to sustainable economic growth and to the consolidation of a responsible business model in the long term.

6.3 Risk management and transparency

The management of ESG risk factors is essential to ensure the operational and financial sustainability of CONPET S.A. In this regard, the company has developed a structured risk assessment and management framework, which includes:

- **Establishment and implementation of the Risk Management Policy** and a documented risk management process that develops a culture of risk-based approach in all company processes and decisions.
- **Identification of ESG risks** at all operational levels, including environmental, social and governance risks. These risks are identified and assessed to ensure that the company's strategy remains aligned with current market and international regulatory requirements.
- **Integration of ESG risks into the Internal Management Control System (IMCS)**, implemented in accordance with the requirements of OSGG 600/2018. This system provides a framework for continuous monitoring and enables proactive measures to be taken to reduce the negative impact on the company's business.

- **Regular internal audits** that assess compliance with international regulations and standards, ensuring transparency and accountability in risk management. Independent auditing contributes to building confidence in the company's ability to manage ESG risks.
- **Transparent reporting of ESG performance** through annual publication of sustainability indicators and measures taken to improve ESG performance. This reporting is essential to maintain an open dialog with investors and business partners.

Appropriate risk assessment methods are established, documented and maintained within the organization, and the effectiveness of control measures implemented to manage significant risks is constantly monitored. Risk management benefits from the allocation of the necessary resources, both for staff training, education and awareness, and for the implementation of approved measures to deal with identified risks.

To ensure effective risk management, the responsibilities of the staff involved are clearly defined and relevant risk data are systematically reported to stakeholders. The risk identification and assessment process covers several key categories:

- ⚠ **Operational risks**, such as pipeline integrity, technical or induced damage;
- ⚠ **Financial risks**, including market and liquidity risks;
- ⚠ **Compliance risks** such as legislative and regulatory changes, litigation risks or environmental impacts.

In order to better manage long-term risks, CONPET intends, in the medium, to develop advanced risk scenarios, including projections of the impact of climate change on the company's infrastructure and business model. This approach would enable the company to adapt its development strategy in a sustainable and resilient way. In addition, the development of strategic partnerships to identify and implement ESG best practices would contribute to the continuous improvement of internal processes.

Through these measures, CONPET S.A. strengthens its managerial strategy in terms of corporate governance and sustainability, ensuring transparency, integrity and accountability at all levels of the organization.



CONPET S.A.

aligns investments with the EU Taxonomy, ensuring sustainability and compliance with environmental and social standards.

7. TAXONOMY AND ESG INVESTMENT STRATEGY

EU Taxonomy - Classification of sustainable activities

The EU Taxonomy is a classification system that defines which economic activities can be considered environmentally sustainable according to EU criteria. It establishes a set of six environmental objectives. These objectives are: (1) climate change mitigation, (2) adaptation to climate change, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems.

It also establishes technical selection criteria that activities must fulfill in order to be considered sustainable. CONPET S.A. evaluates its operations and capital projects against these criteria to determine eligibility and alignment with the Taxonomy. In practice, for each major investment or project (e.g., upgrading pipeline technology or installing renewable energy at our facilities), we assess whether it contributes substantially to an environmental objective, does not significantly harm any other objective, and meets the minimum social safeguards as set out in the Taxonomy Regulation.

SFDR - Improved ESG performance tracking and reporting

The Regulation on Sustainability Reporting in the Financial Services Sector ([SFDR](#)) complements the taxonomy by focusing on transparency and disclosure in the financial sector.

Although the SFDR directly targets investors, not CONPET S.A., it affects us indirectly, as investors seek high quality ESG data to fulfill their reporting obligations. CONPET S.A. understands that, in order to remain an attractive investment and facilitate capital flows for sustainable initiatives, it must provide the ESG information required by the SFDR to investors. Thus, we are working to improve our ESG performance monitoring systems and report relevant indicators, aligning with investor expectations, to enable them to identify our sustainability profile and correctly categorize funding under the SFDR.

Essentially, the **SFDR is driving us to be more transparent and data-driven in our sustainability reporting**, thereby aiming to prevent greenwashing and ensure that any sustainability claims are backed up by consistent data. By applying the taxonomy, companies can transparently assess and report the environmental impact of their activities, facilitating access to sustainable finance.

The ESG (Environmental, Social, and Governance) investment strategy focuses on integrating environmental, social responsibility and governance criteria into the company's decision-making process.

This chapter is structured in two parts:

Alignment with the EU Taxonomy and sustainable financing

This section details how CONPET S.A. is aligning with the requirements of the EU Taxonomy, thereby contributing to the transition to a sustainable economy and facilitating access to green finance.

ESG financial performance and future investments

This section analyzes the company's ESG performance and strategies for attracting sustainable financing, ensuring sustainable and transparent growth.

7.1 Alignment with EU taxonomy and sustainable financing

INTRODUCTION ON EU TAXONOMY REQUIREMENTS (REGULATION (EU) 2020/852)

Regulation (EU) 2020/852, known as the Taxonomy Regulation, sets clear criteria for identifying sustainable economic activities in the European Union. Its main aim is to promote sustainable investments and align financial flows with EU climate objectives.

CONPET S.A. assesses its operations and capital projects against EU Taxonomy criteria to determine eligibility and alignment with sustainability standards. In this regard, the company reviews each major investment to assess:

- **Contribution to environmental objectives;**
- **Respect the principle of DNSH (Do No Significant Harm);**
- **Compliance with minimum social guarantees.**

This assessment guides our decision making: projects that align with the Taxonomy's sustainability criteria are prioritized in our strategy, as they are more likely to support EU climate and environmental objectives and potentially attract green finance. By identifying activities that are **Taxonomy-eligible** (covered by the Taxonomy framework) and **Taxonomy-aligned** (meeting all sustainability criteria), CONPET S.A. can transparently report the proportion of its activities that are sustainable in EU terms. This includes reporting the proportion of our turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with taxonomy aligned activities, as required by Article 8 of the Taxonomy Regulation.

For example, in our Sustainability Report in 2022 (the first year in which we assessed alignment with the EU taxonomy), we reported that no economic activities of CONPET S.A. were identified as aligned with the taxonomy at that time. This result provided a baseline and highlighted opportunities for improvement. Since then, we have explored investments in technologies such as renewable energy for our operations and efficiency improvements in pipeline transport that could qualify under the Taxonomy's criteria for climate change mitigation. The EU Taxonomy thus serves as a guide for CONPET S.A. in **aligning financial flows with sustainability goals** - it encourages us to channel investments into areas recognized as sustainable, thereby gradually increasing the portion of our business that contributes to environmental objectives. By following the Taxonomy's guidance, we not only support EU-wide climate goals, but also position the company to benefit from incentives and financing associated with sustainable economic activities (e.g. green bonds or loans can favor Taxonomy-aligned projects).

Although the main activity does not fit the Taxonomy criteria, CONPET has identified **secondary activities/investments with partial alignment**:

- The installation of photovoltaic systems at own facilities has been recognized as an activity with a substantial contribution to the objective "climate change mitigation". These projects were classified as enabling activities according to the Taxonomy.
- Part of the capital expenditure (CapEx) related to these investments is reported as aligned with EU criteria.
- Other investments, such as renovating buildings or installing energy efficiency equipment, did not fully meet the technical criteria and were not included.

As an infrastructure operator with majority state capital, CONPET S.A. carries out public procurement according to its own rules, but in drafting the tender documentation, it will take into account the introduction of environmental criteria, thus complying with the regulations established by Law no. 69/2016 on green public procurement, as well as sectoral legislation (Law no. 98/2016 and Law no. 99/2016).

INTEGRATING ENVIRONMENTAL AND SUSTAINABILITY REQUIREMENTS INTO PROCUREMENT POLICY

The National Green Procurement Plan 2025-2030 (PNAE) sets **mandatory annual targets** for green procurement in public entities and covers categories such as:

- IT and electronic equipment;
- Paper and sustainable products;
- Vehicles and infrastructure for green mobility;
- Renewable energy and energy-efficient construction works.

The PNAE targets are progressively increasing, so that, for example, green purchases for road vehicles and IT equipment have to reach the following targets:

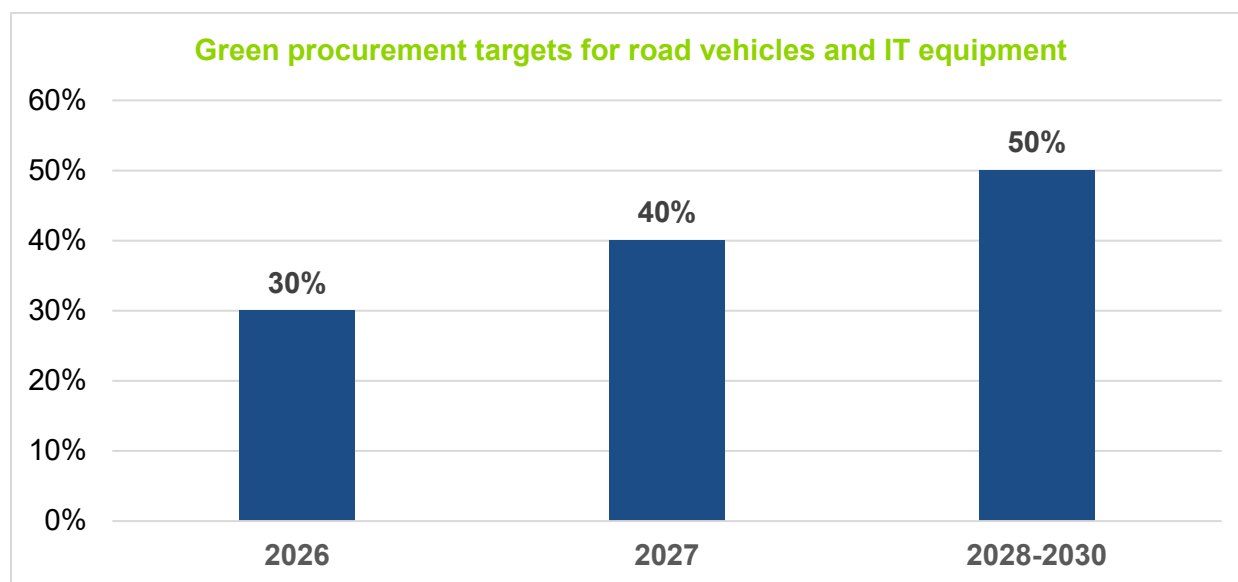


CHART 7.1 - Green procurement targets for road vehicles and IT equipment

CONPET S.A. has already started the alignment with the PNAE by:

- **Renewing the fleet** with hybrid and electric vehicles, reducing emissions and meeting sustainable mobility requirements. Currently, the company has 5 plug-in hybrid cars and 2 electric cars.
- **Introducing electric locomotives** for technological rail transport, reducing the use of fossil fuels. CONPET S.A. owns a total of 13 locomotives of which 3 hybrid locomotives and 2 electric locomotives.

