



2025

SUSTAINABILITY REPORT

SHAPING THE FUTURE NETWORK FOR COMMUNITIES



DISTRIBUȚIE
OLTENIA

part of



EVRYO

Table of Contents

03	Foreword. Message from the CEO
05	Chapter 1. About Distribuție Energie Oltenia
14	Chapter 2. ESG strategy
28	Chapter 3. Governance
35	Chapter 4. The ninth sustainability report
44	Chapter 5. Our users
52	Chapter 6. Our employees
63	Chapter 7. Energy comes from people
68	Chapter 8. Care for the environment
80	Annex 1. GRI Content Index
87	Annex 2. Glossary of terms and definitions

Dear Readers,

The year 2025 marked an important milestone for Distribuție Energie Oltenia in strengthening our commitment to sustainability. This commitment is reflected not only through the figures presented throughout this report (our ninth consecutive Sustainability Report, prepared in accordance with the GRI Standards), but also in the way sustainability has become embedded in our operational decisions, organizational culture, and relationships with each of our stakeholders.

Distribuție Energie Oltenia operates an extensive energy distribution network in Romania, serving more than 1.52 million users across seven counties in the Oltenia region. This responsibility compels us to view the energy transition not as a compliance obligation, but as a fundamental mission for sustainable regional development. In 2025, we updated our ESG Strategy for 2025–2030, introducing a dedicated pillar focused on climate change adaptation. This addition responds directly to the increasing frequency of extreme weather events affecting our distribution infrastructure.

Decarbonization and Green Investments

Our carbon footprint decreased by approximately 14% compared to the previous year, representing a tangible progress toward our Net Zero 2040 objective. Over the past five years, we have connected approximately 1,000 MW of new capacity to the grid, of which 94% came from renewable energy sources. At the same time, our grid now accommodates more than 50,000 prosumers, including over 17,000 connected during 2025 alone. These results confirm DEO’s role as an enabler of a decentralized energy economy.

Investments and EU Taxonomy Alignment

In 2025, total capital expenditure amounted to LEI 637.9 million, of which 100% was aligned with the EU Taxonomy. Taxonomy-aligned turnover reached 96.8%, while Taxonomy-aligned operating expenditure stood at 88%, confirming that the vast majority of the company’s activities meet European sustainability criteria. We also secured a syndicated green loan totaling LEI 1.76 billion to finance the modernization of our electricity networks. This represents the most ambitious investment program in the company’s history.

Our People and Safety

Our more than 1,600 employees remain the company’s most valuable resource. In 2025, we adopted a Diversity, Equity and Inclusion (DEI) Policy, integrated into our corporate governance framework. Collective bargaining agreement coverage remained at 100%. Also, we continued to invest in prevention, training, and infrastructure safety. During the year, we also launched the Orizont 30 project, through which we aim to design the energy network of the future for our users. Orizont 30 integrates and coordinates all our efforts to align with the energy transition, ensuring a coherent and strategic approach to the future of both the distribution grid and the company as a whole. The Orizont 30 team further developed our vision for the grid of 2030 and presented it directly to the Industries and Services Committee and the Energy, Energy Infrastructure and Mineral Resources Committee. The positive feedback received reinforces our confidence to continue on this path.



Community and Social Impact

In 2025 alone, we invested LEI 1.48 million in community projects, ranging from the Ucenic Electrician program, through which approximately 100 graduates are trained annually in partnership with seven technical high schools, to Maratonul Olteniei, which brought together around 1,000 participants, organizers, and volunteers, as well as social campaigns that directly supported more than 300 beneficiaries.

We are fully aware that DEO’s social impact extends far beyond the physical boundaries of the energy network. Our role in the economic and educational ecosystem of the region in which we operate is a long-term responsibility that we have consciously embraced.

Ethics and Governance

We maintained a zero-tolerance approach to corruption, with no confirmed incidents recorded in 2025. The anti-corruption training program covered 100% of executive and middle management and is being progressively extended to operational staff. Anti-corruption training coverage among operational employees reached 56.9%, and further expansion remains a priority for 2026.

The year 2025 also brought challenges related to data protection. Training coverage for employees with access to personal data reached 50%, and we aim through future activities to increase this percentage. No GDPR incidents were recorded, and our SpeakUp whistleblowing system continues to function as a credible and effective channel for reporting concerns.

In 2025, DEO joined Eurelectric and the British Romanian Chamber of Commerce (BRCC), strengthening our participation in European and international energy dialogue.

Customer Services and Digital Transformation

Customer interaction within Distribuție Oltenia’s Users Relations Centers improved, as reflected in the transactional Net Promoter Score (NPS), which increased by seven points between the first and second half of the year—from 48 in H1 2025 to 55 in H2 2025 (according to the interpretation framework developed by Bain & Company, this represents a very strong recommendation score). Unplanned grid outages decreased by 0.7%, while the increase in planned outages (+27%) reflects the acceleration of our network modernization program. The benefits of these works are expected to materialize over the coming years through a significant reduction in unplanned outages.

We also launched <https://proactivcuenergia.ro/>, a digital platform dedicated to educating users on sustainable energy consumption and the importance of maintaining network balance.

What do we plan next? Our objective is to turn every investment in the network into a tangible step toward a more resilient region, better connected to the green economy. In the coming years, we will continue to expand the network’s capacity to integrate energy from distributed sources. This will enable every prosumer, whether a household equipped with solar panels or a community photovoltaic project, to play an active role in maintaining regional energy balance. We will further modernize our infrastructure to reduce technological losses and enhance resilience against extreme weather events, which tested the limits of our network in 2025.

At the same time, our people will remain our most valuable asset, beyond the infrastructure investments. We will continue to expand the Ucenic Electrician program, which has already trained hundreds of young people across our operational area and remains the most ambitious vocational training initiative in Romania’s energy distribution sector.

We will continue investing in the safety of both our employees and our customers. Nonetheless, we will remain actively involved in the communities we serve, not only as an energy distributor, but as a long-term partner in their development.

I would like to thank our colleagues for their dedication and the achievements made possible through their work. My gratitude also goes to the communities that place their trust in us, to our partners who challenge us to improve continuously, and to the authorities with whom we remain in constructive dialogue to ensure the success of the energy transition.

For DEO, sustainability is not merely a chapter in a report. It is the way we choose to do business every day, in every corner of Oltenia where our network delivers energy.

Ondrej Safar,
CEO and Chairman of the Management Board
Distribuție Energie Oltenia

1 ABOUT DISTRIBUȚIE ENERGIE OLTENIA



Table of contents

This chapter provides an overview of the Distribuție Energie Oltenia SA (DEO) organization, including the organizational profile, value chain, economic performance, market presence, indirect economic impacts and responsible procurement practices.

Organizational profile

- GRI 2-1 Organizational details
- GRI 2-2 Entities included in the organization’s sustainability reporting
- GRI 2-3 Reporting period, frequency and contact point

DEO Executive Management (as of the date of this report)

- GRI 2-9 Governance structure and composition

Users accounts and infrastructure

- EU3 Number of residential, industrial, institutional and commercial customer accounts
- EU4 Length of above and underground transmission and distribution lines by regulatory regime

Value chain

- GRI 2-6 Activities, value chain and other business relationships

Economic performance (M)

- GRI 3-3 Management of material topics
- GRI 201-1 Direct economic value generated and distributed
- GRI 2-4 Restatements of information
- GRI 201-4 Financial assistance received from government

Tax

- GRI 207-1 Approach to tax
- GRI 207-2 Tax governance, control, and risk management
- GRI 207-3 Stakeholder engagement and management of concerns related to tax
- GRI 207-4 Country-by-country reporting

Market presence (M)

- GRI 3-3 Management of material topics
- GRI 202-2 Proportion of senior management hired from the local community

Indirect economic impacts (M)

- GRI 3-3 Management of material topics
- GRI 203-1 Infrastructure investments and services supported
- GRI 203-2 Significant indirect economic impacts

Procurement practices

- GRI 204-1 Proportion of spending on local suppliers

Supplier environmental assessment

- GRI 308-1 New suppliers that were screened using environmental criteria
- GRI 308-2 Negative environmental impacts in the supply chain and actions taken

Supplier social assessment

- GRI 414-1 New suppliers that were screened using social criteria
- GRI 414-2 Negative social impacts in the supply chain and actions taken

Employees: summary

- GRI 2-7 Employees
- GRI 2-8 Workers who are not employees

Organizational profile

GRI 2-1	Organizational details
GRI 2-2	Entities included in the organization’s sustainability reporting
GRI 2-3	Reporting period, frequency and contact point
	Distribuție Energie Oltenia S.A. (DEO) is the electricity distribution operator serving the southern and south-western Romania, covering seven counties in the south and south-west of Romania: Argeș, Dolj, Gorj, Mehedinți, Olt, Teleorman and Vâlcea. Since 2017, Distribuție Energie Oltenia has been the legal successor of CEZ Distribuție S.A., which in 2007 acquired Electrica Oltenia. Since 2021, DEO has been owned by Macquarie Asset Management (MAM) through Felix Distribution Holdings S.R.L. and Felix Distribution Investments S.à r.l., forming part of the Macquarie Group (Australia). The sustainability report covers the financial year 1 January – 31 December 2025, with a reference date for stock data of 31 December 2025. The reporting frequency is annual, and the present report has been prepared in accordance with the GRI Standards. ■ Registered office: Calea Severinului nr. 97, ground floor, floors 2-4, Craiova, Dolj, Romania ■ Legal form: Joint-stock company (SA) with a two-tier governance system and fully private share capital. Dual governance structure: Management Board (executive) and Supervisory Board. ■ Tax identification number: 14491102 ■ Trade register number: J2002000148168 ■ Subscribed and paid-up share capital: 592,929,558.01 LEI Shareholding structure: ■ Felix Distribution Holdings S.R.L. (CUI 43036121, J2020011447409, registered in Bucharest), owned by Macquarie Asset Management (MAM), part of Macquarie Group Limited (Australia, ASX: MQG): 99.999999986019% of shares; ■ Felix Distribution Investments S.à r.l. (reg. no. B246540, Luxembourg): 0.000001013981% of shares.

DEO Executive Management (as of the date of this report)

Governance structure and composition	GRI 2-9
In accordance with DEO’s articles of association, the Management Board consists of 3 members: ■ Ondrej Safar, Chief Executive Officer (CEO) and Chairman of the Management Board ■ Ion-Eugen Butoarcă, Chief Operating Officer (COO) and Member of the Management Board ■ Dragoș-Mihail Bărbulescu, Chief Financial Officer (CFO) and Member of the Management Board The extended executive team also includes the following division directors: ■ Chief Regulatory Officer (CRO) ■ Chief Transformation Officer (CTO) ■ Chief Administration Officer (CAO)	

Users accounts and infrastructure

Number of residential, industrial, institutional and commercial customer accounts	EU3
As of 31st of December 2025, DEO served 1,528,676 users connected to the distribution network, of whom 1,431,675 were residential (93.7%) and 97,001 non-residential (6.3%, encompassing the industrial, commercial and institutional segments). The prosumers’ base reached 52,560 users, of whom 17,417 were connected during 2025. A detailed breakdown by user category and additional data on energy access are presented in Chapter 5, Table 5.7 (EU3, EU26).	

Length of above and underground transmission and distribution lines by regulatory regime	EU4
--	-----

Table 1.1 Length of distribution lines

	2025	2024	Variation
HV network (110 kV) - overhead lines [km]	5,361	5,361	0%
HV network (110 kV) - underground cables [km]	38	38	0%
MV network (20 kV / 10 kV / 6 kV) - overhead lines [km]	19,177	19,178	≈0%
MV network (20 kV / 10 kV / 6 kV) - underground cables [km]	2,743	2,628	+4.4%
LV network - overhead lines [km]	23,476	23,412	+0.3%
LV network - underground cables [km]	5,671	5,553	+2.1%
Total network [km]	56,466	56,170	+0.5%
Transformer posts (PT)	10,718	10,646	+0.7%
Transformer stations (HV/MV)	144	144	0%

GRI 2-6

Value chain

Activities, value chain and other business relationships

DEO operates in the electricity distribution sector, an activity regulated by ANRE. The company's value chain is structured around three main axes:

- 1. network infrastructure (construction, operation and maintenance of distribution lines and transformer stations);
- 2. connection and branching services (connecting new users to the network);
- 3. support services (meter reading, billing).

The main partners in the value chain include:

- electrical equipment suppliers;
- construction and installation companies;
- network maintenance contractors;
- energy suppliers for covering network losses.

Relationships with these partners are governed by regulated procurement procedures (Law 99/2016 on sectoral procurement), with systematic evaluation on environmental and social criteria.

DEO serves 1,528,676 users (connected consumers) across the seven counties in the south and southwest of the country. The core activity consists of the distribution of electricity from the delivery points from the transmission network (Transelectrica) to end consumers, through its own distribution network (over 56,400 km of power lines).

DEO's supply chain in 2025 comprised 446 active suppliers, of which 441 (98.88%) were headquartered in Romania and 5 were international suppliers. The total procurement value was LEI 1,999,497,309, of which LEI 1,996,457,470 (99.85%) from local/domestic suppliers. Procurement is carried out in accordance with Law 99/2016 on sectoral procurement, with systematic evaluation on environmental (ISO 14001 or equivalent) and social (OHS) criteria. The main procurement categories include:

- network equipment (transformers, cables, MV switchgear);
- construction, installation, maintenance and repair services;
- electricity for covering technical and commercial losses;
- IT and digitalisation services.

Economic performance (M)

Management of material topics

DEO manages economic performance through rigorous planning and monitoring of revenues, costs and investments, under the direct oversight of the Directorate and the Supervisory Board. The management framework includes periodic financial reporting in accordance with Romanian accounting standards, a long-term investment programme oriented towards distribution network modernisation and digitalisation, as well as internal control mechanisms applied to all financial flows. Economic performance is assessed annually through GRI 201-1 (economic value generated and distributed) and GRI 201-4 (financial assistance received from government) disclosures, with full reconciliation of data from the accounting records.

Direct economic value generated and distributed

DEO's economic performance in the 2025 financial year confirms a solid revenue growth trajectory, supported by major investments in network modernisation.

Table 1.2 DEO economic performance 2025 (Amounts are expressed in LEI)

GRI 201-1 Disclosure	2025	2024	2023	2022
Direct economic value generated	1,786,544,513	1,718,745,235	1,635,935,496	1,592,117,822
Economic value distributed, of which:	2,198,079,949	1,791,827,447	1,260,494,183	1,197,337,805
Operating costs ¹	655,539,199	609,559,717	643,585,212	924,516,064
Employee wages and benefits ¹	276,895,017	223,809,512	198,035,095	165,609,028
Subtotal expenses + wages	932,434,216	833,369,229	841,620,307	1,090,125,092
Payments to providers of capital	953,421,276	649,538,777	194,876,639	0
of which: financing interest	51,459,774	29,538,775	27,625,293	0
of which: dividends	901,961,502	505,904,910	167,251,346	0
Payments to Government	310,833,998	307,629,930	222,769,790	106,784,625
Community investments ²	1,390,459	1,289,511	1,227,447	428,088
Economic value retained	-411,535,436	-73,082,212	375,441,313	394,780,017

Restatements of information

Restatements of information

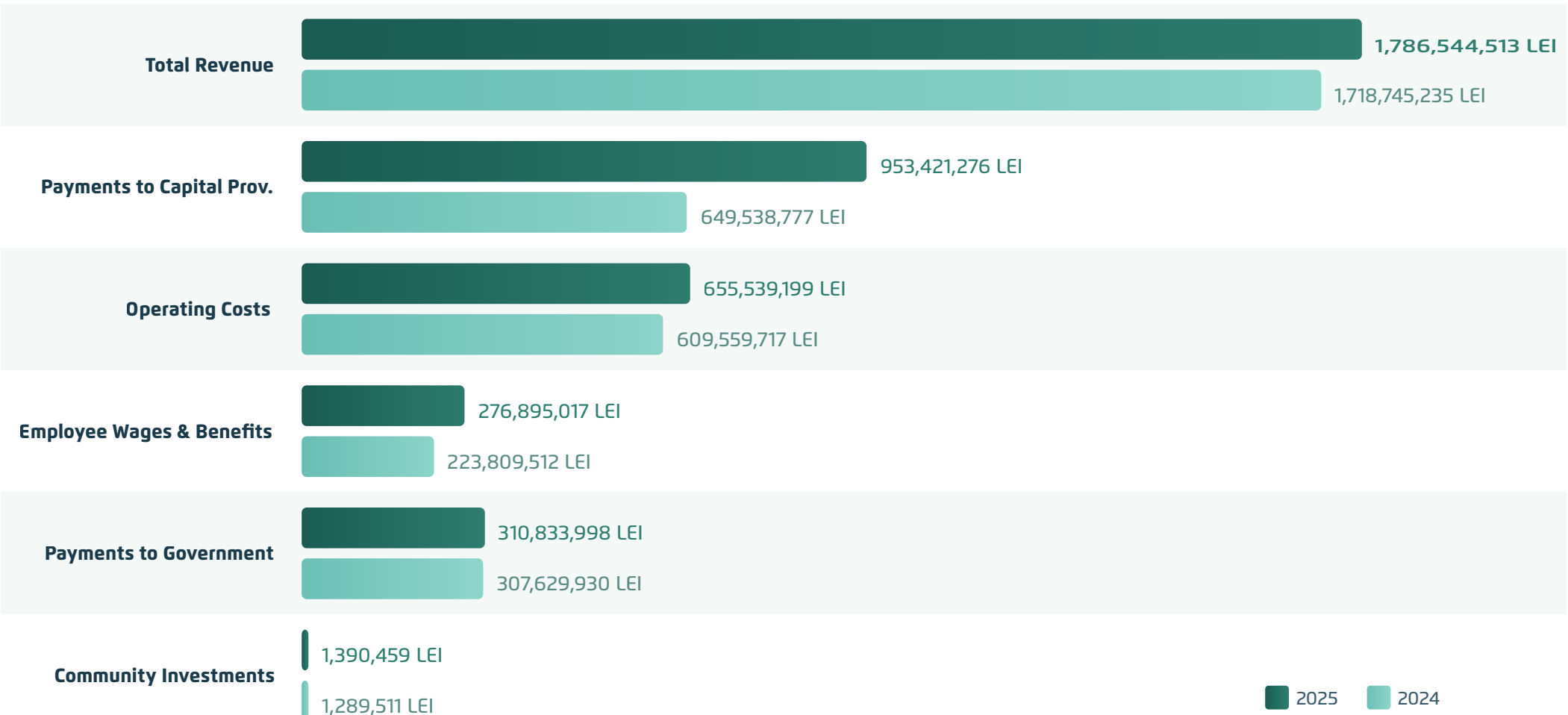
¹ Starting with this report, DEO has retroactively revised the entire GRI 201-1 historical series, using exclusively data from the accounting records. This approach ensures internal consistency and direct comparability between financial years, in accordance with the consistency principle of GRI 1 (2021, section 3). Staff costs are presented separately from operating costs for all years reported; the subtotal 'Expenses + Wages' represents the component comparable with the 'Operating costs' line in previous reports. The revenue calculation basis is 'Total operating revenues' (per the trial balance), including, in addition to turnover, other operating income (ANRE subsidies, compensation income, other operating revenues).

² Community investments (LEI 1,390,459 in 2025) reflect the actual payments recorded at 31.12.2025. Chapter 7 (Table 7.1, GRI 413-1) reports the contracted/allocated budgets (LEI 1,479,800). The 'Payments to government' line includes employer social contributions and royalties, in accordance with the GRI 207-4 methodology (detailed in Table 1.3). (2019)

Total operating revenues increased by 3.9% compared to 2024, reaching approximately LEI 1.787 billion (from LEI 1.719 billion in 2024). Staff costs recorded a 23.7% increase, reflecting both the wage increases negotiated through the collective bargaining agreement and the strengthening of the technical teams. Starting with this report, Table 1.2 is constructed entirely on the basis of data from the accounting records, with retroactive recalculation of the historical series for 2022, 2023 and 2024. This methodological decision responds to the requirements of GRI 201-1 on the coherent and granular presentation of economic value, as well as to the consistency principle of GRI 1, which stipulates that methodological changes to be applied retroactively to enable comparability. The differences from the values published in the 2024 Sustainability Report (p. 40) are attributable to the use of a broader revenue base (total operating revenues, including ANRE subsidies and other operating income, compared to the turnover used previously), the disaggregation of staff costs from operating costs for all years, and the inclusion of employer social contributions in the tax contributions line. DEO will ensure direct comparability from one financial year to the next in future reports.

Apart from the economic value distributed under GRI 201-1, DEO made capital expenditures (CapEx) of **LEI 637.9 million** in 2025 (+40.2% compared to 2024), reflecting the accelerated programme for network modernisation and infrastructure digitalisation. The figure includes both investments from own funds and from attracted sources (non-reimbursable funds). CapEx is not included in the calculation of the economic value distributed, as the Disclosure GRI 201-1 treats capital investments as a balance sheet flow, not as a current distribution of value.

Figure 1.1. Distribution of the economic value generated 2025 vs 2024



Source: DEO Annual Report 2025. GRI 201-1: Economic Value Generated and Distributed.

Financial assistance received from government

GRI 201-4

The table below presents the complete portfolio of active investment projects with funding from attracted sources, regardless of the stage of implementation or the existence of actual receipts in the reporting year. This approach, consistent with that adopted in DEO’s previous sustainability reports, ensures the transparency and inter-annual comparability of information on financial assistance received from government (GRI 201-4):

Table 1.3 Projects with funding from attracted sources, ongoing in 2025

Funder	Project name	Funding contract no. / date	Total non-reimbursable value established under the funding contract	Amount received in 2025 on the basis of reimbursement claims and pre-financing
Ministry of Energy, Modernisation Fund, Key Programme 3 (MF)	Increasing energy efficiency and operational safety of the distribution network in the municipality of Tg. Jiu, by modernising, upgrading the installations and equipment operating at 6 kV to a higher voltage of 20 kV, and integrating these installations into SCADA	27/28.11.2023	81,515,802.74 LEI	42,454,740.82 LEI
Ministry of Energy, Modernisation Fund, Key Programme 3 (MF)	Extension of the public electricity distribution network in Horezu town, Vârful lui Roman area, Izvoarele Pleșei, Vâlcea county	28/28.11.2023	37,471,987.38 LEI	3,840,729.93 LEI
Ministry of Energy, Modernisation Fund, Key Programme 3 (MF)	Increasing energy efficiency and the quality of energy supplied to consumers in the Butoiești area	32/28.11.2023	36,495,385.84 LEI	10,131,827.98 LEI
Ministry of Energy, Modernisation Fund, Key Programme 3 (MF)	Modernisation of the 110/20/10 kV Dăbuleni transformer station, Dăbuleni town, Dolj county	55/14.02.2024	50,365,689.39 LEI	13,000,000.00 LEI
Ministry of Energy, Modernisation Fund, Key Programme 3 (MF)	Modernisation and SCADA integration of the 110/20 kV Drăgășani transformer station, Drăgășani town, Vâlcea county	56/14.02.2024	45,184,897.42 LEI	10,000,000.00 LEI
Ministry of Energy, Modernisation Fund, Key Programme 3 (MF)	Extension of the low-voltage electricity distribution networks in the Șimian and Obârșea Cloșani communes, and increasing energy efficiency and the quality of energy distributed to consumers through the modernisation of transformer substations, the low-voltage network and the connections serving the commune of Șimian, Mehedinți county	58/14.02.2024	37,685,806.44 LEI	11,000,000.00 LEI
Ministry of Energy, Modernisation Fund, Key Programme 3 (MF)	Modernisation and SCADA integration of the 110/20 kV Rogojelu transformer station, Rogojelu commune, Gorj county	59/14.02.2024	59,048,967.73 LEI	0
Ministry of Investments and European Projects, Managing Authority for the Large Infrastructure Operational Programme (AM-POIM)	Implementation of an advanced asset management system (AMS) for the distribution networks and monitoring of predominantly residential electricity consumers served by the 110/20 kV Căzănești transformer station, Vâlcea county	739/24.11.2021	60,180,177.51 LEI	0
Ministry of Investments and European Projects, Managing Authority for the Large Infrastructure Operational Programme (AM-POIM)	Modernisation of the distribution network and increase of the distribution capacity of the 110/20 kV Caracal Vest transformer station, for the evacuation of electricity produced by photovoltaic power plants	825/12.01.2022	26,501,867.66 LEI	0

Funder	Project name	Funding contract no. / date	Total non-reimbursable value established under the funding contract	Amount received in 2025 on the basis of reimbursement claims and pre-financing
Ministry of Investments and European Projects, Managing Authority for the Large Infrastructure Operational Programme (AM-POIM)	Modernisation of the 110/20/6 kV Podari transformer station, Podari locality, Dolj county, with the aim of increasing the reliability of electricity supply to consumers and ensuring the technical conditions for the uptake of energy produced from renewable sources	1642/02.08.2022	15,214,278.19 LEI	0
Ministry of Investments and European Projects, Managing Authority for the Large Infrastructure Operational Programme (AM-POIM)	Modernisation of the 110/20/6 kV Ocolna transformer station, Dăbuleni locality, Dolj county, with the aim of increasing the reliability of electricity supply to consumers and ensuring the technical conditions for the uptake of energy produced from renewable sources	1697/13.09.2022	17,596,921.47 LEI	0
Norway Grants 2014-2021	Photovoltaic System PROJECT for Own Consumption in Bărbătești and Balș Transformer Stations	2021/330663	745,772 EUR	0
Ministry of Investments and European Projects, Managing Authority for the Large Infrastructure Operational Programme (AM-POIM)	Implementation of an advanced distribution management system (ADMS) and monitoring and optimisation of energy consumption in a homogeneous zone of predominantly residential electricity consumers, located in the area of the Pitești municipal operating point, Argeș county	629/15.10.2021	63,845,835.97 LEI	0

In 2025, DEO had 13 investment projects underway with externally sourced financing, compared to 10 projects reported in 2024. Funding sources include the Modernisation Fund (7 projects), the Large Infrastructure Operational Programme (5 projects) and Norway Grants (1 project). The total amount received in 2025 was LEI 90.4 million, entirely from the Modernisation Fund, on the basis of reimbursement and pre-financing requests. The remaining projects (POIM and Norway Grants) generated no receipts during the reporting period.

Methodological note (GRI 201-2): The financial implications and other risks and opportunities arising from climate change are analysed in detail in Chapter 2 (including scenario-based analysis using IPCC and IEA scenarios) and in Chapter 8 (analysis of physical and transition climate risks). The corresponding page references are indicated in the GRI Content Index, Annex 1.

Tax

DEO manages taxation through an integrated tax governance framework, which ensures compliance with applicable tax legislation, transparency of contributions to the state budget and full reporting of taxes due and paid. Oversight of tax matters is coordinated by the Operational Finance Division, with approval at Directorate and Supervisory Board level.

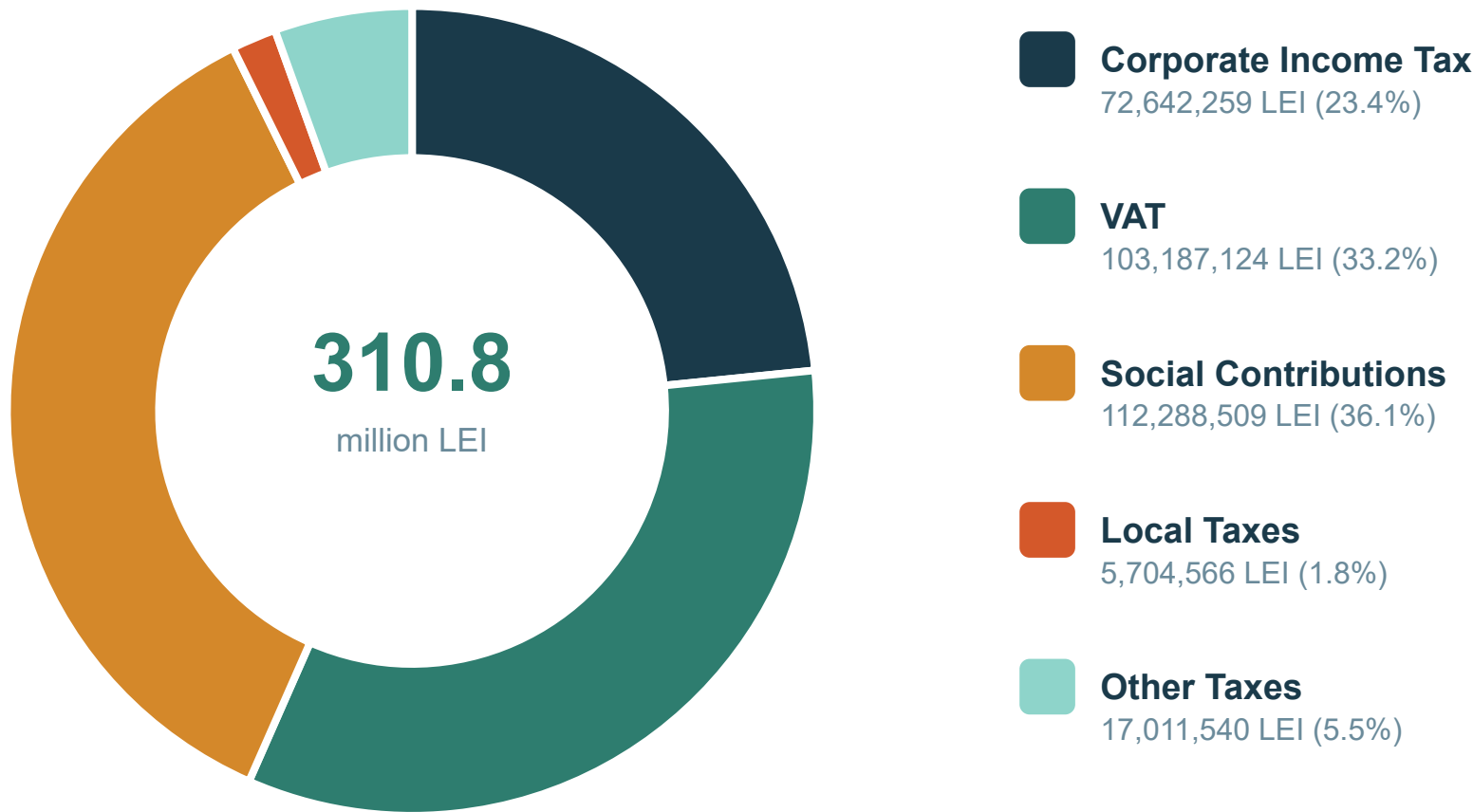
Table 1.4 DEO tax contributions 2025

Contribution type	2025 (LEI)	% of total
Corporate income tax	72,642,259	23.4%
VAT	103,187,124	33.2%
Social contributions	112,288,509	36.1%
Local taxes and duties	5,704,566	1.8%
Other taxes and contributions	17,011,540	5.5%
TOTAL state budget contributions	310,833,998	100%

DEO contributed LEI 310.8 million to the state budget in 2025, with the structure dominated by social contributions (36.1%) and VAT (33.2%). Gross profit before taxation amounted to LEI 250.7 million, and the corporate income tax due for the reference year was LEI 63.6 million (effective tax rate of 25.4%, calculated as tax due / gross profit). Corporate income tax actually paid during 2025 was LEI 72.6 million; the difference relative to the amount due is explained by the GRI 207-4 reconciliation below.

With a tax contribution of LEI 310.8 million, DEO consolidates its position as one of the most significant budget contributors and economic integrators in the Oltenia region.

Figure 1.2. Structure of DEO tax contributions 2025



Reconciliation note (GRI 207-4): The corporate income tax effectively paid during 2025 was LEI 72.6 million (reported in Table 1.4 above), compared to the tax due of LEI 63.6 million. The difference of LEI 9.03 million is fully explained by three elements: (a) payment during the current year of the tax due at 1 January 2025: LEI 7.84 million; (b) regularisation differences between the tax due and the tax paid for quarters I-III: LEI 0.22 million; (c) corporate income tax per the Tax Inspection Report (RIF): LEI 0.96 million. Total reconciliation: 7.84 + 0.22 + 0.96 = 9.02 million (the residual difference of LEI 0.01 million arises from rounding the amount due to LEI 63.6 million). Both figures are correct and reflect distinct financial concepts required by the Disclosure GRI 207-4.

Approach to tax

GRI 207-1

Approach to tax

DEO operates exclusively within Romania and assumes the role of a responsible taxpayer across the south and south-west of the country. The company’s tax strategy is aligned with the principles of transparency, compliance and good governance, seeking full adherence to applicable tax legislation. Oversight of tax matters is coordinated by the Operational Finance Division, and the tax strategy is approved at Directorate and Supervisory Board level.

Tax governance, control, and risk management

GRI 207-2

Tax governance, control, and risk management

DEO’s tax control framework is based on: segregation of duties (tax returns are prepared and reviewed by different individuals), integrated IT systems (automatic implementation of applicable tax legislation), external advisory services (engagement of external tax consultants for complex matters) and full compliance (in 2025, no breaches of tax legislation were reported).

GRI 207-3

Stakeholder engagement and management of concerns related to tax

DEO actively participates in tax policy working groups within ACUE and AmCham, contributing to dialogue with authorities on regulatory and taxation matters in the energy sector.

GRI 207-4

Country-by-country reporting

DEO operates exclusively within a single tax jurisdiction (Romania) and does not hold subsidiaries, branches or permanent establishments in other countries. Consequently, country-by-country reporting in accordance with GRI 207-4 covers Romania as the sole jurisdiction. Quantitative data are presented in Table 1.4, and the reconciliation between tax due and tax paid is detailed in the accompanying note.

- **Total number of employees:** 1,656 (as reported to the tax authorities). This figure includes suspended contracts (maternity/paternity leave, unpaid leave), whereas the GRI 2-7 headcount (1,632 total effective at 31.12.2025) reflects only active employees at the reference date. The difference of 24 persons arises from the distinct reporting methodology: the tax base includes all employment contracts in force, regardless of active/suspended status.
- **Profit before tax:** 250,679,528 LEI

Market presence (M)

Management of material topics

GRI 3-3

DEO’s presence in the regional labor market is managed through a fair remuneration policy, anchored in the collective labor agreement and complemented by social benefits. The company seeks to maintain salary competitiveness and gives preference to recruitment from local communities within its operating area, thereby contributing to the economic and social stability of the southern and south-western Romania.

Proportion of senior management hired from the local community

GRI 202-2

As of 2025, DEO had 140 senior managers, all (100%) recruited from the local community. The breakdown is as follows:

- Management Board: 3 persons (100% from Oltenia);
- Top Management: 17 persons (100% from Oltenia);
- Middle Management: 120 persons (100% from Oltenia).

The definition of ‘local community’ used is that of residence in DEO’s operating counties.

Indirect economic impacts (M)

Management of material topics

GRI 3-3

DEO generates significant indirect economic impacts through its investment programme for the modernisation and expansion of the distribution network, through procurement from local suppliers and through facilitating the connection of renewable energy prosumers. The management of these impacts is carried out through long-term investment planning, monitoring of economic multiplier effects in the operating regions and periodic assessment of the accessibility of distribution services for the communities served.

Infrastructure investments and services supported

GRI 203-1

Significant indirect economic impacts

GRI 203-2

DEO generates significant indirect economic impacts in the southern and south-western Romania, both through its investment programme (CapEx of LEI 637.9 million in 2025, representing a 40.2% increase over the previous year) and through the multiplier effect of local procurement (LEI 1.996 billion, i.e. 98.88% of total procurement).

Investments in the extension and modernisation of the network contribute to the economic development of rural areas, facilitating access to energy for isolated communities and creating the conditions for the connection of prosumers generating renewable energy.

At the end of 2025, DEO’s network serves 1,528,676 users (per the commercial database), of which 52,560 photovoltaic prosumers connected in total (of which 17,417 were connected during 2025 alone, adding a new capacity of 197.93 MW and 108.88 MW storage). DEO’s indirect contribution to

the energy transition, in accordance with art. 42 of Law 123/2012 on the unbundling of activities, is quantified through 526 technical connection approvals (ATR) issued for PV/wind producers (1,325 MW requested capacity) and 334 ATR for EV charging stations (54.077 MW). Investments dedicated to network reinforcement for the absorption of distributed generation and EV infrastructure totalled LEI 56.022 million. Capital expenditures (CapEx) recognised financially amounted to LEI 637.9 million, of which commissioning (PIF) totalled LEI 453.887 million.

Procurement practices

DEO manages responsible procurement practices through an integrated sectoral procurement system, in accordance with Law No. 99/2016, which includes mandatory ESG evaluation requirements for all new suppliers. Qualification criteria include ISO 14001 certification or equivalent (environmental criteria), compliance with occupational health and safety legislation (social criteria) and the signing of the Supplier Code of Conduct (ethics criteria). Compliance monitoring of active suppliers is carried out throughout the contract period, with penalty and termination mechanisms in the event of non-compliance.

GRI 204-1 Proportion of spending on local suppliers

The year 2025 confirms DEO’s remarkable performance in responsible supply chain management: a 100% rate of ESG screening for new suppliers, zero environmental or social incidents in the supply chain, and zero commercial relationships terminated for non-compliance, the result of an integrated procurement system in which ISO 14001/or equivalent and OHS requirements are qualifying conditions.

DEO applies a rigorous sectoral procurement regime in compliance with Law 99/2016 and its internal ESG supplier evaluation standards. All technical specifications include mandatory requirements on environmental protection (ISO 14001 certification or equivalent) and compliance with occupational health and safety legislation.

Table 1.5 DEO procurement by supplier category

2025 value		Notes
Total procurement value (LEI)	1,999,497,309	In accordance with Law 99/2016
Procurement from local/domestic suppliers (LEI)	1,996,457,470	99.85% of total value
Proportion of local suppliers (%)	98.88%	Definition: registered in Romania
Total number of active suppliers	446	Qualified under internal procedure
Number of local/domestic suppliers	441	98.88% of total suppliers

The 98.88% proportion of procurement from domestic suppliers reflects both the specific nature of the sectoral market (network equipment, construction and installation works) and DEO’s commitment to supporting the local economy. The total value of the purchases is approximately 2 billion LEI, underscoring the company’s role as an economic integrator in the region.

Figure 1.3. Origin of DEO procurement 2025



Supplier environmental assessment

Environmental assessment of suppliers is integrated into the sectoral procurement framework (Law No. 99/2016). Procurement specifications include requirements for compliance with environmental legislation, and new suppliers are evaluated against ESG criteria, including ISO 14001 where applicable.

Environmental criteria screening on new suppliers

New suppliers that were screened using environmental criteria

GRI 308-1

Negative environmental impacts in the supply chain and actions taken

GRI 308-2

Table 1.6 Supplier environmental assessment

	2025 value
New suppliers in 2025 (no.)	119
Screened using environmental criteria (no.)	119
Proportion screened (%)	100%
Suppliers with identified negative impact	0
Relationships terminated for environmental reasons	0

All DEO procurement specifications include mandatory requirements on environmental compliance, evidenced by holding an ISO 14001 certificate or equivalent. The evaluation committee verifies these requirements, and only compliant economic operators are qualified.

For the procurement of electricity, DEO used the ‘best price-quality ratio’ criterion, with one of the evaluation factors being the share of energy from renewable sources, with additional scoring for bidders proposing a share as close to 100% as possible.

No incidents or complaints regarding procurement activities were recorded in 2025.

Supplier social assessment

Social assessment of suppliers is managed through the integrated procurement procedure. Social criteria include compliance with labor legislation, ISO 45001 requirements and respect for workers’ rights, applied to all new suppliers.

Social criteria screening on new suppliers

- GRI 414-1
- New suppliers that were screened using social criteria
- GRI 414-2
- Negative social impacts in the supply chain and actions taken

Table 1.7 Supplier social assessment

	2025 value
New suppliers in 2025 (no.)	119
Screened using social criteria (no.)	119
Proportion screened (%)	100%
Suppliers with identified negative social impact	0
Relationships terminated for social reasons	0

All procurement specifications include mandatory OHS requirements, and contractors are required to submit within 10 days of signing the contract: the work methodology, the risk level assessment, the work conventions and the monthly safety statistics reporting template. Non-compliance with OHS legislation entails penalties, suspension of works or contract termination.

Employees: summary

- GRI 2-7
- Employees

On 31st of December 2025, DEO had a headcount of 1,632 employees (total effective headcount), of which 79.8% male and 20.2% female. The structure reflects the technical specificity of the electricity distribution sector, with a predominance of male operational staff. Nonetheless, DEO actively monitors gender diversity indicators and implements equitable recruitment policies (details on these initiatives can be found in Chapter 6).