These measures demonstrate CONPET S.A.'s commitment to sustainability and compliance with national and European policies such as the EU Taxonomy and PNAE. Furthermore, alignment with these requirements facilitates the company's access to **green financing** (e.g. green bonds or loans) and positions CONPET S.A. as a responsible actor in the transition towards a sustainable economy.

The EU Taxonomy is an essential guide for CONPET S.A. in integrating sustainability into its operations. Although the company's core business is not aligned with the Taxonomy, efforts to develop sustainable projects, such as renewable energy and energy efficiency, demonstrate continuous progress.

In addition, by implementing the **green public procurement** strategy and aligning with the PNAE 2025-2030, CONPET S.A. can actively contribute to national and European sustainability objectives. This approach not only reduces environmental impact, but also positions the company to benefit from the opportunities offered by the green economy of the future.

The Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on Sustainability Disclosures in the Financial Services Sector (SFDR) requires asset managers, banks and other financial market participants to report on the sustainability of their products and portfolios by classifying funds according to their ESG characteristics (e.g. 'open green' funds under Article 8, which promote ESG characteristics, and 'closed green' funds under Article 9, with explicit sustainable investment objectives).

Key improvements in our recent reporting include:

- **Wider reporting scope:** Previous sustainability reporting focused mainly on CONPET S.A.'s direct operations and traditional CSR topics such as environmental compliance, employee welfare and anti-corruption measures. In contrast, the CSRD-aligned 2024 report covers a broader range of topics and impacts. We now report on climate risks and opportunities, supply chain sustainability, diversity and inclusion, energy efficiency innovation and other important topics identified through our dual materiality assessment. This broader scope provides stakeholders with a comprehensive picture of CONPET S.A.'s ESG performance and how we are creating long-term value in a sustainable way.
- **Improving data quality and methodologies:** With each reporting cycle, CONPET S.A. improves its data collection and calculation methods. For example, the 2022 Sustainability Report was the first to include an analysis of the eligibility and alignment of our activities to the EU Taxonomy, and did not identify any aligned activities at that time. In 2024, we developed more detailed tracking of environmental data (such as detailed greenhouse gas emissions tracking for Scopes 1, 2 and 3) and social metrics (such as training hours and employee turnover).
- **Increased transparency and quantitative reporting:** CONPET S.A. has moved to a quantitative and target-oriented reporting style in response to legislative requirements. This reporting style aims to present concrete performance indicators and progress. For example, instead of simply stating that we aim to reduce emissions, we want to publish our specific emission reduction targets and our annual performance (in tons of CO₂e) against these targets. Key metrics for recent years will be presented to show trends and any failures or challenges are openly discussed. By revealing both successes and areas for improvement, we provide stakeholders with a clear and honest account of our sustainability journey. There has been a slight improvement in CONPET S.A.'s ESG performance and transparency in our public reporting from 2021 to 2024. We aim to continue this trajectory of increased transparency.

- **Strong reporting and assurance governance:** CONPET S.A. currently has a cross-functional team collecting the ESG information required for reporting, and the Audit Committee and Risk Management Committee of the Board of Directors will review all issues presented as part of the overall reporting process. The 2024 Sustainability Report is subject to assurance by the external financial auditor and we are putting in place the necessary systems and documentation for formal third-party assurance in future reporting cycles. The adoption of assurance will further enhance stakeholder confidence in the information we provide by having an independent verifier attest that our sustainability data is accurate and our processes are robust.

Through these improvements, CONPET S.A. demonstrates its commitment not only to meet regulatory requirements, but also to go beyond them where possible in order to provide stakeholders with a high level of transparency. Each enhancement to our reporting practices - whether expanding content, improving data accuracy or clarifying presentation - is intended to make the information more useful and trustworthy for our readers. Stakeholders can see a clear evolution in our sustainability reporting, from a baseline of compliance a few years ago to the current comprehensive, CSRD-compliant report, which is our most detailed and transparent communication to date. CONPET S.A. will continue to refine its sustainability reporting in line with emerging best practices and stakeholder expectations as part of our wider commitment to corporate responsibility and sustainable development.

We are better positioned to attract ESG-focused investors because we can demonstrate through verified data that our strategies and projects contribute to recognized sustainability goals.

ASSESSMENT OF ELIGIBILITY AND ALIGNMENT OF CONPET S.A. ACTIVITIES UNDER THE EU TAXONOMY FOR 2024:

In the following we present an assessment of the eligibility of the economic activities of CONPET S.A. for the year 2024 in accordance with the EU Taxonomy. The assessment of the activities carried out by CONPET S.A. was carried out for each of the three financial indicators (Turnover, CapEx and OpEx), based on financial statements provided by the company's representatives. The analysis was conducted with the purpose of identifying the eligible economic activities and their eligibility proportions, in accordance with the provisions of Delegated Act No. 2021/2178 and subsequent communications of the European Commission on the interpretation and implementation of certain requirements of the EU Taxonomy Regulation and related Delegated Acts.

From a methodological point of view, the following aspects were analyzed:

- For CapEx, an analysis of the investments that CONPET S.A. has made in the year 2024 has been performed to determine the proportion of capital expenditure, reported in the financial statements, related to assets or processes associated with economic activities that qualify as environmentally sustainable. CapEx includes additions related to property, plant and equipment and intangible assets (including right-of-use assets in accordance with IFRS 16, paragraph 53(h)). These investments are reported in the 2024 annual financial statements in notes 5 (Property, plant and equipment) and 6 (Intangible assets), lines 'Additions to property, plant and equipment' 2024 and 'Additions to intangible assets' respectively.
- For Turnover, the assessment was performed to identify the percentage of contract revenue related to eligible and EU Taxonomy aligned activities in the contract revenue included by the company in the Statement of Profit and Loss and Other Comprehensive Income for 2024, in the line "Contract revenue".
- For OpEx, an analysis of the revenue that CONPET S.A. has earned in 2024 has been performed.

For more details on our accounting policies, see Annual Financial Statements, Note 3. Accounting Policies.

As the company's main activity does not correspond to the activities listed in Annex I of Delegated Act 2021/2139 and is not eligible under the EU Taxonomy, the eligible turnover is zero.

In the following paragraphs will be presented the assessment of the eligibility and alignment of CONPET S.A. activities according to the EU Taxonomy - for OpEx.

TABLE 7.1. Eligibility and alignment of CONPET S.A. activities for the year 2024 according to the EU taxonomy - OpEx

Economic activity	NACE Code	Eligibility Taxonomy	Turnover (%)*	OpEx (%)
Pipeline transport of crude oil	4.950	No (fossil fuel transport)	99,59%	0%
Rental of movable and immovable property	6.820	No	0,38%	0%
Other activities	-	No	0,03%	0%

- **Pipeline transport of crude oil:** activity not eligible for taxonomy.
- **Rental of movable and immovable property:** We currently consider that the rental of movable and immovable property is not aligned with the EU Taxonomy, taking a prudent approach given the stringent energy efficiency and sustainability requirements. We believe that the investments made in 2024 (reflected in CapEx) have the potential to change this situation, which is why the activity will be reassessed in the following year, particularly if it

moves beyond its current status as a marginal activity, given its suboptimal weighting in the company's operating structure.

- **Other activities** : Currently considered not aligned with the EU Taxonomy, being directly related to the main activity. This classification will be reassessed if these activities go beyond their residual status or if a dominant niche emerges that can be specifically analyzed.

In conclusion - the percentage of the company's OpEx eligible under the EU Taxonomy is 0%.

The following paragraphs will present the assessment of the eligibility and alignment of CONPET S.A.'s activities according to the EU Taxonomy - for CapEx.

TABLE 7.2. Eligibility and alignment of CONPET S.A. investments for the year 2024 according to the EU taxonomy - CapEx

Type of investment	Value RON)	(thousand	CapEx (%)
Total investments realized in 2024	72.840		100,0%
Misaligned investments	72.370		99,4%
Aligned investments	470		0,6%

Additional analysis and explanations:

- The company's core activity, the transport of crude oil, is the dominant field, which reasonably implies that most of the investments are aimed at modernizing, streamlining and optimizing it. As this activity is not eligible under the EU Taxonomy, the related investments will be largely associated with this activity and therefore considered as non-aligned.
- Investments have been identified that can be dissociated from the core business and subject to individual analysis to determine their compliance with the EU Taxonomy. This approach allows for a targeted assessment to highlight investments that meet the criteria for alignment with sustainability standards.
 - Investing in photovoltaic power generation;
 - Investments in building rehabilitation;
 - Investments in modernizing water supply systems.

TABLE 7.3. Breakdown of the aligned investments of CONPET S.A. for the year 2024 according to the EU taxonomy - CapEx

Aligned investments	Value (thousand RON)	CapEx (%) - in aligned investments	CapEx(%) - in total investments
Investing in photovoltaic power generation	30,00	6,38%	0,043%
Investment in building renovation	138,77	29,51%	0,197%

Aligned investments	Value (thousand RON)	CapEx (%) - in aligned investments	CapEx(%) - in total investments
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Investments in modernization of water supply systems	301,52	64,11%	0,428%
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- Investment in photovoltaic energy production sources** - The investment is aligned with the EU Taxonomy as it contributes directly to climate change mitigation by producing energy from renewable sources, reducing greenhouse gas emissions and reducing dependence on conventional energy sources.
- Investments in building renovation** - The investment is aligned with the EU Taxonomy, as it leads to a reduction in primary energy consumption, either compared to the previous situation or compared to the baseline values estimated for the last three years, thus fulfilling the energy efficiency criteria.
- Investments in modernization of water supply systems** - The investment is aligned with the EU Taxonomy, as it generates significant reductions in electricity consumption by upgrading pumping systems and decreases water losses by optimizing sewerage infrastructure and connections, thus contributing to resource efficiency.

In summary - the percentage of the company's CapEx that is aligned under the EU Taxonomy is 0.6%.

INITIATIVES AND INVESTMENTS IN LINE WITH THE EU TAXONOMY

CONPET S.A. has initiated a series of investments aimed at improving operational sustainability and ensuring compatibility with the EU Taxonomy criteria, a relevant example of which is the installation of photovoltaic systems, which fall into the category of renewable energy production - an activity considered 100% sustainable, directly contributing to climate change mitigation.

The company has also invested in the rehabilitation of buildings, implementing measures that lead to a reduction in primary energy consumption, thus improving energy efficiency and ensuring alignment with the EU Taxonomy. Another significant project is the modernization of water supply systems, with a direct impact on reducing electricity consumption by making pumping systems more efficient, as well as on reducing water losses, thus optimizing the use of resources.

With these investments, CONPET is reinforcing its transition towards a more sustainable economy, with the possibility to expand its green initiatives and diversify its core activities in line with European climate objectives.

TABLE 7.4. Taxonomy key performance indicators - turnover

Economic activities	Code	Absolute turnover	Proportion of turnover	Criteria for substantial contribution						DNSH criteria						Minimum (social) guarantees
				1	2	3	4	5	6	1	2	3	4	5	6	
		thousand RON	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
A. TAXONOMY - ELIGIBLE ACTIVITIES																
A.1 Environmentally eligible activities (aligned to taxonomy)	-	-	-													
Turnover of environmentally sustainable activities (aligned to taxonomy) (A.1)	-	-	-	-	-	-	-	-	-							
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities)																
Turnover of activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities) (A.2)	-	-	0.00													
Total (A.1 + A.2)	-	-	0.00													
B. TAXONOMY - INELIGIBLE ACTIVITIES																
Turnover of activities not eligible under taxonomy (B)		533.618	100,00													
Total (A + B)		533.618	100,00													

ENVIRONMENTAL OBJECTIVES:







-  Climate change mitigation
-  Adjusting to climate change
-  Water and marine resources
-  Circular economy
-  Pollution
-  Biodiversity and ecosystems

TABLE 7.5. Taxonomy key performance indicators - CapEx

Economic activities	Code	Absolute CapEx	Proportion of CapEx	Criteria for substantial contribution						DNSH criteria						Minimum (social) guarantee
				1	2	3	4	5	6	1	2	3	4	5	6	
		thousand RON	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1 Environmentally eligible activities (aligned to taxonomy)																
Investing in photovoltaic power generation		30	0,04	100							Yes	Yes	Yes	Yes	Yes	Yes
Investment in building renovation		139	0,19	100							Yes	Yes	Yes	Yes	Yes	Yes
Investments in modernization of water supply systems		302	0,42	100							Yes	Yes	Yes	Yes	Yes	Yes
CapEx for environmentally sustainable activities (aligned to taxonomy) (A.1)		470	0,65	100	-	-	-	-	-							
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities)																
CAPEX related to activities that are taxonomy eligible but not environmentally sustainable (non-taxonomy activities) (A.2)		0	0,00													
Total (A.1 + A.2)		470	0,65													
B. TAXONOMY - INELIGIBLE ACTIVITIES																
CapEx for activities not eligible under taxonomy (B)		72.370	99,35													
Total (A + B)		72.840	100,00													

ENVIRONMENTAL OBJECTIVES:







-  Climate change mitigation
-  Adjusting to climate change
-  Water and marine resources
-  Circular economy
-  Pollution
-  Biodiversity and ecosystems

TABLE 7.6. Taxonomy key performance indicators - OpEx

Economic activities	Code	Absolute OpEx	Proportion of OpEx	Criteria for substantial contribution						DNSH criteria						Minimum (social) guarantees
				1	2	3	4	5	6	1	2	3	4	5	6	
		thousand RON	%	%	%	%	%	%	%	Yes /No	Yes/ No	Yes/ No	Yes /No	Yes/ No	Yes /No	Yes/No
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1 Environmentally eligible activities (aligned to taxonomy)	-	-	-	-												
OpEx related to environmentally sustainable activities (aligned to taxonomy) (A.1)		-	-		-	-	-	-	-							
A.2 Activities eligible under the taxonomy but which are not environmentally sustainable (non-taxonomy activities)																
OpEx for activities that are taxonomy eligible but not environmentally sustainable (non-taxonomy activities) (A.2)		-	0.00													
Total (A.1 + A.2)		-	0.00													
B. TAXONOMY - INELIGIBLE ACTIVITIES																
OpEx for activities not eligible under taxonomy (B)		556,796	100.00													
Total (A + B)		556,796	100.00													

ENVIRONMENTAL OBJECTIVES:

- ✓ Climate change mitigation
- ✓ Adjusting to climate change
- ✓ Water and marine resources
- ✓ Circular economy
- ✓ Pollution
- ✓ Biodiversity and ecosystems

7.2 ESG financial performance and future investments

ESG INVESTMENT STRATEGY AT CONPET S.A.

In recent years, CONPET S.A. has made efforts to align itself with sustainability standards, preliminary steps that can be concretized in the future through a firm Strategy for integrating ESG criteria in investment planning and capital expenditure, recognizing that environmental, social and governance performance is closely linked to sustainable financial performance.

The company's management has closely followed the implementation of the planned investments, with the well-defined aim of optimizing the operational activity, increasing the performance of the National Transport System (NTS) and **improving operational safety**. An eloquent example of a successfully completed ESG investment (and at the same time one of the most important investments of the last decade for CONPET S.A.) is the **replacement of the crude oil transport**

pipelines under the Danube River and the Borcea Arm. The project, finalized in the second quarter of 2023, involved the installation of new, underground pipelines, made of modern materials and technologies, in place of the old pipelines crossing the Danube. With an investment value of ~€22 million (excluding VAT) , this large-scale project was a **first** for CONPET S.A. and demonstrated the company's commitment to environmental protection. The new pipelines, put into operation under maximum safety conditions, significantly reduce the risk of crude oil spills in sensitive natural areas, thus protecting the surrounding water and soil resources. The investment ensures the continued safe transport of crude oil across the Danube, avoiding potential environmental incidents caused by outdated infrastructure. In parallel, through subsequent investments visibly oriented towards sustainability, CONPET S.A. is carrying out a **"multi-year program" of modernization of crude oil storage and pumping facilities**. In 2020, the company commissioned a high-capacity storage tank at the Călăreți station, equipped with modern safety and emission control systems

According to the information available on the company's website, the company has carried out a [multi-year program of](#) modernization of crude oil storage and pumping facilities. Under this program, in 2020, the construction of a new crude oil tank (R3) in the Călăreți Automated Transport Station (A.T.S.) with a capacity of 31,500 cubic meters was completed, with a value of 15,933 thousand RON. This project was part of the company's [investment strategy](#) for 2020-2025, which includes the modernization and expansion of the crude oil transport and storage infrastructure.

Also, in 2021, the replacement of the 14-inch crude oil pipeline between Bărăganu and Călăreți, with a length of 15,972 meters, was carried out with a value of 16,047 thousand RON. These investments reflect CONPET S.A.'s commitment to improve the efficiency and safety of its operations, as well as to reduce the environmental impact.

Such upgrades to the existing infrastructure reduce pollution risks (by preventing accidental spills and minimizing hydrocarbon evaporation) and simultaneously **improve the operational efficiency** of the NTS. On the technological component, CONPET S.A. invests in digital SCADA pipeline monitoring and control systems, which allow the optimization of transport flows and the rapid detection of any anomalies. This increases energy efficiency and prevents incidents, combining environmental and operational safety objectives. The company's development strategy explicitly mentions the implementation of an **advanced leak detection system** and the modernization of the data acquisition system as key strategic directions, emphasizing the integration of sustainability principles into CONPET S.A.'s operational excellence. Overall, CONPET S.A.'s current portfolio of ESG investments reflects a balanced approach: **environmental** projects (reducing emissions and pollution, increasing energy efficiency), investments in **occupational health and safety** (e.g. maintaining the zero accidents goal through ISO 45001 certification and continuous SSM training), as well as initiatives with **positive social impact** (developing employee skills and community involvement through sponsorships and partnerships). This improved ESG performance is also reflected in stable financial results: for example, in 2023 CONPET S.A. achieved an operating profit of RON 66.4 million, above the previous year's level, demonstrating that investments in sustainability can go hand in hand with increased shareholder value. By optimizing operational costs and reducing environmental risks (which could otherwise turn into costs or penalties), the ESG approach contributes to the

company's **financial resilience**. At the same time, by maintaining a high standard of corporate governance and transparency, CONPET S.A. continues to strengthen investor confidence and access to capital markets.

PLANNING NEW SUSTAINABLE FINANCING OPPORTUNITIES

Recognizing the accelerated dynamics of *green* funding, CONPET S.A. has established internal mechanisms for **continuous monitoring of** funding opportunities and **proactive planning of** future projects. Dedicated teams closely follow the launch of European and national calls for projects and funding guidelines, evaluating *the eligibility of* the company's project ideas against the criteria of these programs. At the same time, CONPET S.A. coordinates with relevant authorities (e.g. the Ministry of Energy) and industry partners to identify **co-financing** opportunities or consortia to access funds (an example would be working with other energy companies on regional green infrastructure projects). Through this integrated planning, the company ensures **optimal alignment** between its sustainability strategy and the timing of funding opportunities, minimizing the risk of missed funding opportunities and maximizing the impact of equity constrained investments.

Although CONPET S.A. does not have a well-defined sustainability strategy, but as a national operator for pipeline transport it appears in national analyses for possible participation in the national decarbonization strategy. Thus in the PNIESC (National Integrated Energy and Climate Change Integrated National Plan) CONPET S.A. was nominated as a company that can provide CO₂ transport through pipelines. In the framework of the PNIESC an estimation of the possibility of CO₂ transport through pipelines of approx. 16mil t/year.

POLICY RECOMMENDATIONS - ESG FUNDING AND TRANSPARENCY

In order to **increase access to ESG funding** and to continuously improve the transparency of reporting, CONPET S.A. will focus its efforts on several clear strategic directions:

- **Increasing the share of Taxonomy-eligible investments:** the company will continue to develop projects aligned with climate goals (e.g. renewable energy, energy efficiency) so that an increasing share of annual CapEx is eligible and subsequently *aligned* with the EU Taxonomy. This will increase the company's **financial resilience** and attractiveness to financiers, as Taxonomy-compliant projects can benefit from lower capital costs and preference from institutional investors. The medium-term objective is for investments with climate and environmental benefits to represent a segment in the investment plan, enabling the company to report annually on the increase in the percentage of sustainable activities in accordance with Art. 8 of the Taxonomy Regulation.
- **Full alignment with ESRS and OMF 85/2024 reporting standards:** CONPET S.A. is fully committed to the **European Sustainability Reporting Framework**. In line with the new ESRS standards and OMF 85/2024 (which transposes the CSRD requirements at national level), the company treats climate, environmental and social reporting with the same degree of importance and rigor as traditional financial indicators. Sustainability reporting is thus integrated into the corporate reporting system, ensuring **transparency, comparability and accuracy**. The organisation is partially prepared for the collection and management of data to be audited and compliant with ESRS requirements. In doing so,

the company **continuously improves transparency** and the ability to demonstrate ESG progress.