Figure 1.4. DEO workforce structure on 31.12.2025

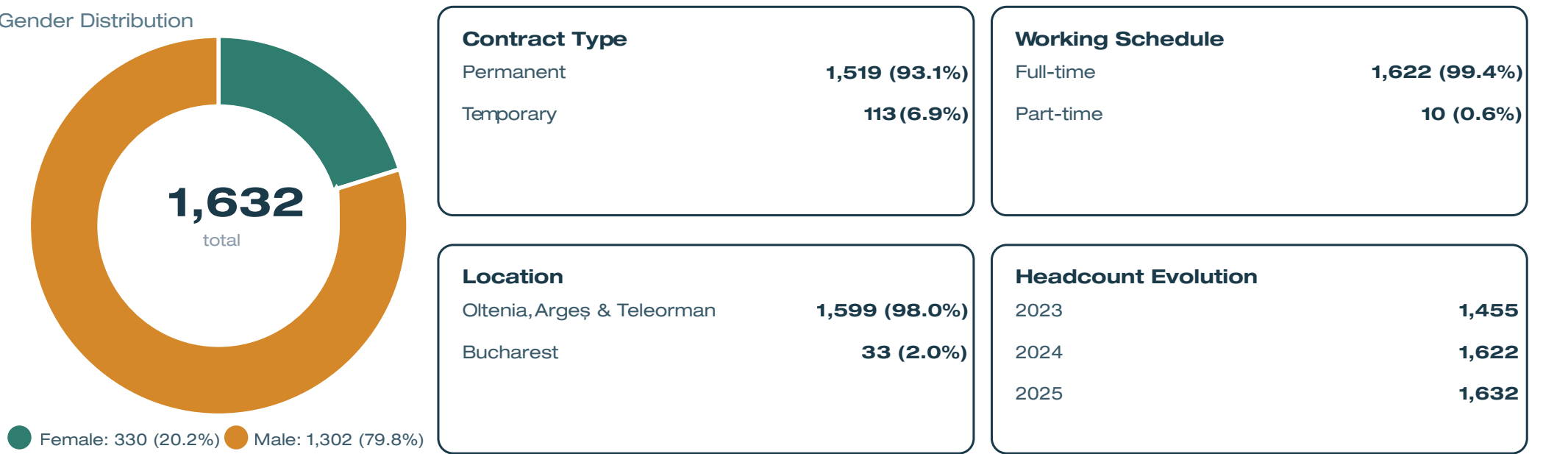


Table 1.8 DEO workforce structure on 31.12.2025

	Total	Male	Female	Oltenia + Muntenia (partially)	Bucharest
Total headcount (31.12.2025)	1,632	1,302	330	1,599	33
Permanent	1,519	1,220	299	1,491	28
Temporary	113	82	31	108	5
Full-time	1,622	1,296	326	1,590	32
Part-time	10	6	4	9	1

The vast majority of the headcount (98%) is concentrated in the southern and south-western Romania, reflecting the company’s operational structure. Permanent employees represent 93 of the total, confirming workforce stability and the company’s long-term orientation.

Workers who are not employees

Workers who are not employees

GRI 2-8

In the 2025 reporting period, DEO reports zero non-employee workers (permanent contractors, temporary agency workers and interns), a figure identical to that reported in the 2024 Sustainability Report. The stable human resources structure confirms DEO’s operational model, in which all activities are carried out either with the organization’s own workforce or through third-party service contracts (which do not qualify as “non-employee workers” within the meaning of GRI 2-8). The indicator is therefore formally closed for the 2025 reporting cycle.

2 ESG STRATEGY



Table of Contents

This chapter presents the sustainability strategy of Distribuție Energie Oltenia, structured around five complementary dimensions: defining the ESG vision and strategic pillars, integrating the due diligence process across the value chain, ensuring legal compliance and fair competition, alignment with the EU Taxonomy as a classification instrument for sustainable activities, and a summary of methodological changes compared to previous reporting cycles.

ESG Strategy of Distribuție Energie Oltenia

GRI 2-22 Statement on sustainable development strategy

The Six-Step Due Diligence Process

- GRI 2-23 Policy commitments
- GRI 2-24 Embedding policy commitments
- GRI 2-25 Processes to remediate negative impacts
- GRI 2-27 Compliance with laws and regulations
- GRI 207-4 Country-by-country reporting

Anti-competitive Behavior

GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

EU Taxonomy

- GRI 201-2 Financial implications and other risks and opportunities due to climate change - partially
- NON-GRI-8 EU Taxonomy eligibility and alignment (Reg. 2020/852)
- NON-GRI-9 DNSH Principles (Do No Significant Harm)

Restatements of Information

GRI 2-4 Restatements of information

GRI 2-22

Vision, Strategic Pillars, Due Diligence, and EU Taxonomy

ESG integration into the business model

Statement on sustainable development strategy

DEO ESG Strategy 2025-2030

In 2025, Distribuție Energie Oltenia consolidates its commitment to sustainability through the advanced integration of ESG (Environmental, Social, Governance) principles into the business strategy and operational processes. The year 2025 marks a maturation stage for sustainability governance within the company, reflected in the following concrete results: zero incidents of GDPR regulatory breaches (as a result of strengthened data protection mechanisms and continuous personnel training), an approximately 14% reduction in the carbon footprint compared to the previous year (through the optimization of own technological consumption and process digitalization), the development and adoption of a new Diversity, Equity and Inclusion (DEI) Policy, integrated into the governance system, and the continued development of the Electrician Apprentice project through new educational elements, including the organization of a hackathon event aimed to attract young people towards careers in the energy sector.

DEO's business model is built on clear pillars: decarbonization, energy efficiency and support for the circular economy. In 2025, ESG integration is concretely reflected in sustained investments in infrastructure modernization and grid digitalization, the progressive reduction of emissions, facilitation of the integration of prosumers and renewable energy producers, the consolidation of the ethical culture and compliance mechanisms, and the integration of ESG indicators into performance evaluation systems.

A key aspect of this integration is sustainable financing: the company has contracted a syndicated loan, classified as green, amounting to LEI 1.76 billion for grid modernization, thereby supporting the regional energy transition. The social component is strengthened through educational programs and dedicated initiatives for the development of competences of future specialists in the field, such as the Electrician Apprentice program.

ESG trends relevant in 2025 for the energy sector

In 2025, ESG strategies in the energy distribution sector have been redefined around the following trends:

- accelerated decarbonization (significant reduction of Scope 1 and Scope 2 emissions through fleet electrification and network optimization, in line with the Fit for 55 and REPowerEU targets);
- digitalization for sustainability (smart grid solutions, smart metering, AI-based consumption forecasting);
- climate resilience and adaptation (assessment of physical and transition climate risks, adaptation

plans for energy infrastructure);

- accelerated integration of renewable energy sources (RES), with distribution networks serving as the central pillar in absorbing large renewable energy flows.

Vision, mission and values of DEO

Distribuție Energie Oltenia has embraced the role of catalyst for the energy of the future. Contributing to the transformation of the energy system requires the creation of a robust, digital and sustainable energy infrastructure that facilitates Romania's growing electrification and transition towards a low-carbon economy.

The company's vision is to become a modern, flexible organization, capable of responding to any challenges arising from the evolution of electricity distribution technologies, in order to meet the demands of its customers. Environmental, social and governance (ESG) commitments reinforce the progress made to date and represent a direct response to the climate, economic, social and energy crisis.

The mission of Distribuție Oltenia is to ensure the distribution of electricity for customers in seven counties: Argeș, Dolj, Gorj, Mehedinți, Ilt, Vâlcea and Teleorman. Distribution service activities include the operation, maintenance and development of electrical equipment, with the aim of distributing electricity from producers to consumers under conditions of security, operational safety, quality parameter assurance and reduction of maintenance and repair costs.

The fundamental values of the company are: Evolution, Responsibility, Team, Enthusiasm and Initiative. The Management Board and DEO's leadership consider ESG alignment as an integral part of the organization's strategic management, through which Distribuție Energie Oltenia addresses environmental, social and governance issues in an integrated manner, with the aim of ensuring resilience and long-term value creation.

ESG Strategy Pillars

The pillars and objectives of the strategy have been correlated with both existing business strategies and the United Nations Sustainable Development Goals (SDGs) set out in the 2030 Agenda. DEO's ESG Strategy is structured around seven pillars:

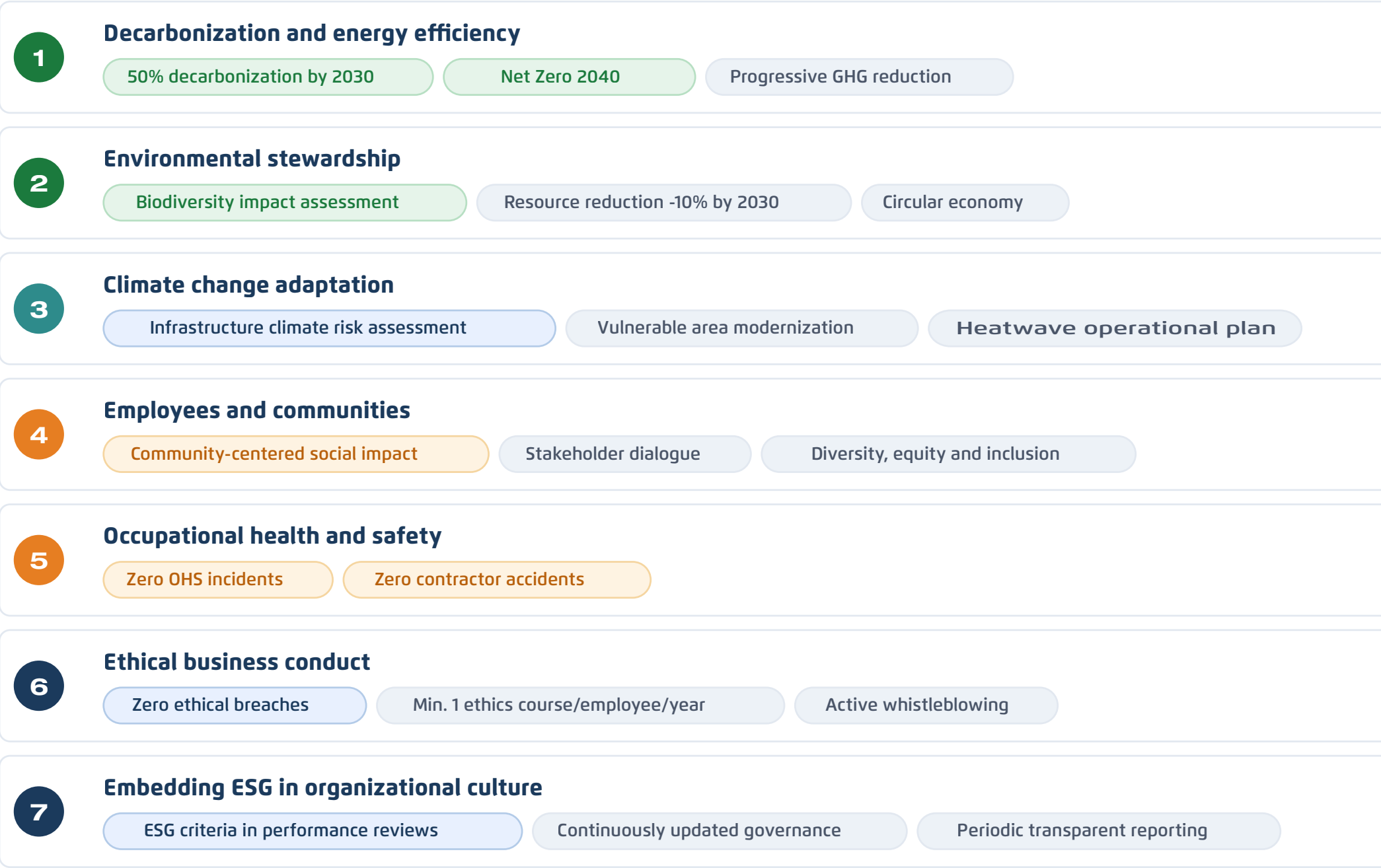


Figure 2.1 ESG Strategy Pillars of Distribuție Energie Oltenia

- Decarbonization and energy efficiency.** Promoting actions to reduce GHG emissions, the transition to a low-carbon economy through a decarbonization action plan, intermediate targets by 2030, and Net Zero by 2040. Progressive reduction of own technological consumption and support for energy performance, facilitation of the integration of prosumers and green energy producers. (SDG 7, SDG 12)
- Environmental stewardship.** Priority for biodiversity and habitat protection, reduction of natural resource consumption, waste management, circular economy and electric mobility. (SDG 12, SDG 15)
- Climate change adaptation (new pillar, introduced in 2025).** Ensuring the resilience of electricity distribution services through the identification and management of climate risks. The update of the ESG strategy carried out in 2025 led to the identification of this strategic pillar, as a response to the increasing frequency and severity of extreme climate events affecting distribution infrastructure. (SDG 7, SDG 11, SDG 13)
- Employees and communities.** Diversity, respect for and promotion of human rights, investments in adapted work programs, development of professional competences, creativity and innovation. Local management, diversity and effective communication solutions with employees, customers and partners. (SDG 3, 4, 5, 8, 10, 11)
- Occupational health and safety.** Consolidation of organizational processes for carrying out activities in full safety. Continuous training through specific instruction programs, ensuring health and safety conditions for customers and partners. (SDG 8)
- Ethical business conduct.** Promotion of ethical and integrity principles, a solid compliance system applicable to employees, suppliers and partners. Diversity management, zero discrimination, equal opportunities. (SDG 4, 5, 7, 8, 12, 13, 16)
- Embedding ESG principles in the organizational culture.** Awareness-raising and implementation of a sustainability/ESG governance system, investments in a sustainable business model. Sustainability governance ensures the management of impacts on society, human rights and the environment, as well as climate risks and opportunities. (SDG 8, 12, 13, 16)

Strategic objectives 2025-2030

Figure 2.2 ESG strategic objectives 2025-2030



- Decarbonization and energy efficiency.** 50% decarbonization by 2030, Net Zero by 2040.
- Environmental stewardship.** Biodiversity impact assessment and development of reduction actions. 10% reduction in natural resource consumption by 2030, waste management and electric mobility.
- Climate change adaptation.** Assessment of distribution infrastructure for climate risks and definition of modernization actions for vulnerable areas. Employee protection under extreme climate conditions.
- Employees and communities.** Increasing social impact through approaches centered on healthy communities. Clear dialogue with stakeholders, support for learning and personal development principles, new employee benefits, reduction of SAIFI and SAIDI indicators.
- Occupational health and safety.** Zero occupational health and safety incidents. Zero work accidents among contractors working in DEO installations.
- Ethical business conduct.** Zero ethical conduct violations. At least one annual ethics course for each employee. Integration of equal opportunities and diversity into corporate governance. Promotion of the SpeakUp whistleblowing system.
- Embedding ESG in the organizational culture.** Permanent updating of sustainability governance. Integration of ESG/climate risks. Definition of ESG performance indicators as professional objectives. Annual sustainability communication and training calendar.

Distribuție Energie Oltenia reaffirms its commitment to generating sustainable long-term value for shareholders, customers and the communities it serves, actively contributing to the energy transition and to strengthening regional resilience.

The Six-Step Due Diligence Process

In 2025, Distribuție Energie Oltenia continued its due diligence process, carried out in accordance with the six steps set out in Directive (EU) 2024/1760 of the European Parliament and of the Council on corporate sustainability due diligence (COM(2022)0071 - C9-0050/2022). Our commitment is to manage how we contribute to sustainable development and the sustainability transition of our operational activities by identifying, prioritizing, preventing, and remedying actual or potential adverse impacts on human rights, the environment, and the communities within our area of activity.

In addressing adverse effects, we take appropriate measures capable of achieving the intended objectives of limiting or completely eliminating negative impacts. By appropriate measures, we mean those actions that can achieve due diligence objectives by effectively addressing adverse effects in a manner proportionate to the severity and likelihood of the impact, and which are reasonably available to and under the control of our company.

The process is carried out in accordance with the six steps set out in Directive (EU) 2024/1760:

Figure 2.3 Due diligence process across the value chain

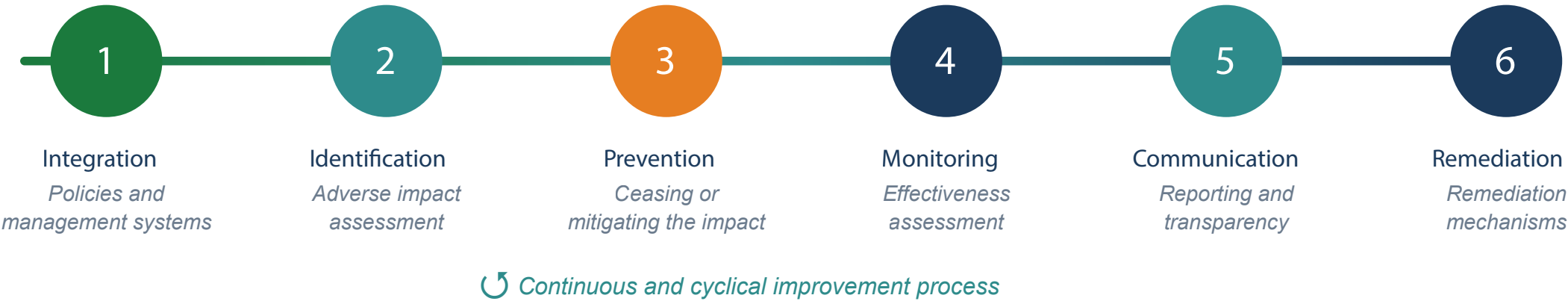


Table 2.1 Due diligence process steps (Directive (EU) 2024/1760)

Step	Name	Description
1	Integration	Integration of due diligence into policies and risk management systems
2	Identification	Identification and assessment of negative impacts on human rights and the environment
3	Prevention	Prevention, cessation or minimization of actual and potential negative impacts
4	Monitoring	Monitoring and assessment of the effectiveness of measures adopted
5	Communication	Communication of actions taken to stakeholders
6	Remediation	Ensuring remediation in the case of identified negative impacts

GRI 2-23 Policy commitments

Distribuție Energie Oltenia assumes formal commitments regarding responsible conduct through a structured set of policies and internal documents. The documentary reference framework includes the Internal Regulation and its annexes (Code of Ethics, Code of Business Conduct, Compliance Manual), approved and in-force documents that establish the fundamental principles of ethics and compliance of the company.

During 2025, the following specific policies were updated (without substantive changes to the core documents): the Conflict-of-Interest Policy, the Anti-Corruption and Anti-Bribery Policy, the Whistleblowing Policy for reporting through the SpeakUp system, the General Anti-Fraud Policy, the Antitrust and Competition Rules Policy, the Trade Secret Policy and the Insider Trading (REMIT) Policy. The updates aimed at alignment with the current organizational structure and integration of the

company's ESG commitments. A comprehensive update of the core documents (Code of Ethics, Code of Business Conduct) is planned for 2026.

In 2025, the Company contracted an independent analysis performed by a third party for the assessment of the compliance program. The results generated an action plan aimed at raising integrity standards to a higher level. This plan was transformed into a strategic project to be implemented in 2026, also benefiting from a dedicated consultancy budget.

These commitments are aligned with the international frameworks that define the principles of responsible conduct: the Universal Declaration of Human Rights (UN), the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. DEO promotes zero tolerance towards any forms of corruption, bribery, fraud, discrimination or harassment, and the Supplier Code of Conduct is an integral part of procurement documentation.

The detailed structure of ethics and compliance, including monitoring, training and reporting mechanisms, is presented in Chapter 3 (Governance, GRI 2-26, GRI 205).

Embedding policy commitments

All documents comprising the management system of Distribuție Energie Oltenia are aligned with the international frameworks that define the principles of responsible conduct: the Universal Declaration of Human Rights (UN), the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the eight fundamental ILO conventions.

The integration of ESG commitments into current activities is carried out through the Code of Business Conduct (annex to the Internal Regulation), the Code of Ethics, the Supplier Code of Conduct (launched in 2016) and the Declaration on the rights and code of conduct of the customer. The ethics and compliance officer ensures the raising of awareness of these issues within the organization, the evaluation and updating of documents in line with the evolution of the legal framework and periodically informs company management.

The SpeakUp whistleblowing system can be accessed permanently on the website www.distributieoltenia.ro, in the "Ethics and Integrity" section. The ethics and compliance function proactively monitors specific indicators: the number of complaints in the SpeakUp system, training/instructions on ethics topics, employees tested and participants in the annual "Ethics Competition" event (8th edition in 2025). Quantitative indicators of the ethics and compliance function are presented in Chapter 3.

Processes to remediate negative impacts

Our commitment is to monitor the way in which we contribute to sustainable development and to the sustainability transition of operational activities, by identifying, prioritizing, preventing, mitigating, stopping, minimizing and remediating actual or potential negative impacts on human rights, the environment and communities within our area of operations, as well as by collaborating with relevant bodies for the conservation of existing environmental conditions and the remediation of identified negative impacts.

We commit to establishing and applying due diligence measures with regard to both our own operations and those of our direct and indirect business partners, along the value chain.

Negative impacts are prioritized according to their severity and likelihood. Severity is assessed based on the scale, scope or irreversibility of the impact, the number of persons who could be affected, the extent to which the environment is or could be harmed, and the limitations regarding the restoration of affected persons or the environment to a condition equivalent to the one prior to the impact, within a reasonable timeframe. The most severe and most likely impacts are addressed as a priority, with less severe or less likely ones to be dealt with subsequently.

Verification that negative impacts are correctly identified that due diligence measures are properly implemented, and that negative impacts have been effectively prevented or stopped, is carried out through periodic assessments, at least once every 12 months. Where there are reasonable grounds to believe that new significant risks of negative impact have arisen, the assessment is also carried out on an ad-hoc basis.

Distribuție Energie Oltenia offers various communication channels for reporting, improving and remediating negative environmental impacts to organizations and individuals, through the platforms accessible on www.distributieoltenia.ro (Contact, SpeakUp, Reporting channels, DPO Contact sections).

The process for the remediation of negative impacts includes the following institutionalized mechanisms: (a) the SpeakUp whistleblowing system, permanently accessible on www.distributieoltenia.ro, which allows anonymous reporting of irregularities by employees, suppliers and third parties; (b) integrity investigations conducted by the Compliance Department, with direct reporting to senior management; (c) contractual mechanisms with suppliers, including the Supplier Code of Conduct (active since 2016) and ESG clauses in procurement documentation; (d) periodic stakeholder consultation, including satisfaction surveys (NPS), customer experience surveys and mystery shopper studies. In 2025, no significant unresolved negative impacts were identified.

By “remediation” we mean the restoration of the affected person or persons, communities or environment to a condition equivalent to or as close as possible to the one prior to the negative impact or proportionate to the company’s involvement in the negative impact, where the impact has not actually occurred. Remediation may include, as the case may be, material compensation granted by the company to the person or persons affected by the actual negative impact, reimbursement of costs borne by public authorities, as well as any other necessary reparatory measures.

In accordance with international standards, complainants (except for anonymous reports) have the right: to request timely adequate information from the company regarding impact mitigation measures; to meet with company representatives at an appropriate level to discuss the actual or potential impact and possible remediation; to receive a reasoned response regarding the acceptance or rejection of the report, including a statement of the reasons for which the report was considered founded or unfounded; and to be informed about the measures adopted or to be adopted by the company. We ensure the accessibility of notification mechanisms and complaint procedures for all stakeholders.

The manner in which reported issues are resolved is communicated to relevant stakeholders through periodic sustainability reporting. Where the impact relates to a process deficiency, it is analyzed and the implementation of updates is monitored.

Compliance with laws and regulations

GRI 2-27

In 2025, Distribuție Energie Oltenia did not record any significant cases of non-compliance with applicable legislation and regulations. Periodic inspections carried out by ANRE during the year did not result in significant sanctions. The company maintains a robust internal compliance system, coordinated by the Compliance Department within the Regulatory Division, which ensures the continuous monitoring of legal obligations and periodic reporting to executive management.

Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

GRI 206-1

The main areas covered by the compliance system include: personal data protection (zero GDPR incidents in 2025), labor legislation and the collective agreement, ANRE sectoral regulations, environmental legislation and occupational health and safety standards.

In the area of fair competition, Distribuție Energie Oltenia was the subject of a Competition Council investigation, initiated on 02.04.2021. The investigation was concluded on 05.07.2023 through a decision approving the commitments undertaken by the company, without the imposition of a fine. The decision established a monitoring period of 2 years, which expired on 12.07.2025.

During the monitoring period, DEO fully complied with the commitments undertaken, and in 2025 there are no pending legal actions or new investigations in the area of competition. This compliance is also relevant for the assessment of minimum safeguards under the EU Taxonomy (Art. 18, Reg. 2020/852).

Fiscal Policies and Transparency

Tax

GRI 207

Country-by-country reporting

GRI 207-4

The results of previous tax inspections have demonstrated DEO’s compliance with applicable fiscal requirements. The company applies the principle of fiscal transparency and fully reports taxes due and paid in accordance with GRI 207 (details in Chapter 1).

From the perspective of fiscal transparency, the Disclosure GRI 207-4 requires the distinct reporting of two complementary financial concepts with different calculation bases: (1) the corporate income tax due for the 2025 financial year was LEI 63.6 million, representing an effective tax rate of 25.4% calculated as a ratio to the gross profit before taxation of LEI 250.7 million; (2) the corporate income tax effectively paid during 2025 was LEI 72.6 million, an amount higher than the tax due, as a result of the payment of the outstanding tax at 1 January 2025 (LEI 7.84 million), quarterly regularizations (LEI 0.22 million) and the tax per the Tax Inspection Report (RIF) (LEI 0.96 million). The 23.4% rate associated with the tax paid in Chapter 1 does not represent a tax rate, but the share of the tax paid in the total contributions remitted by DEO to the state budget (LEI 310.8 million). The complete reconciliation note (GRI 207-4) is presented in Chapter 1, under Figure 1.2.

NON-GRI-8

GRI 201-2

EU taxonomy, eligibility and alignment (Reg. 2020/852)

Financial implications and other risks and opportunities due to climate change

Regulatory framework and context

The EU Taxonomy is a classification system that defines which economic activities can be considered environmentally sustainable. Article 8 of Regulation (EU) 2020/852 requires the reporting of the proportion of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with economic activities aligned with the taxonomy. This is the fifth reporting period under the EU Taxonomy for DEO. In 2021 and 2022, we reported exclusively the eligibility of economic activities; from 2023 onwards, we report full alignment.

Climate change represents one of the most pressing challenges and, in response, the European Union has set the ambitious objective of becoming climate-neutral by 2050, within the European Green Deal. Achieving this objective requires significant investments in sustainable activities that contribute to a low-carbon economy, in line with the global climate objectives of the Paris Agreement.

To ensure that capital is directed towards genuinely sustainable activities, the European Union has established the EU Taxonomy, a classification system that defines which economic activities can be considered environmentally sustainable. The Taxonomy provides a clear framework that helps investors, companies and regulatory authorities assess the degree of sustainability of certain activities.

Since 2017, Distribuție Energie Oltenia has actively monitored the social and environmental impact of its activities, making efforts to align with best practices in sustainability. With the introduction of the EU Taxonomy, Distribuție Energie Oltenia has progressively improved its assessment practices, initially evaluating the eligibility of its activities and, from 2023 onwards, determining their alignment with the Taxonomy criteria.

Historical data on eligibility (2021, 2022) and alignment (2023, 2024) are presented in Table 2.2. Previous sustainability reports are available at: SR DEO 2021 (<https://www.distributieoltenia.ro/ro/despre-noi/sustenabilitate/rapoarte-de-sustenabilitate/2021.html>, p. 27), SR DEO 2022 (<https://www.distributieoltenia.ro/ro/despre-noi/sustenabilitate/rapoarte-de-sustenabilitate/2022.html>, p. 17), SR DEO 2023 (<https://www.distributieoltenia.ro/ro/despre-noi/sustenabilitate/rapoarte-de-sustenabilitate/2023.html>, p. 67), SR DEO 2024 (<https://www.distributieoltenia.ro/ro/despre-noi/sustenabilitate/rapoarte-de-sustenabilitate/2024.html>, p. 81).

In the following sections, we present the proportion of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the 2025 reporting period, associated with economic activities aligned with the taxonomy, in accordance with Article 8 of the EU Taxonomy Regulation, for the following environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, the protection and restoration of biodiversity and ecosystems.

A taxonomy-eligible economic activity means an economic activity described in the delegated acts supplementing the Taxonomy Regulation, namely the Climate Delegated Act, regardless of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

An economic activity is taxonomy-aligned when it meets the technical screening criteria defined in the Climate Delegated Act and is carried out in compliance with the minimum safeguards regarding human rights and consumer rights, anti-corruption and anti-bribery practices, taxation and fair competition. To meet the technical screening criteria, an economic activity makes a substantial contribution to one or more environmental objectives without causing significant harm to any of the other environmental objectives.

A taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the EU Taxonomy Regulation.

DEO’s economic activity and eligibility

DEO’s main object of activity is electricity distribution, in accordance with Order 337/2007 Rev. CAEN(2), code 3513, and is the concessionary operator of the distribution service for the southern area of Romania, in 7 counties: Argeș, Dolj, Gorj, Mehedinți, Olt, Vâlcea and Teleorman, ensuring the electricity supply of 1,528,676 residential and non-residential consumers.

The main economic activity is classified as taxonomy-eligible under code 4.9 - Transmission and distribution of electricity.

Distribution service activities include the operation, maintenance and investment in electrical equipment, with the aim of distributing electricity from producers to consumers under conditions of security in the operation of electrical installations, operational safety, quality parameter assurance and reduction of maintenance and repair costs.

Eligibility does not depend on the fulfilment of specific criteria, but rather on the fact that the activity is covered by the description provided in the delegated acts in accordance with the EU Taxonomy Regulation (EU) 2020/852.

The distribution activity covers the following components: (a) operation of the distribution system in the Argeș, Dolj, Gorj, Mehedinți, Olt, Teleorman and Vâlcea counties, including the operation, maintenance and development of electrical equipment necessary to ensure the reliable and safe supply of electricity; (b) construction and operation of transmission-distribution systems that transport electricity through the high, medium and low voltage interconnected network; (c) construction and operation of distribution systems that transport electricity through high, medium and low voltage distribution networks.

The verification of the eligibility of Distribuție Energie Oltenia’s activities was carried out based on the following financial indicators: turnover, CapEx and OpEx. The taxonomy-aligned activity is represented by electricity distribution, NACE code 3513, which falls under code 4.9 of the Delegated Act (EU) 2021/2139.

Evolution of eligibility and alignment 2021-2024

Art. 8 Regulation (EU) 2020/852

Table 2.2 Evolution of EU Taxonomy eligibility and alignment, 2021-2024

Year	Activity	Turnover	OpEx (LEI)	CapEx (LEI)
2021	CAEN 3513 - Energy distribution	944,125,222	681,702,639	215,923,581
	Total DEO activities	1,011,232,760	760,225,798	240,320,098
	Eligible (%)	93.36%	89.67%	89.85%
2022	CAEN 3513 - Energy distribution	1,112,779,831	1,015,332,905	200,233,162
	Total DEO activities	1,174,357,814	1,087,854,383	241,948,408
	Eligible (%)	94.76%	93.33%	82.76%
2023	CAEN 3513 - Energy distribution	1,511,919,702	760,512,669	593,490,533
	Total DEO activities	1,571,589,889	856,394,925	593,490,533
	Aligned (%)	96%	89%	100%
2024	CAEN 3513 - Energy distribution	1,519,667,382	762,863,654	455,052,982
	Total DEO activities	1,577,654,468	865,610,338	455,052,982
	Aligned (%)	96%	88%	100%

NON-GRI-9 DNSH Principle (Do No Significant Harm)

Art. 3 Regulation (EU) 2020/852

Substantial contribution and DNSH

DEO’s activity makes a substantial contribution to the climate change mitigation objective as it meets the requirements of EU Regulation 2021/2139 regarding the technical screening criteria: the distribution infrastructure and equipment are part of the European interconnected system, and in 2025 the company facilitated the connection of new generation capacities amounting to 139.29 MW

DEO’s critical role as a facilitator of the energy transition in the Oltenia region is confirmed both by the cumulative volume of grid connections over the past 5 years (994.51 MW, of which 94% renewable sources), and by the annual 2025 flow: 139.29 MW installed capacity for generation sites and 248.71 MW approved capacity for newly connected consumption sites.

Over the past 5 years (2021-2025), DEO has created the necessary conditions for the connection to the grid of a cumulative third-party capacity of 994.51 MW, of which an overwhelming share of 94% (934.89 MW) comes from renewable sources.

Table 2.3 Capacity of generation and consumption sites connected to the distribution network (2025 flow)

	Value 2025	UM
Installed capacity of connected generation sites	139.29	MW
Approved capacity of connected consumption sites	248.71	MW

The assessment of the “Do No Significant Harm” (DNSH) principle was carried out for all six environmental objectives of the EU Taxonomy:

Table 2.4 DNSH assessment for the six environmental objectives

Environmental objective	Assessment	Observations
1. Climate change mitigation	Substantial contribution	Enabling activity pursuant to Art. 10(1)(i) Reg. 2020/852 (infrastructure forming part of the European interconnected system; over 94% of newly connected capacity from renewable sources)
2. Climate change adaptation	DNSH	IPCC, IEA, NGFS scenario analysis completed; adaptation solutions in progress (climate scenario assessment across short, medium and long-term horizons; adaptation solutions to be defined)
3. Water resources	N/A	The Taxonomy does not define DNSH criteria for activity 4.9 (objective not applicable, no technical screening criteria for electricity distribution)
4. Circular economy	DNSH	Waste operational procedure, waste hierarchy, authorized external operator (waste minimization plan, equipment reuse, waste managers per county, collection through authorized external operator)
5. Pollution prevention	DNSH	Electromagnetic field study per Rec. 519/1999/EC; IFC guidelines (periodic equipment inspections, vehicle fleet overhaul, oil spill absorbent materials, maintenance contracts with external service providers)
6. Biodiversity and ecosystems	DNSH	EIA pursuant to Directive 2011/92/EU, Law 292/2018; avifauna protection measures (metal poles for storks, insulating sleeves on MV lines; no project subject to EIA obligation in 2025)

Detailed DNSH assessment per environmental objective

The section below presents the detailed assessment of compliance with the DNSH principle for the 6 environmental objectives, including the evidence and mechanisms on the basis of which each assessment was carried out.

DNSH to climate change mitigation

The electricity distribution activity makes a substantial contribution to the climate change mitigation objective, being an enabling activity in accordance with Article 10(1)(i) of Regulation (EU) 2020/852. DEO’s distribution infrastructure and equipment are part of the European interconnected system (Regulation EU 2021/2139).

DNSH to climate change adaptation

Regarding the contribution to the second objective, namely climate change adaptation, the verification of the technical criteria concluded that the electricity distribution activity does not have a significant contribution to this objective, but at the same time does not significantly harm the environmental objectives.

For this objective, the following activities were carried out: (a) the identification and assessment of climate risks was performed within a scenario analysis using climate projections (IPCC, IEA and NGFS) over short, medium and long-term time horizons (for more information, see the Environmental stewardship chapter); (b) adaptation solutions are to be defined; the assessment of adaptation solutions will result from the identification of material climate risks and, therefore, will be defined in the future.

DNSH to the sustainable use and protection of water and marine resources

It was considered that the EU Taxonomy does not define technical screening criteria for the objective of sustainable use and protection of water and marine resources from the perspective of the EU Taxonomy, for the specific activity of transmission and distribution of electricity (non-applicable objective, no technical screening criteria for electricity distribution).

DNSH to the transition to a circular economy

Distribuție Energie Oltenia efficiently uses natural resources (energy, natural gas, etc.), recovers (recycles, reuses) waste generated from its own activity and has a waste minimization plan. When carrying out investment/modernization works on electrical networks/transformer stations or equipment, the company considers the waste hierarchy principle and reuses equipment or, as the case may be, recovers the resulting waste through environmentally authorized external service providers. Where it is not technically and economically feasible to reuse equipment, waste is disposed of, in accordance with the applicable legal provisions.

Evidence based on technical screening criteria: (a) the entire waste management flow, from generation to recovery/disposal, is detailed in the Operational Procedure on Waste Management; (b) tender documents for services/works that generate waste contain a separate chapter addressing waste management; (c) Distribuție Energie Oltenia has designated the persons responsible for waste management in the 7 counties, trained in accordance with the provisions of Law 17/2023 approving GEO 92/2021 on waste management; (d) for waste collection, the company has concluded a contract with a single external service provider authorized by law. For more information, see the Care for Environment chapter.

DNSH to pollution prevention and control

Distribuție Energie Oltenia takes all measures to prevent pollution in its area of operations: (a) periodic revision of equipment that may have leaks of substances that can affect environmental factors (e.g. electro-insulating oil); (b) periodic technical inspection of the vehicle fleet; (c) provision of absorbent materials for situations where oil leaks occur; (d) contracts with external service providers for equipment maintenance.

Evidence based on technical screening criteria: in accordance with Council Recommendation 519/1999/EC on the limitation of exposure of the general public to electromagnetic fields (0 Hz, 300 GHz), based on a study on the assessment of occupational exposure of workers to low-frequency electromagnetic fields, and the exposure of the general public in the vicinity of electricity distribution installations (transformer stations). The conclusions confirm that neither DEO personnel nor the general public are exposed to electric and magnetic fields that reach or exceed the values that trigger the measures provided for by Romanian and European legislation. Furthermore, the provisions of the IFC guidelines on environment, health and safety and emergency situations include general regulations for construction/site activities, which DEO applies.

DNSH to the protection and restoration of biodiversity and ecosystems

In accordance with Directive 2011/92/EU, the activities carried out by Distribuție Energie Oltenia fall under Annex II, point 3(b), and for each investment project an assessment is carried out by the competent national authority. Directive 2011/92/EU is transposed into national environmental

legislation through Law No. 292/2018 on the assessment of the effects of certain public and private projects on the environment.

For construction works, such as the modernization of a 110/20 kV high-voltage electrical station, the documentation required by the urban planning certificate or the construction permit is submitted to the county environmental protection agencies (APM), in order to determine whether the project is subject to the environmental impact assessment procedure. During 2025, there were no investment projects that required an environmental impact study or an appropriate assessment.

Distribuție Energie Oltenia takes all necessary measures for the biodiversity protection where technically and economically feasible: installation of metal supports for storks, installation of electro-insulating sleeves on medium-voltage lines. Distribuție Energie Oltenia’s activity does not cause significant harm and is considered compliant with the DNSH principle for objective 6.

Minimum safeguards

Art. 18 Regulation (EU) 2020/852

Compliance with the minimum safeguards was assessed based on the Final Report on minimum safeguards published by the Platform on Sustainable Finance (October 2022), covering four areas: human rights (including labor rights and consumer rights), anti-corruption, taxation and fair competition.

DEO has an internal system ensuring respect for human rights, provided for in the Internal Regulation, the Code of Ethics, the Code of Business Conduct and the Collective Bargaining Agreement. In the area of anti-corruption, DEO maintains zero tolerance, through the Anti-Corruption and Anti-Bribery Policy, and in 2025 the company was not involved in any acts of corruption. Senior management has not been definitively convicted of corruption or bribery.

Human rights (including labor rights and consumer rights)

All documents of DEO’s management system are aligned with the international frameworks that define responsible conduct behavior (the Universal Declaration of Human Rights issued by the UN and the UN Guiding Principles). The management of ethical conduct and respect for human rights is ensured by the ethics and compliance officer, who ensures the raising of awareness of these issues within the organization, the evaluation and updating of documents in line with the evolution of the legal and business framework, and who periodically informs company management.

DEO launched the Supplier Code of Conduct in 2016, ensuring respect for the rights of its employees, suppliers and subcontractors. To ensure full transparency of our practices, Distribuție Energie Oltenia has published the fundamental corporate governance documents: the Code of Business Conduct (annex to the Internal Regulation), the Code of Ethics and the Supplier Code of Conduct. Furthermore, the Declaration on the rights and code of conduct of the user clearly defines consumer rights and the manner in which their respect is assumed.

To consult the complete documents and policies, please access the useful links below:

- **Ethics and compliance benchmarks (Main section):** <https://www.distributieoltenia.ro/ro/etica-si-integritate.html>
- **Ethical values (including the Code of Ethics and Code of Business Conduct):** <https://www.distributieoltenia.ro/ro/etica-si-integritate/repere-etice-si-de-conformitate/valori-etice-distributie-oltenia.html>
- **Supplier Code of Conduct:** <https://www.distributieoltenia.ro/ro/etica-si-integritate/repere-etice-si-de-conformitate/codul-de-conduita-pentru-furnizori.html>
- **Declaration on the rights and code of conduct of the user:** <https://www.distributieoltenia.ro/ro/etica-si-integritate/repere-etice-si-de-conformitate/declaratie-privind-drepturile-si-codul-de-conduita-al-utilizatorului-distributie-oltenia.html>
- **DEO Anti-Corruption Guide:** <https://www.distributieoltenia.ro/ro/etica-si-integritate/repere-etice-si-de-conformitate/ghidul-deo-anticoruptie.html>
- **Distribuție Oltenia Compliance System:** <https://www.distributieoltenia.ro/ro/etica-si-integritate/repere-etice-si-de-conformitate/sistemul-de-conformitate-distributie-oltenia.html>

For risk assessment, DEO has in place specific processes and procedures: (a) the consultation process with relevant stakeholders is ongoing, including the e-mail address relatiiclienti@distributieoltenia.ro for commercial relations with users; (b) periodic Net Promoter Score (NPS) and Voice of Customer (VoC) surveys regarding relations with users; (c) the whistleblowing system (Vorbeste Liber) available on www.distributieoltenia.ro, in the Ethical Conduct section; (d) periodic eNPS and Voice of Employee (VoE) surveys regarding relations with employees; (e) annual consultations with all relevant stakeholder categories.

Both the proper completion of the commitment declaration and the existence and acceptance by suppliers of contractual clauses are subject to periodic checks, carried out by the ethics and compliance officer. The ethics and compliance function proactively monitors specific indicators: the total number of complaints in the SpeakUp system and their resolution status; training/instructions on ethics topics; employees tested annually; the total number of employees registered annually who benefited from direct/online training and subsequent testing but did not pass the test; participants in the annual Ethics Competition event.

In 2025, DEO was not involved in any legal case relating to human rights, including workers’ rights, and did not refuse to engage in dialogue mechanisms with stakeholders.

Anti-corruption

DEO maintains zero tolerance towards acts of corruption, both in relations with employees and with partners (consumers, suppliers, authorities, etc.), through its initiatives and through the Anti-Corruption and Anti-Bribery Policy. DEO continues to support and develop the ethics and compliance system, with a strong emphasis on respecting the ethical principles and values and compliance with the legal provisions, established and assumed through the Codes of Conduct and, respectively, of ethics, approved and in-force documents. In 2025, several specific policies were updated, aligned with the current organizational structure and national/EU legislation, aimed at ensuring the prevention and mitigation of fraud, corruption, compliance or integrity risks, non-compliance with REMIT

provisions (Regulation on Energy Market Integrity and Transparency), and reputational and legal risk. A comprehensive update of the core documents (Code of Ethics, Code of Business Conduct) is planned for 2026.