- **Proactive communication with investors and stakeholders on ESG:** Given the requirements of the Sustainable Financial Transparency Regulation (EU) 2019/2088 (SFDR), CONPET S.A. recognizes the importance of providing relevant information that allows investors to correctly *classify* their investment in the company from an ESG perspective. In this regard, the company will continue to publish **ESG key performance indicators** and link its sustainability objectives to financial market expectations. The dialog with investors will include a clear presentation of how CONPET S.A. contributes to environmental objectives (e.g. emission reduction, green energy generated) and how it manages climate or transition risks. Such proactive communication, backed by solid data (aligned with the Taxonomy and ESRS), will increase **investor confidence** and highlight the company's positioning as an attractive opportunity for ESG-oriented investment funds. In addition, CONPET S.A. aims to strengthen its relationship with institutional financiers and banks by presenting its ESG performance indicators in annual reports and analyst meetings, highlighting annual progress (e.g. increasing percentage of green CapEx, decreasing emissions intensity, achieving safety targets).

Through these strategic directions, CONPET S.A. aims both to facilitate access to sustainable financing and to improve ESG performance in an integrated way. The integrated approach - from targeting investments towards sustainable projects, to the effective use of green financial instruments, to transparent reporting according to international standards - ensures that the company is aligned with corporate sustainability best practices. In this way, CONPET S.A. strengthens its long-term position as a responsible energy operator, ready to face the challenges of the climate transition and to capitalize on the development opportunities arising from it, **for the benefit of shareholders, the environment and society.**



CONPET S.A.

measures and monitors ESG indicators to ensure transparency, compliance and sustainable performance.

8. PERFORMANCE INDICATORS AND COMPLIANCE WITH ESRS

8.1 Key ESG indicators and objectives

Non-financial reporting has become an indispensable element in demonstrating organizations' commitment to sustainability principles. This chapter outlines CONPET S.A.'s approach to measuring, monitoring and reporting environmental, social and corporate governance (ESG) performance indicators in line with the requirements of the European ESRS, the CSRD Directive and national legislation implemented by OMF no. 85/2024. These indicators reflect not only the company's current performance, but also its commitment to a sustainable future in which economic growth, social responsibility and environmental protection are harmoniously integrated into the business strategy.

CONPET S.A.'s approach to sustainability aims to continuously improve its environmental, social and governance performance. In the current context of the transition to a green economy, the company aims to implement a comprehensive monitoring framework of ESG indicators, aiming to align with international best practices and comply with the requirements of ESRS standards.

These indicators provide a transparent picture of the company's progress towards its sustainability goals and facilitate evidence-based decision-making.

Performance indicators and ESRS compliance (2024)

The year 2024 represents the first full year that CONPET S.A. reports its ESG (Environment, Social and Governance) performance. The ESG data and information used comes from internal sources (energy consumption, water and waste management reports and records) and external sources (compliance audits and standardized reporting according to the GHG Protocol and ISO 14064-1), and is subject to validation by independent external audits.

🌱 ESG Performance - Environment (ESRS E1-E5)

TABLE 9.1. Greenhouse gas (GHG) emissions in 2024

Total Scope 1 emissions	2.630,41 tCO ₂ e (direct emissions from fossil fuels used in own vehicles and installations).
Total Scope 2 emissions	4.451,10 tCO ₂ e (indirect emissions from purchased electricity).
Total Scope 3 emissions	11.825,08 tCO ₂ e (indirect emissions associated with the value chain, estimated by standardized methodologies in the absence of detailed primary data).

Table 9.2. Resource use and waste management in 2024

Water used	124.400 m ³ with a recirculation rate of 65%
Hazardous waste generated	800 tons, 100% treated according to legal requirements
Non-hazardous waste generated	4.200 tons, 78% recycled
Material consumption	9.856 tons (down on the previous year)

ESG PERFORMANCE - SOCIAL (ESRS S1, S3, S4)

🌱 Working conditions and employee health

CONPET S.A. maintains its commitment to a stable and fair work environment by implementing competitive wage policies and offering extensive social protection to employees. The company has implemented clear and rigorous processes to prevent accidents at work and manage occupational health and safety, obtaining and maintaining ISO 45001 certification.

In parallel, CONPET S.A. promotes an active and constructive social dialogue, with an extremely high unionization rate (98.50%), reflected by the effective negotiation and signing of the Collective Bargaining Agreement (CBA) in 2024. It establishes a transparent framework for addressing employees' rights and obligations, ensuring organizational stability and a favorable climate for all staff.

🌱 Skills development and training opportunities (ESRS S1)

In 2024, CONPET S.A. has intensified its efforts on the professional development and continuous training of its employees, offering them clear and well-structured opportunities to improve their professional skills, adapted to operational requirements and sustainability standards.

CONPET S.A.:

- 📌 Ensure regular training and certification of staff according to specific operational requirements;
- 📌 It offers continuous training programs to develop technical, digital and managerial skills;
- 📌 Monitors training needs and tailors training programs to meet strategic business requirements;
- 📌 Support internal and external training through collaborations with accredited institutions and training providers.

🌱 Investing in training

In 2024, CONPET S.A. continued to prioritize **human resources development**, investing in training and certification courses for its staff. According to internal reporting in 2024, there was a significant increase in the total number of participants in training and certification sessions from 2,698 in 2023 to 3,609 participants in 2024.

These training sessions cover both **technical training** and the skills required to operate the critical infrastructure managed by the company, the breakdown of which is given below:

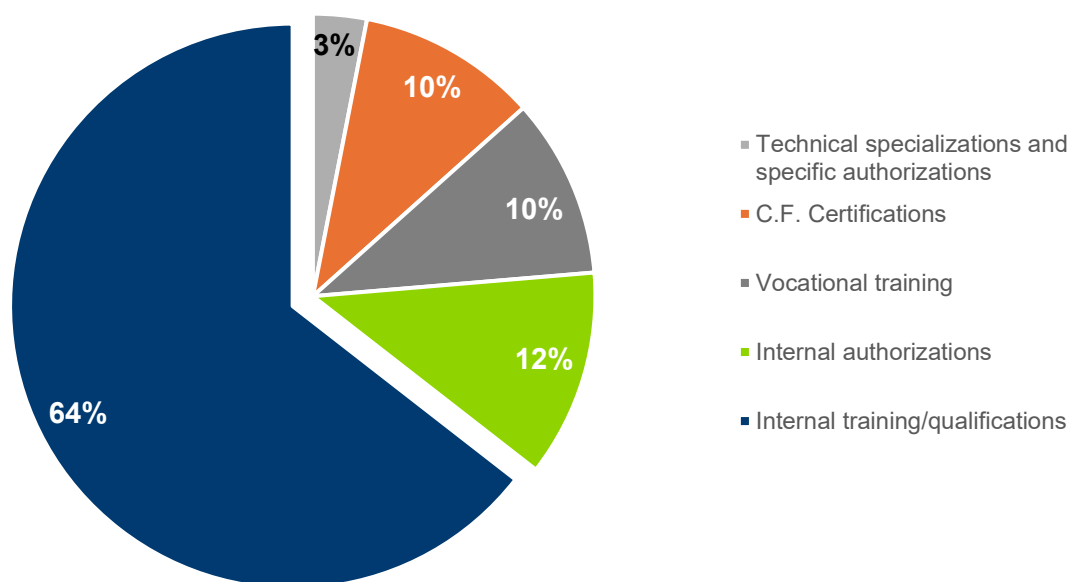


Chart 8.1. Training sessions - 2024

🟢 ESRS S1 alignment and impact on the workforce

According to **ESRS S1 - Own Workforce**, CONPET S.A. actively monitors the effects of training programs on employees. Their main benefits include:

- **Increase the safety and quality of operational activities** through better staff training;
- **Improve workforce stability** through access to professional development opportunities;
- **Increase the competitiveness of employees** by developing the technical and managerial skills needed by the industry.

🟢 Training impact assessment and future perspectives

In accordance with **ESRS S1**, CONPET S.A. constantly evaluates the effectiveness of its training programs, analyzing their impact on:

- **Employees' individual and collective performance** through the internal competency appraisal system;
- **Degree of compliance with oil and energy regulations.**

For the coming years, CONPET S.A. intends to **increase the number of training programs** oriented towards digitalization, energy efficiency and sustainability, thus contributing to the modernization and optimization of operational processes.

ESG PERFORMANCE - GOVERNANCE (ESRS G1)

🟢 Anti-corruption policies and corporate integrity

CONPET S.A. is committed to maintaining an ethical and transparent business environment in accordance with ESRS G1 and national corporate compliance legislation. In this regard, the company has implemented clear mechanisms to prevent corruption and fraud by:

- **Code of Ethics and Business Conduct** - sets out **the principles of integrity**, transparency and compliance in all company activities.
- **Anti-bribery policies** - explicitly prohibit any form of bribery, favoritism or unfair business practices in dealings with partners and authorities.
- **Regular training for employees** - training programs on **anti-corruption and corporate ethics**, risk awareness and regulatory compliance.

CONPET S.A. aims to increase reporting and compliance through internal and external audits and will improve mechanisms monitoring and sanctioning integrity violations.

🟢 Effective reporting and protection mechanisms for public interest warnings

In order to ensure transparency and encourage reporting of unethical behavior, CONPET S.A. has strengthened whistleblower protection mechanisms, aligning with EU Directive 2019/1937 on the protection of whistleblowers and ESRS G1:

- **Secure reporting channels** - implementing an internal platform where employees can **anonymously report any irregularities.**

- **Protection mechanism against retaliation** - ensuring legal protection for those who report ethical or corruption violations.
- **Transparent investigation process** - each complaint is analyzed by a committee established according to internal procedures.

CONPET S.A. will take measures to increase the awareness of employees about their rights and the use of reporting mechanisms.