Checks were ensured by the ethics and compliance function, whose members are independent and uninvolved in the verified processes. Depending on the issues reported, remediation and/or prevention measures for the identified risks were proposed, and their implementation was monitored. The Anti-Corruption and Anti-Bribery Policy was elaborated and disseminated to company employees, who are periodically trained on these topics.

DEO has a system for reporting any issues relating to non-compliance with ethical aspects, revised in 2025, which can be accessed permanently on the website www.distributieoltenia.ro, in the Ethics and Integrity section - <https://www.distributieoltenia.ro/ro/etica-si-integritate.html>. In 2025, the company was not involved in any acts of corruption. Senior management has not been definitively convicted of corruption or bribery. For more information, see the DEO Governance chapter.

Taxes

The company has internal procedures regarding the manner of fulfilling fiscal obligations: declarations and payment amounts are prepared and verified by different persons, in order to ensure their accuracy. At the same time, the company implements in its IT systems the requirements of the legislation to ensure compliance. DEO contracts consultancy services from third-party firms to ensure that the implementation of various fiscal cases in procedures and IT systems is correct. It maintains constant collaboration with the fiscal authorities in accordance with legal requirements.

The results of previous tax inspections have demonstrated that the company complies with fiscal requirements; the findings either did not exist or were of minor significance. Following the inspections, the company implemented changes to procedures/IT systems, as applicable, in order to reduce in the future, the risks identified by the tax inspectors. DEO, in the 2025 financial year, was not definitively convicted in court for any major breach of fiscal legislation. Additional details are presented in the Fiscal policies and transparency section of this chapter and in Chapter 1.

Fair competition

Regarding the area of competition and compliance with regulations in force, the company has in place policies and procedures describing the applicable legislation and the manner of working in interactions with state authorities in the case of controls or inspections (Competition Council, ANRE, etc.): (a) the operational procedure on the response protocol in interactions with authorities, customers, suppliers or partners; (b) the antitrust and competition rules policy; (c) the policy on compliance with legal unbundling requirements; (d) the guide on competition rules for persons representing the company within professional associations.

The employee training process is continuous throughout the year. In 2025, training sessions were held on antitrust policy topics, competition rules, response protocol for unannounced inspections and the best practices guide for compliance with competition rules within professional associations. National and European legislation in force relating to competition is monitored, and information on legislative developments is disseminated within the company.

The investigation conducted by the Competition Council, initiated on 02.04.2021 on the basis of suspected breach of competition rules, was concluded on 05.07.2023 through the decision approving commitments for a period of 2 years. The monitoring period expired on 12.07.2025, and DEO fully complied with the commitments undertaken. Regarding breaches of competition legislation, there are none. Additional details are presented in the Fair competition section of this chapter.

Avoidance of double counting

To verify the avoidance of double counting, the amounts reported for the 3 KPIs were reconciled with the financial statements and reports to ANRE. This cross-check, carried out in close coordination between the financial teams and the sustainability team, confirms that no cost or revenue element was included twice in the calculation of the indicators.

Key performance indicators of the Taxonomy, financial year 2025

Art. 8 Regulation (EU) 2020/852

Chart 2.1 Evolution of EU Taxonomy KPIs 2021-2025 (Turnover, CapEx, OpEx)

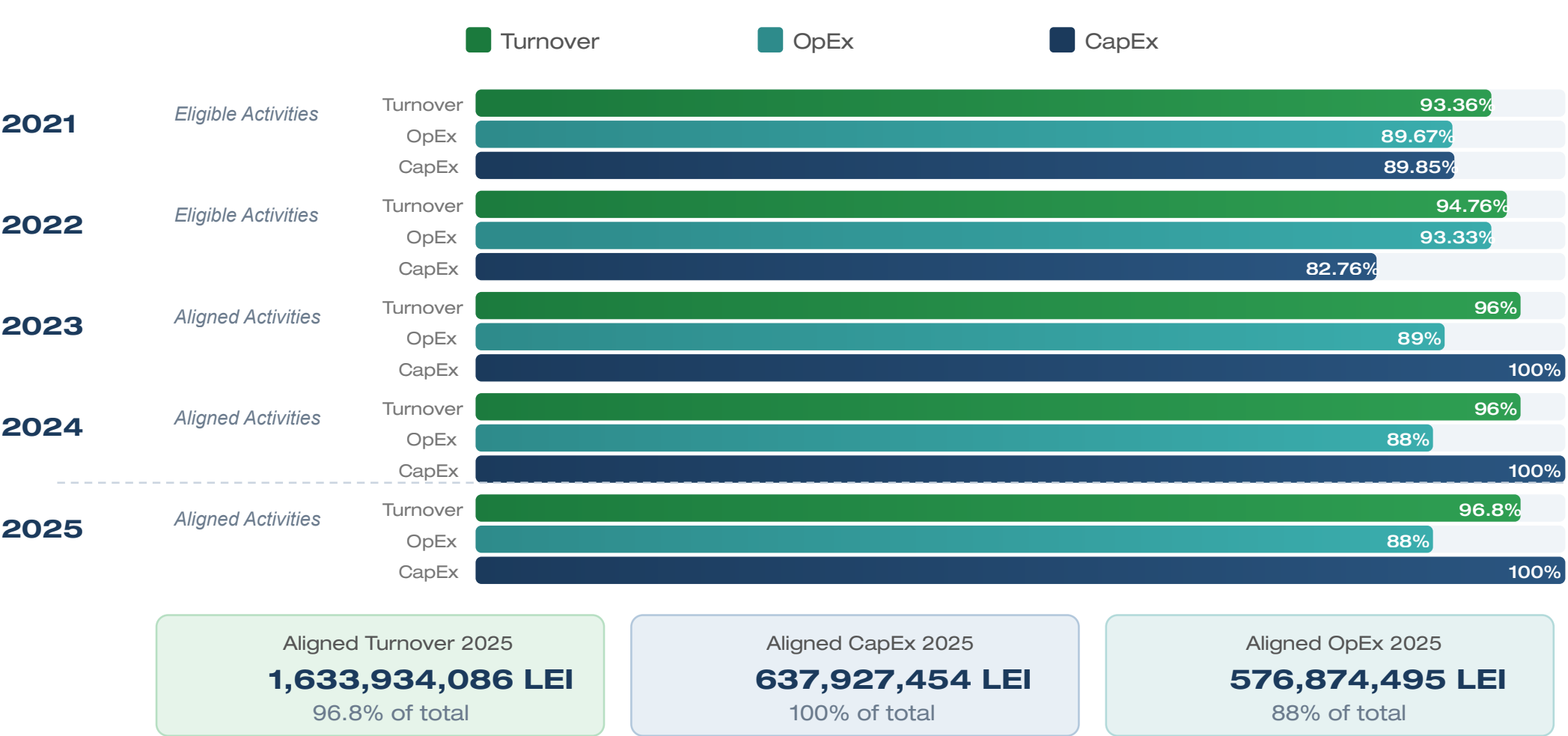


Table 2.5 Key performance indicators of the EU Taxonomy, financial year 2025

KPI	Total DEO (LEI)	Taxonomy-Aligned Value (LEI)	Taxonomy-aligned proportion
Turnover	1,688,269,496	1,633,934,086	96.8%
CapEx	637,927,454	637,927,454	100%
OpEx	655,539,199	576,874,495	88%

Methodology for determining the EU Taxonomy indicators

The key performance indicators were developed through a rigorous collaborative process between the Operational Finance Division, the Strategic Finance Division and the Brand & ESG Department, in order to ensure full compliance with the requirements of Art. 8 of Regulation (EU) 2020/852.

Turnover KPI. The proportion of turnover is calculated as the share of net turnover derived from products or services associated with taxonomy-aligned economic activities (numerator), divided by total net turnover (denominator), in accordance with Art. 2, point 5 of Directive 2013/34/EU. For the determination of this indicator, the revenues from group 70 of the general chart of accounts were individually analyzed, in accordance with the applicable accounting regulations (OMFP 1802/2014), with the allocation of each revenue account to the corresponding economic activity and the explicit exclusion of revenues from non-eligible activities.

The eligibility and alignment of turnover was verified by AFRY Management Consulting. AFRY Management Consulting reviewed the updated 2024 figures and raised no observations regarding their alignment with the Taxonomy, as confirmed in 2025.

CapEx KPI. The CapEx indicator is defined as the value of taxonomy-aligned capital expenditure (numerator) divided by total capital expenditure (denominator). Since DEO's entire investment activity is directly related to electricity distribution (NACE 35.13), an activity assessed as aligned, the aligned CapEx represents 100% of total CapEx.

OpEx KPI. The taxonomy-aligned OpEx indicator is determined based on the expenditures related to the distribution activity, established and reported to ANRE in accordance with Order 169/2018. The main expenditure categories included are: the acquisition of energy to cover own technological consumption (CPT), personnel costs and operating and maintenance costs of the electricity distribution network. The allocation of each component was carried out with attention to data traceability, in line with the cost structure reported to the regulatory authority.

All investments made by DEO are directly related to the main activity of electricity distribution (NACE 35.13), assessed as aligned with the Taxonomy. Consequently, the CapEx associated with this activity represents 100% of the total reported CapEx. Turnover and aligned OpEx were reconciled with the financial statements and reports to ANRE, in order to verify the avoidance of double counting.

Detailed KPI determination methodology

Turnover KPI. The proportion of turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 is calculated as the share of net turnover derived from products or services, including intangible assets, associated with taxonomy-aligned economic activities (numerator), divided by net turnover (denominator), as defined in Article 2, point 5 of Directive 2013/34/EU.

To determine this KPI, the revenues from group 70 of the general chart of accounts were considered, in accordance with the accounting regulations in Romania, established by OMFP 1802/2014. Revenue accounts were allocated to activities and thus we determined the turnover for the aligned economic activity 4.9. The identification and allocation of turnover was carried out through: (a) analysing the relevant revenue accounts for this activity, using specific account codes and descriptions from the accounting system; (b) excluding revenues from any other activities not associated with the transmission and distribution of electricity (the activity corresponding to Taxonomy code 4.9), as well as revenues from non-eligible activities.

CapEx KPI. The CapEx key performance indicator is defined as the value of taxonomy-aligned CapEx (numerator) divided by total CapEx (denominator). All investments made by DEO are directly related to the main activity of electricity distribution (NACE 35.13), which has been assessed as taxonomy aligned. Consequently, the CapEx associated with this activity represents 100% of the total CapEx reported in the 2025 financial year.

OpEx KPI. The OpEx KPI is defined as taxonomy-aligned OpEx (numerator) divided by total OpEx (denominator). To determine this KPI, we considered the OpEx related to the distribution activity, which is established and reported to ANRE in accordance with Order 169/2018. The eligible and aligned OpEx from the taxonomy perspective relates to the direct and indirect costs incurred for the electricity distribution activity. The main expenditure categories included in the eligible and aligned OpEx are: the acquisition of energy to cover own technological consumption, personnel costs and operating and maintenance costs of the electricity distribution network.

EU Taxonomy in figures

Turnover table for the 2025 financial year

Proportion of turnover from products or services associated with taxonomy-aligned economic activities – Information provided for the year 2025																			
Financial year 2025	2025			Substantial contribution criteria						Does Not Significantly Harm – DNSH Criteria						Minimum safe-guards	Proportion of turnover taxonomy-aligned (A.1) or taxonomy-eligible (A.2) turnover, year 2024	Enabling activity category	Transitional activity category
Economic activities	Code	Turnover	Proportion of turnover, year 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular eco-nomy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular eco-nomy	Biodiversity				
		LEI	%	D;N;N/EL	D;N;N/EL	D;N;N/EL	D;N;N/EL	D;N;N/EL	D;N;N/EL	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Enabling	Transition
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Electricity distribution	CCM 4.9	1,633,934,086	96.8%	D	N	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		1,633,934,086	96.8%							D	D	D	D	D	D	D	96%		
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (taxonomy non-aligned activities)																			
Taxonomy-eligible but not environmentally sustainable activities (taxonomy non-aligned activities) (A.2.)		0	0%																
A. Turnover of taxonomy-eligible activities (A.1+A.2)		1,633,934,086	96.8%																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy non-eligible activities (B)		54,335,410	3.2																
TOTAL		1,688,269,496	100%																

CapEx table for the 2025 financial year

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – Information provided for the year 2025																			
Financial year 2025				Substantial contribution criteria						Does Not Significantly Harm – DNSH Criteria						Minimum safeguards	Proportion of CapEx taxonomy-aligned (A.1) or taxonomy-eligible (A.2) CapEx, year 2024	Enabling activity category	Transitional activity category
Economic activities	Code	CapEx	Proportion of CapEx, year 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		LEI	%	D;N;N/EL	D;N;N/EL	D;N;N/EL	D;N;N/EL	D;N;N/EL	D;N;N/EL	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Enabling	Transition
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Electricity distribution	CCM 4.9	637,927,454	100%	D	N	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D			
A. CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		637,927,454	100%							D	D	D	D	D	D	D	100%		
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (taxonomy non-aligned activities)																			
Taxonomy-eligible but not environmentally sustainable activities (taxonomy non-aligned activities) (A.2)			0%																
A. CapEx of taxonomy-eligible activities (A.1+A.2)		637,927,454	100%																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy non-eligible activities		-	0%																
TOTAL		637,927,454	100%																

OpEx table for the 2025 financial year

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities – Information provided for the year 2025																			
Financial year 2025	Substantial contribution criteria									Does Not Significantly Harm – DNSH Criteria									
Economic activities	Code	OpEx	Proportion of OpEx, year 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of OpEx taxonomy-aligned (A.1) or taxonomy-eligible (A.2) OpEx, year 2024	Enabling activity category	Transitional activity category
		LEI	%	D;N;N/EL	D;N;N/EL	D;N;N/EL	D;N;N/EL	D;N;N/EL	D;N;N/EL	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	Enabling	Transition
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Electricity distribution	CCM 4.9	576,874,495	88%	D	N	N/EL	N/EL	N/EL	N/EL	D	D	D	D	D	D	D			
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		576,874,495	88%	%						D	D	D	D	D	D	D	88%		
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (taxonomy non-aligned activities)																			
OpEx of taxonomy-eligible but not environmentally sustainable activities (taxonomy non-aligned activities) (A.2)		0	0%																
A. OpEx of taxonomy-eligible activities (A.1+A.2)		576,874,495	88%																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy non-eligible activities (B)		78,664,704	12%																
TOTAL		655,539,199	100%																

Restatements of information

GRI 2-4 Restatements of information

The only methodological update compared to the previous cycle concerns the quantification method for SF₆ and HFC emissions: a shift was made from the method based on the annual leakage rate reported against the estimated quantity to quantification based on maintenance reports (PV). This change does not affect the data reported in SR 2024, which remain valid and unmodified.

The additional strategic and operational changes introduced in the 2025 reporting cycle are summarized in the table below:

Table 2.6 Summary of methodological changes and restatements

Category	Element	Description of change
Policies	DEI Policy	Development and adoption of a new Policy on Diversity, Equity and Inclusion (DEI) in 2025
ESG Strategy	New pillar	Introduction of the ‘Climate change adaptation’ pillar in the ESG strategy 2025-2030
Environment / Emissions	Methodologies SF ₆ /HFC	Transition from quantification based on the estimated leakage rate to actual data from maintenance reports (PV). The 2024 SR data remain unchanged.

“Green Report” on the allocation of funds used from bank financing across categories of investment works carried out by the Company

On 21.03.2025, the Company concluded a financing agreement with a syndicate of local and international financial institutions, classified as “green” in accordance with the EU Taxonomy criteria, which also includes a financing facility amounting to LEI 1,366 million intended for the financing or refinancing, directly or indirectly, of capital expenditure requirements for development and maintenance (including extensions), including the refinancing of the Company’s capital expenditure incurred on or after 1 January 2023.

As at 31st of December 2025, out of the financing facility amounting to LEI 1,366 million, the Company utilized the amount of LEI 770 million, which was allocated in accordance with the purpose of the credit facility for the refinancing of capital expenditure incurred on or after 1 January 2023, as detailed below:

Allocation of amounts drawn under the Financing Facilities for the financing and/or refinancing of the Eligible Green Project in accordance with the Capex Loan Purpose		2023	2024	Jan-Mar 2025
Total CAPEX Own funds [LEI]		354,911.15	328,136.61	108,437.76
Proportion of refinancing through the Capex Loan		100%	100%	80%
Details on the main categories of works included in own-funds CAPEX [LEI]				
Strategic objective	Categories of works	2023	2024	Jan-Mar 2025
SAIDI/SAIFI	Modernization of overhead and underground MV lines	9,857.44	6,412.89	1,001.87
	Looping of overhead medium-voltage lines	557.74	5,750.08	2,020.30
	SCADA system development	11,239.58	14,362.06	2,014.73
	SAIDI/SAIFI Total	21,654.76	26,525.03	5,036.90
SMI	Implementation of the Smart Monitoring System	23,267.01	28,553.54	15,854.19
	Modernization of equipment in 110 kV/ MV transformation stations	5,899.69	8,531.27	3,032.35
	Modernization of overhead and underground low-voltage lines	5,193.71	373.81	60.50
	Procurement and installation of metering groups for connection of consumers/prosumers/producers to the distribution network and replacement of meters with expired service life	27,084.50	45,026.65	4,779.53
	Meter stock provisioning	7,386.04	3,951.87	4.74
	Total Operational Efficiency Improvement	45,563.93	49,979.87	7,877.13
Legal obligations	Extension/electrification and capacity takeover works	7,069.83	20,648.46	10,900.09
	Electricity quality monitoring system	2,990.97	7,051.72	910.32
	Electricity supply to residential complexes	9,328.21	4,769.74	2,707.26
	Network reinforcement upstream of the connection point to enable user connection to the distribution network	23,554.50	25,583.49	9,557.44
	Connection of new users to the distribution network	26,108.08	22,897.77	6,123.94
	Investment works for voltage level improvement	10,314.62	19,419.51	716.09
	Other auxiliary works	5,398.85	4,815.64	1,209.68
	Legal obligations Total	84,765.05	105,186.33	32,124.82
Own technological consumption (CPT)	Relocation of service connections to property boundaries in urban areas (FDCP)	15,793.26	16,758.24	7,818.83
	Modernization of high-voltage overhead lines	2,217.30	2,628.29	343.13
	Modernization of transformer substations through transformer replacement	-	14,191.76	-
	Modernization of low-voltage networks with relocation of service connections to property boundaries	23,672.00	25,579.48	5,686.08
	Installation of electricity generation facilities within transformation station premises (CEF)	12,643.92	-	-

Allocation of amounts drawn under the Financing Facilities for the financing and/or refinancing of the Eligible Green Project in accordance with the Capex Loan Purpose		2023	2024	Jan-Mar 2025
	Own technological consumption (CPT) Total	54,326.48	59,157.77	13,848.04
Equipment	New systems and development of existing systems	1,114.65	224.36	-
	Modernization of administrative buildings/offices	537.97	211.78	2,531.94
	Work equipment for operational personnel	2,460.61	28,287.68	78.85
	Provision of uninterruptible power supply equipment for vulnerable users	3,314.85	1,833.26	-
	Implementation of new IT systems and development of existing IT systems	32,478.22	2,273.47	23,234.84
	Vehicles/utility vehicles for the provision of distribution services	6,892.45	2,715.47	4,817.64
	Equipment Total	46,798.75	35,546.02	30,663.28
Non-reimbursable funds	Non-reimbursable funds - own sources	78,535.16	23,188.05	3,033.40

The works detailed above, together with the investment works included in the 2025 investment plan, contributed to a positive impact that can be evidenced by the Company through the evolution of the following indicators:

Own Technological Consumption (CPT) Trend			
	2023	2024	2025
CPT (MWh)	657,446	622,222	568,573
CPT (%)	7.17%	7.06%	6.45%
SAIDI/SAIFI Trend			
	2023	2024	2025
SAIFI DEO unplanned	1.18	1.18	1.17
SAIDI DEO unplanned	110.01	109.67	108.91
SAIDI - average duration of network interruptions index SAIFI - average frequency of network interruptions index			
Number of end-users integrated into the smart metering system (SMI)			
	2023	2024	2025
No. of users integrated at year-end	319,990	406,695	557,309
No. of users integrated during the year	79,796	86,705	120,009
Number of connected prosumers			
	2023	2024	2025
Total connected during the year	11,705	15,764	17,417
Total at year-end	19,379	35,143	52,560
Carbon Footprint Trend			
	2023	2024	2025
Scope 1 + Scope 2 (Location Based) tCO2	115,527	116,774	102,085
Scope 1 + Scope 2 (Market Based) tCO2	119,240	116,110	99,958

3 GOVERNANCE



Table of contents

Distribuție Energie Oltenia S.A. (DEO) operates under a dual governance system, comprising the Supervisory Board and the Management Board, in accordance with the Companies Law no. 31/1990 and the regulations of the National Energy Regulatory Authority (ANRE). This chapter addresses the principles of corporate governance and responsibility.

Governance structure and composition

- GRI 2-9 Governance structure and composition
- GRI 2-10 Nomination and selection of the highest governance body
- GRI 2-11 Chair of the highest governance body
- GRI 2-12 Role of the highest governance body in overseeing the management of impacts
- GRI 2-13 Delegation of responsibility for managing impacts
- GRI 2-14 Role of the highest governance body in sustainability reporting
- GRI 2-15 Conflicts of interest
- GRI 2-16 Communication of critical concerns
- GRI 2-17 Collective knowledge of the highest governance body
- GRI 2-18 Evaluation of the performance of the highest governance body
- GRI 2-28 Membership associations

Anti-corruption (M)

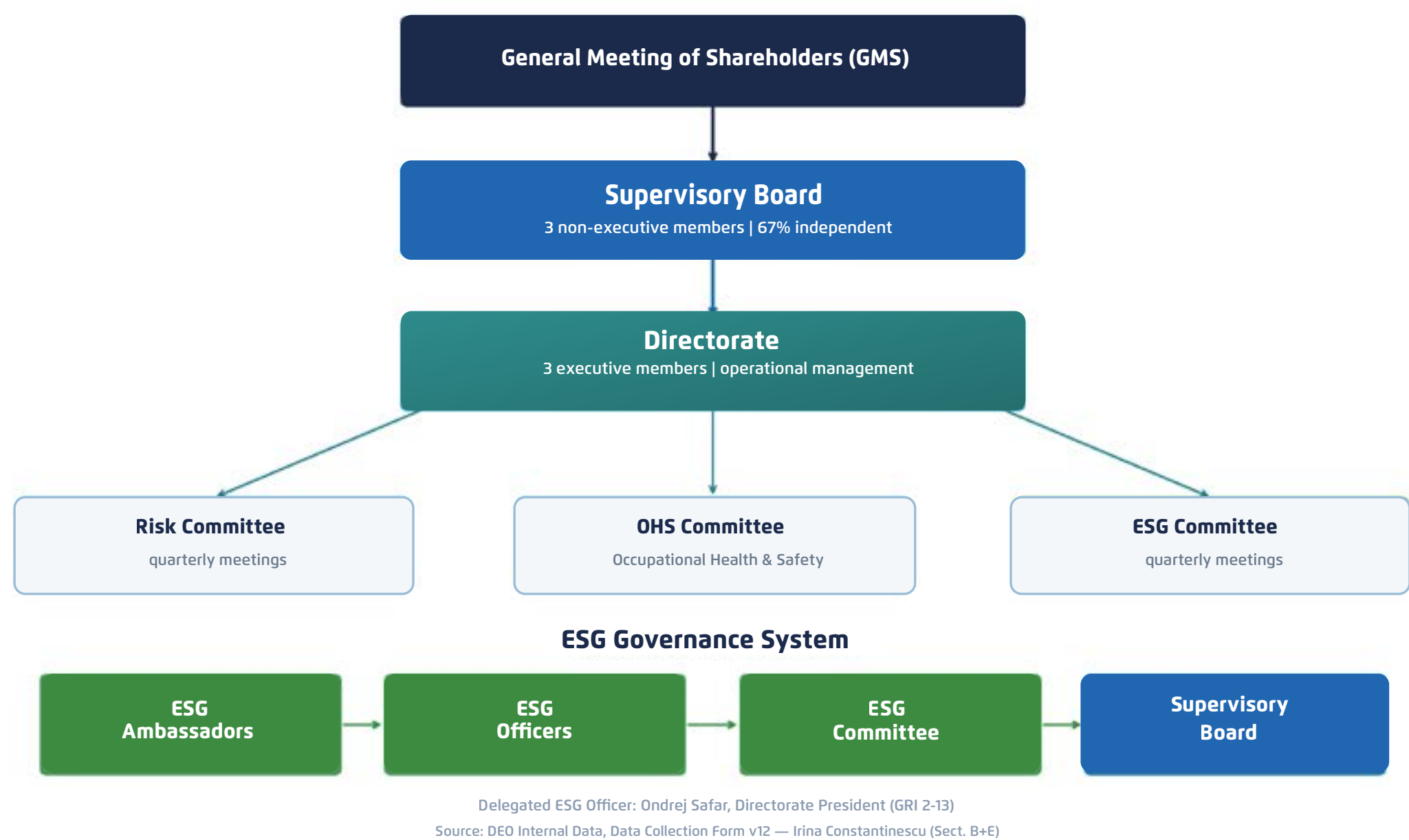
- GRI 3-3 Management of material topics
- GRI 205-1 Operations assessed for risks related to corruption
- GRI 205-2 Communication and training about anti-corruption policies and procedures
- GRI 205-3 Confirmed incidents of corruption and actions taken

Ethical conduct (M)

- GRI 3-3 Management of material topics
- GRI 2-26 Mechanisms for seeking advice and raising concerns
- NON-GRI-13 Number of grievances registered within the whistleblowing system; status of grievances

- GRI 2-9Governance structure and composition
- GRI 2-10Nomination and selection of the highest governance body
- GRI 2-11Chair of the highest governance body

Figure 3.1 DEO corporate governance architecture (as of 31.12.2025)



As of 31 December 2025, DEO’s management structure was composed as follows:

Supervisory Board (as of 31.12.2025)

Name	Position	Exec. / Non-exec.	Independent	Mandate from
Stéphane Louis Brimont	Chairperson	Non-executive	No	01.01.2025
Antoine Daniel Marie Jourdain	Member	Non-executive	Yes	16.08.2022
Corina-Alexandrina Gatej	Member	Non-executive	Yes	01.11.2024

Management Board (as of 31.12.2025)

Name	Position	Mandate from
Ondrej Safar	Chairperson	31.03.2025
Ion-Eugen Butoarcă	Member	15.02.2016
Dragoș-Mihail Bărbulescu	Member	31.03.2025

The Supervisory Board comprises three members, all with non-executive status. Two of these (67%) meet the independence criteria, in accordance with the provisions of the ASF/BVB Regulation. The Chairman of the Supervisory Board, Stéphane Louis Brimont, does not hold executive capacity, thereby ensuring the separation of operational management functions from supervisory functions.

The Management Board is composed, in accordance with the articles of association, of three statutory members: Ondrej Safar (Chairman), Ion-Eugen Butoarcă and Dragoș-Mihail Bărbulescu. They exercise the operational management of the company. The structure includes three advisory committees alongside the Management Board:

- **Risk Committee** - quarterly meetings; financial-economic management and risk management
- **OHSC (Occupational Health and Safety Committee)** - quarterly meetings; occupational health and safety issues
- **ESG Committee** - quarterly meetings; monitoring ESG Strategy and oversight of sustainability reporting

Role of the highest governance body in overseeing the management of impacts

Appointment of Supervisory Board members is determined by decision of the General Meeting of Shareholders (GMS), and appointment of Management Board members is the responsibility of the Supervisory Board. Selection criteria include professional competence in the energy sector, independence, expertise in ESG matters, as well as experience in legal and audit domains.

Delegation of responsibility for managing impacts

Sustainability and corporate social responsibility matters are reported to the Supervisory Board on an annual basis, thereby ensuring an adequate level of oversight of the company’s impacts on the economy, the environment and communities.

Role of the highest governance body in sustainability reporting

Formal responsibility for ESG aspects has been delegated to the Chairman of the Management Board, Ondrej Safar. The ESG governance system operates on two levels: operational (ESG Committee, with quarterly meetings) and supervisory (Supervisory Board, through annual reports).

DEO’s Management Board monitors the conduct of the sustainability reporting process through actions such as: review of the list of impacts identified and prioritized by the organization; analysis of stakeholder consultation and materiality results; validation of the list of material impact areas; approval of the final form of the sustainability report. In 2025, positive and negative impacts were identified and assessed both internally with our specialists and externally with the company’s relevant stakeholders. Where other relevant risks generated by the negative impacts of the company’s activities exist and no measures have been taken to eliminate or reduce them, remediation actions will be SMART-type and included in DEO’s ESG Strategy. Periodic updating of the strategy contributes to increasing the effectiveness of risk management within the organization.

GRI 2-15

Conflicts of interest

DEO maintains a structured framework for the prevention and management of conflicts of interest, based on the following mechanisms:

- **Declaration of Commitment** - each employee declares potential conflicts of interest at the moment of employment and whenever the situation changes
- **Code of Ethics and Code of Conduct in Business** - detailing categories of potential conflicts and related obligations
- **Obligation to abstain** - members of management abstain from voting or participation in the event of a conflict of interest
- **Corporate oversight** - superior governance bodies oversee compliance with integrity standards

During 2025, the following specific activities were conducted for the prevention and management of conflicts of interest:

- updating of the Declaration of Commitment, through which each employee declares on their own responsibility existing or potential conflict of interest situations, with obligation of updating whenever changes occur;
- updating of organizational references in the Code of Ethics and Code of Conduct in Business, without any substantive modifications to the underlying principles and values adopted by the company (a more extensive review of these documents is planned for 2026);
- revision of the Conflict-of-Interest Policy, accessible to all employees through the intranet platform;
- publication of editorials on compliance in the internal magazine ("Organizational culture for conflict-of-interest prevention");
- ensuring control of conflicts of interest in public procurement processes, through verification of the existence of conflict-of-interest disclosures in the file of each employee in the Procurement Department.

GRI 2-16

Communication of critical concerns

During 2025, no critical concerns on ESG matters were reported to the Supervisory Board.

During the reporting period, 33 material sustainability impacts were identified and assessed (presented in detail in Chapter 4, "The ninth sustainability report") and 9 material climate risks (presented in Chapter 8, "Environmental Care"). The manner in which DEO manages these material topics and the results achieved in 2025 are detailed in the thematic chapters of this report.

GRI 2-17

Collective knowledge of the highest governance body

To ensure effective oversight, the organization ensures that members of the highest governance body possess the necessary knowledge, competencies and experience in relevant domains.

Evaluation of the performance of the highest governance body

GRI 2-18

Management Board members are evaluated annually by the Supervisory Board based on performance indicators negotiated in the mandate contract, which is covered by a confidentiality clause.

Membership associations

GRI 2-28

DEO actively participates in national and international professional organizations in the energy sector, contributing to sectoral dialogue, formulation of public policies and exchange of best practices. Participation in these organizations reflects the company's commitment to the sustainable development of the energy distribution sector.

No.	Organization	DEO Role	Observations
1	ACUE	Board Member	Federation of Energy Utility Companies Associations
2	AmCham	Working committees	American Chamber of Commerce
3	CIGRE România	Projects	Romanian National Committee CIGRE
4	CIGRE Paris	Committee Member	International organization CIGRE
5	CRE	Board Member	Romanian Energy Council
6	CNR-CME	Board Member	World Energy Council - National Committee
7	Concordia	Through ACUE	Social dialogue
8	Eurelectric	Through CRE, committees	NEW in 2025 - voice of the energy sector at EU level
9	Aspen Institute	Committee Member	Visionary leadership and societal challenges
10	BRCC	Board Member	NEW in 2025 - British Romanian Chamber of Commerce

In 2025, DEO achieved two new strategic memberships: Eurelectric (through CRE), consolidating the company's presence in the European energy dialogue, and BRCC (British Romanian Chamber of Commerce), as a Board member, expanding the network of bilateral commercial relations.

Anti-Corruption (M)

GRI 3-3 Management of material topics

Impact area	Impact definition	Human Rights
Anti-corruption	Corruption, bribery or fraud practices can generate significant negative consequences for the business environment, stakeholder trust and the company's reputation. DEO recognizes the specific risk associated with field interactions, particularly in MV/LV maintenance and COER areas.	YES

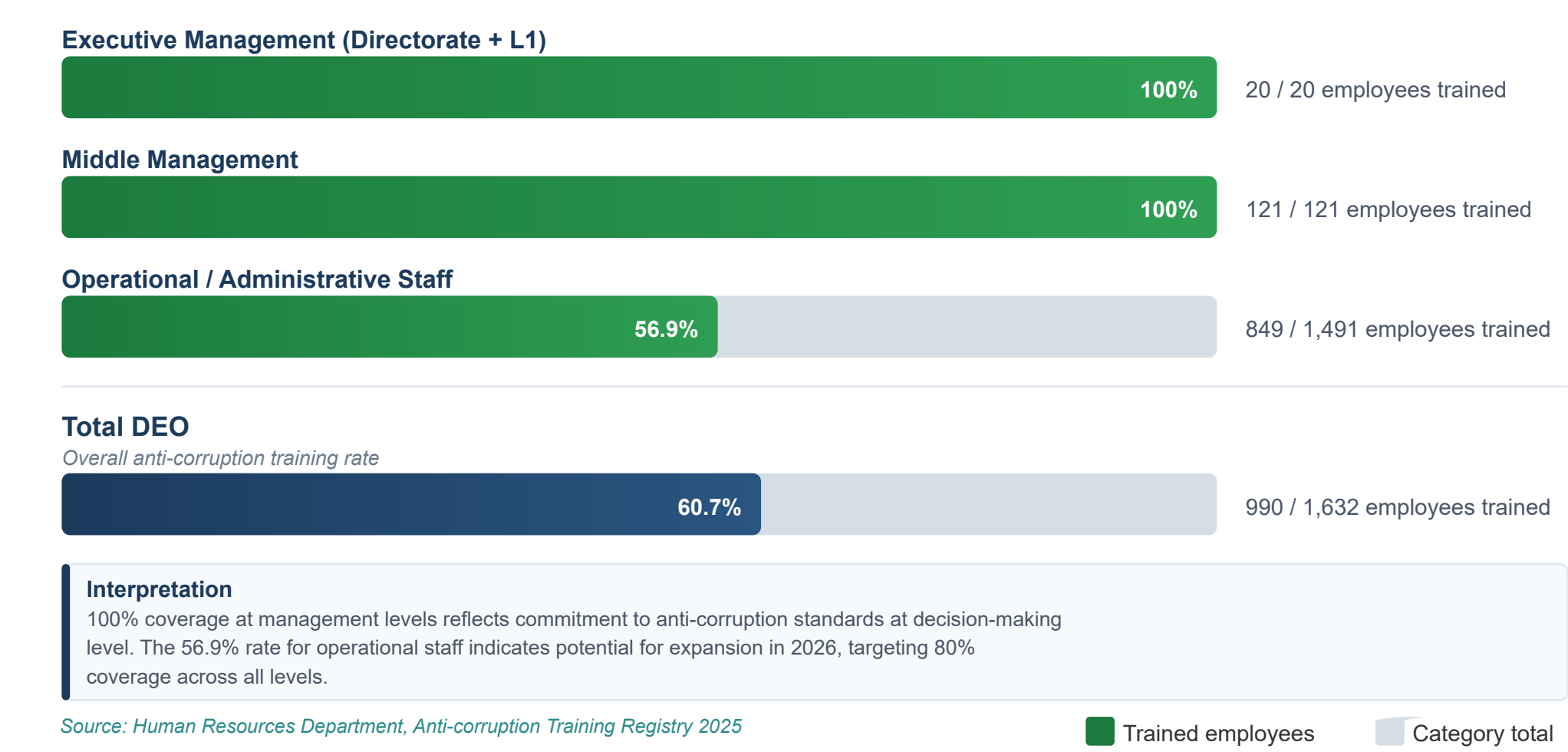
DEO promotes zero tolerance for any forms of corruption, bribery or fraud, through a framework of policies, training and monitoring calibrated to the specific risk of electricity distribution activities. The compliance framework is supported by a comprehensive set of policies, publicly available at www.distributieoltenia.ro, section ‘Ethics and Integrity’:

- Anti-Corruption and Anti-Bribery Policy
- General Anti-Fraud Policy
- Know Your Customer (KYC) and Anti-Money Laundering (AML) Policy
- Insider Trading (REMIT) Policy
- Conflicts of Interest Policy
- Whistleblowing Policy
- Anti-Corruption Guide
- Business Code of Conduct
- Code of Ethics

Integrity and ethics are incorporated as measurable elements in the evaluation of individual performance through the DEO KPI system, underpinned by the corporate values **#ÎntreNoi (#BetweenUs): EVOLUTION, RESPONSIBILITY, TEAM, ENTHUSIASM, INITIATIVE.**

GRI 205-2 Communication and training about anti-corruption policies and procedures

Figure 3.2 - Anti-Corruption training coverage 2025



DEO provides systematic and comprehensive anti-corruption training for employees and business partners:

Category	Trained	Total	Coverage
Executive management (Management Board + L1)	20	20	100%
Middle management	121	121	100%
Operational staff / TESA	849	1,491	56.9%
Total employees	990	1,632	60.7%

Separately from the employee workforce, at the level of senior corporate governance bodies (Supervisory Board and Management Board), 3 of the 6 members (50%) received briefings and training on anti-corruption in 2025.

The structure of the three professional categories reflects DEO’s organizational architecture as of 31.12.2025: the 20 employees in executive management include the 3 members of the Management Board together with 17 first-level managers (Level 1), responsible for the company’s main functional directorates. Middle management comprises 121 employees with coordination functions at the department and operational service level. Operational and TESA personnel, the most numerous segment with 1,491 employees (91.4% of the total workforce), perform the technical, administrative and commercial execution of distribution activities. The sum of the three categories matches the validated GRI 2-7 total: 20 + 121 + 1,491 = 1,632 active employees at the reference date.

The 2025 anti-corruption training program comprised the following components, distributed to all employees with a corporate email address. The related documents were also made available on the internal DEO platform, within the dedicated Compliance section:

- 4 ethics capsules, published quarterly, covering topics such as: zero tolerance for harassment, artificial intelligence and professional ethics, the role of reporting channels, internal policies as the foundation of ethical governance;
- 4 articles in the internal magazine, in the editorial section “Discover the Spirit of Ethics”;
- 4 newsletters dedicated to anti-corruption and compliance;
- 1 Guide on Prevention and Combating Harassment in the Workplace (new in 2025, developed in accordance with Directive 2000/78/EC and Law 361/2022);
- 1 brochure on the Ethics and Compliance System;
- 4 Express Training sessions, including: classification of corruption offenses, fraud prevention, principles of the Anti-Corruption and Anti-Bribery Policy, REMIT compliance;
- 1 comprehensive training material (“Overview of Ethics, Integrity, Compliance/2025”), the most complete presentation in the annual compliance series, consolidating all updated policies (Code of Ethics, Business Code of Conduct, Anti-Corruption Policy, Whistleblowing Policy, Conflicts of Interest Policy, new Anti-Harassment Guide);

Total training materials distributed in 2025: 19 (compared to 21 in 2024). The “Compliance Week” campaign (8th edition) was reorganized as a multidimensional virtual event, integrating e-learning sessions, interactive presentations, video materials and post-training assessments.

GRI 205-1

Operations assessed for risks related to corruption

In 2025, DEO engaged a third-party independent analysis to assess its compliance program. The results generated an action plan aimed at raising integrity standards to a higher level. This plan was transformed into a strategic project scheduled for implementation in 2026, benefiting from a specifically allocated consulting budget.

Several audits were also conducted during 2025 (carried out using internal and external resources) which also included aspects of assessing corruption risks in operational activity (MV/LV maintenance and COER) where the exposure to the risk of corruption is the highest. This high exposure is generated due to the high frequency of direct interactions between a large volume of employees and end-users, potentially generating a context conducive to integrity incidents. The geographical dispersion and autonomy of staff in relation to centralized oversight mechanisms significantly increase the probability of informal agreements materializing in these areas.

In the 2025 financial year, DEO recorded no confirmed incidents of corruption within the meaning of GRI 205-3, points a) through d). The Company has not been subject to any final conviction in connection with acts of corruption, and senior management has not been sanctioned for corruption or bribery.

This position is supported by an integrated ethics and compliance framework, designed in line with applicable international standards: the Anti-Corruption and Anti-Bribery Policy, the Code of Ethics, the Business Conduct Code, and the Supplier Code of Conduct, complemented by the independent whistleblowing "SpeakUp", a dedicated ethics and compliance function (independent of the processes under review), mandatory annual employee training on integrity, REMIT and antitrust matters, and the annual internal audit of compliance controls. During 2025, specific policies were updated to

GRI 205-3

Confirmed incidents of corruption and actions taken

The overall anti-corruption training coverage rate of 60.7% (990 out of 1,632 employees) reflects prioritization of categories with high-risk exposure: executive and middle management achieved full coverage (100%), while for operational/TESA personnel the coverage was 56.9% (849 out of 1,491). The training program is being gradually expanded, with full coverage of operational personnel constituting an explicit objective for the 2026 cycle. The separate row 'SB + Management Board members' (3 trained out of 6, 50%) follows a distinct logic: the 3 Management Board members are also included in the executive management category (100% training), whereas the 3 Supervisory Board members, holding a supervisory rather than executive role and without operational attributions, did not complete the formal internal training program in 2025. This difference is consistent with GRI 205-2 practice, which treats governing bodies separately from executive employees, and will be addressed in the 2026 training cycle.