🟢 **Monitoring relationships with suppliers and business partners**

CONPET S.A. operates in a complex business ecosystem and ESG risk management in the supply chain is an important component of corporate governance. CONPET S.A. plans to implement in the medium term the following:

- **Sustainable procurement policies** - integrating **ESG criteria** into the supplier selection and evaluation process. The company will aim to increase the number of partnerships with suppliers that comply with legal environmental and workplace safety requirements (e.g. ISO 14001 and ISO 45001 certifications).
- **ESG contract clauses - compliance** standard in commercial contracts.

ESRS G1-4 (corruption incidents):

During the year 2024, no incidents of corruption, bribery or ethical misconduct were reported or found within CONPET S.A. This information is a result of the affirmative action found in the sustainability report, in the section dedicated to training (Chart 7.3), where it is shown that 100% of employees in sensitive and management positions were trained and signed declarations of compliance, including on the topic of combating corruption and conflicts of interest. Also, the indicator on professional conduct and ethics (ESRS G1), states that there were no allegations of corruption during the reporting period. CONPET S.A. maintains its commitment to publish annually the status of incidents, including when it is nil, in the spirit of transparency as required by ESRS G1-4.

ESRS G1-5

CONPET S.A. did not carry out lobbying or organized political influence activities in 2024, in the sense of participating in legislative initiatives, actively promoting regulations or financing campaigns or organizations with the purpose of influencing.

According to the dual materiality analysis the topic "Political influence and lobbying activities" under ESRS G1-5 was not identified as a material theme because:

- the company does not have organizational practices or structures in place to support such approaches;
- the legislation regulating the activity of CONPET S.A. is imposed by the regulatory authority (ANRMPSG);
- the company is not a member of any EU or national lobbying structures that influence environmental, energy or transport regulations.

Consequently, ESRS theme G1-5 is considered immaterial for the reporting period.

ESRS G1-6 (payment terms to suppliers):

In 2024, the payment terms applied by CONPET S.A. were 30 days from the receipt of the invoice through the e-invoice system. All payments were made on the due date.

ESG CORPORATE GOVERNANCE AND RISK MANAGEMENT

CONPET S.A. has started the process of integrating ESG factors into its governance structure and decision-making processes, aligning with the ESRS G1 requirements:

- ✔ **Monitoring the implementation of ESG components** - The Board of Directors will oversee and assess the progress of sustainability initiatives, ensuring the alignment of the company's future strategy with ESG principles.
- ✔ **ESG risk identification** - As a first step, the company will conduct internal assessments to identify environmental, social impact and governance risks, with the intention to subsequently implement a formalized ongoing reporting system.
- ✔ **Strengthening ESG risk management** - CONPET S.A. aims to integrate ESG risks into its decision-making process and operational strategy, thus strengthening sustainability as an important element of its activities.

To achieve these objectives, the company aims to implement the following measures in the medium term:

- ✔ **Establish specific ESG specific tasks and responsibilities** within advisory committees at Board level.
- ✔ **Integrate ESG risks** into the company's overall risk management system.
- ✔ **Increase transparency** in ESG performance reporting.

Through these initiatives, CONPET S.A. reaffirms its commitment to a responsible and sustainable governance model.

8.2 Alignment with European regulations and standards (ESRS)

REPORTING CONTEXT AND ESRS REQUIREMENTS

The year 2024, marks **CONPET S.A.'s first sustainability reporting** in accordance with the requirements of the Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD) and the European Sustainability Reporting Standards (ESRS). This represents an important step in integrating the principles of transparency, corporate responsibility and sustainability into the company's activities.

As the first ESRS reporting, CONPET S.A. has implemented only initial compliance measures, **with the** aim of fully integrating ESG reporting requirements and standards into its operational and decision-making processes in the coming years. This year:

- ✔ **A preliminary analysis of the ESRS requirements** and their impact on the company's activities **has been carried out.**

- ✔ **Sustainability data was collected and structured**, but without ongoing reporting mechanisms or external audit.
- ✔ **No dedicated targets and policies have yet been set in line with the ESRS**, these will be defined in the coming period, based on expert recommendations and stakeholder feedback (e.g. Ministry of Public Finance, Financial Supervisory Authority, etc).

Main issues covered in this report

In line with the ESRS requirements, the current report includes general information on the company's ESG performance, but does not yet reflect specific measures to align with all European standards. However, the following relevant areas for reporting have been identified:

- ✔ **ESRS E1 - Climate Change**
 - Reporting GHG emissions for scopes 1 and 2 according to the GHG Protocol methodology.
 - Overall emission reduction target
 - Initial investments in energy efficiency and use of renewable energy (e.g. photovoltaic panels).
- ✔ **ESRS S1 - Own workforce**
 - Employee structure and training policy.
 - Implementing health and safety measures in the workplace.
- ✔ **ESRS G1 - Corporate Governance**
 - Management structure and internal managerial control mechanisms.
 - Ethics and compliance policies, no ESG system in place.

CHALLENGES AND NEXT STEPS FOR ESRS COMPLIANCE

Given that ESG policies and reporting mechanisms fully aligned with the ESRS have not yet been developed, the main challenges and objectives for the coming years include:

- ✔ **Create a dedicated ESG strategy**, based on ESRS and CSRD requirements.
- ✔ **Improve the ESG data collection process** by implementing an internal system for monitoring and reporting on sustainability indicators.
- ✔ **Set measurable and realistic targets** on climate change, circular economy, workforce diversity and corporate governance.
- ✔ **Increase the integration of ESG principles into strategic decisions**, including by aligning procurement and investment processes with sustainability criteria.

Integrated ESG data collection, monitoring and validation system

In 2024, the first year of reporting under the ESRS, CONPET S.A. began steps to improve the transparency and accuracy of its ESG reporting. In the absence of a dedicated data collection

system, the company adopted a step-by-step approach, relying on internal sources of information and external expertise from consultants specialized in ESG reporting.

Measures implemented in this first reporting year:

- ✔ **Decentralized collection of ESG data** by entities in the relevant business areas (e.g. Environment, Human Resources, Finance, Operations, Transport, Integrity).
- ✔ **Preliminary validation** of information through internal mechanisms with the help of specialized consultants.
- ✔ **Recruitment of ESG experts** for:
 - Assistance in collecting and interpreting data specific to sustainability reporting.
 - GHG emission calculations and compliance with ESRS requirements.
 - Prepare internal staff for future reporting cycles and improve the ESG reporting system.

The company aims over the next years (2025-2027) to gradually develop its ESG reporting system, which would involve:





- ✔ Create a **flow** to ensure **consistency and traceability of ESG information**.
- ✔ Train internal staff to **autonomously manage the ESG reporting process** with the support of consultants.
- ✔ **Establish a regular data verification mechanism** to improve compliance with ESRS and the credibility of future reporting.

Own methodology adapted to the requirements of dual materiality

Being the first ESG reporting of CONPET S.A. under CSRD and ESRS, the company does not yet have a fully standardized methodology for dual materiality, but has initiated the first steps to align with these requirements. In this respect, CONPET S.A. has implemented the following measures:

- ✔ **Preliminary identification of relevant ESG themes** for CONPET S.A., based on **ESRS requirements and ESG risks and opportunities analysis**.
- ✔ **Stakeholder mapping**.
- ✔ **Analysis of the impact of company activities** on the environment and society, without a complete financial quantification of these impacts.
- ✔ **Hiring specialized consultants** for:
 - Defining the materiality analysis methodology.
 - Assistance in assessing ESG risks and opportunities.
 - Training internal teams on the application of the principle of dual materiality in future reporting.

For the coming years, CONPET S.A. aims to strengthen the methodology by:

-  **Elaborate own methodology** based on ESRS and GRI requirements.
-  **Set up a structured stakeholder consultation process** to validate material themes and ESG priorities.
-  **Extending the materiality analysis** to include direct and indirect impacts as required by the ESRS.
-  **Continuous training of staff** to understand and apply the materiality methodology in future reporting.




CERTIFIED MANAGEMENT SYSTEMS TO ENSURE COMPLIANCE

CONPET S.A. continuously maintains and improves its certified management systems to ensure compliance with implemented standard requirements, which include compliance with legal requirements, international regulations and industry best practices. By certifying its management systems, the company demonstrates its commitment to sustainability by aligning with both corporate governance and reporting requirements in accordance with ESRS (European Sustainability Reporting Standards).




Certifications Management systems implemented at CONPET S.A.

To ensure efficient and sustainable management, CONPET S.A. holds the following essential certifications:




1. ISO 9001:2015 - Quality Management System

-  **Ensures high quality standards** for pipeline oil transport services.
-  **It involves continuously monitoring and improving processes**, maintaining tight control of activities and increasing customer satisfaction.
-  **ESG Benefits:** Increased operational efficiency and process optimization to reduce waste and negative environmental impacts.

2. ISO 14001:2015 - Environmental Management System

-  **It supports environmental protection initiatives** and promotes responsible resource management.
-  **Ensures compliance with** national and European environmental **regulations** and the implementation of sustainable practices in the operation of transport infrastructure.
-  **ESG benefits:** Minimizing environmental impacts, reducing greenhouse gas (GHG) emissions and improving energy efficiency.

3. ISO 45001:2018 - Occupational Health and Safety Management System

-  **Provides safe working conditions** for employees, reducing the risks associated with operational activities.
-  **Contribute to improving** occupational health and safety (OHS) **performance** by assessing and controlling OHS risks.
-  **ESG benefits:** Protecting the health and safety of employees, reducing workplace accidents and creating a safe working environment.

4. ISO 50001:2018 - Energy Management System

- **It aims to improve energy performance**, streamline energy consumption and reduce the energy impact of CONPET S.A. operations.
- **Facilitates the monitoring and optimization of energy consumption**, including the integration of renewable energy sources (e.g. photovoltaic panels).
- **ESG benefits:** Alignment with the 10% emission reduction target through more efficient energy management.

5. ISO 37001: 2016 - Anti-Bribery Management System

- **Ensures compliance with anti-bribery legislation** applicable to the organization and zero tolerance of bribery.
- **It contributes to the highest standards of ethics and integrity** in the conduct of business and processes.
- **ESG benefits:** increased confidence in commercial negotiations and improved reputation of CONPET S.A.