The 100% coverage of business partners regarding anti-corruption policies is based on the systematic contractual mechanism: the Code of Conduct for Suppliers is an integral part of the procurement documentation, signed mandatorily at the initiation of any contractual relationship. All 119 new suppliers evaluated in 2025 under the GRI 308/414 program completed this procedure, without exception.

100% of business partners (suppliers, contractors) were informed regarding DEO's anti-corruption policies through acknowledgement of the Code of Conduct for Suppliers.

reflect current national and European legislation, confirming the active and operational nature of the system.

Ethical Conduct (M)

Management of material topics

Impact area	Impact definition	Human Rights
Ethical conduct	Violations of ethics and integrity standards can affect employee rights, stakeholder relations and the organization's reputation. DEO considers that a robust reporting and remediation system is essential for maintaining trust.	YES

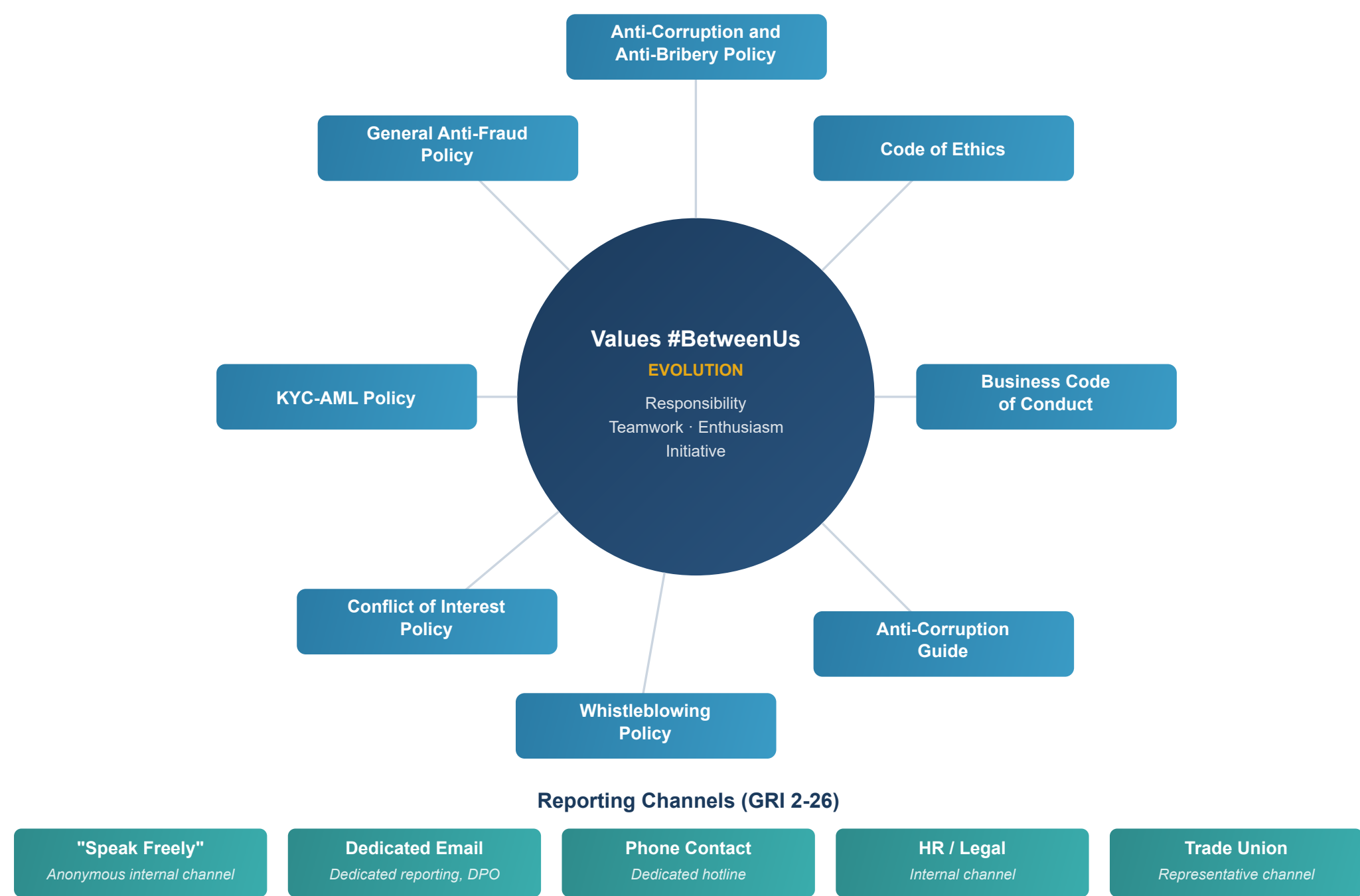
DEO promotes an organizational culture of transparency and integrity through periodic awareness and training sessions, testing through practical scenarios, maintenance and promotion of good-faith reporting channels and detailed verification of all conduct reports.

In support of this commitment, DEO applies the following principles of ethical conduct, aligned with the GRI 3-3 disclosures:

- promotion of an organizational culture based on ethics, integrity and fair practices;
- treating each employee with dignity and respect;
- exclusion of any forms of discrimination, harassment, forced labor and child exploitation;
- ensuring fair working conditions for all employees;
- respect for fundamental human rights.

The reference documentary framework of the ethics and compliance system, comprising the Internal Regulations and its annexes (Code of Ethics, Business Code of Conduct, Compliance Manual), remains in force in the form previously adopted. During 2025, the following specific policies were updated: the Conflicts of Interest Policy, the Anti-Corruption and Anti-Bribery Policy, the Whistleblowing Policy for the submission of reports through the SpeakUp system, the General Anti-Fraud Policy, the Antitrust and Competition Rules Policy, the Trade Secret Policy and the Insider Trading (REMIT) Policy. These updates aimed at alignment with the current organizational structure and integration of the company's ESG commitments. A comprehensive update of the core documents (Code of Ethics, Business Code of Conduct) is planned for 2026, within the strategic project for modernization of the compliance system.

Figure 3.3 DEO Ethics and Compliance Ecosystem



- GRI 2-26Mechanisms for seeking advice and raising concerns
- NON-GRI-13Number of grievances registered within the whistleblowing system; status of grievances

DEO provides employees and stakeholders with multiple channels to report violations of ethics and integrity standards:

- **The SpeakUp platform** - an external, anonymous channel managed by a third party, which ensures protection of the reporter's identity
- **Dedicated email address:** Neconformitate_DEO@distributieoltenia.ro
- **Telephone contact** - a dedicated line for integrity reports
- **Direct contact** with HR and Legal departments
- **Union** - an additional reporting channel

The whistleblowing mechanism, including the SpeakUp application, fully complies with applicable

legislation on the protection of integrity whistleblowers (Law 361/2022, transposing EU Directive 2019/1937). The procedure is documented in the internal whistleblowing policy and guarantees that reporters will not suffer retaliation for good-faith reporting of violations.

In 2025, 8 reports were received through DEO's reporting channels and investigated according to internal procedures. These are divided into two categories:

- 4 reports on ethics and professional conduct matters: for 2 of these a corrective action plan was developed, and the other 2 were resolved without identifying any violations of ethics standards, thus the procedure was closed following notification to the complainant;
- 4 reports on operational matters, categorized as not involving violations of ethics standards, forwarded to competent operational structures for resolution.

All reports received a response within the legal deadline. The volume of reports is comparable to that in 2024 (10 reports), indicating the maintenance of accessibility and functionality of reporting channels.

Remediation Processes for Negative Impacts

All reports received through reporting channels are investigated according to internal procedures. The process includes:

- Receipt and recording of the report
- Preliminary assessment of severity and relevance
- Detailed investigation by the compliance team
- Report of findings and recommendations
- Action plan (if applicable)
- Monitoring implementation of corrective measures

Methodological note (GRI 2-23, GRI 2-24, GRI 2-25): The fundamental organizational commitments undertaken through policies (the Code of Ethics, the Business Conduct Code, the Anti-Corruption Policy, the Compliance Manual), their integration into DEO's operations, and the strategic approach to remediating negative impacts are addressed comprehensively in Chapter 2 (ESG Strategy, section dedicated to Value Chain Due Diligence). The corresponding page references are indicated in the GRI Content Index, Annex 1.

Taxes: disclosures GRI 3-3, GRI 207-1, GRI 207-2, GRI 207-3 and GRI 207-4 are presented in full in Chapter 1, Fiscal Contribution section.

4 THE NINTH SUSTAINABILITY REPORT

This chapter provides the foundation for DEO’s sustainability reporting process, including the methodological framework, the materiality analysis, the stakeholder engagement process and the complete materiality matrix.

Table of contents

GRI 2-3	Reporting period, frequency and contact point
GRI 2-5	External assurance
GRI 2-29	Approach to stakeholder engagement
GRI 3-1	Process to determine material topics
GRI 3-2	List of material topics
GRI 3-3	Management of material topics



This chapter provides the foundation for the sustainability reporting process of Distribuție Energie Oltenia for 2025, marking the ninth consecutive reporting cycle in accordance with the GRI Standards. The chapter details the reporting period and boundary, restatements of information from previous cycles, the status of external assurance, the approach to stakeholder dialogue, as well as the process of determining and prioritizing the material topics that underpin the entire report.

In a context marked by the acceleration of the energy transition, the increasing transparency requirements imposed by the European framework (CSRD, EU Taxonomy) and the increasingly diversified expectations of stakeholders, this chapter provides the reader with the methodological foundation necessary to understand why certain topics are prioritized and how they were selected. The information presented here serves as the backbone of all subsequent thematic chapters.

GRI 2-3

Reporting period, frequency and contact point

We present the ninth sustainability report of Distribuție Energie Oltenia. The report, published on 30 June 2026, reflects the sustainability results achieved during the period 1 January 2025 to 31 December 2025, corresponding to the financial year.

As established in the previous report, published at the end of June 2025, we continue to report on an annual basis the results achieved by Distribuție Energie Oltenia in the area of sustainability. Details regarding the sustainability information reported by Distribuție Energie Oltenia may be requested at raport-sustenabilitate@distributieoltenia.ro.

The report has been prepared in accordance with the GRI Standards. In the absence of an updated GRI sector standard for the electric utilities sector within the new GRI Sector Standards Program, DEO continues to use as supplementary reference the sector-specific indicators from the GRI G4 Electric Utilities Sector Disclosures (EU3, EU4, EU10, EU12, EU15, EU18, EU22, EU26–EU29), adapted to the requirements of GRI Standards.

The report ensures compliance with European Directive No. 2014/95, transposed locally through the Orders of the Minister of Public Finance (O.M.F.P.) No. 1938/2016 and O.M.F.P. No. 3456/2018, with subsequent amendments and additions.

The report fulfils the requirements and obligations arising from:

- European Regulation (EU) 2020/852 establishing a framework for facilitating sustainable investments and amending Regulation 2019/2088;
- Commission Delegated Regulation (EU) 2021/2139, which establishes the eligible economic activities with regard to climate change mitigation and adaptation;
- Commission Delegated Regulation (EU) 2021/2178, which develops the reporting methodology and provides the obligation to disclose information on how and to what extent the company's activities are associated with economic activities considered environmentally sustainable. It defines the content, methodology and presentation of the information to be disclosed, as well as the key performance indicators;

- Commission Delegated Regulation (EU) 2022/1214 amending Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2021/2178;
- Commission Delegated Regulation 2023/2485 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as substantially contributing to climate change mitigation or adaptation;
- Commission Delegated Regulation 2023/2486 establishing technical screening criteria for determining the conditions under which an economic activity substantially contributes to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems.

The structure of this report, prepared in accordance with GRI Standards.

External assurance

The DEO Sustainability Report has not been verified or assured by an independent third party.

Distribuție Energie Oltenia does not currently have a specific policy regarding the selection of limited assurance and/or an audit of sustainability data. At present, the selection of providers is carried out in accordance with the company's general procurement policy.

Throughout the reporting process, we have considered the reporting principles defined in GRI 1: Foundation 2021 of the GRI Standards:

- **Accuracy** = The organization shall report information that is correct and sufficiently detailed to enable an assessment of its impacts.
- **Balance** = The organization shall report information in a balanced and unbiased manner, providing a fair representation of its negative and positive impacts.
- **Clarity** = The organization shall present information in a manner that is accessible and easy to understand.
- **Comparability** = The organization shall select, compile and report information consistently, to enable an analysis of changes in impacts over time and a comparison with other organizations.
- **Completeness** = The organization shall provide sufficient information to enable an assessment of its impacts during the reporting period.
- **Sustainability context** = The organization shall report information about its impacts in the broader context of sustainable development.
- **Timeliness** = The organization shall report information on a regular basis and make it available to users in a timely manner.
- **Verifiability** = The organization shall collect, record, compile and analyze information so that it can be examined to establish its quality.

GRI 2-5

GRI 2-29

Approach to stakeholder engagement

The process of consultation with relevant stakeholders for Distribuție Energie Oltenia is ongoing. Specific procedures and processes are developed for each business segment, complementing existing legal or contractual obligations:

- in commercial relations with users, the email addresses relatiiclienti@distributieoltenia.ro and distributieoltenia@distributieoltenia.ro have been made available (for further details, please refer to the Communication with consumers/users section in Chapter 5 – Our users);
- periodic NPS (Net Promoter Score) and VoC (Voice of Customer) questionnaires for assessing the relationship with users
- in compliance with the conformity assurance for all stakeholder categories, a whistleblowing system is available, freely accessible at www.distributieoltenia.ro, in the Ethical Conduct section (for further details, please refer to the Ethical Conduct section in Chapter 3 – Governance);
- periodic eNPS and VoE (Voice of Employee) questionnaires for assessing the relationship with employees;
- in line with the identification of sustainability topics, consultations with all relevant stakeholder categories are carried out annually.

In response to consumers’ need for greater speed and efficiency in their interactions with DEO, as evidenced by both types of studies mentioned above, DEO is working on developing and diversifying the digital channels it makes available to consumers. Furthermore, the analysis of dissatisfaction expressed in the NPS studies (prices perceived as high, voltage fluctuations) has informed the prioritization of investments in the modernization of the medium-voltage network and in user education programs regarding the difference between the distributor and the supplier. Employee feedback collected through eNPS has contributed to the revision of the salary benefits package and to the expansion of the Electrician Apprentice program, in response to the need for recruitment in scarce technical trades. We note that the last eNPS (Employee Net Promoter Score) cycle was conducted in 2022.

The strategic NPS study, conducted during August–September 2025 on a total sample of 5,076 respondents (2,772 residential users, 2,079 companies and 225 authorities) of the main electricity distributors (DSO) in Romania, highlighted the following comparative perceptions regarding DEO:

- Main reasons for recommendation: good services and professionalism (22% of DEO users), satisfaction with the overall collaboration (19%) and fairness (19%).
- Main dissatisfaction: prices (32% of DEO users, compared with 43% for other Distribution System Operators (DSOs)) and voltage fluctuations or lack of supply continuity (11%, compared with 14% for other DSOs)
- By comparison, DEO records a systematic advantage over both in terms of price-related dissatisfaction (32% vs 43%, a difference of 11 percentage points) and voltage fluctuations (11% vs 14%), indicating a favorable competitive positioning in the area of user satisfaction vs other DSOs

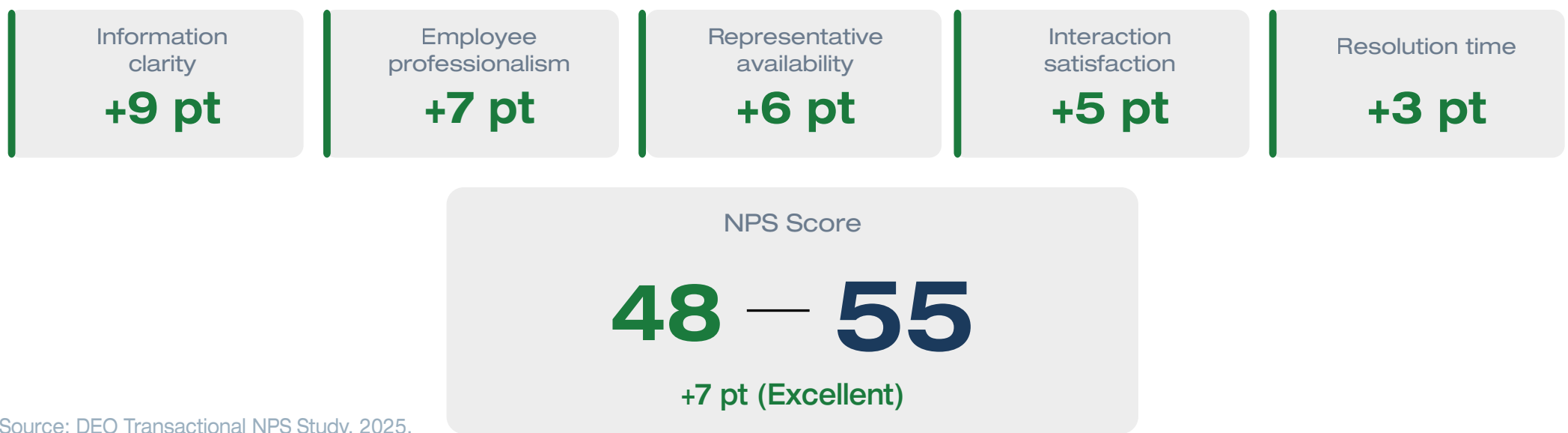
- Identified needs: the need to educate users regarding the difference between the distributor and the supplier, voltage stability in the network, improvement of response time and development of digital channels.

The transactional NPS study, conducted during August–December 2025 on a sample of 30 users contacted after visiting DEO’s URCs, highlighted:

- An increase in the NPS score by 7 points (from 48 to 55), indicating a very good level of recommendation.
- Clarity and variety of information: +9 points; employee professionalism: +7 points; availability of DEO representatives: +6 points.
- Satisfaction with the overall interaction: +5 points; resolution time: +3 points.
- In the context of the NPS methodology, a score of 55 falls within the range considered excellent (50–70), confirming a significant positive evolution in user perception of DEO’s URC services.

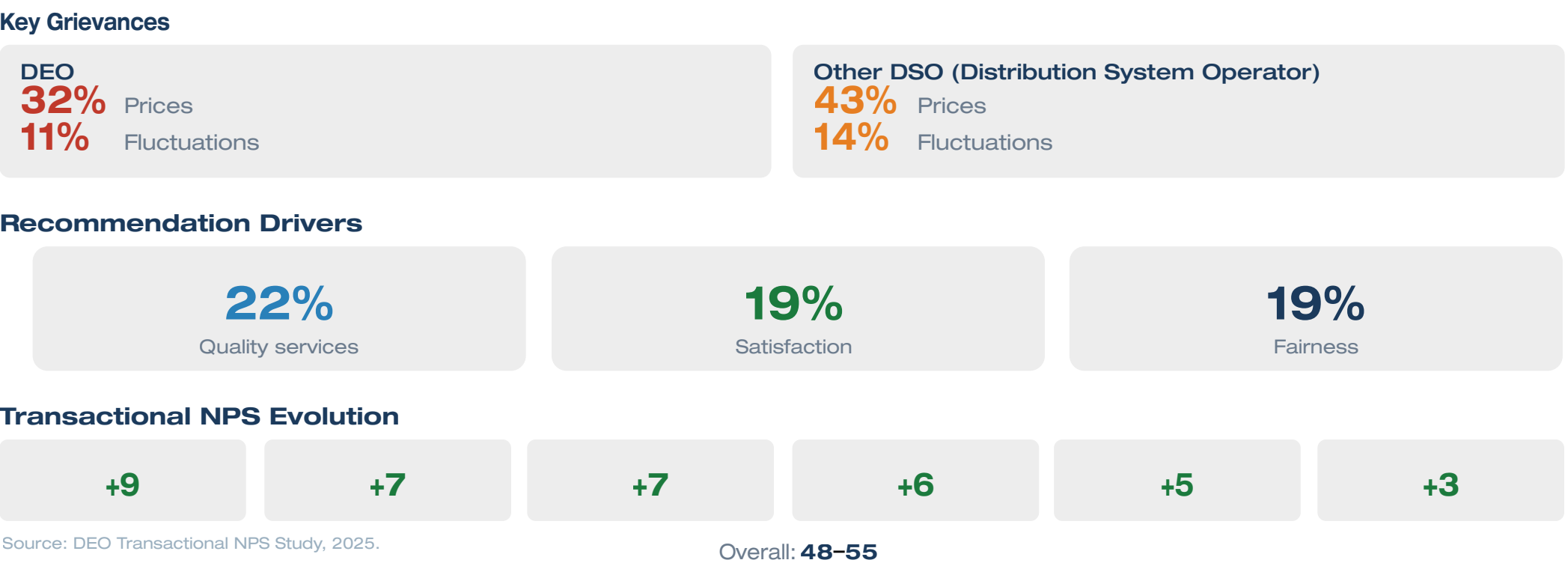
Methodological note: the small sample size limits the statistical representativeness of the data, which is primarily indicative in nature.

Figure 4.1. Evolution of transactional NPS indicators for URC, second semester of 2025



Source: DEO Transactional NPS Study, 2025.

Figure 4.2. NPS studies: comparative dissatisfaction DEO vs other distribution operators, reasons for recommendation and transactional NPS



Source: DEO Transactional NPS Study, 2025.

Overall: 48-55

Methodological note: For the 2025 reporting year, the traditional Mystery Shopper study was no longer conducted, being replaced by the Net Promoter Score (NPS) study, the results of which are presented above.

Furthermore, the VoC study dedicated to smart metering was no longer continued in this form in 2025; the topic was integrated into a broader study on consumer consumption behavior and their role in the energy transition, which targeted both consumers who have and those who do not have smart metering.

The consumption behavior study, conducted in October 2025 on a sample of 800 interviews (CAWI and CATI) with DEO users in the Oltenia region, found that approximately half of the respondents are in principle open to shifting their consumption to the maximum production interval (10:00–16:00); however, the actual willingness to adapt household activities remains modest, concentrated among households with high consumption and modern equipment. The main barrier identified is the low level of awareness regarding differentiated tariffs and the high resistance to behavioral change. As a direct response to these findings, validated also within the Orizont 30 strategic project team, DEO launched on 21st of November 2025 the proactivcuenergia.ro platform, dedicated to educating users on energy consumption optimization. The platform includes four thematic sections (savings, energy balance, energy independence and information about the distribution network), articles and practical guides, as well as a virtual assistant based on artificial intelligence (Voltin), which responds in real time to users’ questions. In the first six weeks since launch (November - December 2025), the platform recorded 32,636 unique visitors and 39,057 sessions. The promotional campaign included digital channels (social media, Google Ads), a partnership with an influencer, a press release picked up by online publications, OOH displays placed in high-traffic areas in Craiova, Pitești, Râmnicu Vâlcea, Târgu Jiu and Vâlcea, as well as internal dissemination through a newsletter, an internal platform and a dedicated employee contest.

The VoC study dedicated to the Electrician Apprentice program, conducted in 2025 on a sample of 14 respondents (approximately 5% of enrolled students), highlighted the following results:

- 78.6% of respondents rate the program as useful or very useful;
- 92.8% consider the personal development workshops useful;
- 85.7% rate the Practice Club as useful;
- 42.9% would recommend the program to other students;
- 57% would recommend the program or would work at DEO after completing their studies;
- 92.8% appreciate that the activities of the Circuit of Ideas module were interesting and that they learned new things.

The main recommendations from students for improving the program (multiple responses, N=14): more scholarships (85.7%), more development workshops (50%), more technical equipment (50%), more activities carried out (42.9%), more meetings with specialists (35.7%).

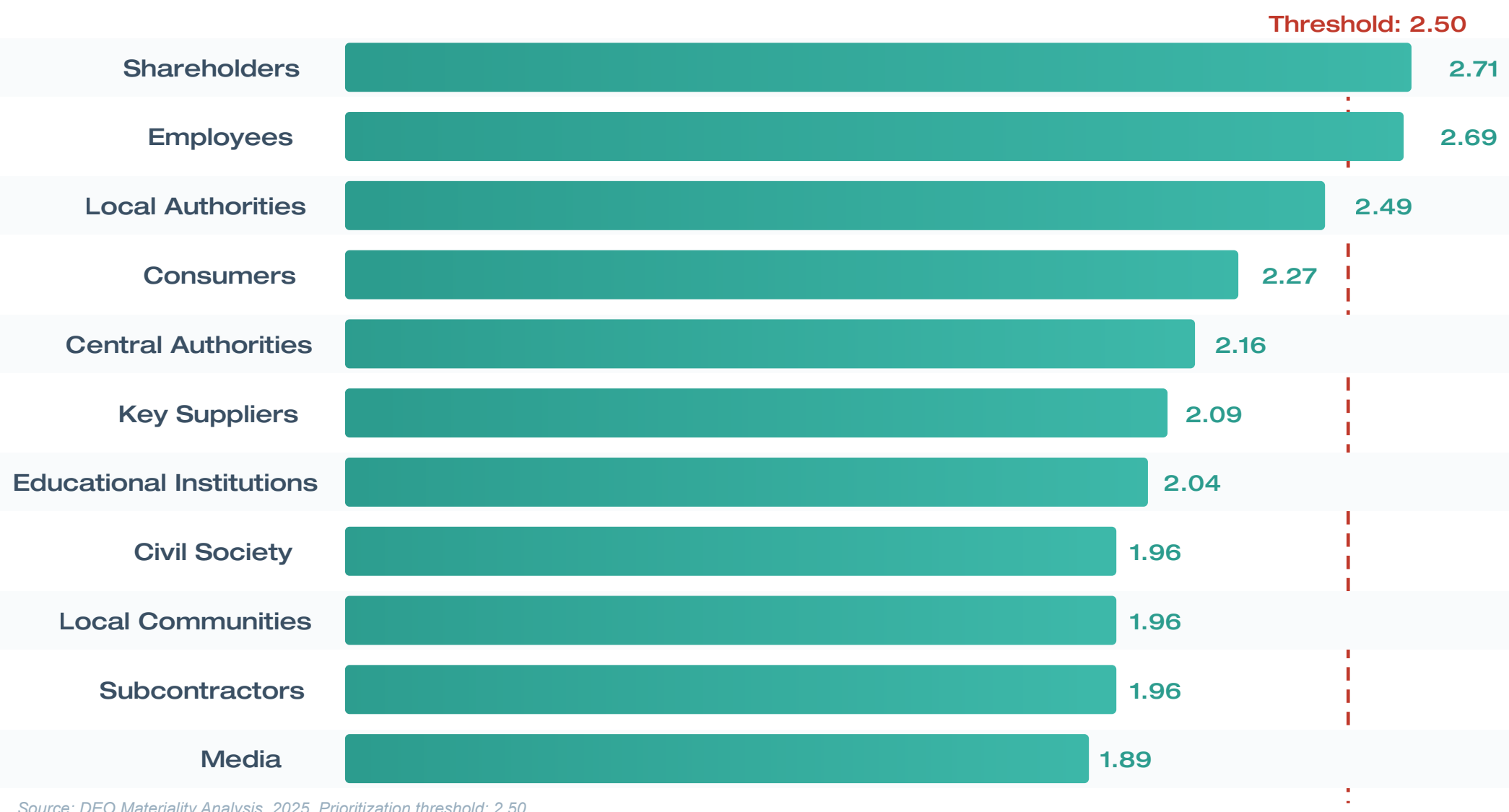
From the perspective of operational impact, the Electrician Apprentice program benefited in 2025 from a dedicated budget of LEI 462,000, providing training for 100 graduates. The post-program employment rate was 11% (11 graduates integrated within DEO).

VoC study on salary benefits. The last internal eNPS survey dedicated to benefits was conducted in 2022. According to its results, the majority of DEO employees consider that the organization they work for respects health, safety and environmental protection standards and that they are sufficiently trained to work safely. The top 3 non-wage benefits appreciated by employees are: (1) partial reimbursement of holiday and treatment vouchers, (2) remote working and (3) days off granted for special events.

In 2025, all of the organization’s stakeholders were assessed, and no additional categories relevant to DEO’s activities were identified. Thus, 31 stakeholder categories were identified, grouped into 11 main classes. Given that no significant changes occurred during the reporting period, the stakeholder assessment conducted in the previous reporting cycle was retained.

The hierarchy of stakeholder categories was established based on the following evaluation criteria:

Figure 4.3. Hierarchy of stakeholder categories



Source: DEO Materiality Analysis, 2025. Prioritization threshold: 2.50.

Accountability: entities connected to the organization through contracts and/or through legal and financial regulations, policies or operations;

Influence: entities with the capacity to influence the achievement of the organization’s established objectives, both through formal decision-makers and through informal influence, internal or external;

Proximity: entities on which the organization depends in its daily operations and those living near the organization’s premises;

Dependency: entities most dependent on the organization, such as consumers/users or suppliers for which the organization is an important client;

Representativeness: key institutions with which the company interacts, such as trade union representatives, community leaders, local authorities, etc.

Each stakeholder category was assessed according to the above criteria and scored with: 1 – low relevance, 2 – medium relevance, 3 – high relevance. The average value represents the prioritization level of the respective category.

Table 4.1 Hierarchy of stakeholder categories

Stakeholder categories	Average	Prioritisation
Shareholders	2.71	HIGH
Employees	2.69	HIGH
Local authorities (City Halls, County Councils, Prefectures)	2.49	HIGH
Consumers/users	2.27	MEDIUM
Central authorities	2.16	MEDIUM
Main suppliers	2.09	MEDIUM
Educational institutions (Universities, high schools)	2.04	MEDIUM
Civil society	1.96	MEDIUM
Local communities	1.96	MEDIUM
Subcontractors	1.96	MEDIUM
Mass media (Conventional and Social Media)	1.89	MEDIUM

As a result of the prioritization, the following stakeholder categories were identified as relevant for Distribuție Energie Oltenia and involved in the consultative processes for establishing the content of the sustainability report:

Table 4.2 Internal and external stakeholders

Internal stakeholders	External stakeholders
Employees	Consumers/users
Middle management	Suppliers
Top Management	Subcontractors
Trade union representatives	Shareholders
	Central authorities (including regulators)
	Local authorities
	Civil society
	Mass-Media

Identification, assessment, grouping and prioritization of impacts

GRI 3-1

Process to determine material topics

In 2025, the activities carried out within Distribuție Energie Oltenia were re-analyzed aiming to identify positive and negative, actual or potential, short-, medium- or long-term, intended or unintended, reversible or irreversible impacts generated by the company’s activities, products and services on the economy, the environment and society, including on human rights.

Impacts were assessed based on the criteria of Severity (scale, scope, irremediable character) and Likelihood, including from the perspective of potential human rights impacts, in accordance with the requirements of GRI 3: Material Topics 2021. To ensure coherence and comparability, all assessments were normalized on a scale of 1 to 10, and the relevance hierarchy of impacts was updated following the assessment.

Scoring methodology

Internal scoring (weighting 70%): Internal relevance was assessed by the sustainability team based on the criteria of severity (scale, scope, irremediable character) and, for potential impacts, the likelihood of occurrence. Each criterion was assessed on a scale of 1 to 5, and the resulting raw relevance was normalized on the 1–10 scale.

External scoring (weighting 30%): External relevance was determined based on stakeholder consultation, through an online questionnaire to which 108 persons from all relevant stakeholder categories responded. Stakeholders assessed each impact domain on a scale of 1 (Low) to 5 (Major). The average score per domain was rescaled to the 1–10 scale by multiplication with a factor of 2, to ensure comparability with internal scores.

Final materiality score: Final Score = (0.7 x Internal Relevance on the 1–10 scale) + (0.3 x Average External Relevance on the 1–10 scale). The materiality threshold was set at 4.80, approved by the company’s top management. The higher weighting given to the internal assessment reflects the organization’s direct responsibility in managing the identified impacts, while maintaining significant integration of the stakeholder perspective.

Negative impacts

The results of the negative impact assessment are summarized in the following table, presenting both the internal relevance score and the indication of the link to human rights.

Table 4.3a Negative impacts – internal assessment

GRI Standard	Topic	Impact definition	Internal relevance	Human Rights
GRI 306	Waste	The use of potentially hazardous substances in network maintenance may lead to soil and water contamination.	3.84	Yes
EU12 Transmission and distribution losses as a percentage of total energy	System efficiency	The high share of CPT in the carbon footprint affects climate performance.	3.84	No
GRI 418	Data protection	Cybersecurity incidents may affect electricity supply and user trust.	3.84	Yes
GRI 416	Customer health and safety	The interaction of communities with the infrastructure may pose risks to health and safety.	3.82	N/A
GRI 101: Biodiversity 2024	Biodiversity	Clearing of safety corridors may affect natural habitats.	3.79	No
GRI 302	Energy	Own technological consumption generates GHG emissions.	3.48	No
GRI 205	Anti-corruption	Corruption practices in procurement may distort supplier selection.	3.47	Yes
GRI 406	Non-discrimination	Discriminatory practices may affect the working environment.	3.45	Yes
GRI 302	Energy	The use of fuel for maintenance activities leads to the consumption of non-renewable resources.	3.83	No
EU27 Number of residential disconnections for non-payment	Access	Outages and interruptions may affect user safety.	2.56	N/A
GRI 305	Emissions	Accidental GHG releases from equipment.	0.58	No

Positive impacts

The results of the positive impact assessment are summarized in the following table, presenting the internal relevance score and the indication of the link to human rights.

Table 4.3b Positive Impacts, internal evaluation

GRI Standard	Topic	Impact definition	Internal relevance	Human Rights
EU10 Planned capacity against projected electricity demand over the long term	Availability and reliability	Through network expansion we contribute to ensuring continuity of electricity supply to all categories of users.	10.00	N/A
EU27 Number of residential disconnections for non-payment	Access	Electricity is a basic resource for socio-economic development. Ensuring universal access contributes to improving quality of life.	10.00	N/A
DEO Specific	Green Energy Investments	By facilitating prosumer integration, we support the transition to a more sustainable energy system.	6.40	N/A
GRI 201	Economic performance	The contribution to public budgets supports the financing of public services and regional development.	6.40	N/A
GRI 203	Indirect economic impacts	Investments in network development and modernization contribute to the economic development of local communities.	6.40	N/A
GRI 302	Energy	Network modernization and the implementation of efficient solutions contribute to reducing own technological consumption.	6.48	N/A
GRI 305	Emissions	Through the assistance provided to prosumers, the company contributes to the reduction of the overall energy system emissions.	6.40	N/A
GRI 403	Occupational health and safety	Ensuring safe working conditions contributes to reducing accidents and improving employee wellbeing.	6.40	N/A
EU27 Number of residential disconnections for non-payment	Access	Implementing dedicated measures for vulnerable users contributes to ensuring equitable access to energy.	4.80	N/A
GRI 202	Market presence	Decent remuneration and access to advancement opportunities contribute to labor market stability and employee wellbeing.	4.80	N/A
GRI 401	Employment	Providing stable jobs contributes to the economic security and wellbeing of employees and their families.	4.80	N/A
DEO Specific	Innovation and digitalization	The implementation of digital solutions contributes to process optimization and improved service quality.	3.60	N/A
DEO Specific	Ethical conduct	Promoting ethical conduct contributes to fair and transparent relationships with suppliers and the community.	3.60	Yes
GRI 404	Training and education	Training programs contribute to skills development and the strengthening of human capital.	3.60	N/A
GRI 405	Diversity and equal opportunity	Ensuring diversity contributes to equal access to professional development opportunities.	3.60	N/A
GRI 413	Local communities	Engagement in community projects contributes to improving access to education, culture and local development opportunities.	4.13	N/A

Stakeholder impact assessment

Based on the results obtained from the analysis of questionnaires distributed to stakeholders, the relevance hierarchy of impacts from the external perspective was established. Average scores were rescaled to the 1-10 scale.

Table 4.3c External assessment of negative impacts

GRI Standard	Topic	Average stakeholder assessment (1–10)
GRI 306	Waste	8.07
EU12 Transmission and distribution losses as a percentage of total energy	System efficiency	8.07
GRI 418	Data protection	8.07
EU27 Number of residential disconnections for non-payment	Access	8.07
GRI 205	Anti-corruption	8.07
GRI 302	Energy	8.07
GRI 406	Non-discrimination	8.07
GRI 204	Procurement practices	8.07
GRI 101	Biodiversity	7.26
GRI 416	Customer health and safety	7.26
GRI 305	Emissions	7.26

Table 4.3d External assessment of positive impacts

GRI Standard	Topic	Average stakeholder assessment (1–10)
EU27 Number of residential disconnections for non-payment	Access	8.35
GRI 405	Diversity and equal opportunity	8.09
GRI 401	Employment	8.09
GRI 201	Economic performance	8.09
GRI 403	Occupational health and safety	8.07
DEO Specific	Ethical conduct	8.04
GRI 404	Education and training	8.04
GRI 203	Indirect economic impacts	7.87
EU10 Planned capacity against projected electricity demand over the long term	Availability and reliability	7.87
DEO Specific	Green Energy Investments	7.65
GRI 305	Emissions	7.43
GRI 302	Energy	6.67
GRI 413	Local communities	6.57

Stakeholder consultation

Stakeholder consultation was conducted online, through questionnaires distributed during January – February 2026, with 108 responses received. The main stakeholder categories consulted included: employees, suppliers and subcontractors, users/consumers connected to the distribution network, public authorities (local and central), financial institutions and investors, local community representatives (including NGOs), as well as media representatives.

Stakeholders assessed the extent to which the identified impacts affect them, on a scale of 1 (Low) to 5 (Major). The average scores obtained were ranked on the 1–10 scale to ensure comparability with internal scores.

Establishing material impact domains

GRI 3-2 List of material topics

The process of establishing material impact domains was carried out in continuation of the efforts initiated in previous reporting years, to ensure coherence, comparability and alignment with the organizational strategies and the specific operational context of Distribuție Energie Oltenia. For the 2025 reporting year, the materiality threshold was maintained at 4.80, approved by the company’s top management.

Figure 4.4. Materiality matrix 2025, scatter version



In conclusion of the materiality analysis, 23 impact domains were identified that exceeded the established threshold and are presented hereinafter as material for the 2025 reporting period. Compared to 2024 (DEO Sustainability Report 2024, p. 40), the list expanded from 20 to 23 material topics, reflecting both the refinement of the impact identification methodology and increased sensitivity to emerging risks. The numerical difference in topics is explained by the reassessment process of the materiality threshold (4.80): certain topics from 2024, such as water and effluents management (GRI 303), were declassified as non-material for the specific nature of distribution activities this year, thereby making room for new topics of major interest.

Table 4.4.1 Complete list of material topics for 2025 reporting cycle

GRI Standards/ Other sources	Topic	Average relevance	Internal relevance	External relevance
Environment				
EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	Access	9.48	10.00	8.26
EU10 Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	Availability and reliability	9.36	10.00	7.87
GRI 305: Emissions 2016	Emissions	6.68	6.40	7.34
GRI 302: Energy 2016	Energy	6.48	6.40	6.67
GRI 306: Waste 2020	Waste	5.11	3.84	8.07
EU12 Transmission and distribution losses as a percentage of total energy	System efficiency	4.99	3.84	7.67
GRI 101: Biodiversity 2024	Biodiversity	4.83	3.79	7.26
Social				
GRI 403: Occupational Health and Safety 2018	Occupational health and safety	6.90	6.40	8.07
GRI 203: Indirect Economic Impacts 2016	Indirect economic impacts	6.84	6.40	7.87
GRI 401: Employment 2016	Employment	5.79	4.80	8.09
GRI 202: Market Presence 2016	Market presence	5.79	4.80	8.09
GRI 418: Customer Privacy 2016	Customer data protection	5.11	3.84	8.07
GRI 405: Diversity and Equal Opportunity 2016	Diversity and equal opportunity	4.95	3.60	8.09
DEO-specific topic: Communication with consumers/users	Communication with consumers/users	4.93	3.60	8.04
GRI 404: Training and Education 2016	Training and education	4.93	3.60	8.04
GRI 413: Local Communities 2016	Local communities	4.86	4.13	6.57
GRI 416: Customer Health and Safety 2016	Customer health and safety	4.85	3.82	7.26
GRI 406: Non-discrimination 2016	Non-discrimination	4.84	3.45	8.07
Governance				
GRI 201: Economic Performance 2016	Economic performance	6.91	6.40	8.09
DEO-specific topic: Green Energy Investments	Green Energy Investments	6.78	6.40	7.65
DEO-specific topic: Ethical Conduct	Ethical conduct	4.93	3.60	8.04
GRI 205: Anti-corruption 2016	Anti-corruption	4.85	3.47	8.07
DEO-specific topic: Innovation and Digitalization	Innovation and digitalization	4.82	3.60	7.65

These material topics are denoted throughout the report with an orange (M). This report also addresses a number of other topics that are not considered material, but which provide a fuller picture of the Distribuție Oltenia’s sustainability approach in order to address stakeholders' expectations.

Table 4.4.2 List of non-material topics for 2025

GRI Standard /Other sources	Topic
EU3 Number of residential, industrial, institutional and commercial customer accounts	Users accounts and infrastructure
EU4 Length of above and underground transmission and distribution lines by regulatory regime	Users accounts and infrastructure
EU26 Percentage of population unserved in licensed distribution or service areas	Users accounts and infrastructure
EU22 Number of people physically or economically displaced and compensation, broken down by type of project	Displacement and compensation
EU28 Power outage frequency	Outage frequency and duration
EU29 Average power outage duration	Outage frequency and duration
EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	Contractor training and public safety
EU25 Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	Contractor training and public safety
EU15 Percentage of employees and 10 years broken down by job category and by region eligible to retire in the next 5 years and 10 years broken down by job category and by region	Workforce retirement eligibility
GRI 204: Procurement Practices 2016	Procurement Practices
GRI 206: Anti-competitive Behavior 2016	Anti-competitive Behavior
GRI 207: Tax 2019	Tax
GRI 301: Materials 2016	Materials
GRI 308: Supplier Environmental Assessment 2016	Supplier Environmental Assessment
GRI 402: Labor/Management Relations 2016	Labor/Management Relations
GRI 407: Freedom of Association and Collective Bargaining 2016	Freedom of Association and Collective Bargaining
GRI 408: Child Labor 2016	Child Labor
GRI 409: Forced or Compulsory Labor 2016	Forced or Compulsory Labor
GRI 410: Security Practices 2016	Security Practices
Former GRI 412: Human Rights Assessment 2016	Human Rights Assessment
GRI 414: Supplier Social Assessment 2016	Supplier Social Assessment
GRI 415: Public Policy 2016	Public Policy
GRI 417: Marketing and Labeling 2016	Marketing and Labeling
DEO-specific topic: EU Taxonomy and DNSH	EU Taxonomy and DNSH

Evolution compared to 2024

Compared to 2024, the 2025 materiality analysis presents the following significant developments:

- The list of material topics expanded from 20 to 23 aspects (according to DEO Sustainability Report 2024, p. 40), reflecting a more comprehensive approach to the company’s impacts.
- Five new impact topics were introduced (according to the evolution of material domains, DEO Sustainability Report 2024, p. 41): biodiversity (GRI 101: Biodiversity 2024), non-discrimination (GRI 406), customer health and safety (GRI 416), cybersecurity (assessed separately in 2025 as a distinct dimension within GRI 418) and innovation and digitalization of the distribution network. These additions reflect both the refinement of the methodology and increased sensitivity to emerging risks related to digital resilience and extended social responsibility.
- The introduction of biodiversity as a material topic reflects the entry into force of GRI 101: Biodiversity 2024 and anticipates the ESR5 E4 requirements on ecosystems, particularly relevant for the maintenance activities of the network’s safety corridors. The inclusion of cybersecurity as a distinct dimension responds to the requirements of the NIS2 Directive (transposed through GEO 155/2024), which classifies electricity distribution operators as essential entities with enhanced obligations for incident reporting and risk assessment.
- Access to energy (EU27/EU28/EU29) and service availability/reliability (EU10) recorded substantial increases in relevance scores, confirming the critical importance of distribution service continuity for all stakeholder categories.
- The average score for the customer data protection domain (GRI 418) adjusted to 5.11 (compared with 7.69 in 2024), remaining solidly above the materiality threshold (4.80). This evolution reflects a stabilization of the perception of cybersecurity risks as the technical protection measures implemented by DEO have matured.

Overall, the 2025 analysis confirms the stability of the company’s strategic directions, while also highlighting a maturation of the materiality assessment process and an increased emphasis on topics related to digitalization, operational resilience and the impact on communities and the environment.

The detailed analysis of scores reveals significant perception differences between the internal and external assessments for certain topics, particularly Non-discrimination (GRI 406: internal relevance 1.15 vs external 8.07) and Customer Health and Safety (GRI 416: 1.73 vs 7.26). These discrepancies reflect the fact that the internal team assesses the organization’s current impact as low in these domains, while external stakeholders attribute high importance to these topics based on their normative expectations. DEO will monitor these perception differences and will integrate the external perspective in the calibration of priorities for future reporting cycles.

Figure 4.5. Contrast between internal and external perception in the 2025 materiality analysis



GRI 3-3 Management of material topics

Distribuție Energie Oltenia manages the identified material topics through an integrated approach that links materiality to the organizational structure, operational processes and the thematic chapters of this report. Each material topic identified in the previous sections is addressed in detail in the corresponding thematic chapter, which presents: the policies and commitments undertaken, the concrete actions implemented, the performance indicators and the targets set.

The correlation between material topics and the report chapters is as follows:

Table 4.5 Correlation between material topics and report chapters

GRI Standard(s)	Impact domain	Report chapter
GRI EU27 Number of residential disconnections for non-payment	Access, Availability	Ch. 5 - Our users
GRI 201, GRI 203	Economic performance, Indirect impacts	Ch. 1 - About Distribuție Energie Oltenia
GRI 403	Occupational health and safety	Ch. 6 - Our employees
GRI 305, GRI 302	Emissions, Energy	Ch. 8 - Care for the environment
GRI 306, GRI 101: Biodiversity 2024	Waste, Biodiversity	Ch. 8 - Care for the environment
GRI 401, GRI 404, GRI 405, GRI 406	Employment, Training, Diversity, Non-discrimination	Ch. 6 - Our employees
GRI 205	Anti-corruption	Ch. 3 - Governance
GRI 418, GRI 416	Data protection, Customer health and safety	Ch. 5 - Our users
GRI 413	Local communities	Ch. 7 - Energy comes from people
GRI 202	Market presence	Ch. 1 - About Distribuție Energie Oltenia
DEO Specific	Green Energy Investments, Innovation, Communication, Ethical conduct	Ch. 2, 3, 5 (cross-cutting)

Each thematic chapter (5–8) includes its own specific GRI 3-3 section, detailing the concrete manner in which DEO manages the material topics allocated to the respective chapter. This hierarchical approach ensures both an overall vision (presented here) and the necessary depth at the level of each individual topic.



5 OUR USERS

This chapter describes how Distribuție Energie Oltenia S.A. (DEO) manages the relationship with its consumers, ensuring the quality of the distribution service, the safety of installations, the protection of personal data and equitable access to energy. As a licensed distribution operator for an area of over 35,000 km² across seven counties in the Oltenia region and south-western Romania, DEO serves a significant number of users: natural persons, legal entities, energy suppliers and prosumers.

Table of contents

Availability and reliability (M)

- GRI 3-3 Management of material topics
- EU10 Planned capacity against projected long-term electricity demand over the long term, broken down by energy source and regulatory regime

Outage frequency and duration

- EU28 Power outage frequency
- EU29 Average power outage duration

Consumer health and safety (M)

- GRI 3-3 Management of material topics
- GRI 416-1 Assessment of the health and safety impacts of product and service categories
- GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

Contractor training and public safety

- EU25 Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements, and pending legal cases of diseases

Marketing and Labeling

- GRI 417-1 Requirements for product and service information and labeling
- GRI 417-2 Incidents of non-compliance concerning product and service information and labeling
- GRI 417-3 Incidents of non-compliance concerning marketing communications

Customer Data Protection(M)

- GRI 3-3 Management of material topics
- GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Innovation and digitalization (M)

- GRI 3-3 Management of material topics
- NON-GRI-10 Network digitalization
- NON-GRI-11 Customer-facing digital services
- NON-GRI-12 Digitalization KPIs

The relationship with these users is structured around several strategic axes: network reliability, public safety, data protection and accessibility of information channels.

Communication with Consumers/Users (M)

- GRI 3-3 Management of material topics
- GRI 2-29 Approach to stakeholder engagement
- NON-GRI-4 Opening of new User Relations Centers (URCs)
- NON-GRI-5 Development of the company's websites and IT applications
- NON-GRI-6 Improvement of CRU and Call Center personnel training
- NON-GRI-7 Better promotion of company services and special offers

Access (M)

- GRI 3-3 Management of material topics
- EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime

Users accounts and infrastructure

- EU3 Number of residential, industrial, institutional, and commercial customer accounts
- EU26 Percentage of population unserved in licensed distribution or service areas

Indirect economic impacts(M)

- GRI 3-3 Management of material topics
- GRI 203-1 Infrastructure investments and services supported
- GRI 203-2 Significant indirect economic impacts

Green Energy Investments (M)

- GRI 3-3 Management of material topics
- NON-GRI-1 Investments in green energy
- NON-GRI-2 Support for prosumers
- NON-GRI-3 Investment in EV charging infrastructure

Service quality, infrastructure and investments

Outage frequency and duration

Continuity of electricity supply is managed through the systematic monitoring of SAIDI and SAIFI indicators, in accordance with ANRE methodology. The investment program for network modernization, automation of transformer substations and expansion of the underground network represents the principal instruments for reducing the frequency and duration of interruptions.

EU28

Power outage frequency

EU29

Average power outage duration

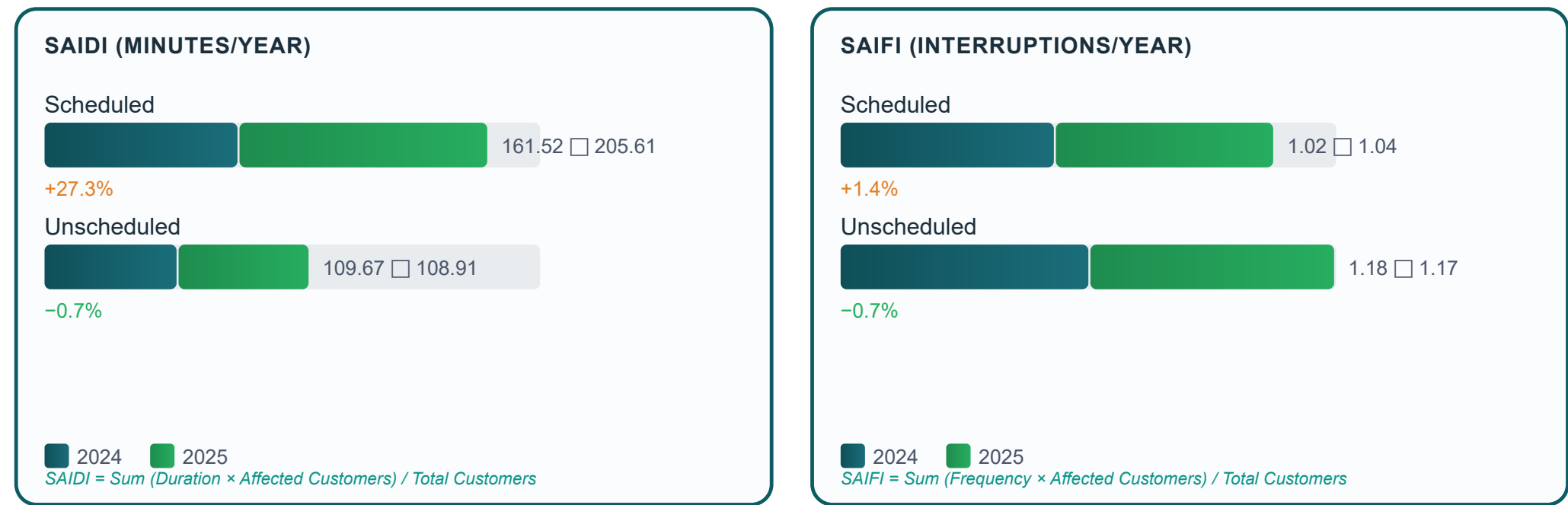
Ensuring continuity of electricity supply is DEO's principal commitment to users. Network performance is strictly monitored through the duration (**SAIDI**, System Average Interruption Duration Index, minutes/year) and frequency (**SAIFI**, System Average Interruption Frequency Index, interruptions/year) indicators, in accordance with the methodology established by the National Energy Regulatory Authority (ANRE).

For 2025, DEO recorded a total **SAIDI indicator of 314.52 minutes**. Of this value, planned interruptions accounted for 205.61 minutes, reflecting the significant volume of works, modernizations and network extensions carried out during the current year to enhance infrastructure resilience, integrate new prosumers and ensure compliance with applicable quality standards. Unplanned outages (caused by damages or weather-related events) totaled 108.91 minutes, down from 109.67 minutes in 2024.

Table 5.1. SAIDI and SAIFI indicators, 2024–2025 evolution

	2025	2024	Variation	Source
Planned SAIDI (min/year)	205.61	161.52	+27.3%	ERP
Unplanned SAIDI (min/year)	108.91	109.67	−0.7%	ERP
Total SAIDI (min/year)	314.52	271.19	+16.0%	Calculation
Planned SAIFI (interruptions/year)	1,037	1,023	+1.4%	ERP
Unplanned SAIFI (interruptions/year)	1,168	1,176	−0.7%	ERP
Total SAIFI (interruptions/year)	2,205	2,199	+0.3%	Calculation

Figure 5.1. Evolution of SAIDI and SAIFI indicators (2024–2025)



The analysis of data reveals two distinct trends. On the one hand, **unplanned SAIDI and SAIFI recorded marginal decreases (−0.7%)**, indicating an improvement in network reliability under normal operating conditions. The reduction in unplanned interruptions is a direct result of investments in network modernization and remote automation.

On the other hand, **planned SAIDI increased by 27.3%** (from 161.52 to 205.61 minutes/year), and planned SAIFI by 1.4%. This increase reflects the intensification of the investment and network modernization program in 2025, which requires scheduled interruptions necessary for the execution of infrastructure reinforcement, metering and extension works.

Methodological note: The SAIDI and SAIFI indicators are calculated in accordance with the ANRE methodology and include all interruptions with a duration exceeding 3 minutes, on both the medium-voltage (MV) and low-voltage (LV) networks.

Consumer health and safety (M)

Management of material topics

GRI 3-3

The safety of citizens and communities within the operating area is managed through an integrated framework coordinated by the HSEQ Department. Preventive measures include the relocation of meters to the property boundary, the marking of warnings on infrastructure, awareness campaigns and the ongoing assessment of the impact of installations on public health across the entire asset lifecycle.

Assessment of the health and safety impacts of product and service categories

GRI 416-1

Incidents of non-compliance concerning the health and safety impacts of products and services

GRI 416-2

The safety of citizens and communities in which we operate represents a non-negotiable performance criterion with a direct impact on the way we design, operate and maintain the network.

Due to the sustained efforts of the Health, Safety, Environment and Quality Department (DHSEQ), awareness campaigns regarding electrical hazards and preventive technical measures (adequate signage, advanced protection systems and securing transformer substations), **in 2025 DEO recorded 0 (zero) electrocution incidents involving third parties/the public.** This major achievement validates the effectiveness of our safety programs, compared with the previous year, in which a fatal incident had been reported.

Table 5.2. Consumer health and safety disclosures

	2025	Observations
Third-party/public electrocution incidents (no.)	0	No incidents;
of which: fatal	0	No incidents;
Service categories assessed for H&S	100%	All 5 life cycle stages;
H&S non-compliance incidents (no.)	0	Fines: 0, Warnings: 0;
Electrical safety awareness campaigns	Permanent	Ad hoc + press releases

Contractor training and public safety

EU25

Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements, and pending legal cases of diseases

DEO applies an integrated set of preventive measures: relocation of meters to the property boundary to reduce unauthorized access to installations; labeling and securing of installations (stations and transformer substations); warning panels with electrical hazard pictograms, particularly in fishing and public access areas; emergency intervention protocols in collaboration with ISU and local fire services; and educational campaigns in schools regarding electrical risks and safe behavior near the network.

All asset and infrastructure categories are continuously assessed from the perspective of their impact on health and safety, covering the five stages of the distribution service lifecycle: design, construction, operation, maintenance and decommissioning.

GRI 417

Marketing and labeling

DEO ensures transparency in informing users regarding energy sources, the structure of regulated tariffs, contractual rights and risks associated with electricity use. Communication compliance is systematically monitored, and in 2025 no non-compliance incidents were recorded in relation to consumer information or marketing communications.

GRI 417-1

Requirements for product and service information and labeling

DEO ensures strict compliance in customer communication, providing full transparency regarding energy sources, the structure of regulated tariffs, safety risks and consumer rights, including the steps to be followed for reporting any irregularities. Information is available through all channels: website, invoice, User Relations Centers (URC), Call Center and periodic campaigns.

Incidents of non-compliance concerning product and service information and labeling

GRI 417-2

Incidents of non-compliance concerning marketing communications

GRI 417-3

In 2025, no non-compliance incidents were recorded in relation to regulations on customer information or marketing communication. Compliance is confirmed by the absence of any fines or sanctions from ANRE/ANPC reported by the Regulation and Legal departments.

Customer Data Protection (M)

Management of material topics

GRI 3-3

The protection of personal data is ensured in accordance with the GDPR (EU Regulation 2016/679) and national legislation. DEO has a designated Data Protection Officer (DPO), formalized procedures for notifying incidents to the National Supervisory Authority for Personal Data Processing (ANSPDCP), and a periodic training program for personnel with access to personal data.

Customer privacy

The protection of consumers’ personal data is ensured in compliance with the GDPR Regulation (EU 2016/679) and the national transposition legislation. Responsibility for GDPR compliance lies with the Data Protection Officer (DPO), a function exercised within the Legal and Compliance Department.

The last internal GDPR audit was conducted in **December 2024**. DEO has a tested procedure for notifying security incidents to the ANSPDCP within the legal timeframe of 72 hours, in accordance with Art. 33 GDPR.

In 2025, there were no data breaches that affected the rights of customers. No substantiated complaints regarding data privacy were recorded, either from customers or from the ANSPDCP. There were no security incidents requiring notification to the authority.

Substantiated complaints concerning breaches of customer privacy and losses of customer data

GRI 418-1

Table 5.3. GDPR and data protection indicators 2025

	Value 2025	Definition
Substantiated GDPR complaints from customers	0	Written + confirmed by DPO
Substantiated GDPR complaints from ANSPDCP	0	Authority – official
Security incidents notified to ANSPDCP	0	Art. 33 GDPR, 72h
% of employees with access to personal data trained on GDPR	50%	Annual training

The GDPR training rate of 50% of employees with access to personal data indicates significant progress, but also the need to continue the training program in 2026 to reach the 100% target.

GRI 3-3

Innovation and digitalization (M)

Management of material topics

A notable phenomenon in 2025 is the consolidation of consumer migration to integrated digital channels. This behavioral transition is evident in the decrease in visits to the classic DEO website (from 798,367 visitors in 2024 to 378,062 in 2025), against the backdrop of the massive adoption of the DEO Connect application and the online portal.

- NON-GRI-10
- Network digitalization
- NON-GRI-11
- Customer-facing digital services
- NON-GRI-12
- Digitalization KPIs

DEO makes two complementary digital platforms available to users:

- **DEO Online Portal** (portal.distributieoltenia.ro): a platform through which users have access to detailed information about their energy consumption, can manage contractual data and can view consumption history and measurements taken.
- **DEO Connect** (deoconnect.distributieoltenia.ro): a platform dedicated to the connection process and request management, through which users can submit requests and file documents electronically, can track the status of requests in real time and can make online payments.

In addition, the **Proactive with Energy platform** (proactivcuenergia.ro), launched on 21st of November 2025, is dedicated to educating users on optimizing energy consumption. The initiative was developed as a direct response to the findings of the consumer behavior study (October 2025, 800 CAWI/CATI interviews), discussed within the Orizont 30 project team. The platform comprises three thematic sections (savings, energy balance, energy independence), articles and practical guides, as well as an AI virtual assistant (Votin). During the November–December 2025 period, the platform recorded 32,636 unique visitors and 39,057 sessions. Promotion included online campaigns (social media, Google Ads), an influencer partnership, a press release, out-of-home (OOH) advertising in the cities of Craiova, Pitești, , Târgu Jiu and Râmnicu Vâlcea, as well as internal dissemination.

Table 5.4. DEO website visits, 2024–2025 comparison

Digitalisation indicator	2025	2024
DEO website visits (annual sessions)	378,062	798,367

The 52.6% decrease in visits to the classic website reflects the migration of users to the DEO Connect platform, which offers superior self-service functionalities. Network digitalization through SCADA/ADMS systems and the implementation of smart meters (CCM 7.5) further support this transition.

GRI 3-3

Communication with Consumers/Users (M)

Management of material topics

The relationship with users is managed through a network of 13 User Relations Centers (URC) and complementary digital platforms (the DEO portal, DEO Connect, Proactiv cu Energia). The quality of interactions is assessed through NPS studies and the systematic monitoring of response times and request resolution rates.

- Approach to stakeholder engagement
- GRI 2-29
- Opening of new User Relations Centers (URC)
- NON-GRI-4
- Development of the company’s websites and IT applications
- NON-GRI-5
- Improvement of CRU and Call Center personnel training
- NON-GRI-6
- Better promotion of company services and special offers
- NON-GRI-7

DEO operates a network of 13 User Relations Centers (URC) across the seven counties in the concession area, a stabilized network that ensures complete coverage of the territory served. In addition to the physical URCs, consumers have multiple complementary channels available: Call Center (telephone), the DEO Connect online portal, the mobile application, Chat/Bot on the website and social media platforms.

Starting from the 2025 reporting year, DEO adopted a qualitative approach for evaluating interactions with users at the User Relations Centers (URC) and through the Call Center. Instead of quantitative physical traffic indicators (number of visits, waiting times), which in previous years provided a partial picture of service quality, reporting is based on NPS (Net Promoter Score) and Transactional NPS studies, which systematically measure the degree of user satisfaction with the services provided at URCs and through digital channels. The results of these studies are presented in Chapter 4 of this report.

Methodological note: In 2025, the Mystery Shopper Study was replaced by the NPS study, and the Voice of Customer program on smart metering was integrated into the study on DEO user consumption behavior (as per the correspondence with the Brand & ESG Department, Market Research Specialist, dated 12.03.2026 and 16.03.2026). This change reflects alignment with best practices in customer satisfaction assessment, replacing quantitative operational indicators with methodologically validated qualitative indicators.

Access (M)

Management of material topics

DEO manages network access for 1.53 million active users, covering 647 administrative-territorial units. The disconnection policy for non-payment complies with legislation on the protection of vulnerable consumers, and reconnection is ensured within a maximum of 2 working days following the settlement of outstanding debts.

Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime

EU27

In the spirit of social responsibility and in compliance with national legislation on consumer protection (particularly during periods subject to restrictions and the cold season), DEO manages the residential disconnection and reconnection process (EU27) with maximum transparency. The data for 2025 reflect strict monitoring of reconnection duration, ensuring that users affected by service suspension for non-payment benefit from prompt resumption of supply immediately after the clarification of the contractual situation, thereby minimizing the impact on their quality of life.

The average disconnection duration in 2025 was 53 days, compared with 63 days in 2024, reflecting a significant improvement in the reconnection process.

Table 5.5. Residential disconnections for non-payment, by disconnection duration

Disconnection period	No. of customers 2025	No. of customers 2024
< 48 hours	9,772	10,413
48 hours – 1 week	5,080	4,882
1 week – 1 month	2,855	2,668
1 month – 1 year	7,707	8,185
> 1 year	463	978
TOTAL	25,877	27,126

Table 5.6. Reconnection status after payment of outstanding invoices

Reconnection period	No. of customers 2025	No. of customers 2024
< 24 hours	25,391	25,991
24 hours – 1 week	496	647
> 1 week	8	61
TOTAL	25,895	26,699

The decrease in the total number of disconnections by 4.6% (from 27,126 to 25,877) and the reduction in the average disconnection duration from 63 to 53 days indicate an improvement in energy accessibility and prompt reconnection capacity.

Users accounts and infrastructure

EU3

Number of residential, industrial, institutional, and commercial customer accounts

EU26

Percentage of population unserved in licensed distribution or service areas

As of 31st of December 2025, DEO serves a total of 1,528,676 active users (points of supply), of which 1,431,675 residential (93.7%) and 97,001 non-residential (6.3%). Compared with the previous year, the network recorded 12,762 newly connected users, confirming the sustained momentum of connection demand in the concession area.

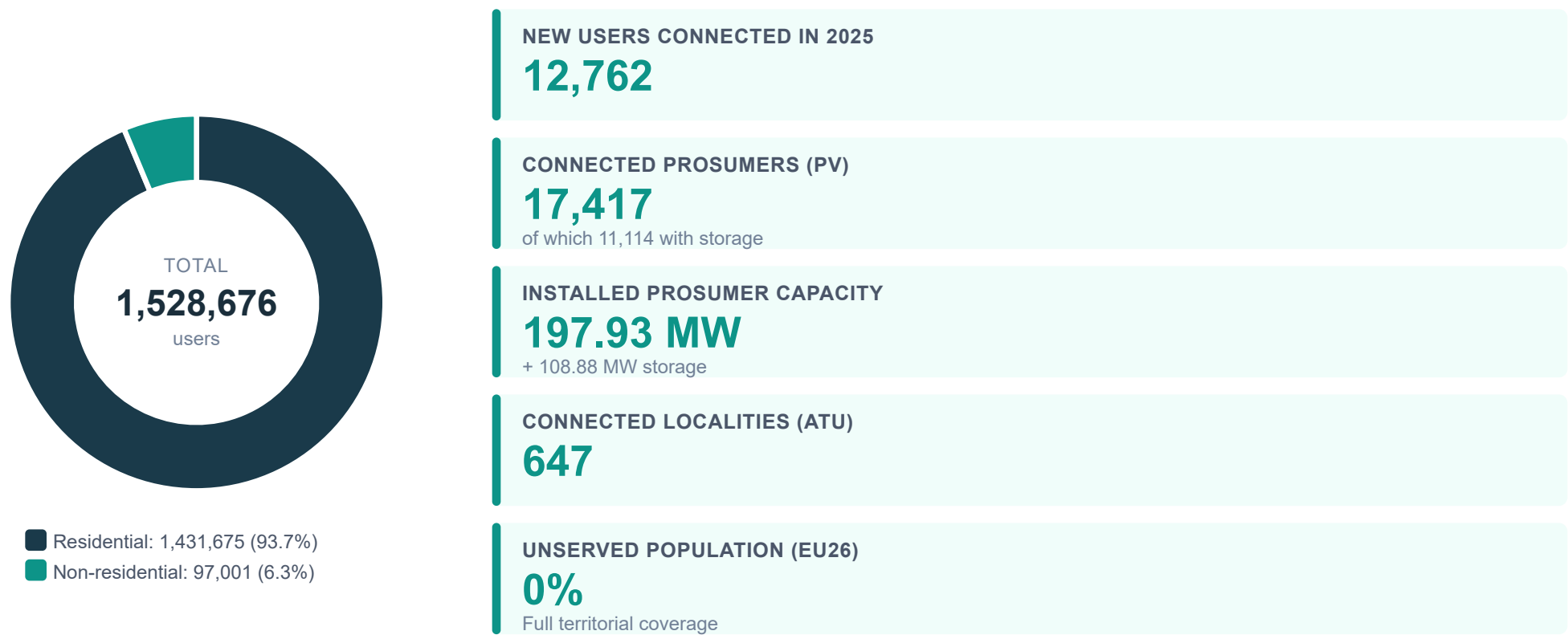
The DEO network covers a total of 647 administrative-territorial units (UATs) across the seven counties of the concession area. According to the EU26 indicator, the percentage of unserved population in the licensed area is zero: DEO ensures full coverage of the concession territory.

Table 5.7 – DEO user base and prosumers 2025

	Value 2025	Observations
Total number of users (EU3)	1,528,676	Active accounts
of which: residential	1,431,675	93.7%
of which: non-residential	97,001	6.3%
New users connected 2025	12,762	
Prosumers connected (total)	52,560	Of which 11,114 with storage installation
of which: PV	52,560	100% photovoltaic
Installed prosumer capacity	197.93 MW	+ 108.88 MW storage
Connected localities (ATU)	647	
Unserved population (EU26)	0%	Full coverage

Prosumer integration

Figure 5.2. Structure of the DEO user base 2025



Prosumer connection generates a series of technical and operational challenges for distribution operators. The main difficulties relate to the emergence of bidirectional power flows, maintaining energy quality parameters, the need for network modernization and digitalization, as well as managing the variable nature of production from renewable sources. At the same time, operators must identify efficient flexibility solutions and respond to the requirements for adapting the regulatory framework, so that prosumer integration is carried out under conditions of safety, efficiency and equity.

The total prosumer base connected to the DEO network reached 52,560 at the end of 2025. The accelerated pace continued in this financial year as well, with 17,417 new prosumers connected (all photovoltaic). Of the new connections, 11,114 (63.8%) have energy storage installations, which partially mitigates the impact of intermittent injection on quality parameters. The newly installed capacity of 197.93 MW, combined with 108.88 MW of storage, confirms the increasingly important role of distributed generation in the regional energy mix.

Availability and Reliability (M)

Management of material topics

In accordance with indicator EU10 from the GRI G4 Electric Utilities Sector Disclosures, relating to the reporting of planned network capacity compared to projected long-term demand, for the 2025 sustainability reporting cycle DEO expands its reporting format relative to the previous cycle, adding the forward-looking dimension explicitly required by the standard (“projected demand over the long term”) and the capacity utilization rate.

Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime

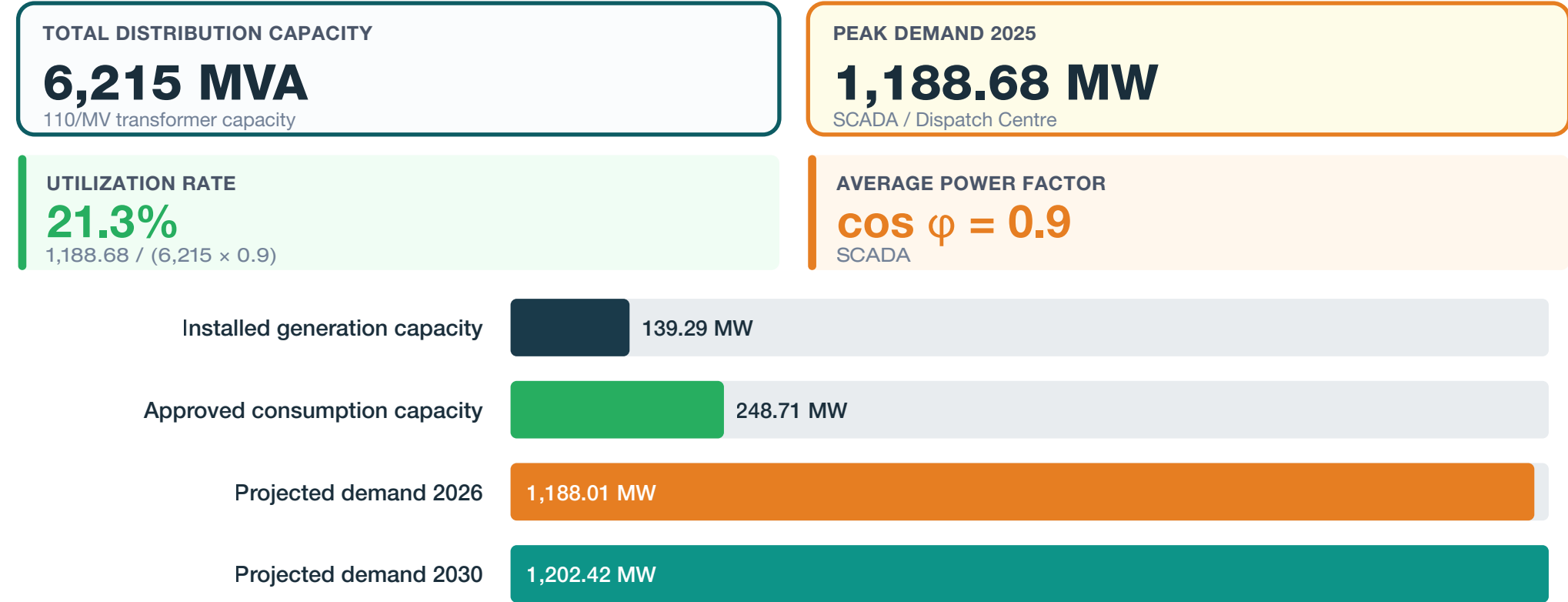
GRI 3-3

EU10

Table 5.8 – Planned capacity vs. projected demand

	Value 2025	Unit / Source
Total distribution capacity (transformation)	6,215	MVA (110/MV transformer power)
PIF 2025: Installed generation capacity (HV/MV/LV)	139.29	MW (PIF Register)
PIF 2025: Approved consumption capacity (HV/MV/LV)	248.71	MW (PIF Register)
Total installed generation capacity at 31.12.2025	3,838.46	MW (SR 2024: 3,699.17 + PIF 139.29)
Total approved consumption capacity at 31.12.2025	11,533.71	MW (SR 2024: 11,285.00 + PIF 248.71)
Recorded peak consumption 2025	1,188.68	MW (SCADA / Dispatch)
Average power factor (cos φ)	0.9	SCADA
Capacity utilization rate	21.3%	Calculated: 1,188.68 / (6,215 x 0.9)
Projected demand 2026	1,188.01	MW (DSDA forecast, correlated with CPT)
Projected demand 2030	1,202.42	MW (DSDA forecast, correlated with CPT)

Figure 5.3. Planned capacity vs. projected demand



The capacity utilization rate of 21.3% indicates a significant reserve margin in the distribution network, calculated as the ratio between the recorded peak consumption (1,188.68 MW) and the maximum available capacity (6,215 MVA x cos φ 0.9 = 5,593.5 MW). This margin reflects both the redundancy requirements imposed by the operation of a critical infrastructure and the integration capacity for new prosumers and electric vehicle charging stations.

Methodological note regarding Table 5.8: The values of 139.29 MW (generation) and 248.71 MW (consumption) represent exclusively the new capacities connected/approved during 2025, not the cumulative network total. According to historical data (Sustainability Report 2024), the total installed generation capacity at network level was 3,699.17 MW, and the total approved consumption capacity was 11,285.00 MW.

Projected demand indicates a stable profile: 1,188.01 MW in 2026 (practically identical to the 2025 peak) and 1,202.42 MW in 2030 (+1.15% compared with 2025). The capacity utilization rate remains in the same range over the 2030 horizon: 1,202.42 / (6,215 x 0.9) = 21.5%, confirming the ample reserve margin of the network for integrating new distributed generation and consumption sources.

Indirect Economic Impacts (M)

Management of material topics

DEO’s investment program for 2025 reflects the commitment to modernizing and extending the distribution network, with a total volume of asset commissioning (PIF) of LEI 453,887 million. Investments are predominantly oriented towards the modernization and rehabilitation of the existing network (72.6%), followed by other investment categories including automation, ICT, cybersecurity and vehicle fleet (16.8%), extensions to unelectrified areas (8.6%) and new or expanded transformer stations (2.0%).

Infrastructure investments and services supported

Table 5.9 – Infrastructure investments with public benefit 2025

Investment category	PIF 2025 (LEI million)	Share
Network extensions to unelectrified areas	38.997	8.6%
Modernization / rehabilitation of existing network	329.372	72.6%
New / expanded transformer stations	9.089	2.0%
Other (vehicles, UPS, software, cyber, ICT)	76.428	16.8%
TOTAL investments with public benefit	453.887	100%

Figure 5.4. Infrastructure investments with public benefit 2025

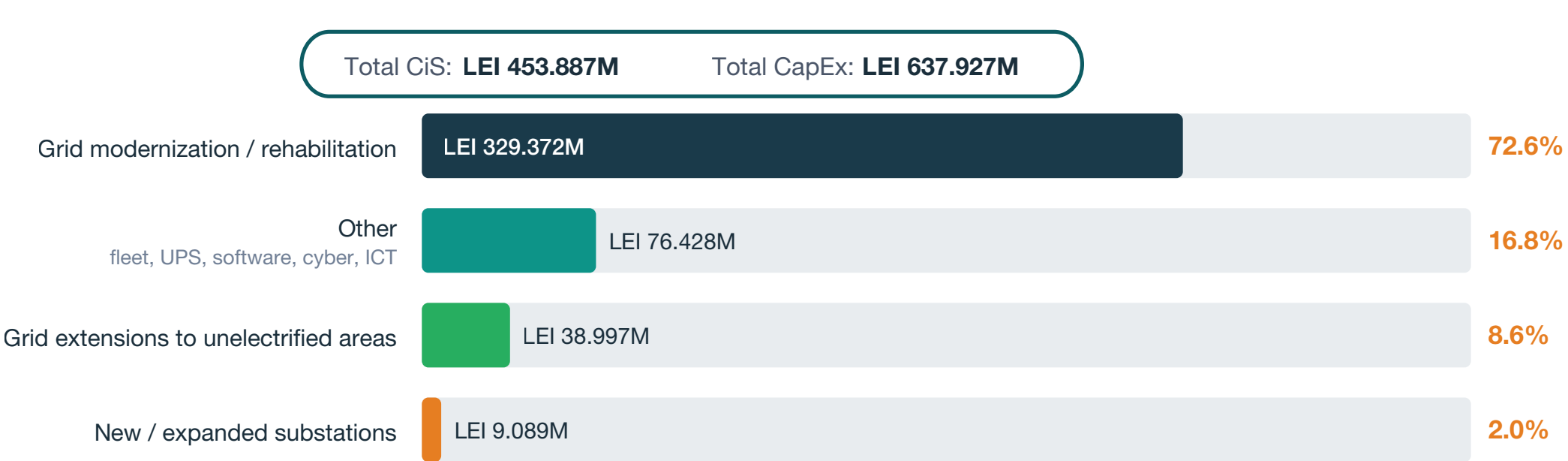


Figure 5.4 summarizes the structure of DEO’s investments in public-benefit infrastructure for 2025. DEO’s capital expenditure (CapEx) for the 2025 financial year, reported in accordance with Article 8 of Regulation (EU) 2020/852, totaled LEI 637.927 million. Of the total investments commissioned (CiS), amounting to LEI 453.887 million, the dominant share relates to network modernization and rehabilitation (LEI 329.372 million, 72.6%), followed by investments in fleet, UPS, software, cyber and ICT (LEI 76.428 million, 16.8%), network expansion in non-electrified areas (LEI 38.997 million, 8.6%) and new or expanded substations (LEI 9.089 million, 2.0%).

Table 5.10 – DEO energy capacities 2025

Category	Total (units)	Upgraded	New
110 kV electrical stations	144	0	0
Electrical stations below 110 kV	54	0	0
Transformer substations	10,718	58	94
Supply points	82	0	2

GRI 203-2

Significant indirect economic impacts

Table 5.11 – Technical connection approvals issued for distributed generation and EV infrastructure, 2025

	Value 2025	Unit	Source
ATR issued – PV/wind producers	526	units	ATR Register
Total requested capacity PV/wind	1,325	MW	ATR Register
ATR issued – EV charging stations	334	units	ATR Register
Total approved capacity EV	54.077	MW	ATR Register

To support the integration of distributed generation and EV charging infrastructure, DEO allocated dedicated network reinforcement investments of LEI 56.022 million, of which LEI 52.860 million for producer connections and LEI 3.163 million for charging stations. The actual commissioning of these investments totaled LEI 32.150 million (of which LEI 28.558 million for producers and LEI 3.592 million for EV stations).

The 526 technical connection approvals issued for PV/wind producers, with a total requested capacity of 1,325 MW, confirm the accelerated momentum of renewable source connection demand in the concession area. The requested capacity exceeds by a factor of 6.7 the already installed prosumer capacity (197.93 MW), indicating a significant growth potential for distributed generation in the coming years.

Green Energy Investments (M)

Management of material topics

Investment in renewable energy constitutes a material topic specific to DEO, reflecting the role of the distribution operator in facilitating the energy transition at regional level. The management of this topic is integrated into the network development strategy, with emphasis on strengthening the absorption capacity for distributed generation from renewable sources, the connection of prosumers and the preparation of infrastructure for electric mobility.

Investments in green energy

Support for prosumers

Investment in EV charging infrastructure

DEO’s investments in the energy transition are directed towards three complementary areas: network reinforcement for the integration of distributed generation from renewable sources, support for prosumers and the development of electric vehicle charging infrastructure.

DEO supports the integration of prosumers into the distribution network, with 52,560 prosumers connected at the end of 2025. The operator ensures the connection and management of bidirectional flows generated by distributed generation, in accordance with ANRE regulations.

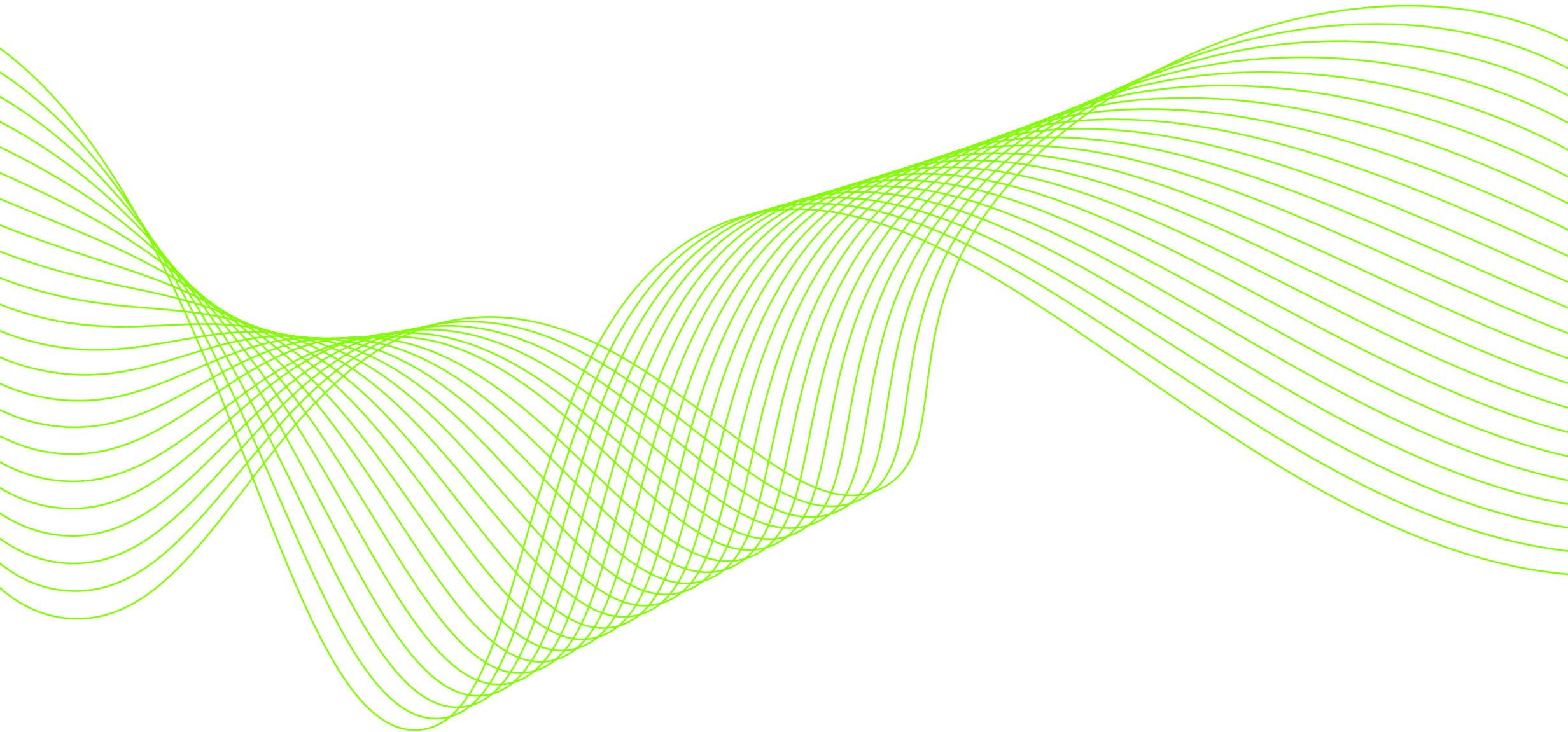
DEO’s investments in electric vehicle charging infrastructure have focused on developing connection capacity within the concession area, with 108 technical connection approvals issued for charging stations in 2025.