Integrating certifications into ESG strategy and ESRS compliance

Certified management systems are not only compliance requirements but also essential tools for implementing and reporting ESG strategy. ESRS alignment is reflected in the following areas:

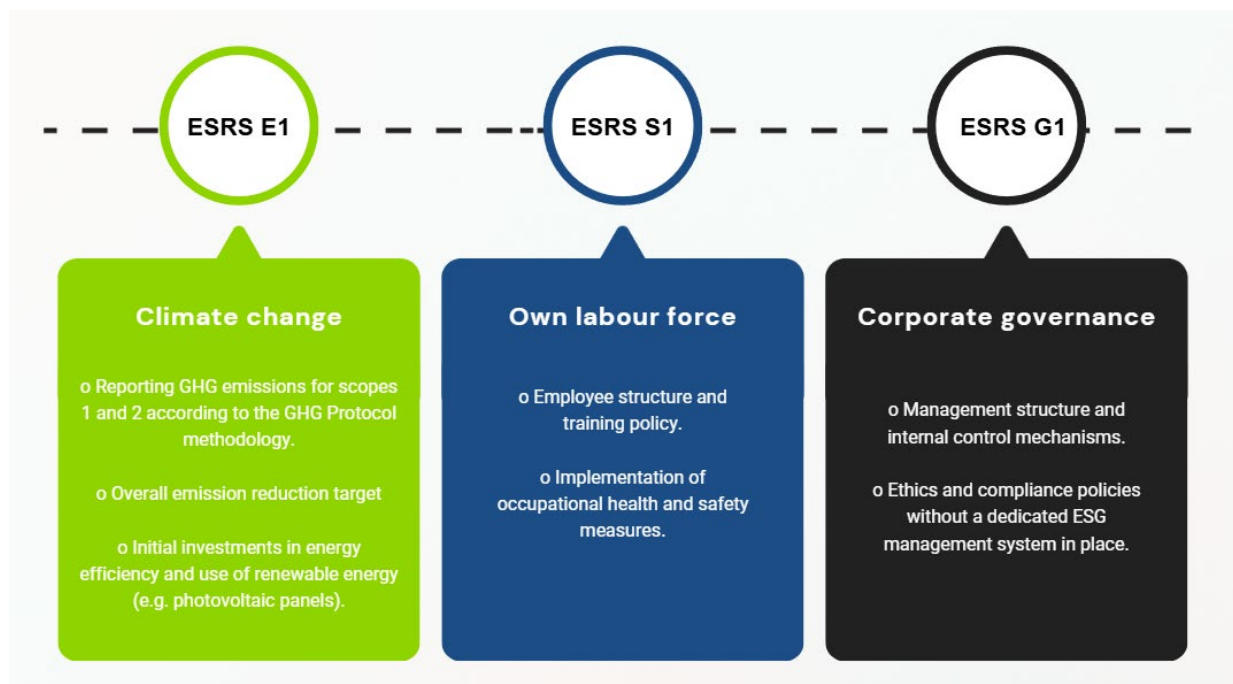


Chart 8.2. ESRS domains

THE BENEFITS OF MANAGEMENT SYSTEM CERTIFICATION FOR STAKEHOLDERS

By maintaining these **international certifications**, CONPET S.A. brings tangible benefits for:

- 📌 **Employees** - Safer working environment, health protection and continuous training.
- 📌 **Investors** - Increase transparency and trust in the company's ESG practices.
- 📌 **Regulators** - Strict compliance with legislative requirements and international standards.
- 📌 **Customers and partners** - High quality services and guaranteed operational sustainability.

Prospects and improvements for the future

For the coming years, our company aims to maintain its ISO certifications and will also analyze the possibility of implementing new integrated management systems, including:

- 📌 **Increased automation and digitization** ESG and environmental processes.
- 📌 **Stricter alignment with the EU Taxonomy** and requirements for sustainable investments.
- 📌 **Develop a sustainable development management system** based on the requirements of the ESRS and the new CSRD regulations

8.3 ESG 2024 risks and opportunities (ESRS E1-E5)

During 2024, CONPET S.A. carried out a detailed analysis of the ESG risks and opportunities associated with its operational activities. This assessment, conducted in accordance with ESRS standards and the principle of dual materiality (financial impact and ESG impact), led to the identification of the following relevant issues with clear implications for the company's business and financial performance.

SIGNIFICANT ESG RISKS IDENTIFIED IN 2024

In the year 2024, the ESG analysis according to the dual materiality methodology highlighted several operational and strategic risks impacting the company's sustainability and resilience:

1. Sustainable management of water resources and exposure to water risks

The company utilizes facilities and has water extraction wells in areas of moderate to high water vulnerability. In the absence of a risk mitigation plan, a possible reduction in the availability of water resources could lead to operational constraints and the need for adaptive measures, such as optimizing consumption, diversifying water sources and investing in alternative technologies.

2. Exposure to environmental risks associated with operational activities

The transport and handling of petroleum products inevitably entails risks related to technical incidents and potential accidental spills, which can affect large areas of land. To prevent environmental impacts, continuous measures are needed to upgrade infrastructure, implement advanced leak detection technologies and optimize rapid response processes.

3. Increased requirements for waste management and the circular economy

The generation and disposal of hazardous and non-hazardous waste is subject to stringent regulations, and legislative trends at the European level indicate an intensification of reporting requirements and minimization of environmental impacts. The company needs to ensure continued compliance with legal requirements for waste management and actively contribute to

the circular economy in the context of frequent legislative changes and compliance cost pressures.

4. Risk of high capitalization cost and limited access to sustainable funding

Increased requirements in green finance and sustainable insurance ratings add additional risk for companies that do not have a robust ESG risk analysis and a concrete plan to mitigate environmental impacts. In the absence of proactive measures, the company could face higher capitalization costs and restricted access to green finance sources or advantageous insurance products. Alignment with EU taxonomy requirements and the implementation of clear climate transition and mitigation strategies are essential to maintain financial and operational competitiveness.

ESG OPPORTUNITIES SEIZED IN 2024

CONPET S.A. acted proactively to transform ESG challenges into strategic and sustainable growth opportunities by implementing specific projects and initiatives, which had measurable results in 2024.

In 2024, CONPET S.A. has implemented several initiatives aimed at transforming sustainability challenges into strategic ESG opportunities, generating value for both the company and its stakeholders. The capitalized ESG opportunities focus on three main pillars: environmental, social and governance. These initiatives are aligned with the European Sustainability Reporting Standards (ESRS) and support the company's policies to reduce environmental impacts, increase operational efficiency and improve corporate governance.

1. Environmental opportunities (ESRS E1, E2, E5)

a) Increased energy efficiency and use of renewable energy

- **Expansion of solar energy capacity** by installing photovoltaic panels at Constanta Sud and Călăreți stations and other operational units.
- **Future objective:** to reduce energy consumption from conventional sources and decrease CO₂ emissions, contributing to the GHG reduction target.
- **ESG Impact:** Alignment with ESRS E1 (Climate Change) and ESRS E5 (Circular Economy).

b) Optimizing resource consumption and waste management

- Implement **advanced waste reduction and recovery measures** in the maintenance of oil transport infrastructure.
- **ESG Impact:** Application of circular economy principles through **reuse of materials and minimization of hazardous waste** generated by operations (**ESRS E5**).

c) Upgrade infrastructure to reduce accidental spills

- **Upgrade the leak detection system** in the oil transport network to **reduce accidental spills**.
- **ESG impact:** Increased operational safety and decreased risk of accidental pollution, alignment with ESRS E2 (Pollution).

2. Social opportunities (ESRS S1, S3, S4)

a) Employee skills development and safety at work

- **Increase in the number of training programs** for technical and administrative staff, with a total of 3,609 participants in training and licensing sessions in 2024, a significant increase from the previous year.
- **ESG Impact:** Providing a safe and motivating work environment as per ESRS S1 (Own workforce).

b) Community involvement and social responsibility initiatives

- **Education and professional development program** for students and young professionals, through which CONPET S.A. offers internships.
- **Participate in blood donation campaigns** and support public health initiatives.
- **ESG Impact:** Strengthening the relationship with the local community and creating a positive social impact (ESRS S3 - Affected Communities).

c) Diversity and inclusion

- **Promoting equal opportunities** in the company by increasing the representation of women in management positions and implementing inclusive and non-discrimination policies.
- **ESG Impact:** Alignment with ESRS S1 - Working Conditions and Inclusion.

8.4 ESG 2024 Performance and Compliance (ESRS & CSRD)

In 2024, CONPET S.A. achieved notable results, reflecting an improvement in ESG performance and compliance:

🌿 Environmental performance

- The company has achieved a share of about 27% of its energy produced from renewable sources at its administrative site 2, thanks to investments in photovoltaic systems.
- It has implemented operational measures to recycle 78% of non-hazardous waste and treat 100% of hazardous waste, confirming its commitment to the circular economy and waste management targets set in the area of waste management.

🌿 Social performance

- In 2024, CONPET S.A. carried out 22,237 hours of professional training, which represented an average of approximately 16 hours/employee, significantly improving technical, operational and managerial skills.
- A positive organizational climate has been maintained, evidenced by a very high degree of unionization (98.50%) and the signing of the Collective Bargaining Agreement, guaranteeing social stability and clear working conditions and competitive benefits.

- No occupational accidents have been reported, confirming the effectiveness of preventive measures and the maintenance of the occupational health and safety management system in compliance with ISO 45001.

● **Performance in corporate governance:**

- CONPET S.A. has implemented a secure and anonymous digital mechanism for warnings/warnings on the rules of ethical conduct leading to the identification and transparent management of 2 minor incidents, promptly resolved through training and internal corrective measures.
- The company achieved ISO 37001:2016 anti-bribery management system certification in 2022, and through annual surveillance demonstrates the organization's strategic commitment to preventing corruption and increasing stakeholder confidence.

THE NEED TO CONTINUE ESG STRATEGIC INVESTMENTS AND DEVELOP A SUSTAINABLE INVESTMENT STRATEGY

The ESG impact assessment confirms the need to accelerate strategic investments to improve sustainable performance and strengthen operational resilience:

- **Reducing greenhouse gas (GHG) emissions:** In line with the GHG Protocol and ESRS reporting standards, an effective plan to reduce direct and indirect emissions and transition to renewable energy sources needs to be developed.
- **Optimize water consumption and reduce exposure to water risks:** Implementing advanced water monitoring and reuse systems, diversifying sources, and integrating alternative solutions will help reduce reliance on vulnerable resources and minimize operational risks.
- **Improving operational safety and preventing environmental incidents:** Investments in advanced prevention technologies, early leak detection systems and optimized response procedures are needed to reduce reputational and compliance risks.
- **Continuous alignment to legal requirements for waste management and contribution to the circular economy:** Frequent legislative changes require a constant adaptation of waste management strategies, the development of partnerships for recycling and the use of sustainable solutions to minimize environmental impacts.
- **Increasing access to sustainable finance and reducing capitalization costs:** Integrating ESG criteria into strategic decisions, running ESG financial stress scenarios and aligning with climate reporting standards (TCFD, ISSB, ESRS) are key to attracting green finance, sustainable insurance and improving sustainability ratings.