GRI 3-3

NON-GRI-1

NON-GRI-2

NON-GRI-3



6 OUR EMPLOYEES



Human capital is a fundamental strategic resource of DEO. With a workforce of 1,632 employees, of which 79.8% men and 20.2% women, the company operates one of the most extensive energy distribution networks in Romania. The specificity of the activity (working at height, live-line interventions and travel in difficult terrain) imposes high occupational health and safety (OHS) standards, constituting the most sensitive area from the perspective of operational risk.

Table of contents

Employment (M)

GRI 3-3	Management of material topics
GRI 2-7	Employees
GRI 2-8	Workers who are not employees
GRI 401-1	New employee hires and employee turnover
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
GRI 401-3	Parental leave

Workforce retirement eligibility

EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region
------	---

Occupational health and safety (M)

GRI 3-3	Management of material topics
GRI 403-1	Occupational health and safety management system
GRI 403-2	Hazard identification, risk assessment, and incident investigation
GRI 403-3	Occupational health services
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety
GRI 403-5	Worker training on occupational health and safety
GRI 403-6	Promotion of worker health
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
GRI 403-8	Workers covered by an occupational health and safety management system
GRI 403-9	Work-related injuries
GRI 403-10	Work-related ill health

Contractor training and public safety

EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training
------	--

Training and Education (M)

GRI 3-3	Management of material topics
GRI 404-1	Average hours of training per year per employee
GRI 404-2	Programs for upgrading employee skills and transition assistance programs
GRI 404-3	Percentage of employees receiving regular performance and career development reviews

Diversity and equal opportunities (M)

GRI 3-3	Management of material topics
GRI 405-1	Diversity of governance bodies and employees

Non-discrimination (M)

GRI 3-3	Management of material topics
GRI 406-1	Incidents of discrimination and corrective actions taken

Human rights and workers' rights

GRI 2-30	Collective bargaining agreements
----------	----------------------------------

Labor/Management Relations

GRI 402-1	Minimum notice periods regarding operational changes
-----------	--

Freedom of Association and Collective Bargaining

GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
-----------	--

Child Labor

GRI 408-1	Operations and suppliers at significant risk for incidents of child labor
-----------	---

Forced or Compulsory Labor

GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
-----------	--

Security Practices

GRI 410-1	Security personnel trained in human rights policies or procedures
-----------	---

Human Rights Assessment

Former GRI 412-1	Operations that have been subject to human rights reviews or impact assessments
------------------	---

GRI 3-3

Employment (M)

Management of material topics

DEO manages the material topic of employment through an integrated framework of policies and practices covering the entire employee lifecycle. The main mechanisms include: selection criteria based exclusively on professional competences and potential, without discrimination on grounds of gender, age, ethnic origin or other protected characteristics; a remuneration policy aligned with the labor market in the energy sector, with transparent salary scales and variable components linked to performance; extended benefits granted to all employees with permanent contracts (detailed under GRI 401-2); social dialogue mechanisms, including the collective bargaining agreement negotiated with the representative trade union; and annual professional performance appraisal covering 100% of eligible staff.

Employment and promotion decisions are taken exclusively on the basis of the following criteria: professional qualifications, achievements, individual conduct and compliance with applicable legislation. DEO adopts an equitable remuneration policy, based on the assessment of professional aptitudes and individual performance at the workplace, offering everyone the opportunity to develop knowledge and skills relevant to their activity.

GRI 2-7

Employees

GRI 2-8

Workers who are not employees

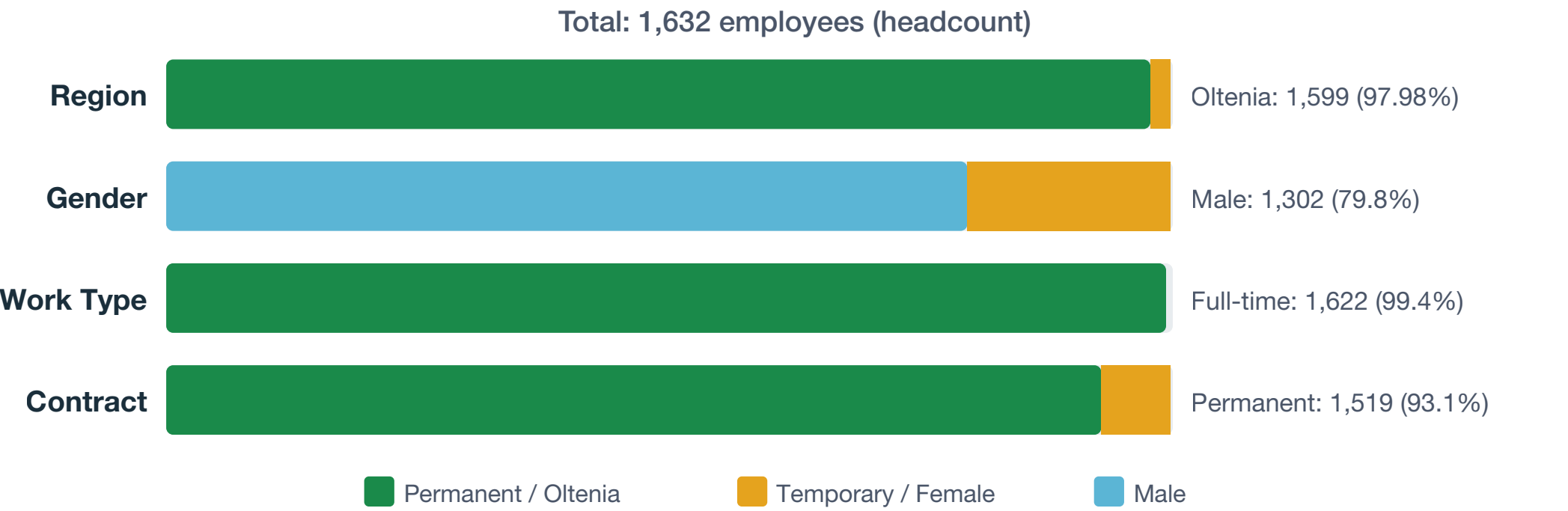
On 31st of December 2025, DEO recorded a headcount of 1,632 employees, equivalent to 1,616.6 FTE. The contractual structure reflects organizational stability: 93.1% of employees hold permanent contracts and 99.4% work full-time. The geographical distribution confirms the operational anchoring in the license area: 1,599 employees (97.98%) in southern and south-western Romania, 33 (2.02%) in Bucharest.

Table 6.1 Contractual structure of the workforce 2025

	Total	Men	Women	Oltenia	Buc.	Obs.
Total employees	1,632	1,302	330	1,599	33	HC 31.12
Permanent	1,519	1,220	299	1,491	28	Indefinite-term contract
Temporary	113	82	31	108	5	Fixed-term contract
Full-time	1,622	1,296	326	1,590	32	Full-time
Part-time	10	6	4	9	1	Part-time

GRI 2-8: In 2025, DEO recorded 0 (zero) non-employee workers (interns or workers through temporary employment agencies). This figure is consistent with 2024 and reflects DEO’s operational model, in which all activities are carried out with the company’s own workforce or through service contracts with third parties.

Figure 6.1. DEO workforce profile 2025



Workforce evolution 2023–2025

Table 6.2 Workforce evolution 2023-2025

	2023	2024	2025	Δ 2025/2024
Total employees (HC)	1,455	1,622	1,632	+0.6%
Men	1,205	1,297	1,302	+0.4%
Women	250	325	330	+1.5%
Permanent contracts	1,365	1,535	1,519	−1.0%
Full-time	1,447	1,604	1,622	+1.1%

New employee hires and employee turnover

In 2025, DEO recorded 141 new hires and 126 departures, resulting in a turnover rate of 7.75%. The structure of departures reveals a significant profile: 26 retirements (20.6% of total departures), only 23 voluntary resignations and zero dismissals. The voluntary turnover rate (1.41%) is below the average for the utilities sector in Romania, reflecting the stability of employment and the competitive benefits package.

Table 6.3 New hires and departures 2025

Category	Total	<30	30–50	>50	M	F	Rate (%)
New hires	141	57	73	11	103	38	8.67%
Total departures	126	27	41	58	97	29	7.75%
Resignations	23	11	11	1	12	11	1.41%
Retirements	26	0	0	26	22	4	1.60%
Dismissals	0	0	0	0	0	0	0.00%
Turnover rate	7.75%	1.66%	2.52%	3.57%	5.97%	1.78%	7.75%

Figure 6.2. Staff turnover DEO 2025

New hires: 141 | Departures: 126 | Turnover rate: 7.75%



Staff turnover evolution 2023–2025

Table 6.4 Staff turnover evolution 2023-2025

	2023	2024	2025	Δ 2025/2024
New hires	112	213	141	–33.8%
Total departures	81	120	126	+5.0%
Turnover rate (%)	5.6%	7.40%	7.75%	+0.35 pp

GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

DEO provides a uniform benefits package to all employees, regardless of contract type (permanent/temporary, full-time/part-time). The package includes private medical insurance (since 2023, extended to family members), meal vouchers, financial aid for special events (birth, death, serious illness), additional days off above the statutory minimum and a remote working program for eligible positions.

Remuneration comprises a fixed component and a motivational component (monthly performance bonus). Salary setting follows the pay scale established in the Collective Bargaining Agreement and individual negotiation may be assisted by trade union representatives. DEO does not manage defined post-employment benefit plans (GRI 201-3: not applicable).

In accordance with the provisions of the collective bargaining agreement and applicable legislation, DEO employees benefit from the following additional rights and facilities:

- maternity leave and childcare leave until the child reaches the age of 2 or 3 years in the case of a child with disabilities;
- in the event of work-related accidents or occupational illnesses, the company bears the costs of the necessary medical services in accordance with legal provisions;
- financial assistance representing the difference between the allowance granted for work incapacity requiring hospitalization and the net basic monthly salary in a proportion of 50-100%, depending

on length of service in the company;

- compensation for one year of the difference between the disability pension and the basic salary in the event that the employee has totally lost the capacity to work as a result of work-related accidents or occupational illnesses;
- a reduction for the employee and family members of the cost of tickets at treatment and holiday resorts;
- a retirement bonus granted at the date of retirement depending on total continuous length of service accumulated within the company and predecessor entities;
- financial aid on the occasion of marriage, birth or adoption of a child, death of the employee or a family member, as well as paid days off for such events;
- additional days of annual leave depending on total length of service and a severance allowance depending on length of service;
- an individual food allowance, granted in the form of meal vouchers;
- supplementary salary payments on the occasion of annual events (Easter, Christmas, 8 March and Energy Workers’ Day) and gifts for children on the occasion of the Christmas holidays;
- a per diem in a gross fixed amount of LEI 80/day, granted when the duration of the assignment is at least 12 hours per day;
- financial assistance in the event of natural disasters, granted to employees whose households have been affected by natural calamities;
- each employee benefits from free medical services at various medical specialties as an insured person through the private medical insurance service;
- bonuses for participation in projects.

Parental leave

GRI 401-3

Table 6.5 Parental leave 2025

	Women	Men	Total
Took parental leave in 2025	29	9	38
Returned from leave in 2025	9	6	15
Return rate (%)	31.0%	66.7%	39.5%

Table 6.6 Parental leave evolution 2023-2025

	2023	2024	2025
Took parental leave	8	19	38
of which women	6	14	29
of which men	2	5	9
Returned from leave	4	6	15

EU15

Workforce retirement eligibility

Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region

EU15 measures the demographic risk of DEO. As at 31 December 2025, 58 employees (3.55%) are due to reach the legal retirement age within the next 5 years and 372 (22.79%) within the next 10 years. Operational staff concentrate the highest risk: 190 employees (11.64% of the total) eligible for retirement by 2035.

This dynamic generates two complementary pressures. On the one hand, recruitment and training budgets (OpEx) will increase significantly to replace operational staff with 20–30 years of network experience. On the other hand, DEO’s digitalization program (MWM, SCADA, IoT platforms) will need to be accelerated to partially offset the shortage of qualified personnel, automating routine operations and optimizing field team allocation. The Electrician Apprentice program (section 7.1) remains the principal instrument for mitigating this risk, but its current scale (100 graduates per year) does not fully compensate the projected losses.

Table 6.7 OHS management approach

Category	Total	5 years (no.)	5 years (%)	10 years (no.)	10 years (%)	Risk
Management	20	1	0.06%	4	0.24%	Low
Middle management	120	7	0.42%	34	2.08%	Low
Specialists/Engineers	579	30	1.81%	111	6.70%	Medium
Operational staff	765	15	0.91%	190	11.64%	High
Administrative staff	148	5	0.30%	33	1.99%	Low
TOTAL	1,632	58	3.55%	372	22.79%	High

Demographic risk evolution 2023–2025

Table 6.8 Demographic risk evolution 2023-2025

Horizon	2023 (no. / %)	2024 (no. / %)	2025 (no. / %)
5 years	42 / 2.89%	105 / 6.47%	58 / 3.55%
10 years	295 / 20.27%	335 / 20.66%	372 / 22.79%

Occupational health and safety (M)

The OHS section is the most extensive in this report, covering the GRI 403 Standard and other specific topics. Electricity distribution activity entails specific risks (electrocution, falls from height, road accidents in difficult terrain) that justify the special attention given to this area.

Management of material topics

In Romania, the field of occupational health and safety is fully regulated, with specific and detailed requirements regarding the manner in which the obligations of both employers and workers must be understood and applied.

At Distribuție Energie Oltenia, we are permanently committed to promoting and consolidating the health and safety culture of all persons involved in our activity. For us, people are the most precious resource, and it is our responsibility to protect the safety of all our employees and partners. This responsibility means awareness of risks and encouraging responsible behavior, to ensure that all activities are carried out with responsibility, commitment and without accidents.

We consider that no work or operation is so urgent that we cannot dedicate all the time necessary to carry it out safely.

The commitment of DEO’s top management is to comply with legal obligations and to ensure the financial resources for the fulfilment of the commitments undertaken.

The impact of occupational health and safety manifests both inside and outside the company. Internally, employees, management representatives and investors are affected. Outside the organization, the impact on suppliers and subcontractors is reflected upon the central regulatory authorities.

To achieve the objectives we have set ourselves, we have focused on: ensuring the safety and health protection of employees; prevention of occupational risks; informing, training and consulting employees on all aspects of occupational health and safety; avoidance of accidents and incidents; zero tolerance for non-compliance with OHS rules.

At DEO level, the Occupational health and safety policy is implemented, with the following commitments: elimination of hazards and reduction of risks; ensuring safe and healthy working conditions for the prevention of work-related injuries and illnesses; consultation and involvement of workers; conformity of the organization with legislation, regulations and obligations concerning occupational health and safety, as well as all requirements that the organization has adopted.

Distribuție Energie Oltenia has established a series of general and specific objectives to fulfil its stated commitments. The general objectives include: enhancing personnel capabilities, awareness, accountability and motivation; continuously improving working conditions and reducing risk levels; and ensuring compliance with legal requirements, occupational health and safety obligations, and other requirements to which the organization subscribes.

GRI 3-3

GRI 403-1 Occupational health and safety management system

DEO holds ISO 45001:2023 certification, issued by SRAC (a RENAR-accredited body), valid until 27 November 2028. The occupational health and safety management system covers 100% of the organization’s own employees and extends to all contractors carrying out activities within DEO’s network. Certification was obtained on the basis of conformity with national legislation (Law No. 319/2006, Government Decision No. 1425/2006) and with the Group’s internal standards.

GRI 403-2 Hazard identification, risk assessment and incident investigation

Occupational risk assessment is carried out in accordance with the INCDPM (National Institute for Research and Development in Occupational Safety) methodology, and the organizational forms of work include work authorizations (AL), internal technical instructions for labor protection (ITI-PM), service duties (AS), verbal instructions (DV) and official records (PV).

The STOP WORK policy represents a central element: any employee or contractor has the right and obligation to stop work when they identify a dangerous situation, without any disciplinary consequences. Near miss reporting is carried out through multiple channels (WhatsApp, SMS, email, MWM platform), and in 2025 a total of 450 near miss reports were recorded by own employees.

The “In my care” project integrates LMRA (Last Minute Risk Assessment) into the operational checklists on the MWM platform, providing an additional risk assessment tool before the commencement of each activity.

On the basis of applicable legislation, the organization has drawn up a series of own occupational safety instructions (IPSM), specific occupational health instructions (ISSM) and internal technical safety instructions (ITI-PM). DEO operates on the basis of: 22 IPSM; 4 ISSM; 1 ITL; 1 PPE and Work Equipment Allocation Regulation; 76 ITI-PM; 6 ITI-PM GIS; 10 ITI-PM LST.

In accordance with the own OHS instructions, personnel are obliged to prevent or stop any action that could lead to injury to themselves or other persons. Personnel are obliged, upon finding deviations from the provisions of the instructions, as well as upon finding defects in electrical installations that could endanger the safety of persons, to take measures to prevent injury within the limits of their competence and to communicate their findings to their direct supervisor or hierarchical superior.

The organization has established a unified system for: the communication, investigation, recording, reporting and documentation of incidents that have led to injury, occupational illness or death (work-related accidents); the communication, investigation, recording, reporting and documentation of incidents without consequences or dangerous situations.

The identification and assessment of risks of injury and occupational illness are carried out in accordance with the INCDPM method. This method consists of the analysis of each workplace by a team composed of risk assessors, an occupational medicine physician, an employee representative and specialists in the activity being analyzed. The components of the work system are identified and described, specifying expressly the work task and the conditions of the work environment. On-site observation of how the activity is carried out, discussions with the persons involved in the activity, and determination of noxious substances, noise, vibrations, electromagnetic fields, etc.

Corresponding to the 4 components of the work system (namely: the worker, the work task, the work environment and the means of work), all risk factors for the respective workplace are identified and, on the basis of pre-established checklists, the magnitude of the risk is quantified based on the combination of the severity and frequency of the maximum foreseeable consequence. This results in the workplace assessment sheet with the overall risk level of the analyzed workplace. The workplace assessment sheet is the basis for drawing up the prevention and protection plan, which establishes the organizational and technical measures for the elimination or reduction of risks, those responsible for implementing the measures and the deadlines for implementation and reporting.

The investigation of incidents (events) is carried out on the basis of the provisions of the Occupational Health and Safety Act No. 319/2006 and its implementing methodological rules (Government Decision No. 1425/2006), as amended by GD No. 955/2010 and GD No. 1242/2011.

Occupational health services

Occupational medicine is outsourced to authorized providers, with mandatory annual examinations for all employees. In addition to legal requirements, DEO offers extended blood tests and ultrasound examinations free of charge. Since 2023, the company has contracted a private medical insurance policy, the benefits of which extend to employees’ family members.

Worker participation, consultation and communication on occupational health and safety

Table 6.9 Worker participation and consultation on OHS

	Value 2025
Employees covered by the OHS system	1,632
Contractors covered by the OHS system	1,267
Employee representatives in the OHS Committee (CSSM)	7
Contractor representatives in the OHS Committee (CSSM)	0
OHS Committee (CSSM) meetings held in 2025	4
Percentage of workforce represented	100%

Worker training on occupational health and safety

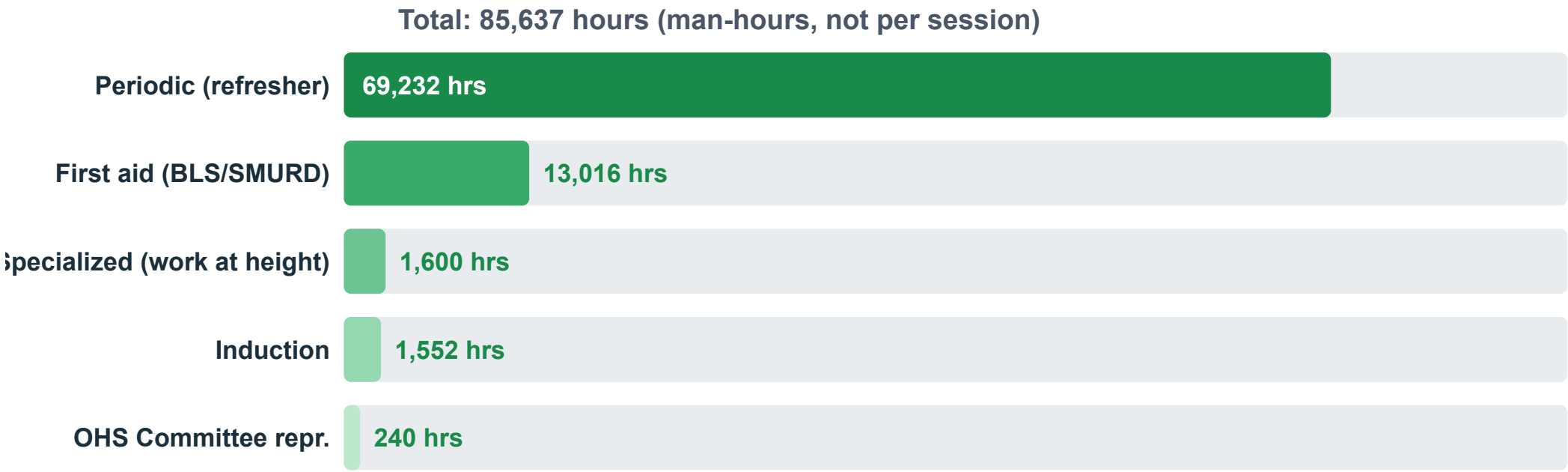
DEO’s OHS training program includes general induction training, periodic (refresher) training, specific training (working at height, electrical safety, live working) and first aid training (BLS/SMURD). In 2025, the total reached 85,637 hours of OHS training, calculated on a man-hour basis (not per session).

A distinctive element is the virtual reality program “VirtualReality, RealSafety”, which simulates electrical risk scenarios in a controlled environment, increasing hazard awareness without real exposure.

Table 6.10 OHS training 2025

Training type	Sessions	Participants	Total hours	Coverage
Induction	138	138	1,552	100%
Periodic (refresher)	876	1,632	69,232	100%
Specific (working at height, live working)	6	200	1,600	30% of height personnel
First aid (BLS/SMURD)	60	1,632	13,016	100%
CSSM representatives	30	15	240	100%
TOTAL OHS HOURS			85,637	

Figure 6.3. OHS training hours structure 2025



GRI 403-6 Promotion of worker health

In addition to mandatory occupational medicine services, DEO promotes employee health through private medical insurance (extended to families), free blood tests and ultrasound examinations, defensive driving programs and awareness campaigns on sector-specific risks.

Employee health promotion is ensured through private medical insurance, free periodic medical examinations and awareness campaigns conducted in partnership with medical service providers. The OHS Department coordinates these initiatives as an integral part of the occupational health and safety management system.

GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

The contractual OHS requirements imposed on contractors are extensive and include: mandatory presentation of IPSM (Own Health and Safety Instructions), signing of the works convention, monthly reporting through the standard DEO template and compliance with national OHS legislation (Law 319/2006, GD 1425/2006). ANRE authorizations and professional certificates are verified before contractors are admitted to the worksite.

GRI 403-8 Workers covered by an occupational health and safety management system

The ISO 45001:2023 certified OHS management system covers 100% of own employees (1,632 persons as at the reporting date) and extends to contractors (1,267 persons), through the contractual requirements described under GRI 403-7.

GRI 403-9 Work-related injuries

In 2025, DEO recorded zero fatalities caused by work-related injuries, both among own employees and contractors. A single high-consequence injury was recorded among own employees (recovery > 6 months), and the recordable injury rate (LTIFR) stood at 0.34 per million hours worked for employees and 3.1 for contractors.

Hours worked were calculated on the basis of official timesheets (without estimates): 2,915,732 hours for own employees and 1,934,912 hours for contractors (actual data from timekeeping systems, confirmed by DHSEQ).

Table 6.11 OHS indicators 2025

	Own employees	Contractors	Notes
Total hours worked	2,915,732	1,934,912	Actual timesheet data
Work-related fatalities	0	0	
Fatality rate (per 1M hours)	0	0	
High-consequence injuries	1	0	Recovery > 6 months
High-consequence injury rate	0.34	0	per 1M hours
Total recordable injuries	1	6	Including ITM (Teritorial Labor Inspectorate)
Reported to ITM (>3 days)	1	6	
Minor injuries (0–3 days)	0	4	Non-ITM
LTIFR (recordable/1M hours)	0.34	3.10	
Days Lost Rate (days/1M hours)	7.54	178.30	
Near Miss incidents	450	0	

Figure 6.4. Key OHS indicators: LTIFR and Days Lost Rate 2025



Table 6.12 OHS indicators evolution 2023-2025

	2023	2024	2025
Hours worked - own employees	2,623,330	2,745,882	2,915,732
Fatalities - own employees	1	0	0
Fatality rate (per 1M hours)	0.38	0	0
LTIFR - own employees	-	0	0.34
Hours worked - contractors	1,896,328	1,771,939	1,934,912
Fatalities - contractors	1	0	0
Contractor fatality rate	0.53	0	0

GRI 403-10 Work-related ill health

In 2025, no cases of occupational diseases were recorded, nor any fatalities caused by occupational diseases, among either own employees or contractors. The corresponding rates are zero.

Contractor training and public safety

EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training

Table 6.13 OHS training of contractors

	2025	2024
Active contractors/subcontractors (firms)	95	87
Contractors with completed OHS training	95	87
Percentage of trained contractors (%)	100%	100%
Total contractor OHS training hours	10,136	9,728
Contractor OHS incidents	6	0
of which: fatalities	0	0
of which: temporary incapacity	6	0

Training and Education (M)

GRI 3-3 Management of material topics

The year 2025 marked the continuation of efforts to consolidate the organizational culture, through significant changes and notable achievements that strengthened the company’s fundamental values: solidarity, safety and sustainability.

The company set out to ensure the long-term viability of competences and skills acquired by employees, seeking to facilitate the organization’s adaptation and to prepare the response to new market challenges. Capitalizing on employee potential is one of management’s priorities; the training programs organized provide a framework for sustainable development, contributing to the consolidation of human resources both at organizational level and at the level of each employee’s personal and professional development.

GRI 404-1 Average hours of training per year per employee

This year too, the company maintained a constant concern to support employees in the mission of reinventing themselves and to create a suitable framework for the organizational vision to become achievable.

The approach targeted all organizational levels. In this regard, sustained efforts were made to understand employees’ development needs, correlated with strategic objectives in the short, medium and long term, and the company allocated significant amounts to support their training.

The company has clear internal management, implementation, monitoring and control procedures, adapted to real needs. In the medium and short term, course participants gain a clearer picture of the stages of the change process, acting as its promoters.

Among the projects through which DEO invests in people development are the Safety Culture Transformation Project, which brings occupational health and safety to the forefront as a zero priority at company level, and the internship programs (“Internship today, energy worker tomorrow” and “Use your energy to reinvent your career”), dedicated to students and senior employees. Partnerships with higher education institutions, including the University of Craiova and the University of Pitești, consolidate the link between the academic environment and the energy sector.

In 2025, DEO employees benefited from a total of 12,979 hours of professional training (excluding OHS training reported in section 6.2). The average across the organization was 20 hours per employee, with significant variations across categories: executive management recorded the highest average (36 hours/person), followed by middle management (31 hours) and specialists (26 hours). Operational staff benefited from 10 hours/person, reflecting the fact that their principal form of training is OHS instruction (reported separately, totaling 85,637 hours).

Table 6.14 Professional training hours 2025

Category	Total hours	Avg/employee	Avg M	Avg W	Assessment (%)
Executive Management	144	36	46	26	100%
Middle Management	2,248	31	38	12	100%
Specialists / TESA	7,841	26	31	18	100%
Operational Staff	2,746	10	10	8	100%
TOTAL	12,979	20	21	17	100%

Table 6.15 Professional training evolution 2023-2025

	2023	2024	2025	Δ 2025/2024
Total training hours	14,033	16,876	12,979	−23.1%
Employees trained	441	477	-	
Average hours/employee	32	35.38	20	−15.38
Average - Management	61	61	36	−25
Average - Operational	28	32	10	−22
Performance appraisal	100%	100%	100%	-

Percentage of employees receiving regular performance and career development reviews

GRI 404-3

The performance appraisal rate was 100% across all professional categories and both genders, in compliance with GRI 404-3 requirements. The appraisal system is based on strategic indicators (derived from DEO’s strategy) and individual indicators (specific to each employee’s activity), with the possibility of awarding an extra performance bonus.

Programs for upgrading employee skills and transition assistance programs

GRI 404-2

During the reporting period, the company carried out professional training activities for its own employees, covering the following areas of competence: managerial and leadership skills; project management; language skills; digital competences aligned with the latest technologies; advanced and specialization courses; professional training in the energy field, with emphasis on the efficient use of modernized equipment in MV/LV installations.

GRI 3-3

Diversity and equal opportunities (M)

Management of material topics

The company hires and promotes employees on a non-discriminatory basis, taking into account criteria that relate exclusively to professional abilities and experience, the specific requirements of the position, the company’s needs, the results obtained in personnel selection processes, candidates’ CVs, etc. We promote the company’s principles and values from the pre-selection stage for employment, one of the selection criteria being the candidate’s compatibility with these.

DEO considers that having a diverse workforce and a sense of belonging is essential for the personal and collective success of employees; to this end, the company has developed a Policy on diversity and employment opportunities. The Policy applies to employees, the employer and future employees alike and serves as an Ethical Guide. The objective of the Policy is to accord each team member fair treatment, respecting age, race, gender, abilities, beliefs, sexual orientation and experience, but not limited to these.

Distribuție Energie Oltenia has developed the Policy to bring together the principles and objectives of creating a diverse working environment with an inclusive culture, in which each employee feels valued and capable of reaching their maximum professional potential.

We use fair practices and do not accept any form of discrimination, harassment, forced labor or child labor. We offer our colleagues the opportunity to be promoted at the workplace and provide them with the same level of opportunity regardless of gender, sexual orientation, genetic characteristics, age, nationality, race, color, ethnicity, religion, political opinion, social origin, family status or responsibility, trade union membership or activity, or other aspects defined by law.

Internal training and awareness programs also covered cross-cutting areas: development of a compliance and ethics culture (anti-corruption, anti-fraud, conflicts of interest, ethics and conduct, trade secrets, REMIT); cybersecurity; antitrust policy and competition; personal data protection (GDPR); prevention and combating of workplace harassment; management of control actions with the Court of Auditors and ANRE.

Regarding wellbeing and transition programs, DEO supports competence development and professional reconversion through partnerships with higher education institutions and internship programs (“Internship today, energy worker tomorrow” and “Use your energy to reinvent your career”). Although DEO does not operate standardized transition assistance programs for retirement, the company supports the continuous development of competences throughout employees’ careers.

Although DEO does not operate standardized transition assistance programs for retirement, the company supports competence development and professional reconversion through community programs such as Electrician Apprentice (detailed in Chapter 7).

Diversity of governance bodies and employees

GRI 405-1

The gender distribution at DEO level reflects the specificity of the electricity distribution sector: the proportion of women is 20.2% overall, varying significantly across professional categories. The most balanced ratios are found in the specialists/TESA category (39.89% women), while operational staff exhibit an extremely high male concentration (99.48%), determined by the physical nature of field activities.

Table 6.16 Gender and professional category distribution

Category	Total	<30 (%)	30–50 (%)	>50 (%)	F (%)	M (%)
Executive management (Directors and Management Board)	20	0.0%	60.00%	40.00%	25.00%	75.00%
Middle Management	120	0.0%	55.83%	44.17%	25.83%	74.17%
TESA employees	727	19.39%	49.52%	31.09%	39.89%	60.11%
Operational employees	765	7.32%	48.63%	44.05%	0.52%	99.48%

Figure 6.5. Gender and professional category distribution

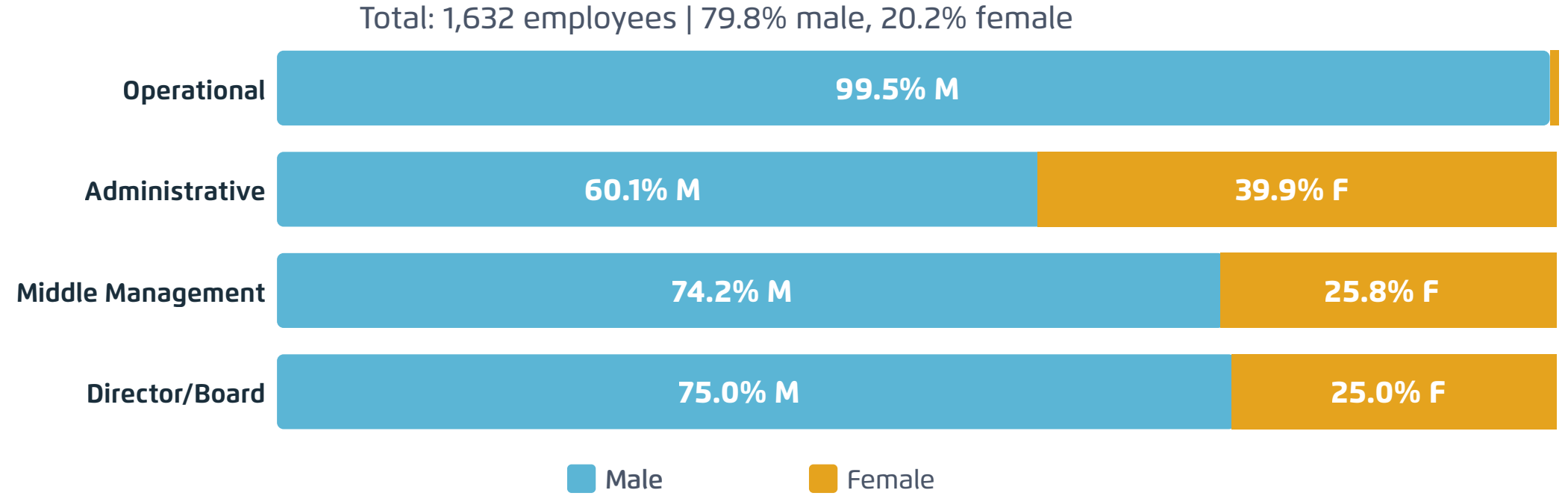


Table 6.17 Diversity in management evolution 2023-2025

	2024	2025
Women in total management	37 (26.2%)	31 (25.8%)
Women in executive management	-	5 (25.0%)
Age >50 in management	59 (41.8%)	-

At management level, the proportion of women is 25% in executive management and 25.83% in middle management, an increase compared with previous years. DEO revised its diversity, recruitment and remote working policies in 2025, consolidating the institutional framework for promoting equal opportunities.

Non-discrimination (M)
Management of material topics

GRI 3-3

Even though DEO operates in an industry with a strong technical focus, the company encourages women to access leadership positions, with women being represented at C-Level as well. For Distribuție Energie Oltenia, diversity means maintaining a respectful environment, creating opportunities and providing support for everyone to reach their maximum potential in the workplace.

GRI 406-1

Incidents of discrimination and corrective actions taken

Non-discrimination is ensured through the Diversity and Equal Opportunities Policy, the Code of Conduct and the internal incident reporting mechanism. In 2025, no discrimination incidents were recorded.

Human rights and workers’ rights

This section consolidates all GRI standards relating to human rights and labor relations. Many of these standards are reported with justified omission, given that DEO operates exclusively in Romania, under EU jurisdiction and harmonized national legislation.

GRI 2-30

Collective bargaining agreements

100% of DEO employees are covered by the Collective Bargaining Agreement (CBA). There are no uncovered employees. Collective bargaining is conducted periodically with representative trade union organizations.

GRI 402-1

Minimum notice periods regarding operational changes

Labor relations are managed through the Collective Bargaining Agreement (CBA), periodically negotiated with representative trade union organizations. The minimum notice period for operational changes is in accordance with the Labor Code and the CBA.

In the event of termination of the employment contract at the initiative of the Company, the legal notice period is 20 working days, in accordance with the Labor Code and the CBA. The notice period commences on the working day following effective communication.

The notice period of 20 working days complies with the Labor Code and the CBA and is applied uniformly across the company.

GRI 407-1

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Freedom of association and collective bargaining are guaranteed through the CBA and national legislation. Trade union organizations operate freely, and 100% of employees are covered by the collective bargaining agreement.

DEO has not identified operations or suppliers in which the right to freedom of association or collective bargaining would be violated or threatened. Trade union organizations operate freely, and the CBA is negotiated periodically. The trade union notice clause is fully respected.

100% of DEO operations are implicitly assessed from the perspective of human rights through internal audit mechanisms, occupational health and safety standards and full compliance with the Collective Bargaining Agreement.

Operations and suppliers at significant risk for incidents of child labor

GRI 408-1

DEO operates exclusively in Romania (an EU member state), where child labor is prohibited under Law No. 53/2003. Recruitment procedures require age verification, and supplier contracts include explicit prohibition clauses.

No operations or suppliers with significant risk have been identified. Recruitment procedures require verification of minimum age (18 years for risk activities, 16 years with parental consent for non-risk activities), and supplier contracts include labor legislation compliance clauses.

Operations and suppliers at significant risk for incidents of forced or compulsory labor

GRI 409-1

Prevention of forced labor is ensured through the EU and national legislative framework (the Labor Code, ILO Convention No. 29/1930). Supplier contracts include compliance clauses, and no operations with significant risk have been identified.

No operations or suppliers with significant risk of forced or compulsory labor have been identified. The EU and national legislative framework (Labor Code, ILO Convention No. 29/1930 ratified by Romania) constitutes the principal prevention mechanism. Supplier contracts include explicit clauses prohibiting forced labor.

Security personnel trained in human rights policies or procedures

GRI 410-1

Security practices are managed through the outsourcing of guarding services to licensed providers, with contractual requirements regarding human rights training. Compliance is monitored through periodic evaluation of service providers.

Security and guard services are outsourced. 100% of the contracted security personnel are trained in accordance with national legal requirements, which include specific modules on human rights, proportional use of force and interaction with the public.

Operations that have been subject to human rights reviews or impact assessments

Former
GRI 412-1

Human rights assessment is integrated into the corporate governance framework through three complementary mechanisms: the annual internal audit, the OHS management system (ISO 45001) and the provisions of the CBA.

100% of DEO operations are implicitly assessed from the perspective of human rights through internal audit mechanisms, OHS standards and full compliance with the CBA. Periodic assessment is carried out through the Occupational Health and Safety Committee (CSSM) and the annual internal audit.

7 ENERGY COMES FROM PEOPLE



Table of contents

Distribuție Energie Oltenia acknowledges that its electricity distribution activity has a direct impact on the communities across the seven counties in which it operates. This chapter presents the company’s commitment to community development, the mechanisms for managing social impact and its participation in public policy processes in the energy sector.

In 2025, DEO allocated significant resources for community investment projects, professional education and partnerships with civil society organizations. The total value of community investments was LEI 1.48 million, representing 0.08% of total revenues. Although modest as a proportion, this amount funded programs with measurable impact, in particular the “Electrician Apprentice” program, which directly addresses the shortage of qualified labor in the sector.

Local Communities (M)

- GRI 3-3 Management of material topics
- GRI 413-1 Operations with local community engagement, impact assessments, and development programs
- GRI 413-2 Operations with significant actual and potential negative impacts on local communities

Displacement and compensation

- EU22 Number of people physically or economically displaced and compensation, broken down by type of project

Public Policy

- GRI 415-1 Political contributions
- GRI 2-28 Membership associations

Local Communities (M)

GRI 3-3

Management of material topics

DEO manages its relationships with local communities through structured social investment programs, proactive stakeholder engagement and the ongoing assessment of operational impacts. The approach is aligned with the strategic pillars of the ESG policy (education, environment and health) and seeks to maximize community benefits while minimizing the adverse effects of electricity distribution activities. Community engagement programs are monitored annually through outcome indicators, and grievance channels remain permanently operational.

GRI 413-1

Operations with local community engagement, impact assessments, and development programs

In 2025, DEO continued to implement projects in line with its strategic pillars: education, environment and health. Four of these are highlighted below, materialized through community investments and sponsorships, covering vocational education, social action, culture and sport. All projects were implemented within DEO's operational area and involved partnerships with local institutions.

The “Electrician Apprentice” Program

The “Electrician Apprentice” program represents DEO’s most important strategic investment in the human capital of the energy sector. Carried out in partnership with seven technical high schools (Liceul Astra Pitești, Liceul Energetic Craiova, Liceul Energetic Târgu Jiu, Liceul Alexe Marin Slatina, Liceul de Transporturi Auto Drobeta-Turnu Severin, Liceul Nr. 1 Alexandria and Liceul Ferdinand I Râmnicu Vâlcea), the program trained 100 graduates with a professional qualification diploma. The allocated budget was LEI 462,000, and the employment rate at 12 months after graduation was 11%, i.e. 11 employees integrated into DEO teams.