9. FUTURE SUSTAINABILITY PERSPECTIVES AND OBJECTIVES

To ensure a sustainable and efficient transition, it is essential to strengthen and optimize the policy framework through concrete measures to reduce emissions, responsible management of water resources and implementation of the circular economy principles.

CONPET S.A. implements a diverse range of sustainability initiatives structured along the three ESG dimensions (environmental, social and governance). In the area of environmental protection, the company focuses on energy efficiency, renewable energy and infrastructure modernization to prevent technical failures. Social priorities include employee safety, professional development and support for local communities. The governance dimension is strengthened through ethical practices and transparency in dealing with all stakeholders.

Table 9.3. Achievements for sustainability and environmental protection

Initiative	Description	Impact
 Energy efficiency	Maintain the energy management system (ISO 50001) and upgrade equipment to reduce energy consumption Modernizing equipment to reduce energy consumption	Reducing energy consumption and carbon emissions
 Improving environmental performance	Maintenance of environmental management system (ISO 14001) Ensuring compliance with environmental protection requirements and monitoring the impact of company activities	Keeping environmental aspects and associated impacts under control
 Photovoltaic panels	Installation of photovoltaic systems at the secondary building (Administrative Building no. 2)	27% of the premises' electricity consumption covered by renewable sources
 Modernization of NTS infrastructure	Replacement of pipeline segments under the Danube and Borcea arm using advanced technologies	Reducing the risk of spills and protecting aquatic ecosystems
 Monitoring and preventing oil spills	Implementing advanced leak detection systems and upgrading the cathodic protection system	Prevent environmental incidents and protect soil and water
 Monitoring technology consumption	Compliance with specific consumption limits for crude oil transport	Active contribution to maintaining the technological consumption within the maximum limits allowed for crude oil at CONPET S.A. level.
 Monitoring specific annual average specific consumption of electricity for technological purposes	Compliance with the maximum allowable specific annual electricity consumption	Maintain energy efficiency by optimizing consumption and preventing overshooting limits



Initiative	Description	Impact
 Sorting waste at source	The constant realization of selective collection and the permanent existence of valid contracts for the waste generated in CONPET S.A. locations, for the purpose of recovery/disposal.	Operate in compliance with legal and other requirements applicable to own identified environmental issues. Ensuring selective collection at CONPET S.A. locations.
 Preventing and combating accidental pollution	To reduce the number of incidents with significant environmental impact so that the number of incidents is \leq the number recorded in the previous year.	Constantly improving environmental performance and reducing incidents with significant impact each year.

Table 9.4. Achievements for sustainability and social responsibility initiatives





Initiative	Description	Impact
 Health and safety at work	Maintaining the occupational health and safety management system (ISO 45001)	Zero accidents at work in recent years
 Professional development	Ongoing training programs to develop employee skills	Increasing skills and motivation workforce
 Community sponsorships	Support for cultural, educational and health events in local communities	Active contribution to the social and cultural development of communities


Table 9.5. Achievements for sustainability and corporate governance








Initiative	Description	Impact
 Transparency and ethics	Maintaining anti-bribery standards (ISO 37001) and transparent reporting of activities	Building stakeholder trust and enhancing reputation
 Improving performance	Maintaining the quality management system (ISO 9001)	Increase operational efficiency and optimize internal processes

Roadmap for sustainability

CONPET S.A.'s Sustainability Roadmap 2025-2030 sets out the company's vision for the coming years, with ambitious targets covering all three ESG dimensions. On the environmental dimension, the company aims to reduce GHG emissions. Social initiatives focus on developing employees' green skills and community-based green regeneration programs. In the area of governance, CONPET S.A. aims to be a benchmark in the application of ESG standards, integrating sustainability into all strategic decisions. This reflects the company's commitment to a responsible and sustainable future.

Table 9.6. Sustainability initiatives 2025-2030

Initiative	Description
 Training staff in sustainability	Launch a regular sustainability awareness and training program for employees, aiming not only to inform but also to create an internal sustainability culture to guide company decisions and actions.
 Developing an ESG strategy and transition plan	Elaborate an integrated ESG strategy and transition plan to align corporate governance with sustainability best practices.
 Increasing renewable energy capacity	Progressively increasing the installed renewable energy capacity, reaching 180 kWp by 2026 and expanding to 360 kWp by 2030.
 Community program for environmental and economic regeneration	Support a programme to regenerate ecosystems and support local communities through sustainable development initiatives.

Initiative	Description
 Developing and implementing a strategic framework for reducing the carbon footprint	Elaborate a sustainable strategy to reduce carbon footprint and identify alternative energy solutions.
 Reducing emissions GES	Implementation of measures to reduce greenhouse gas emissions by at about 8% (Scopes 1 and 2), by optimizing operational processes, increasing the use of sustainable energy sources and increasing the percentage of energy consumed from renewable energy suppliers.
 Developing an ongoing ESG awareness program	Raising ESG awareness by implementing a training program and educational initiatives within the company and in the communities.
 Strengthening your role leadership in ESG practices	Leadership in ESG practices at the national level and integration of sustainability into the company's decision-making and strategic processes.
 Education and training of own staff	Providing a minimum of 10 hours of training and education per employee to train and develop professional skills and knowledge.
 Implement integrity as required by law	Preparation, training, evaluation and periodic internal testing of CONPET S.A. staff, carried out within the framework of anti-corruption awareness and education programs.
 Respecting gender equality	Ensuring women's access to management positions, with the objective of maintaining a minimum of 30% of female managers out of the total number of management positions at CONPET S.A..

These initiatives can be translated into specific investment projects as follows:

Reducing greenhouse gas emissions

An indicative reduction target for Scope 1 and Scope 2 emissions by 2030 is being considered, benchmarked to 2024 and in line with the general directions of the European Ecological Pact. In this context, energy efficiency initiatives are being analysed to reduce these emissions by around 8% through a series of projects such as:

- Selection of electricity suppliers so that, on average, at least 50% of energy purchased comes from renewable energy suppliers;
- Installation of renewable electricity generation systems contributing to this initiative

These measures aim to contribute to the process of reducing greenhouse gas emissions by at about 8%.

🌱 Circular economy and waste management

It is envisaged to continue the selective collection of waste to enable its continuous collection for recovery or disposal.

🌱 Strengthening compliance mechanisms

Increased attention will be given to the achievement of the proposed sustainability targets, including by integrating these issues into operational meetings, where dedicated time will be allocated to review progress and identify solutions to improve sustainability performance. The aim is to integrate the company among the top performing organizations in terms of sustainability practices.

🌱 Improved reporting and transparency

Digital mechanisms for collecting and analyzing sustainability data will be adopted, facilitating the generation of detailed and accessible stakeholder reports. These measures will contribute to building stakeholder trust and improve the company's ranking among ESG best practice organizations.

In addition, the following initiatives could be considered:

🌱 Adapting to climate change

A carbon footprint reduction framework can be implemented, which will include energy efficiency measures and transition to renewables. In this regard, the company can continue to invest in infrastructure modernization to reduce climate change risks such as accidental spills and excessive energy consumption. At the same time, environmental regeneration initiatives and the protection of vulnerable ecosystems can be pursued, contributing to the resilience of operations. These measures would support the company's alignment with the objectives of the European Ecological Pact and international sustainability standards.

🌱 Digitizing operations

The current remote management system can be developed to optimise operational processes with significant impact and monitor energy consumption, ensuring compliance with energy efficiency and sustainability objectives. Automating workflows and digitizing reporting processes would help reduce time spent on administrative tasks and increase transparency. A centralized system for monitoring technology consumption can also be introduced, facilitating real-time data-based decision-making. These measures would support the integration of ESG into corporate strategy and improve operational efficiency.

By implementing these initiatives, CONPET S.A. strengthens its commitment to sustainability and demonstrates a strategic vision oriented towards adaptation, innovation and long-term responsibility.

CONCLUSIONS

CONPET is a company with a notable activity in the oil and gas industry in Romania, which in over 30 years of activity, through modernization projects and large-scale investments, has responded to all the challenges posed by the dynamics of an industry essential for the energy sector.

We responsibly carry out an activity that contributes to keeping the world on the move, being a forward-looking and environmentally friendly company that understands how to maintain the right balance between past and future, between tradition and progress. CONPET's investment projects are aimed at increasing the efficiency of the transport activity, the safe operation of the National Transport System and minimizing the impact on the environment, **in the context of the energy transition process and the company's policy of aligning with the new European environmental standards.**

With this first sustainability report, CONPET S.A. reaffirms its strong commitment to transparency, corporate responsibility and long-term sustainable development. The detailed and in-depth analysis of ESG indicators reflects a broad understanding and integrated approach to the operational impact on the environment, society and the economy. In the face of climate challenges and the increasingly stringent requirements of ESG standards, CONPET S.A. adopts a proactive and forward-looking approach, constantly identifying responsible investment opportunities. The company is committed to reducing greenhouse gas emissions, managing natural resources efficiently and supporting the energy transition. At the same time, CONPET S.A. aligns its strategies with national and European objectives, actively contributing to the implementation of environmental and sustainable development policies.

CONPET S.A. will integrate ESG criteria into its decision-making and operational processes, promoting transparency and integrity. The active involvement of stakeholders - employees, communities, suppliers and partners - remains essential, and the company will continue to improve dialog and feedback mechanisms for responsible development. We would like to express our deep appreciation to all stakeholders for their continued support, active engagement and valuable collaboration to date. We strongly reaffirm our commitment to continuous progress in an ethical, transparent and accountable manner, ensuring a positive and lasting contribution for present and future generations.

Finally, all our lines of action are aimed at the sustainable development of the company, in harmony with the European energy strategy and with the responsibility imposed by the management of a strategic activity for Romania's energy security.

Annexes

ESRS compliance table

ESRS Standard	ESRS requirement	Status in 2024	Detailed explanations and sources
E1-1	Climate policies	Fully met	The report details climate policies in Chap. 4.1, documented through the implementation of ISO 14001 and ISO 50001 management systems. The policies cover pollution prevention, energy efficiency and climate compliance. Reference is also made to climate impact management in the section on dual materiality (Chap. 3).
E1-2	Mitigation and adaptation actions	Fully met	Chaps. 4.2 and 4.3 of the Report clearly document concrete actions: installation of photovoltaic panels (27% of consumption covered at the secondary site), modernization of pipelines under the Danube, upgrading of pumping stations. Investments in renewable energy and energy efficient technologies are indicated.
E1-3	Financial and technical resources allocated	Partially met	Although significant investments are mentioned (e.g. €26m for the Borcea pipelines), the report does not present a consolidated ESG budget or a budget chapter dedicated to climate action. There is no breakdown by type of resources. For the next report it is intended to introduce ESG resources with an estimated budget structure.
E1-4	Climate targets (GHG reductions)	Fully met	Chap. 4.3 and Chart 2.5: the company aims to reduce GHG emissions by ~8% by increasing the share of renewables in the purchased mix (from 52% to 85.4% in 2025). A strategic direction to reduce emissions intensity is also mentioned.
E1-5	Energy intensity (kWh / income)	Fully met	Section 8.1 of the Report provides the indicator: 13.21 kWh/1,000 RON net revenue , calculated according to ESRS requirements. It correlates with the energy efficiency initiatives presented in Chapter 4.3.
E1-6	GHG intensity (kg CO ₂ e / income)	Fully met	The indicator is calculated: 13.26 kg CO₂e / 1,000 RON income , according to the GHG Protocol, based on total emissions domains 1-3 (Chap. 3.3 + 8.1). The methodology is transparent and aligned with ESRS.
E1-7	GHG removals and carbon credits	Not applicable	In all the tables (including the integrated ESRS), it is mentioned that no carbon credits or GHG offset measures (e.g. afforestation, CCS) were used .
E1-8	Internal carbon price	Not yet addressed	The report contains no model calculation or simulation of an internal carbon price. The ESRS Table only mentions the modeling intent for 2025

ESRS Standard	ESRS requirement	Status in 2024	Detailed explanations and sources
E2-1	Pollution policies	Fully met	Chapter 4.4 of the report details the policy for prevention and monitoring of soil, water and air pollution. It mentions: ISO 14001 certification, the existence of leak detection systems, inspection plans and environmental interventions. There are responsible allocations and response structures for each site.
E2-3	Pollution prevention targets	Fully met	Table 9.4 of the report (sustainability initiatives) explicitly formulates an annual target: "Reduce the number of incidents with significant environmental impact to less than or equal to the previous year." This is an operational and quantifiable ESG target applicable to accidental pollution risks. Also confirmed in the dual materiality analysis.
E2-4	Air, soil and water pollution	Fully met	The existence of a rigorous monitoring system for air, water and soil pollutants is confirmed in Chap. 4.4. No significant incidents are recorded for 2024. Measures include regular inspections, automatic leak detection, greening by authorized firms.
E2-5	Dangerous Substances (SVHC/REACH)	Fully met	This is covered in the supporting technical documents. The WFD analysis includes safety data sheet tables (SVHC) and documentation submitted to ITM and the Ministry of Environment. The WFD mentions neutralization and traceability procedures for hazardous substances. The materiality methodology confirms the inclusion of these topics in the ESG assessment.
E3-1	Water and marine policies	Fully met	Chap. 4.4 of the report deals with sustainable water use policies. It mentions continuous monitoring of consumption, the use of own sources (boreholes), pollution prevention and compliance with environmental legislation. No incidents are reported.
E3-3	Water consumption targets	Fully met	The company complies with the limits imposed on the maximum flow rates for water supply from wells as required by law.
E3-4	Reporting total water consumption	Fully met	Chap. 8.1 presents the total annual water consumption by location in m ³ /year. The sources (own boreholes and network supply) and monitoring shall be indicated.
E4-2	Biodiversity and ecosystems policies	Fully met	Chap. 4.4 mentions measures to prevent impacts on biodiversity, including monitoring and greening after works. It is clearly stated that activities do not take place in protected areas or vulnerable ecosystems.

ESRS Standard	ESRS requirement	Status in 2024	Detailed explanations and sources
E4-4	Biodiversity targets	Not addressed	There is no formal or voluntary biodiversity protection target. It is mentioned that no protected areas are affected, but no "0 incidents" or "X% habitat restoration" target is set. Also confirmed as missing in ESRS tables. Voluntary targets are sought for next reporting.
E4-5	Biodiversity impact indicators	Fully met	Chap. 4.4 and Table 3.5 confirm no incidents in 2024 affecting natural ecosystems. There are no direct interactions with significant biodiversity and the areas crossed are outside protected sites.
E5-1	Policies on circularity and resource use	Fully met	Chap. 4.4 of the report describes waste management policies, the application of the waste hierarchy (prevention, reuse, recycling) as well as technological measures to minimize waste generation. Appropriate management of hazardous waste is mentioned.
E5-3	Circularity and reuse targets	Partially met	The report states that "most waste is recovered or recycled, avoiding direct disposal". However, there is neither a formal target nor a quantifiable percentage in the narrative text. The intention for the next report is to insert more explicit targets.
E5-4	Resource inputs - materials used	Partially met	The report does not provide an inventory of the materials used (e.g. steel, industrial liquids, energy inputs) and does not mention the proportion of recycled or sustainable materials. The lack is also reported in the compliance tables. A table of materials used, including recycled or sustainable materials, is planned for the next report.
E5-5	Resource outputs - waste and recovery	Fully met	Chap. 4.4 provides qualitative and operational information on types of waste generated (including hazardous), treatment methods (recycling, recovery), incident prevention and traceability. It states that there were no major incidents in 2024.
S1-1	Composition and inclusion of the workforce	Fully met	Ch. 5.1 details the structure of the workforce: gender, age, types of contracts, diversity policies and organizational stability. An inclusive approach is documented.
S1-2	Pay, benefits and contractual conditions	Fully met	Chaps. 5.1-5.2 confirm timely payment, existence of CCM, fringe benefits (insurance, vacation), no salary arrears.
S1-3	Health and safety at work (H&S)	Fully met	Ch. 5.2 and Ch. 8 mention the ISO 45001 certified SSM system, the goal of zero accidents, regular training and no incidents in 2024.
S1-4	Social dialogue and representation	Fully met	Ch. 5.1 confirms the existence of a valid Collective Bargaining Agreement, active consultation structures and no industrial disputes in 2024.

ESRS Standard	ESRS requirement	Status in 2024	Detailed explanations and sources
S1-5	Skills development and training	Fully met	Chap. 5.2 mentions technical and managerial training programs, upskilling, equal access to professional development.
S1-6	Equal opportunities and non-discrimination	Fully met	The report confirms the absence of discrimination in 2024, the existence of fair treatment and inclusion policies in promotion and recruitment.
S2	Working conditions in the value chain	Fully met	The report mentions in Chap. 6.3 the existence of compliance policies applied to the suppliers, as well as the fact that all partners are local or EU, and therefore subject to the same legal obligations regarding decent work, safety conditions, non-discrimination and freedom of association. The summary compliance table confirms full coverage of the requirement.
S3-1	Identifying impacts on communities	Fully met	Chap. 5.3 of the sustainability report details the potential risks and impacts on local communities, with a focus on incident prevention through technologies (SCADA, maintenance), collaboration with ISU, no incidents in 2024 . Confirmation also in ESRS tables .
S3-2	Community consultation and involvement	Fully met	The report outlines CSR initiatives in health, education and culture, following consultation with local authorities and NGOs. No conflicts or complaints are reported. The process of engagement is active but not formalized in documents.
S3-3	Prevention and management of social risks	Fully met	It is mentioned in Chap. 5.3 measures to prevent social hazards (noise, public access, accidental pollution), contingency plans and no social incidents reported in 2024. The ESRS table confirms the absence of conflicts or disputes .
S4-1	Privacy and data protection	Fully met	Ch. 6.2 of the sustainability report mentions implementation of GDPR policies, cybersecurity and zero incidents in 2024. Data protection systems comply with European regulations. Confirmation in Compliance Table and ESRS Table .
S4-2	Informing users (B2B transparency)	Fully met	Although CONPET does not have B2C customers, the report (Chap. 6.2) shows that the operator provides relevant information to industrial partners (B2B) through reports, website and compliance with legal transparency requirements. The ESRS tables note partial but compliant applicability .

ESRS Standard	ESRS requirement	Status in 2024	Detailed explanations and sources
G1-1	Policies on ethics and professional conduct	Fully met	Chap. 6.2 describes the code of ethics, ISO 37001 (anti-bribery) and ISO 9001 (quality) certifications, and management's formal commitment to integrity. Confirmation in ESRS tables .
G1-2	Supplier relationship management	Fully met	Chapters 6.2 and 6.3 confirm the ethical monitoring of suppliers and the integration of ESG requirements into procurement processes. The integrated table indicates that ethical evaluation is also applied in contractual relationships.
G1-3	Preventing corruption and bribery	Fully met	ISO 37001 implemented, annual training, detailed internal controls (Chap. 6.2). Summary table confirms 100% coverage by ethics training .
G1-4	Confirmed cases of corruption	Fully met	Ch. 6.2 (p. 107) explicitly states that there were no cases of corruption or ethical misconduct in 2024. Requirements G1-4 lit. b) are thus covered.
G1-5	Lobbying and political influence	Not applicable	The report mentions in Table 4.6 and in the Integrated ESRS that there is no lobbying or political influence. In Romania these practices are not regulated for state-owned enterprises.
G1-6	Payment practices and financial responsibility	Fully met	Ch. 6.3 confirms no outstanding payments in 2024. It highlights responsible financial behavior and stable relationships with suppliers .
GOV-1	BoD structure and role in ESG oversight	Fully met	Chap. 6.1 details the structure of the Board of Directors (BoD), members, non-executives, term of office and ESG governance duties. Full confirmation in all ESRS tables .
GOV-2	ESG CA competences and frequency of reporting	Partially met	The report (Chaps. 6.1 and 6.3) confirms the involvement in ESG oversight, but does not explicitly mention the ESG competences or training of the AC members.
GOV-3	Integrating ESG into the incentive system	Partially met	The ESG has not yet been included in the management bonus system in 2024. However, it is planned to be integrated from 2025, according to Chap. 6.2 and the ESRS Table .
GOV-4	ESG due diligence and risk oversight	Fully met	Chap. 6.3 clearly describes the integration of dual materiality, ESG risk analysis, internal consultation process, with annual reporting to the BoD. Full confirmation in all tables .
GOV-5	ESG risk management and internal controls	Fully met	The risk management system includes ESG and is documented in Chap. 6.3. It is integrated with financial and operational risks. The tables confirm full compliance.

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Consumers and end-users		

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