The program directly addresses one of the critical challenges identified in the materiality analysis: the shortage of qualified technical staff in electricity distribution. The employment rate of 11% appears modest but should be interpreted in the context that the program targets professional training at sectoral level, not exclusively recruitment for DEO.

The Voice of Customer (VoC) study dedicated to the program, conducted on a sample of 14 respondents (approximately 5% of the enrolled students), indicated an overall positive perception: 78.6% rated the program as useful or very useful, 92.8% considered the personal development workshops useful, 85.7% assessed the Practical Training Club as useful, and 92.8% found the “Circuit of Ideas” activities interesting. In addition, 57% stated that they would recommend the program or would consider working for DEO after completing their studies. The recommendation rate towards other students reached 42.9%.

Table 7.1. CSR projects and community investments 2025

Project	Type	Budget (LEI)	Primary KPI	Secondary KPI	Partners
Electrician Apprentice	Strategic investment	462,000	100 graduates	11% employment (11 pers.)	7 technical high schools
Social campaigns	Sponsorship	610,000	100 direct beneficiaries	200 indirect beneficiaries	Roua Centers, Magic Camp, Zana Merciluța, Prietenii Spitalului Vâlcean
Romanian Opera	Sponsorship	57,800	200 participants	1 press release	Romanian Opera
Oltenia Marathon	Sponsorship	350,000	1,000 participants	Vâlcea county community	Smart Athletic, Prietenii Spitalului Vâlcean
TOTAL community investments		1,479,800			4 projects

Figure 7.1. DEO community investment portfolio 2025

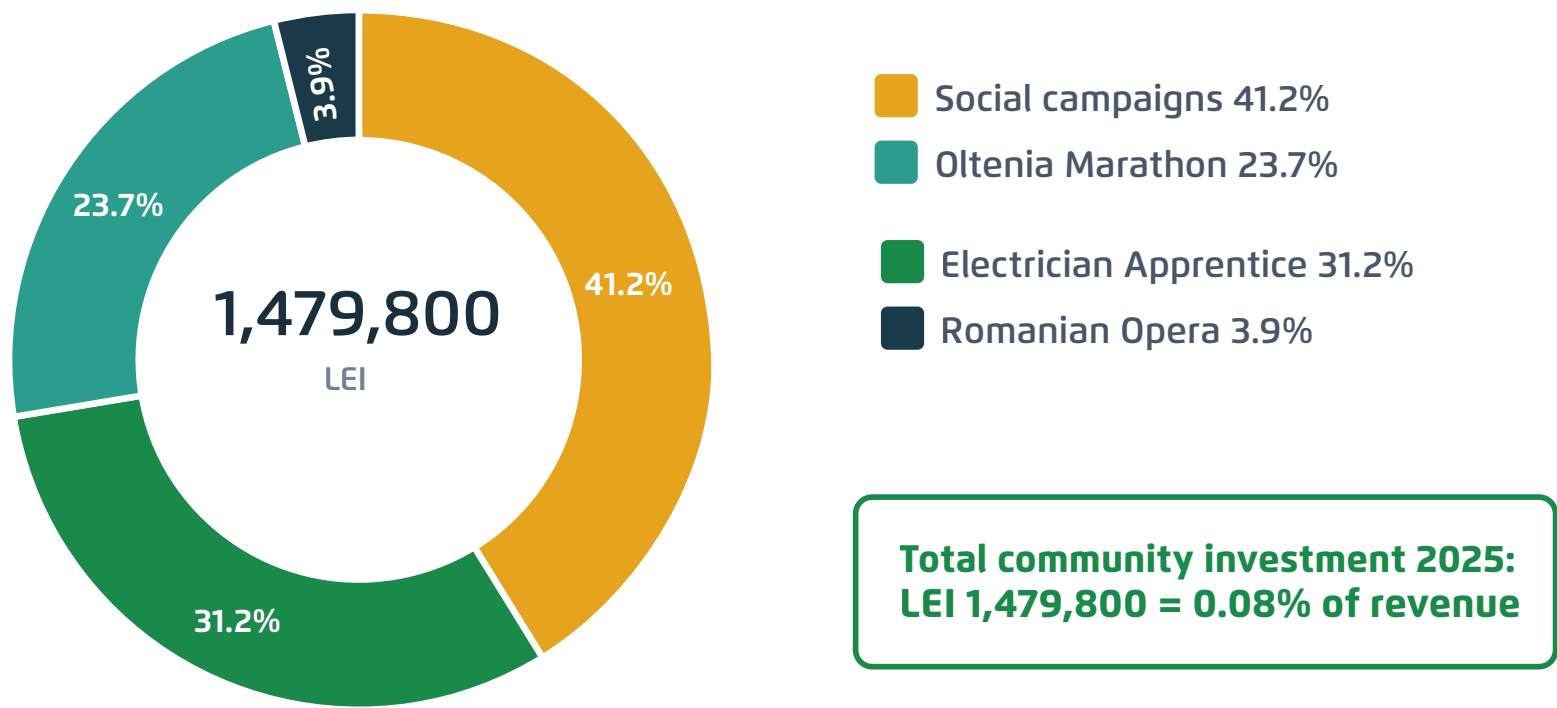


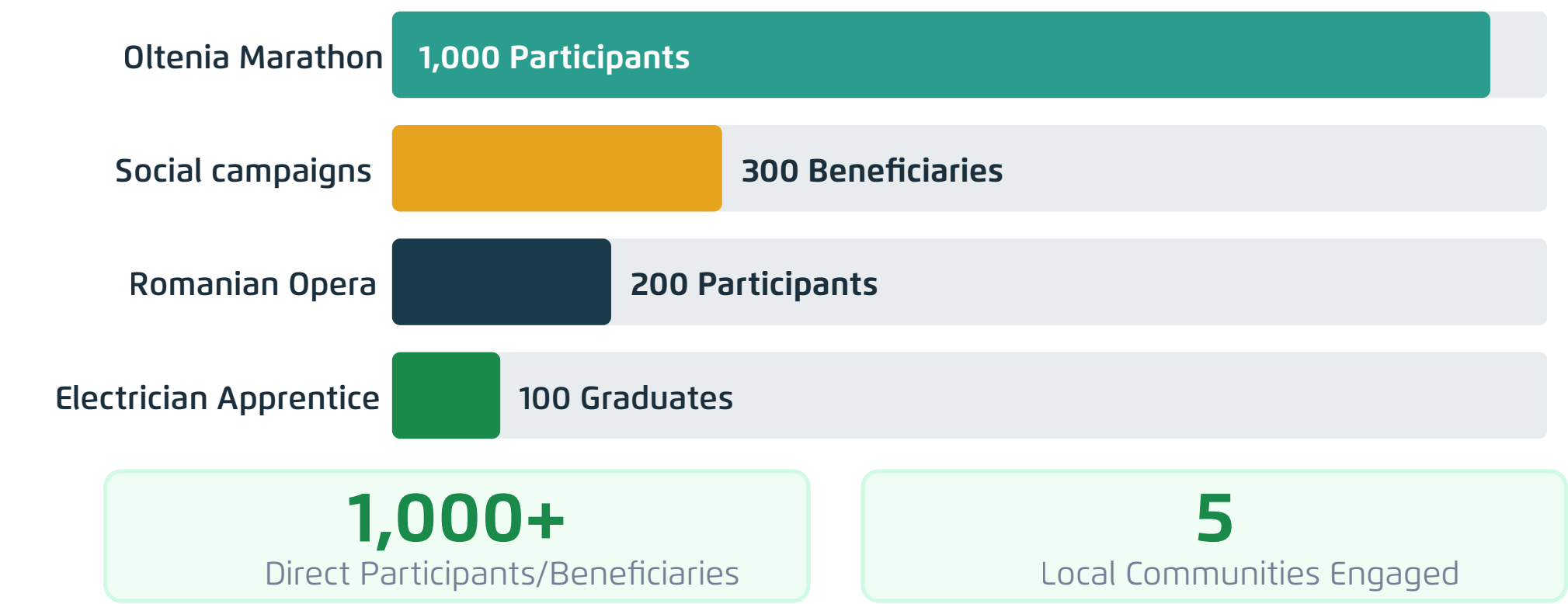
Table 7.2 Community investment evolution 2023–2025

	2023	2024	2025
Oltenia Marathon	EUR 40,050 (~LEI 200,250)	~EUR 40,000 (~LEI 200,000)	LEI 350,000
Marathon participants	875	-	1,000
Electrician Apprentice	Ed. III (10 graduates)	>EUR 112,000 / ~LEI 560,000 (300+ participants)	LEI 462,000 (100 graduates)
Programme hires	-	59	11
Goodness Generators	EUR 90,000 / ~LEI 450,000 (9 projects)	-	-
Social campaigns	EUR 15,000 / ~LEI 75,000	> 1,250 beneficiaries	LEI 610,000 (300 beneficiaries)

The social campaigns on the occasion of holidays were the most substantial in budgetary terms (LEI 610,000), carried out in partnership with Roua Centers, Magic Camp Association, Zana Merciluța and Prietenii Spitalului Vâlcean Association. These initiatives directly benefited 100 persons and indirectly a further 200.

The Oltenia Marathon, sponsored with LEI 350,000 in partnership with Smart Athletic and Prietenii Spitalului Vâlcean, attracted 1,000 participants and had a positive impact on the community in Vâlcea county, combining health promotion with DEO brand visibility. Compared with previous editions (875 participants in 2023, donation of EUR 40,050), the 2025 edition marked a 14% increase in participants, consolidating the event's status as DEO's principal community engagement platform.

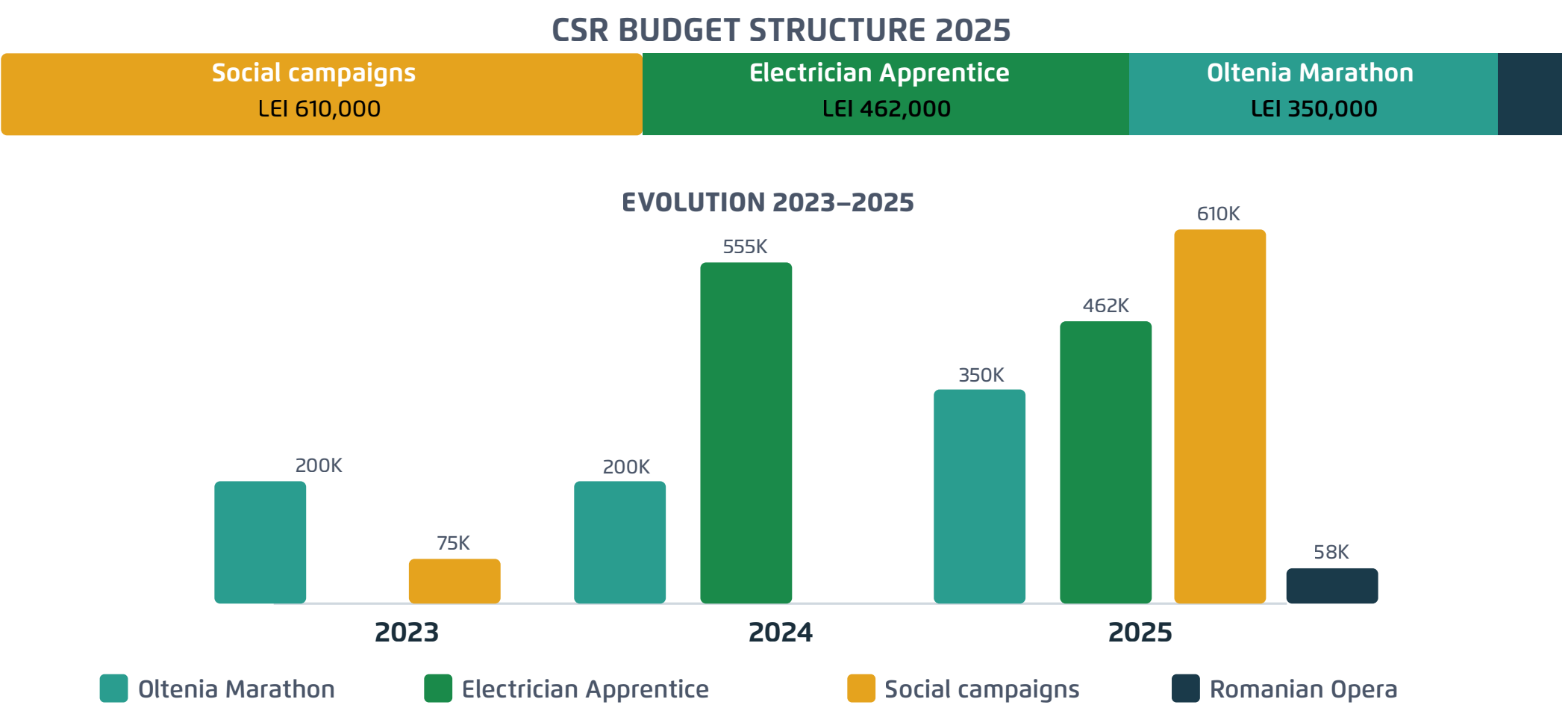
Figure 7.2. CSR project impact: beneficiaries 2025



Holiday social campaigns represented the most significant budget allocation (LEI 610,000), implemented in partnership with the Roua Centers, Magic Camp Association, Zana Merciluța and the Prietenii Spitalului Vâlcean Association. Through these initiatives, DEO directly reached 100 individuals and indirectly impacted a further 200 people.

Through the Oltenia Marathon, DEO invested LEI 350,000 in the community, in partnership with Smart Athletic and the Prietenii Spitalului Vâlcean Association. This long-standing event attracted 1,000 participants (competitors, volunteers and organisers) and generated a positive impact on the community of Vâlcea County, combining health promotion with DEO brand visibility.

Figure 7.3. Structure of DEO 2025 Community Investments



Indicative exchange rate: 1 EUR ≈ 5 LEI.

In accordance with GRI 413-1 requirements, the organization must report the percentage of operations with community engagement programs, impact assessments and development programs. DEO operates in 7 counties through 7 operational zones, and CSR projects covered 6 of the 7 counties (85.7% of operational zones).

All seven counties within DEO's operating area benefit from community engagement programs (Electrician Apprentice, Oltenia Marathon, Earth Hour, Holiday social campaigns). Impact assessment is carried out through the KPI indicators specific to each project (as recorded in the table above).

Operations with significant actual and potential negative impacts on local communities

GRI 413-2

As an electricity distribution operator, DEO periodically carries out network maintenance, modernization and extension works that may generate temporary discomfort: noise, access restrictions and planned power supply interruptions.

In 2025, there were no operations with significant, permanent or irreversible negative impact on local communities, beyond the temporary discomfort inherent in network technical works, managed through standard customer assistance mechanisms.

DEO maintains a formal mechanism for receiving and resolving community grievances, in accordance with GRI 413 requirements. Communication channels include: email, a dedicated telephone line, in-person audiences and a web-based form. Grievances are managed internally, with procedural response timeframes and an escalation process for cases unresolved at the first level.

The mechanism for receiving and resolving complaints is permanently operational through the channels mentioned (email, telephone, web). Complaints are managed by the Commercial Directorate with response deadlines in accordance with ANRE regulations.

The temporary operational impact (noise, access restrictions during works) is managed through advance notification of communities and scheduling of works in time slots with minimal impact.

Displacement and compensation

Number of people physically or economically displaced and compensation, broken down by type of project

EU22

EU22 measures the number of persons displaced or relocated as a result of distribution infrastructure projects. This indicator is relevant in the context of network extensions, construction of transformer stations or modernization of overhead power lines.

In 2025, there were 0 (zero) cases of displacement or relocation of persons as a result of DEO infrastructure projects.

In practice, electricity distribution projects have a limited impact on population displacement, unlike energy generation or transmission projects. Distribution infrastructure predominantly uses existing corridors and rights of way established through legal easements in accordance with the Electricity Act No. 123/2012.

Public policy

DEO participates in public consultation processes in the areas of energy and distribution regulation through specialized professional associations (ACUE, CRED) and within ANRE procedures. The organization does not provide financial or in-kind contributions to political parties or electoral campaigns. Engagement in public policy is transparent, limited to the interests of the electricity distribution sector and aligned with legal requirements regarding competition and political neutrality.

GRI 415-1 Political contributions

Regarding the disclosure of the total value of political contributions, disaggregated by recipient and country, the reporting requirements cover both direct financial contributions (donations to political parties and electoral campaigns) and indirect contributions (membership fees to professional associations and participation in lobbying activities).

In 2025, the value of financial or in-kind contributions to political parties or electoral campaigns was 0 (zero) LEI. DEO declares that, in accordance with the group’s compliance policy and applicable legislation, it does not make direct political contributions.

GRI 2-28 Membership associations

DEO is an active member of ten professional and sectoral organizations with direct relevance to its distribution activity: the Association of Energy Utility Companies (ACUE), the Romanian Energy Committee (CRE), Eurelectric (from 2025, a new strategic affiliation), the British Romanian Chamber of Commerce (BRCC, from 2025), AmCham, CIGRE Romania, CIGRE Paris, CNR-CME, Concordia and the Aspen Institute. Through ACUE and CRE, DEO participates in the public consultation of ANRE regulations and in the transposition of European directives (the Clean Energy Package, RED III, the revision of the Electricity Directive). Details regarding the affiliation structure are presented in Chapter 3.

Participation in public consultation processes

As a regulated distribution operator, DEO participates actively in public consultation processes initiated by ANRE (the National Energy Regulatory Authority), the transposition of European directives into national legislation and the development of the regulatory framework for the energy transition. Public policy positions are coordinated through the professional associations mentioned above.

DEO’s participation in ANRE public consultation processes is ensured through ACUE and CRE, with a focus on distribution tariff methodologies, technical conditions for the connection of prosumers and distributed sources, smart metering regulations and the transposition of the European Clean Energy Package (CEP). In 2025, DEO actively contributed to the consultation on the distribution tariff calculation methodology and to the definition of the technical framework for the integration of storage capacity at distribution network level.

DEO declares that, in accordance with the compliance policy of the Macquarie Asset Management Group and applicable Romanian legislation, it does not make direct contributions to political parties or electoral campaigns. Membership fees paid to professional associations are allocated exclusively to sectoral representation activities and the formulation of public policy in the energy sector.

AWARDS obtained by Distribuție Oltenia in 2025

- Community Hero at the Biz Sustainability & CSR Gala for the Voice of Nature project, Oltenia Marathon.
- Energynomics Gala — Best Corporate Citizen 2025 award for the Electrician Apprentice project.
- Distribuție Oltenia received the award for significant contribution to the economic development of the region, presented by Forbes România at the Forbes Best Cities for Business event, held in Craiova.
- First Prize and Trophy of Excellence for 2025 results at the Topul Firmelor Gala, organized by the Dolj Chamber of Commerce and Industry.
- Award at the Women in Energy Gala, organized by Future Energy Leaders România.
- The Electrician Apprentice program received GOLD at Community Index 2025 for its contribution to training the next generation of energy specialists.
- The Electrician Apprentice project was recognized at The Diplomat Awards Gala in May 2025.
- Distribuție Oltenia was included in Sustainability Index Magazine 2025 and received Gold Level in the Romania CST Index 2024, with a score of 90 points.
- National Electrician Trophy 2025.
- National Junior Electrician Trophy 2025.
- Award for “Zero Workplace Accidents”, Electrician Trophy 2025.
- Corporate Wellbeing Awards, recognition of the Self-Care project.
- IAB Mixx Awards, award in the Sustainability category for Voice of Nature, MO 2024.
- CSR Awards 2025, Electrician Apprentice, Third Prize, Education — Dual Learning category.
- Sustainable Leadership Award at the Cariere Gala 2025.
- Best Corporate Citizen 2025, Energynomics Gala, Electrician Apprentice project.
- Gold at Community Index, 7th edition, for: Meaningful Holidays - holiday social campaigns, in the Health & Wellbeing category; Oltenia Marathon, in the Active Living category; Electrician Apprentice, in the Career Education category.
- 99 out of 100 points in the GRESB assessment.

8 CARE FOR THE ENVIRONMENT

Environmental protection is a fundamental pillar of Distribuție Energie Oltenia’s ESG strategy. This chapter presents the company’s environmental performance for 2025, structured in accordance with GRI 2021 requirements and aligned with the objectives of the European Sustainability Reporting Standards (ESRS E1–E4). Data are compared year-on-year with the 2024 reporting cycle and, where available, with the reference years in the 2019–2025 time series.

Table of contents

Energy (M)

- GRI 3-3 Management of material topics
- GRI 302-1 Energy consumption within the organization
- GRI 302-3 Energy intensity
- GRI 302-4 Reduction in energy consumption

System Efficiency (M)

- GRI 3-3 Management of material topics
- EU12 Transmission and distribution losses as a percentage of total energy

Emissions (M)

- GRI 3-3 Management of material topics
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-4 GHG emissions intensity
- GRI 305-5 Reduction of GHG emissions
- GRI 305-6 Emissions of ozone-depleting substances (ODS)
- GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions

Economic Performance (M)

- GRI 201-2 Financial implications and other risks and opportunities due to climate change

Materials

- GRI 301-1 Materials used by weight or volume
- GRI 301-2 Recycled input materials used
- GRI 301-3 Reclaimed products and their packaging materials

Waste (M)

- GRI 3-3 Management of material topics
- GRI 306-1 Waste generation and significant waste-related impacts
- GRI 306-2 Management of significant waste-related impacts
- GRI 306-3 Waste generated
- GRI 306-4 Waste diverted from disposal
- GRI 306-5 Waste directed to disposal
- GRI 2-27 Compliance with laws and regulations

Biodiversity (M)

- GRI 3-3 Management of material topics
- GRI 101-1 Policies to halt and reverse biodiversity loss
- GRI 101-2 Management of biodiversity impacts
- GRI 101-3 Access and benefit-sharing
- GRI 101-4 Identification of biodiversity impacts
- GRI 101-5 Locations with biodiversity impacts
- GRI 101-6 Direct drivers of biodiversity loss
- GRI 101-7 Changes to the state of biodiversity
- GRI 101-8 Ecosystem services
- GRI 2-27 Compliance with laws and regulations

GRI 3-3

Energy (M)

Management of material topics

GRI Standard / Other source: GRI 302 - Energy

Table 8.1 Management approach: energy

GRI Standard / Other source	Topic	Impact definition	Human Rights
GRI 302	Energy	The modernization of distribution networks and the implementation of efficient technical solutions contribute to the reduction of technological energy losses, with positive effects on energy efficiency and environmental protection.	Yes
GRI 302	Energy	The organization's own technological energy consumption generates greenhouse gas emissions, with a negative impact on the environment.	No
GRI 302	Energy	The use of fuel for field maintenance activities leads to the consumption of non-renewable resources and associated emissions, with a negative environmental impact.	No

Efficiency in the use of energy resources has direct consequences both for the communities across the seven counties in the south and southwest of the country and for the company's long-term economic sustainability. The main internal consumers are administrative buildings, transformer stations, and substations, as well as overhead and underground power lines (OHL/UGC).

In this regard, compliance with environmental legislation, maintaining the ISO 14001 certified Environmental Management System, and modernizing the distribution networks remained the primary lines of action in 2025. The Own Technological Consumption (CPT) Department manages electricity consumption, while the Asset Management Service monitors consumption within administrative buildings. We analyze consumption on a monthly basis and implement optimization measures; annually, we establish an energy management program with key performance indicators (KPIs).

GRI 302-1

Energy consumption within the organization

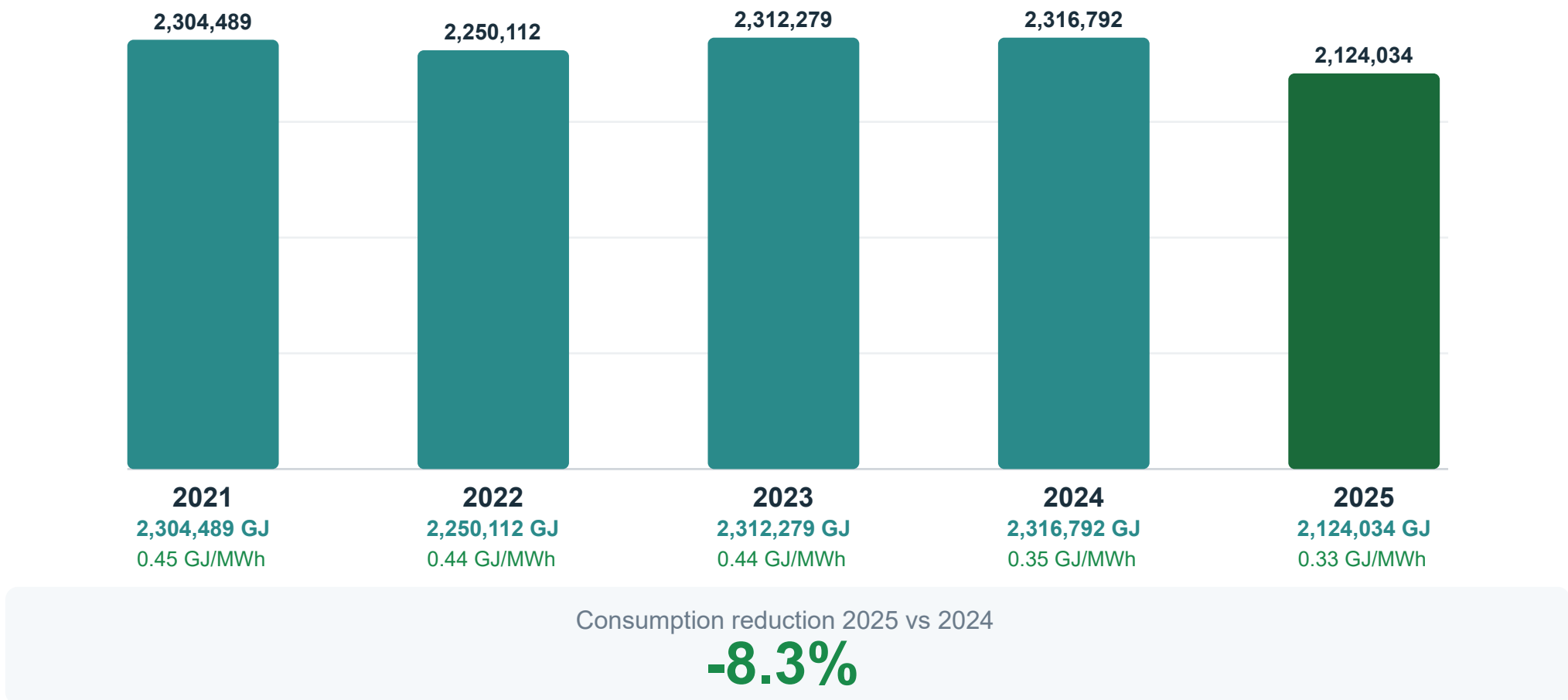
During 2025, the following energy consumption figures were recorded at DEO level, expressed in Gigajoules in accordance with GRI requirements. Compared to the previous year, total energy consumption within the organization decreased from 2,316,792 GJ (2024) to 2,124,034 GJ (2025), a reduction of 8.3%, reflecting progress in energy efficiency programs and the reduction of own technological consumption.

Table 8.2 DEO Energy Consumption 2025

Source	2024 (GJ)	2025 (GJ)	Variation
Natural gas	824	918	+11.4%
Petrol	3,757	4,919	+30.9%
Diesel	21,731	22,215	+2.2%
LPG	3,128	3,578	+14.4%
Electricity	2,268,054	2,047,118	-9.7%
District heating	224	264	+17.9%
Total non-renewable sources	2,297,719	2,079,012	-9.5%
Renewable sources	19,073	45,022	+136.1%
TOTAL ORGANIZATION	2,316,792	2,124,034	-8.3%

The overall decrease in organizational consumption (-8.3%) stems from the reduction in own technological consumption (CPT), the principal component of Scope 2, as a result of network modernization programs (reconductoring, transformer replacement, phase balancing).

Figure 8.1 Evolution of total energy consumption 2021-2025 (GJ) and energy intensity



Energy intensity

Energy intensity expresses internal energy consumption in relation to the total quantity of energy distributed. Formula used: Total energy consumption within the organization (GJ) / Total quantity of energy distributed (MWh).

Table 8.3 Energy Intensity 2021-2025

	2024	2025
Total internal consumption (GJ)	2,316,792	2,124,034
Energy distributed (MWh)	6,619,972	6,526,994
Energy intensity (GJ/MWh)	0.35	0.33

Energy intensity decreased from 0.35 GJ/MWh (2024) to 0.33 GJ/MWh (2025), continuing the downward trend of the past four years (from 0.41 GJ/MWh in 2021). This reduction of 5.7% reflects the efficiency of network modernization programs and reduction of CPT.

GRI 302-4 Reduction in energy consumption

Measures adopted to reduce energy consumption and CO₂ emissions include: encouraging videoconferencing instead of business travel, utilizing digital correspondence, internal campaigns for responsible office behavior, and increasing the energy efficiency of administrative buildings (scheduling heating systems to 18°C outside of working hours, replacing inefficient air conditioning systems, transitioning to LED lighting, installing motion sensors, and optimizing the use of available spaces).

System Efficiency (M)

GRI 3-3 Management of material topics

Distribution system efficiency is managed through the monitoring of energy losses (CPT) and the investment program for network modernization. Loss reduction constitutes a strategic operational objective.

EU12 Transmission and distribution losses as a percentage of total energy

Indicator EU12, as defined in the GRI G4 Electric Utilities Sector Disclosures, quantifies energy losses within the distribution network (own technological consumption, CPT) as a percentage of the total energy entering the system. In 2025, DEO's total distribution losses amounted to 568,573 MWh (568.573 GWh), representing 6.45% of energy input to the network, compared to 622,222 MWh (7.06%) in the previous year. The reduction of 53,649 MWh (0.61 percentage points) reflects the cumulative effects of the network modernization program (reconductoring, transformer replacement, phase balancing). The technical component remains predominant (538,415 MWh, 94.70% of total CPT), with commercial (non-technical) losses accounting for 30,158 MWh (5.30% of total CPT).

Table 8.2a Own technological consumption and distribution losses

	2025	2024
Total CPT (MWh)	568,573	622,222
of which Technical CPT (MWh)	538,415	584,750
of which Commercial CPT (MWh)	30,158	37,472
Distribution losses / EU12 (%)	6.45	7.06

The level of technical losses falls within the normal parameters of the Romanian distribution sector, reflecting the average age of the network. DEO aims at the progressive reduction of own technological consumption through the network modernization program and the installation of smart meters, in conjunction with the investments of LEI 637.9 million (CapEx 2025) described in section 1.3.

Emissions (M)

Management of material topics

GRI 3-3

Table 8.4 Management approach: GHG emissions

GRI Standard / Other source	Topic	Impact definition	Human Rights
GRI 305	Emissions	Accidental releases of greenhouse gases from equipment used in the distribution network may contribute to increased emissions and amplified climate change.	No

DEO's activity continues to play an essential role in the decarbonization process, ensuring the implementation of efficient measures to reduce carbon footprint, such as electrification and integration of green energy. A potential negative effect that we aim to manage is preventing the release into the atmosphere of technical gases, such as Sulphur hexafluoride (SF₆), which have a global warming potential hundreds of times greater than CO₂.

The measurement of the carbon footprint was carried out in 2025 in accordance with GHG Protocol, the international corporate standard developed by the World Business Council for Sustainable Development (WBCSD) together with the World Resources Institute (WRI). The organizational boundaries were established on the basis of operational control, covering 100% of DEO emissions from the 7 counties in the south and southwest of the country. The measurement years are: 2019 (reference year), 2022, 2023, 2024 and 2025. Starting from 2024, measurements are carried out monthly.

The emission factors used in the GHG inventory calculation are updated annually, in accordance with external audit requirements for the carbon footprint. The sources of the emission factors are: DEFRA (UK Government GHG Conversion Factors) for natural gas, gasoline, LPG, and district heating; ANRE for the energy mix related to electricity; and for fugitive technical gases (SF₆, HFC), the GWP values from IPCC AR5 have been applied.

DEO has committed to a NET ZERO target for Scope 1 and Scope 2 by 2040, with an intermediate objective of reducing carbon footprint by 50% by 2030 compared to the 2019 base year, aligned with the 1.5°C scenario of the Paris Agreement and the recommendations of the Science Based Targets initiative (SBTi). The decarbonization plan, developed and approved in 2023, updated in 2025, targets energy efficiency, green energy procurement and transport electrification.

Direct (Scope 1) GHG emissions

GRI 305-1

Scope 1 emissions are composed principally of CO₂ resulting from the combustion of fuels used in the vehicle fleet, representing approximately 70% of total Scope 1 emissions.

Table 8.5 Scope 1 Emissions DEO 2025

Emission source	2019	2022	2023	2024	2025
Office buildings (natural gas)	125.86	80.75	39.00	41.88	46.72
Vehicle fleet (diesel, petrol, LPG)	2,278.81	2,179.08	2,009	1,970	2,139
SF ₆ losses (GWP=23,500)	431	424	421	475.17	1,046
HFC refrigerant gases	0	0	72	71.63	25
TOTAL SCOPE 1	2,835.67	2,683.83	2,541	2,558.68	3,256.72

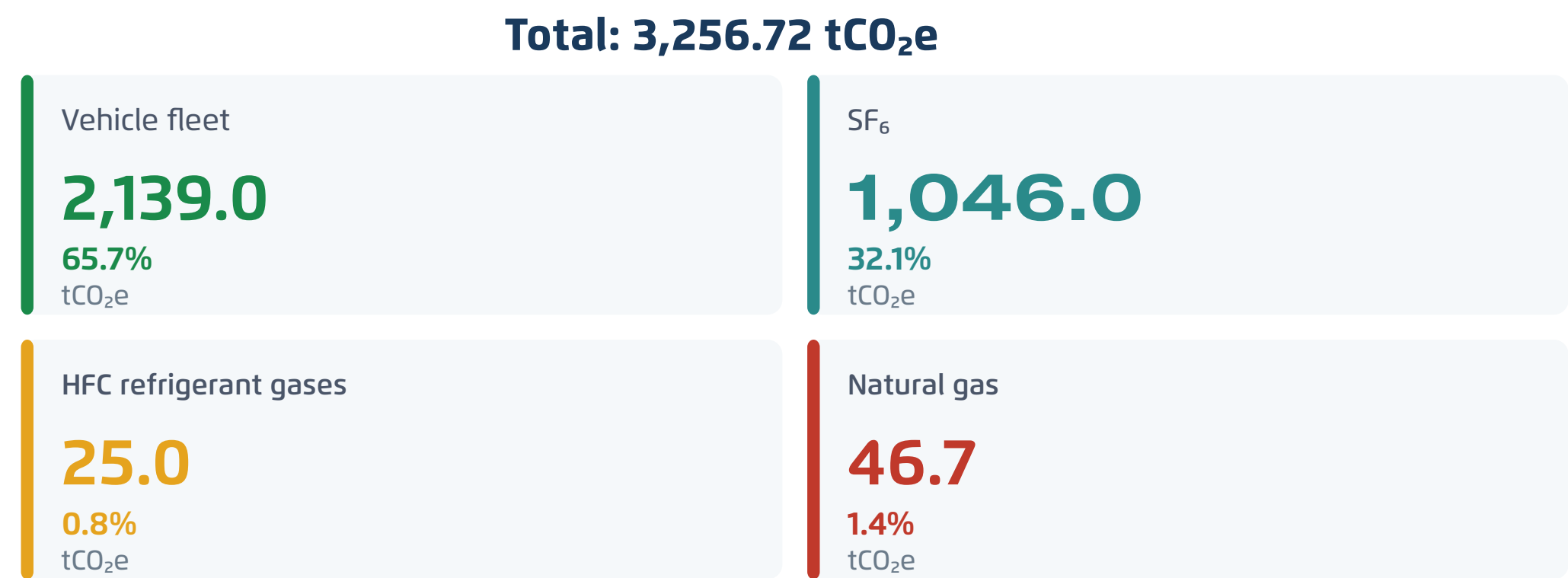
Scope 1 emissions increased by 27.3% compared to 2024, due principally to the transition from the method based on the annual leakage rate reported to the estimated quantity of SF₆ to quantification based on maintenance records, and to the expansion of the vehicle fleet for operational reasons. In the reporting year, the decarbonization objectives for Scope 1 were not fully achieved. Nevertheless, concrete measures were initiated: modernization of the vehicle fleet with hybrid/electric vehicles, preventive maintenance of SF₆ equipment, and optimization of operational processes.

Sulphur hexafluoride (SF₆) is used as an insulating and arc-quenching gas in medium and high voltage switching equipment. Due to its extremely high global warming potential (GWP = 23,500, according to IPCC AR5), SF₆ losses represent a significant source of climate impact within DEO's direct emissions.

In 2025, the physical quantity of SF₆ completed in equipment to compensate for losses was 44.5 kg (actual data, extracted on the basis of maintenance records). This quantity generates a climate footprint of 1,045.75 tonnes CO₂e.

The increase in SF₆ emissions in 2025 (from 475.17 to 1,045.75 tonnes CO₂e) is due principally to the methodological transition from quantification based on the annual leakage rate reported to the estimated quantity of SF₆ to recording actual physical quantities, based on maintenance records (PV). In previous cycles (2019–2024), SF₆ quantities were reported using the annual leakage rate applied to the estimated quantity in equipment; starting from 2025, DEO transitioned to recording actual physical quantities, extracted directly from intervention PVs. This change reflects a significant improvement in reporting quality, not an operational deterioration of the equipment fleet. DEO also aims to develop a dedicated plan for reducing SF₆ losses, which is to include the schedule for decommissioning old equipment and the adoption of SF₆-free alternative technologies for future procurements.

Figure 8.2 Structure of Scope 1 emissions, 2025 (tCO₂e)



Energy indirect (Scope 2) GHG emissions

GRI 305-2

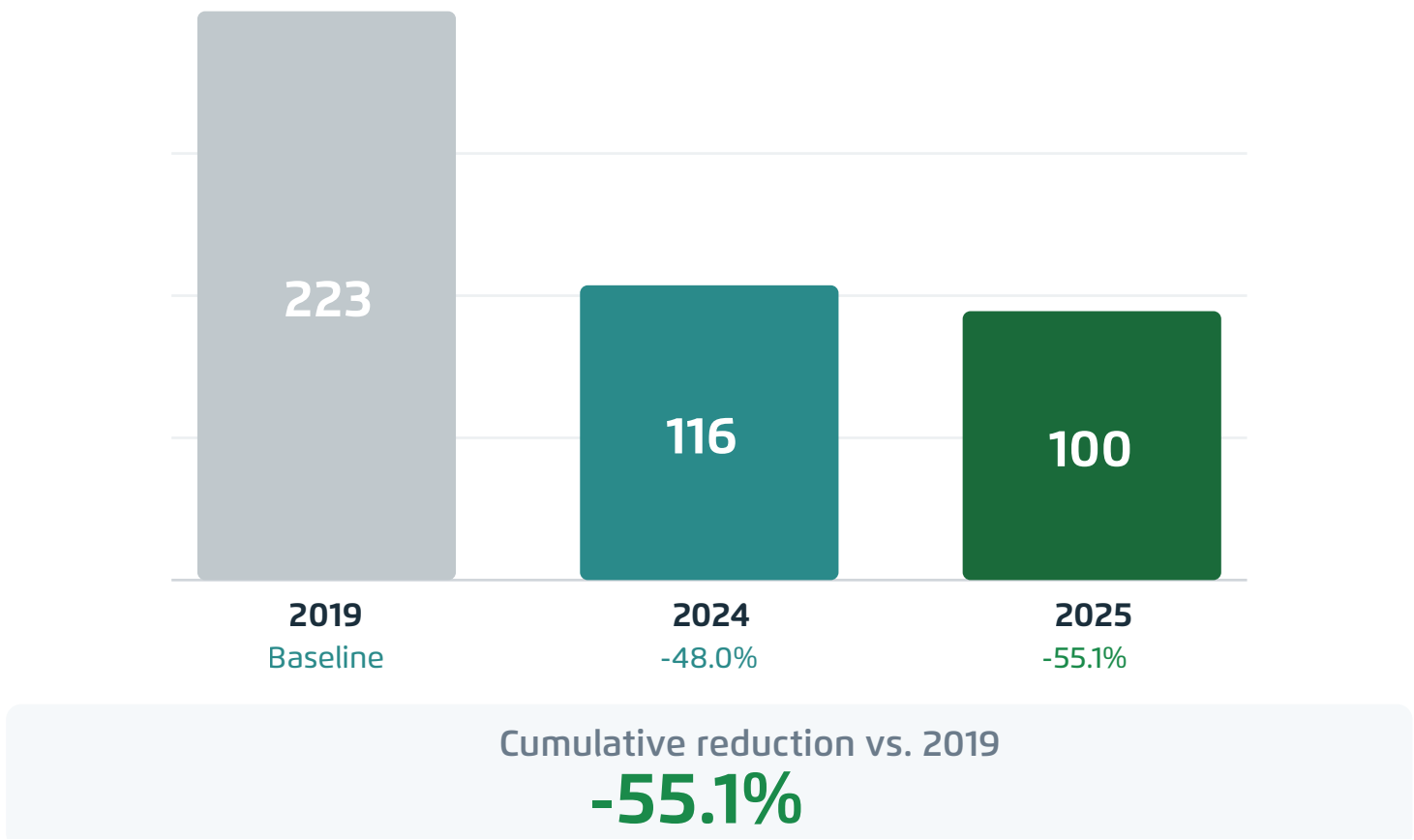
Scope 2 – 98,829 tonnes CO₂e (location-based) / 96,702 tonnes CO₂e (market-based). Scope 2 emissions are composed principally of CO₂ resulting from the combustion of fossil fuels in the process of generating the electrical energy consumed by the company in the provision of the distribution service, representing approximately 99% of total Scope 2 emissions and 97% of total emissions.

Table 8.6 Scope 2 Emissions DEO 2025

Source	2019	2022	2023	2024	2025
Electricity, location-based	219,442	156,937	115,455	114,178	98,789
Electricity, market-based	n/c	n/c	119,168	113,517	96,663
Thermal agent	83	218	72	34.70	39.75
Total Scope 2, location-based	219,525	157,155	115,527	114,213	98,829
Total Scope 2, market-based	n/c	n/c	119,240	113,551	96,702

Scope 2 emissions decreased by 13.5% (location-based method), respectively 14.8% (market-based method), continuing the accelerated downward trend since 2019. Principal factors: decarbonization of the national energy mix (increase in the share of renewable sources in energy production) and reduction of own technological consumption as a result of investments in network modernization.

Figure 8.3 Carbon intensity per unit of energy distributed (g CO₂/kWh)



Indirect emissions from Scope 3 were not calculated in the 2025 reporting cycle.

In the case of an electricity distribution operator, the Scope 3 perimeter covers an extended and fragmented value chain: procurement of network equipment (transformers, cables, poles, switchgear), outsourced construction, assembly and maintenance services, personnel travel, materials transport, management of waste generated by operating activities and technical losses in the network. The volume of data points required, estimated at the order of thousands for a distribution network serving over 900,000 consumption points across an area of approximately 35,000 km², significantly exceeds the current collection capacity, in the absence of a digitalized reporting infrastructure at supplier and subcontractor level.

GRI Standards does not currently provide a sectoral methodology dedicated to electricity distribution operators, which makes the establishment of the relevant Scope 3 categories and the appropriate emission factors a substantial methodological exercise. At the same time, a significant portion of the data regarding the carbon footprint of network equipment (transformers, SF₆ switchgear, medium and high voltage cables) is held by global manufacturers who treat it as confidential commercial information, and the distribution operator does not have contractual leverage to impose reporting of such data, particularly in the context of strategic supply chains subject to supply security regulations.

It is expected that the transposition of the CSRD and application of ESR5 E1 at national level will provide a clearer structural framework for quantifying emissions from the value chain of energy distributors, including through the standardization of data requests to suppliers. In this context, the organization prioritized in the 2025 cycle the consolidation of the GHG inventory for Scopes 1 and 2, with the extension to the relevant Scope 3 categories to be carried out progressively in the 2026–2027 periods, on the basis of a materiality analysis of the categories in accordance with the GHG Protocol Corporate Value Chain Standard (Scope 3).

GRI 305-4 GHG emissions intensity

Table 8.7 GHG Emission Intensity 2019-2025

	2019	2024	2025
Carbon footprint (Ktonne CO ₂ e)	223	116	100
Energy distributed (GWh)	6,810	6,619	6,526
Intensity (g CO ₂ e / kWh distributed)	32.7	17.5	15.3

Emission intensity decreased to 15.3 g/kWh distributed (2025), a reduction of 53.2% compared to the reference year 2019 (32.7 g/kWh). This evolution confirms the effectiveness of the decarbonization program and exceeds intermediate objectives.

GRI 305-5 Reduction of GHG emissions

Overall, cumulative total emissions from Scope 1 and Scope 2 were reduced by 55.1% compared to the reference year 2019, from 222,632 tonnes CO₂e to 99,958 tonnes CO₂e. The company came in below the decarbonization target assumed for 2025 (166,327 tonnes CO₂e), with a margin of 39.9%.

Table 8.8 Reduction of GHG Emissions 2019-2025

	2019	2022	2023	2024	2025
Total Scope 1+2 emissions	222,632	159,839	121,781	116,110	99,958
Decarbonisation target	222,632	194,344	185,005	175,666	166,327
Reduction vs. 2019 (%)	-	-28.2%	-45.3%	-47.8%	-55.1%

Figure 8.4 Total DEO Emissions vs. decarbonization objectives (2019-2025)

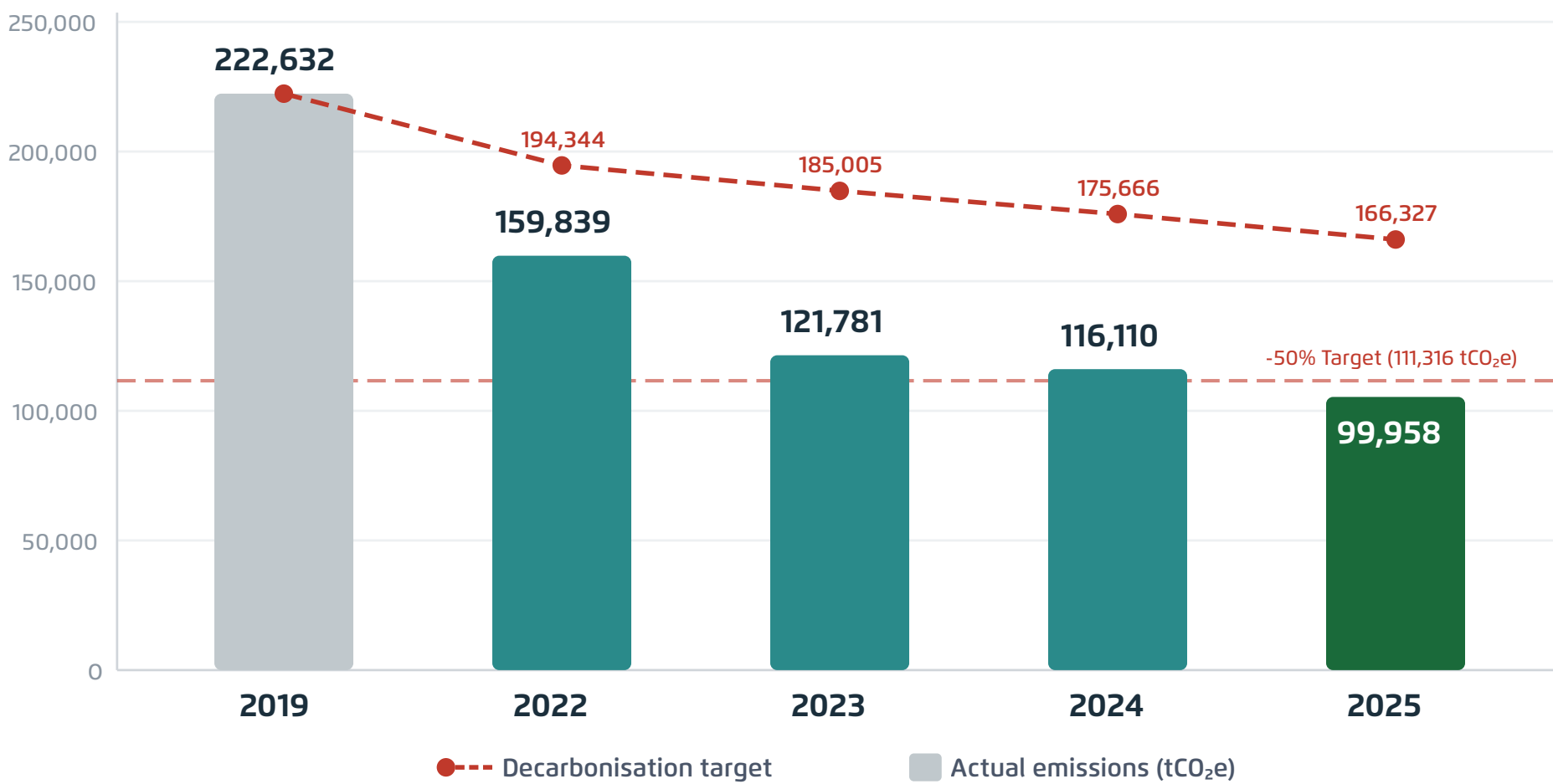
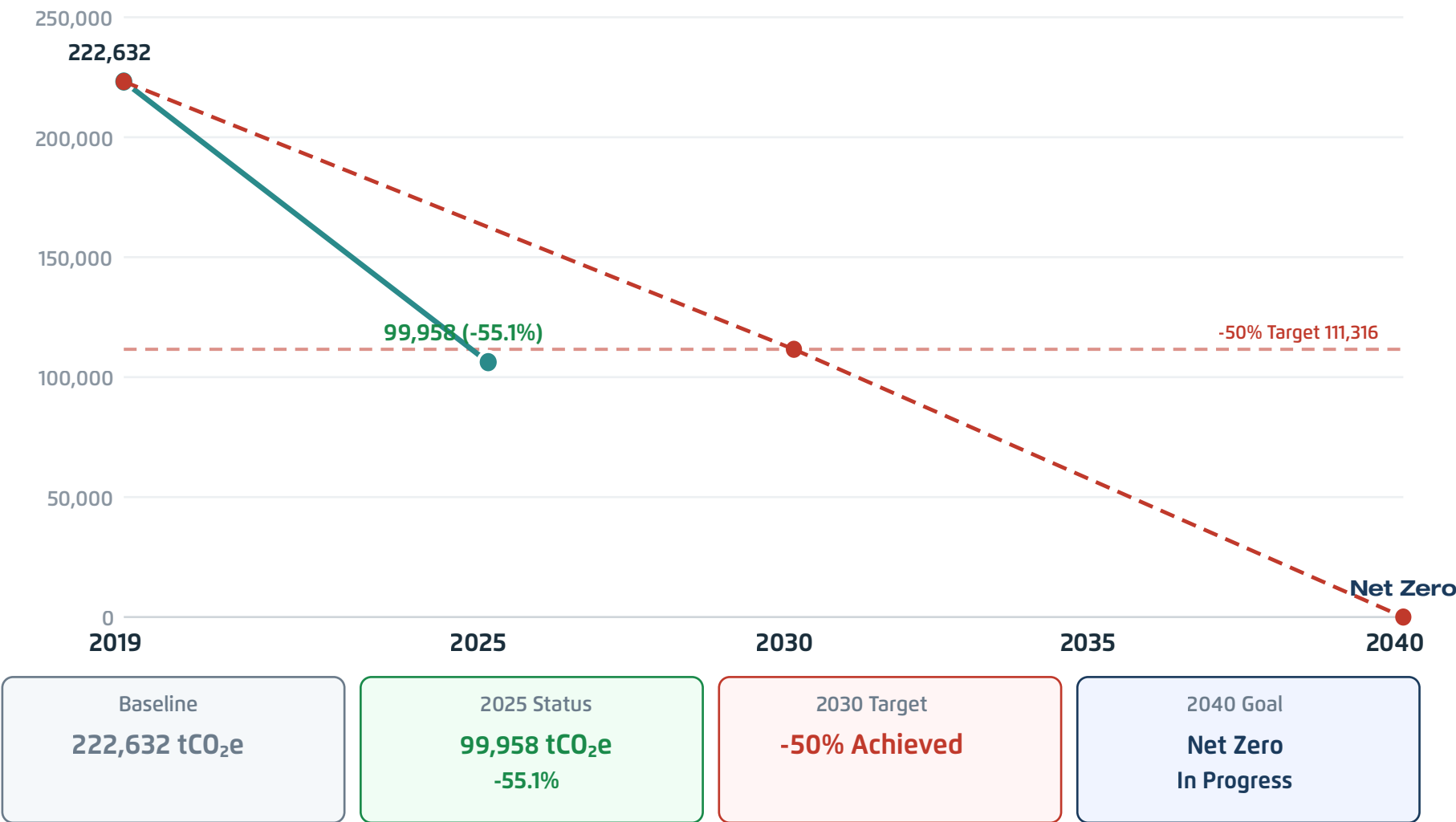


Figure 8.4b DEO Decarbonisation trajectory 2019-2040 (Net Zero)



Emissions of ozone-depleting substances (ODS)

GRI 305-6

In the 2025 reporting cycle, Distribuție Energie Oltenia did not generate emissions of ozone-depleting substances (ODS) within the meaning of the Montreal Protocol. The only refrigerant gases used in company equipment (reported under Scope 1, Table 8.5) are hydrofluorocarbons (HFCs), which have an ozone depletion potential (ODP) equal to 0 according to the IPCC AR5 classification and Regulation (EU) 2024/573 on fluorinated greenhouse gases. Accordingly, the value reported for GRI 305-6 is zero (CFC-11 equivalent: 0 kg).

GRI 305-7

Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions

Distribuție Energie Oltenia does not operate stationary combustion sources classified as large combustion plants under Directive 2010/75/EU on industrial emissions (Annex V), and the emissions relevant to GRI 305-7 (NOx, SOx, VOCs, particulates) originate exclusively from fuel combustion in the vehicle fleet and from office building heating systems. These sources are already fully accounted for within the Scope 1 inventory (Table 8.5: office buildings and vehicle fleet), and their aggregate contribution to national NOx and SOx emissions is non-material relative to sectoral thresholds (below the reporting limits of Annex VI of Law 278/2013, transposing the IED Directive). DEO will pursue the introduction of dedicated NOx/SOx reporting as part of the fleet modernisation cycle (replacement of diesel vehicles with hybrid/electric units) in 2026-2027.

Economic Performance (M)

GRI 201-2

Financial implications and other risks and opportunities due to climate change

Distribuție Oltenia conducted a rigorous process of identifying and analyzing climate risks, using a scenario-based approach for assessing the potential impact on operations, infrastructure and the value chain. The analysis was aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), thus ensuring a structured and transparent assessment of climate risks.

The analysis process was supported by a clear governance structure: validation at top management level, cross-functional working teams (involving representatives from the strategy, risk, financial, operations and sustainability departments) and workshops with the participation of ESG Ambassadors, organized in accordance with ESRS requirements in order to facilitate understanding of climate change and identification of relevant risks.

The analysis process included a detailed assessment of climate risks that can affect current operations, distribution infrastructure and organizational reputation. Two principal categories were considered: physical climate risks (associated with extreme weather events: floods, droughts, heatwaves) and transition risks (generated by changes in regulations, technologies or consumer preferences, in the context of the transition towards a low-carbon economy).

Representatives from relevant departments identified and assessed climate risks specific to the company, based on a thorough understanding of the business model. The qualitative assessment and ranking were carried out on the basis of the same evaluation system used in the current risk management system, through evaluation on a scale of 1 to 5 of probability and impact. For each climate risk identified, the assessment took into consideration two essential dimensions: exposure (the degree to which infrastructure and operations are susceptible to being affected) and vulnerability (the organization's capacity to withstand or adapt).

To ensure a robust assessment compliant with the requirements of the European Sustainability Reporting Standards (ESRS E1, Climate Change), two types of climate scenarios were selected: the high-emissions scenario (IPCC SSP5/RCP8.5), which assumes the continued intensive use of fossil fuels, with severe effects such as the intensification of extreme events, and the low-emissions scenario (IEA Net Zero by 2050), which aims to limit global warming to 1.5°C, in accordance with the objectives of the Paris Agreement. In cases where data were not available in both scenarios, projections from the business-as-usual scenario (IPCC RCP 4.5) were used.

From a total of 90 climate risks identified, assessed and analyzed within the selected climate scenarios, Distribuție Oltenia determined that 7 risks are the most relevant for its activity.

The selection of time horizons (short, medium and long term) is based on the availability of scientific data and relevant projections: short term (2025-2030) for the assessment of immediate impacts and rapid adaptation measures, medium term (2030-2040) covering the period after reaching the first major objective of the Paris Agreement, and long term (2040-2050) coinciding with the objectives of achieving climate neutrality.

The scenario-based analysis provided a thorough understanding of how climate change can influence the company's operations, infrastructure and development strategies.

This exercise enables Distribuție Oltenia to consolidate adaptation plans and proactively manage climate risks, in line with international reporting standards and best practices in sustainability. The detailed results of the scenario analysis are presented in the DEO Sustainability Report 2024 (Chapter 8, Climate Risks section).

Developed in 2025 and subject to annual updating, the Climate Change Adaptation Plan represents the strategic pillar for consolidating operational resilience. Grounded in the climate scenario analyses carried out during 2024-2025, the document sets out the lines of action for the 2025-2030 period. This dynamic framework is progressively operationalized through monitoring mechanisms that are constantly evolving, ensuring the permanent alignment of the company with new climate data and business realities.

Materials

Materials management is integrated into the sectoral procurement process, with consumption monitored by principal category (conductors, poles, transformers, equipment). DEO pursues the optimization of material use and an increased share of recycled materials.

Materials used by weight or volume

GRI 301-1

Recycled input materials used

GRI 301-2

Reclaimed products and their packaging materials

GRI 301-3

Distribuție Energie Oltenia uses a diverse range of materials specific to the electrical energy distribution sector in its operational activities. The principal categories include: electrical conductors (copper, aluminum), concrete and metallic poles, transformers, protection and switching equipment, underground cables, and auxiliary materials (insulators, clamps, supports).

During 2025, the principal materials consumed in distribution operations were:

Table 8.9 Materials consumed 2025

Material	Unit	Quantity 2025
Transformer oil (new, fresh)	liters	16,785
Electrical cables (copper)	tonnes	41.39
Electrical cables (aluminum)	tonnes	569.50
Concrete poles	pcs.	4,951
Wooden poles	pcs.	478
Insulators	pcs.	6,261
Transformers (new)	pcs.	130
SF ₆ - procured (refilled in equipment)	kg	44.5
Concrete (foundations)	m ³	302

Figure 8.5 Materials consumed in DEO operations 2025



In 2025, the volume of materials used reflects the complexity of DEO’s operations. The quantities reported represent consumption consolidated at company level, encompassing both the materials required for recurring network operation and maintenance activities (OpEx) and the significant volumes processed through the investment program for the expansion and undergrounding of electrical infrastructure (CapEx). The categories of reclaimed transformer oil and steel poles were not quantitatively reported in the 2025 reporting cycle.

Waste (M)

Management of material topics

Table 8.10 Management approach: waste

GRI Standard / Other source	Impact aspect	Impact definition	Human Rights
GRI 306	Waste	The use of potentially hazardous substances in distribution network maintenance activities may lead to soil and water source contamination.	Yes

The management approach remained unchanged from the previous reporting cycle. DEO’s activities also generate hazardous waste, such as insulating oil, lead batteries or decommissioned equipment containing hazardous components. All waste is managed in accordance with applicable national legislation, by applying all necessary measures to minimize the impact on the environment.

Waste generation and significant waste-related impacts

Waste-generating activities within DEO are represented by investment and maintenance work, as well as by activities carried out within administrative headquarters. In the terms of reference for waste-generating services and works, a separate chapter is included dedicated to the manner in which these are managed.

DEO’s activity also results in hazardous waste, such as insulating oil, lead batteries or decommissioned equipment with hazardous components, managed in accordance with applicable legislation, by taking all necessary measures to minimize the impact on the environment, such as provision of absorbent materials and containers for separate collection.

As there is a well-defined process for waste management within DEO, we consider that waste-generating activities do not have a significant impact on the environment. DEO has identified the legal requirements relating to waste management across the entire chain, from generation to recovery/ disposal, and has implemented a system for verifying their traceability. The entire management flow is regulated internally through the Operational Procedure “Waste Management”.

Management of significant waste-related impacts

Prevention and management actions

DEO has undertaken actions included annually in a program of measures for reducing resource consumption and minimizing generated waste, among which are encouraging the reuse of spare parts resulting from maintenance and investment work. At the procurement level, materials and equipment are selected considering their service life, giving priority to those with greater longevity, in order to reduce the quantities of waste generated over time.

Waste resulting from investment and maintenance work is managed by external contractors who carry out these activities, the specifications for contracting such work including specific requirements regarding waste management.

GRI 306-2-b Management of waste generated by third parties

Waste generated from DEO’s operations within its operating area is managed by a single external service provider, licensed in accordance with applicable legislation. The contract and terms of reference for waste management include requirements and obligations aligned with relevant legislation, incorporating performance indicators for the service provider, with DEO retaining the right to conduct periodic audits to verify compliance with legal requirements.

GRI 306-2-c Processes used to collect and monitor waste-related data

DEO designated by decision the persons responsible for waste management in each of the seven counties in the operational area (Argeş, Dolj, Gorj, Mehedinţi, Vâlcea, Olt, Teleorman), trained in accordance with the provisions of GEO 92/2021 on the waste regime. The storage of energy equipment withdrawn from installations is carried out on the 12 concrete platforms, equipped with hydrocarbon separators, owned by the company in the 7 counties.

The process of collecting data on generated and recovered waste is conducted in accordance with legal requirements: at generation, a waste management record sheet is drawn up in accordance with GD 856/2002; at handover of waste, a weighbridge ticket, annexes 1, 2 and 3 in accordance with GD 1061/2008, a goods dispatch note and a tax invoice are used; for recovery/disposal, a centralized statement of collected waste and the management method applied is requested annually.

Through the waste audit carried out annually, the manner in which waste traceability is ensured in accordance with contractual requirements and legal provisions is verified, by sample. Following the audit, compliance with environmental legislation relating to waste management was confirmed, without the recording of non-conformities. The quantitative statement is extracted from the record sheets and verified through correlation with data from the ERP system.

GRI 306-3 Waste generated

In 2025, DEO generated a total of 874.07 tonnes of waste, of which 401.32 tonnes hazardous waste (45.9%) and 472.75 tonnes non-hazardous waste (54.1%). Compared to 2024, when the total quantity was 1,184.78 tonnes, a decrease of 26.2% (–310.71 tonnes) is recorded, reflecting the efficiency gains in maintenance processes and the programs for extending the service life of network equipment.

Composition of waste by EWC codes

Table 8.11 Composition of Waste by EWC Codes

Waste composition	Generated (t) GRI 306-3-a	Diverted from disposal (t) GRI 306-4-a	Directed to disposal (t) GRI 306-5-a
HAZARDOUS WASTE			
Used oils (code 13 03 07*)	65.47	65.47	0
Decommissioned equipment with hazardous components (16 02 13*)	335.85	335.85	0
Subtotal hazardous	401.32	401.32	0
NON-HAZARDOUS WASTE			
Iron and steel (17 04 05)	133.98	133.98	0
Wood (17 02 01)	36.49	36.49	0
Paper and cardboard (20 01 01)	0.04	0.04	0

Waste composition	Generated (t) GRI 306-3-a	Diverted from disposal (t) GRI 306-4-a	Directed to disposal (t) GRI 306-5-a
Plastics (17 02 03)	1.50	1.50	0
Copper (17 04 01)	0.02	0.02	0
Aluminum (17 04 02)	29.46	29.46	0
Cables (17 04 11)	156.27	156.27	0
Decommissioned non-hazardous equipment (16 02 14)	62.51	62.51	0
Construction waste (17 01 07)	51.31	51.31	0
Plastics and rubber (19 12 04)	0.10	0.10	0
WEEE (20 01 36)	1.02	1.02	0
Subtotal non-hazardous	472.75	472.75	0
TOTAL WASTE 2025	874.07	874.07	0

The principal categories of hazardous waste were decommissioned electrical equipment containing hazardous substances (335.85 tonnes) and used oils from transformers (65.47 tonnes). In the category of non-hazardous waste, the largest share was held by decommissioned electrical cables (156.27 tonnes), iron and steel (133.98 tonnes) and decommissioned equipment without hazardous components (62.51 tonnes).

The distribution of quantities of generated waste by county, in comparison with the previous year:

Table 8.12 Waste Generated by County 2024-2025

County	2025 (tonnes)	2024 (tonnes)	Variation	Recovery
Argeş	176.42	271.57	-35.1%	R12
Dolj	228.84	199.50	+14.7%	R12
Gorj	199.07	111.05	+79.3%	R12
Mehedinţi	24.55	72.86	-66.3%	R12
Olt	64.59	262.71	-75.4%	R12
Teleorman	106.72	187.61	-43.1%	R12
Vâlcea	73.88	79.49	-7.1%	R12
Total DEO	874.07	1,184.78	-26.2%	R12 (100%)

Waste diverted from disposal

GRI 306-4

Waste directed to disposal

GRI 306-5

The entire quantity of 874.07 tonnes of waste was handed over to an external contractor authorized from an environmental protection perspective, in accordance with applicable legislation, with recovery operations carried out off-site. The recovery operation applicable to all waste handed over, both hazardous and non-hazardous, is R12, other recovery operations, as defined under GEO No. 92/2021 on the waste regime.

Both in 2025 and in 2024, the entirety of generated waste was directed towards recovery (100%). Zero tonnes of waste were directed to disposal in both reporting years.

GRI 2-27

Compliance with laws and regulations

In accordance with Law No. 17/2023 for the approval of GEO No. 92/2021, waste handed over to the external contractor is recovered through operation R12, given that all generated waste is recoverable. For 2025, no inspections were carried out by the National Environmental Guard through county commissariats, and no sanctions or penalties were imposed by environmental authorities regarding the waste regime.

Biodiversity (M)

GRI 3-3

Management of material topics

Table 8.13 Management approach: biodiversity

GRI Standard / Other source	Topic	Impact definition	Human Rights
GRI 101	Biodiversity	Network maintenance activities, including the clearing of safety corridors, may have negative effects on natural habitats and biodiversity in the area of activity.	No

This chapter reports in accordance with the new GRI 101: Biodiversity 2024 standard, applicable to reports published from 1 January 2026 onwards, which replaces GRI 304: Biodiversity 2016. This standard requires significantly more detailed reporting on: the organization’s policies and commitments, the location of operations in relation to areas of high biodiversity value, impact management, ecosystem services, financial effects and compliance monitoring.

Note on data comparability: The data presented in this section are not directly comparable with those reported in previous cycles (2019–2024). This break in comparability is intentional and assumed, being the direct consequence of the transition from the former GRI 304: Biodiversity 2016 to the new GRI 101: Biodiversity 2024 (the standard applicable from 1 January 2026). GRI 304 permitted the reporting of individual and isolated actions (for example, ‘installation of 100 stork nests’), while the new standard fundamentally changes the reporting paradigm: requiring the management of impacts through the mitigation hierarchy, location-specific reporting on operations in relation to biodiversity areas, identification of the direct drivers of biodiversity loss, and assessment of effects on ecosystem services. Consequently, any direct numerical comparison with the indicators of previous reports would be methodologically incorrect. DEO considers that this evolution represents an essential qualitative advance in the transparency of biodiversity reporting.

GRI 101-1

Policies to halt and reverse biodiversity loss

DEO, through its ESG policy, on the basis of the pillar “Care for the surrounding environment”, aims to evaluate impacts on biodiversity in protected areas and gives priority to measures aimed at protecting biodiversity and habitats. The company’s commitments include protecting natural habitats through impact assessment prior to any new infrastructure; reducing ecosystem fragmentation through appropriate network design; adopting sustainable technologies (insulation of electrical lines for bird protection); and compliance with legal requirements, including correction of any non-compliance.

All investment projects that involve installation, maintenance or operation of poles and aerial electrical lines in proximity to or within protected areas are strictly regulated in accordance with Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, as amended by Directive 2014/52/EU, transposed into national legislation through Law No. 292/2018. During 2025, there were no investment projects that required an environmental impact study or an appropriate assessment.

Management of biodiversity impacts

The principal measures for the protection of biodiversity implemented by DEO include avoidance of sensitive areas at the design stage, insulation of poles and lines to prevent electrocution, burial of cables in areas with critical impact, and management of safety corridors with respect for nesting periods.

In accordance with the approved program for environmental restoration work 2025, the following were carried out:

Table 8.14 Environmental restoration work 2025

Measure	County	Quantity (pcs.)
Installation of anti-bird sleeves	Dolj	48
Installation of stork nest supports	Teleorman	37
Installation of stork nest supports	Mehedinți	16
Installation of stork nest supports	Gorj	20
Installation of stork nest supports	Vâlcea	7

Biodiversity budget allocated 2025: 425,500 LEI. For 2025 no penalties or fines were imposed for failure to comply with the legal requirements in accordance with GEO no. 57/2007.

Access and benefit-sharing

Distribuție Energie Oltenia does not explore, extract or utilize genetic resources or traditional knowledge associated with genetic resources, as defined under the Nagoya Protocol. The company’s activities are limited to the operation and maintenance of the electricity distribution network.

Identification of biodiversity impacts

DEO uses an integrated geographical information system (GIS) that automatically overlays network elements with Natura 2000 data layers, natural protected areas and critical habitats. The latest update of the Natura 2000 layer used data from the European Environment Agency (EEA, 2024). The DEO GIS platform is publicly accessible and auditable.

GRI 101-5

Locations with biodiversity impacts

In DEO operational zone, in the seven counties, the following were identified:

Table 8.15 Protected areas in DEO operational zone

Protected area category	Number	IUCN classification
Protected areas of national interest (national parks, nature reserves, natural monuments)	173	Cat. I-IV
Sites of community importance (SCI)	58	Cat. IV
Special protection areas for birds (SPA)	23	Cat. IV
International wetlands (RAMSAR)	7	-
Biosphere reserves (UNESCO)	1	-

Interaction of energy infrastructure with protected areas, according to GIS data (February 2026):

Table 8.16 Interaction of infrastructure with Natura 2000 protected areas

Voltage level	OHL length in/near protected areas (km)	Poles
High voltage (110 kV)	633	1,876
Medium voltage (20 kV)	1,498	21,527
Low voltage (0.4 kV)	1,213	37,066

GRI 101-6

Direct drivers of biodiversity loss

In accordance with the IPBES methodology adopted by GRI 101, the organization has assessed the direct drivers that generate or may generate biodiversity loss as a result of its electricity distribution activities:

- (a) Land-use change: This represents the primary direct impact driver generated by DEO’s operations. It materializes through the need to establish and maintain safety corridors for overhead power lines (OHL), which involves vegetation management (controlled clearing). The ecological effect consists in the potential fragmentation of forest habitats and the creation of edge effects. The footprint of this driver overlaps with the cumulative 3,344 km of OHL located within or in the vicinity of protected areas (Table 8.15).
- (b) Pollution: This represents a potential negative factor, generated by the risk of accidental leaks of electro-insulating oils from transformers or improper management of hazardous waste. This direct driver is technologically mitigated through the installation of retention basins and hydrocarbon separators at substations, the use of absorbent materials, and outsourced maintenance contracts with specialized service providers, in accordance with internal procedure „Identification, treatment, and elimination of oil leaks from energy equipment at DEO installations”.
- (c) Resource exploitation and invasive species: The company does not carry out natural resource exploitation activities (hunting, fishing, extraction) and there is no evidence of facilitating the introduction of alien invasive species through current operations.

The mitigation measures applied follow the mitigation hierarchy (avoid, minimize, restore) in accordance with GRI 101-2 requirements: avoiding sensitive areas during the investment design phase, insulating poles and lines to prevent electrocution (anti-bird sleeves), burying cables in areas with critical impact, and managing the works schedule in compliance with nesting periods. In 2025, specific protection measures were implemented (Table 8.16), with a dedicated budget of LEI 425,500.

Changes to the state of biodiversity

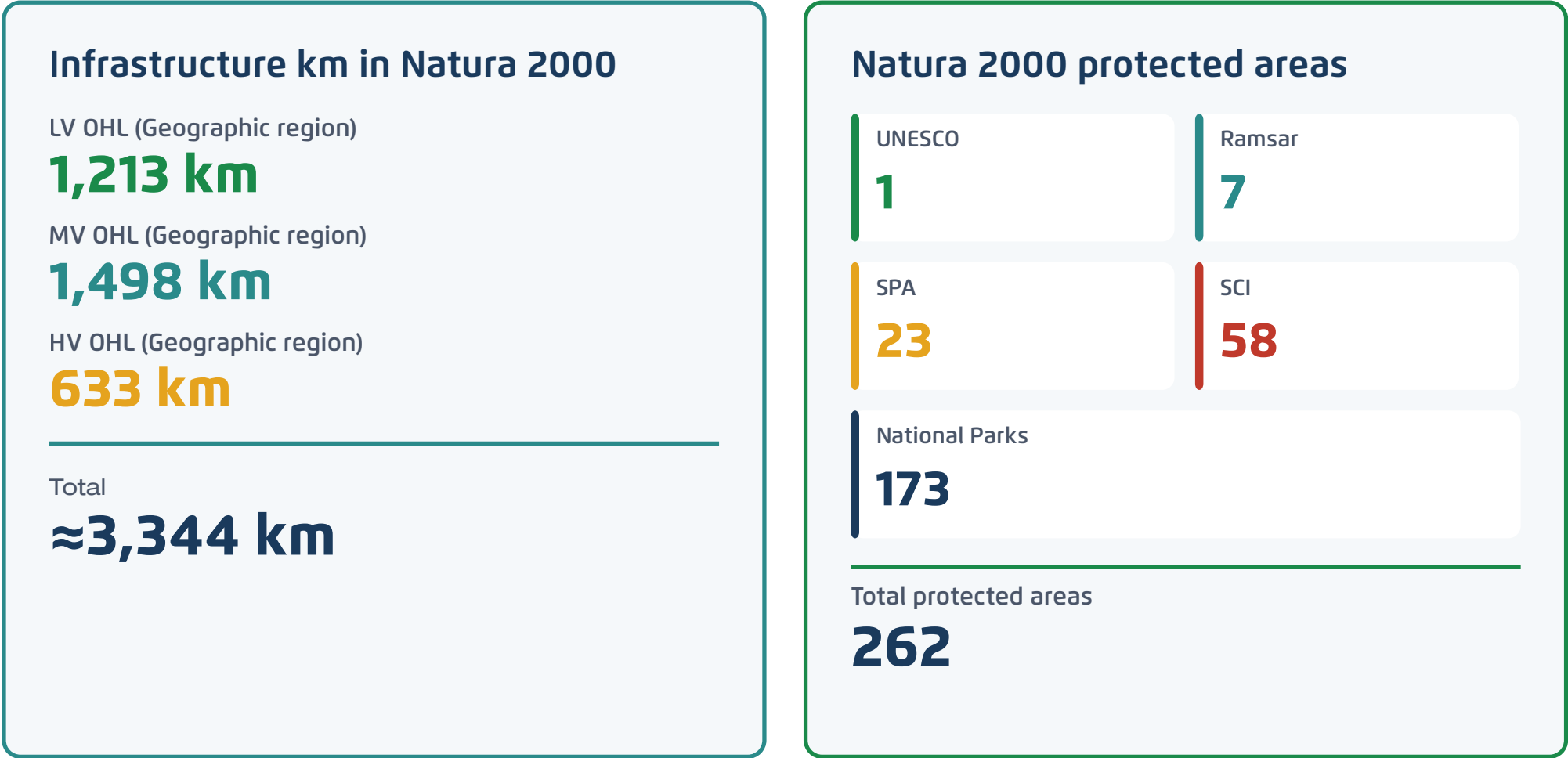
Given the early adoption of GRI 101:2024, reporting year 2025 constitutes the baseline year for the geospatial assessment of changes in ecosystem condition within DEO’s license area.

Species at risk of extinction (assessed according to the IUCN Red List and the annexes of GEO 57/2007) that directly interact with DEO’s infrastructure include: white stork (*Ciconia ciconia*), black stork (*Ciconia nigra*), golden eagle (*Aquila chrysaetos*), peregrine falcon (*Falco peregrinus*), saker falcon (*Falco cherrug*), Slavonian grebe (*Podiceps auritus*), great bustard (*Otis tarda*), Dalmatian pelican (*Pelecanus crispus*), and great white pelican (*Pelecanus onocrotalus*), all listed under Annex I of the Birds Directive (2009/147/EC) or in national protection lists.

From an operational perspective, DEO does not conduct biological censuses to assess fauna population sizes, as this legal responsibility falls to protected area custodians and environmental authorities. The organization uses as monitoring indicators the evolution of artificial habitats (active nests) supported on network poles and field observations by operational teams during routine maintenance activities. Any change in the condition of infrastructure supporting these species (deterioration of nests or poles equipped with protective devices) is reported in accordance with internal intervention procedures to the county exploitation centers (CEJ).

In 2025, no significant changes in habitat or population status were reported within the operating area, according to information received from the Natura 2000 area custodians across the seven counties. The company plans to develop, starting in 2026, a biodiversity monitoring protocol integrated with the existing GIS platform, enabling systematic recording of avifaunal incidents, mapping of high-risk zones, and periodic reporting of condition indicators.

Figure 8.6 DEO Infrastructure in Natura 2000 Protected Areas and Distribution of Protected Areas



GRI 101-8 Ecosystem services

The systematic assessment of DEO’s operational dependencies and impacts on ecosystem services (climate regulation, erosion control, pollination, water quality regulation) is currently under development. In the 2025 reporting cycle, the company implemented targeted protection measures (anti-bird sleeves, nest supports, underground cables in sensitive areas) that indirectly contribute to maintaining local ecosystem services. A structured assessment methodology, compliant with GRI 101-8 requirements, will be integrated into the 2026 reporting cycle.

GRI 2-27 Compliance with laws and regulations

Distribuție Energie Oltenia maintains an Environmental Management System certified in accordance with ISO 14001, audited externally on a periodic basis. Compliance with environmental legislation is continuously monitored through internal procedures, and any environmental incident is subject to investigation and implementation of corrective actions.

Table 8.17 Environmental Compliance and Certifications

	2025	2024
Environmental fines (LEI)	0	0
Non-monetary sanctions	0	0
Inspections by the National Environmental Guard	0	0
Environmental non-conformities identified	0	0

In 2025, Distribuție Energie Oltenia did not record any environmental non-conformities, fines or non-monetary sanctions under applicable environmental legislation. No inspections or checks were carried out by the National Environmental Guard, through county commissariats, in any of the company’s seven counties from its operational area. The Environmental Management System certified ISO 14001 was maintained without deviations identified at the periodic external audit.



ANNEX 1

GRI Content Index

Statement of Use	Distribuție Energie Oltenia S.A. has reported in accordance with the GRI Standards for the period 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable. No GRI Sector Standard is currently available for the Electric Utilities. Sector-specific reporting follows the GRI G4 Electric Utilities Sector Disclosures.



CONTENT INDEX ESSENTIALS SERVICE

2026

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.	UN SDG TARGETS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 7					
	2-2 Entities included in the organization's sustainability reporting	p. 7					
	2-3 Reporting period, frequency and contact point	p. 7; 37					
	2-4 Restatements of information	p. 8; 26					
	2-5 External assurance	p. 37					
	2-6 Activities, value chain and other business relationships	p. 8					
	2-7 Employees	p. 13; 55					8.5; 10.3
	2-8 Workers who are not employees	p. 13; 55					8.5
	2-9 Governance structure and composition	p. 7; 30					5.5; 16.7
	2-10 Nomination and selection of the highest governance body	p. 30					5.5; 16.7
	2-11 Chair of the highest governance body	p. 30					16.6
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 30					16.7
	2-13 Delegation of responsibility for managing impacts	p. 30					
	2-14 Role of the highest governance body in sustainability reporting	p. 30					
	2-15 Conflicts of interest	p. 31					16.6
	2-16 Communication of critical concerns	p. 31					
	2-17 Collective knowledge of the highest governance body	p. 31					
	2-18 Evaluation of the performance of the highest governance body	p. 31					
	2-19 Remuneration policies	n/a	Entire disclosure	Confidentiality constraints	Considering the confidentiality clauses in the employment/mandate contracts and the internal decisions in accordance with the applicable legislation, DEO is not entitled to disclose this information.		
	2-20 Process to determine remuneration	n/a					
	2-21 Annual total compensation ratio	n/a					
	2-22 Statement on sustainable development strategy	p. 16					
	2-23 Policy commitments	p. 18					
	2-24 Embedding policy commitments	p. 18					
	2-25 Processes to remediate negative impacts	p. 18					
	2-26 Mechanisms for seeking advice and raising concerns	p. 34					
	2-27 Compliance with laws and regulations	p. 19; 77; 79					
	2-28 Membership associations	p. 31; 67					
	2-29 Approach to stakeholder engagement	p. 38; 49					
	2-30 Collective bargaining agreements	p. 62					
MATERIAL TOPICS							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 40					
	3-2 List of material topics	p. 42					
Access							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 49					1.4; 7.1
GRI G4: Electric Utilities Sector Disclosures	EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	p. 49					
Availability and Reliability							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 50					
GRI G4: Electric Utilities Sector Disclosures	EU10 Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	p. 50					7.1
Economic Performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 8					

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	p. 8					8.1; 8.2; 9.1; 9.4; 9.5
	201-2 Financial implications and other risks and opportunities due to climate change	p. 20; 74					13.1
	201-3 Defined benefit plan obligations and other retirement plans	n/a	Entire disclosure	Not applicable	Romanian employees benefit from the national public pension system administered by Casa Națională de Pensii Publice (CNPP) under Law 263/2010 (Pillar I, mandatory state pension), supplemented by Pillar II (mandatory private pension funds, Law 411/2004) and Pillar III (voluntary private pension funds, Law 204/2006). DEO contributes the legally mandated social security contributions to all three pillars; no separate defined benefit plan is operated by the company.		1.3; 5.4; 8.5
	201-4 Financial assistance received from government	p. 9					
Occupational Health and Safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 57					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 58					
	403-2 Hazard identification, risk assessment, and incident investigation	p. 58					8.8
	403-3 Occupational health services	p. 58					8.8
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 58					8.8; 16.7
	403-5 Worker training on occupational health and safety	p. 58					8.8
	403-6 Promotion of worker health	p. 59					3.3; 3.5; 3.7; 3.8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 59					8.8
	403-8 Workers covered by an occupational health and safety management system	p. 59					8.8
	403-9 Work-related injuries	p. 59					3.6; 3.9; 8.8; 16.1
	403-10 Work-related ill health	p. 60					3.3; 3.4; 3.9; 8.8; 16.1
Indirect Economic Impacts							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 11					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	p. 11; 51					
	203-2 Significant indirect economic impacts	p. 11; 52					
Green Energy Investments							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 52					
DEO-specific topic: Green Energy Investments	NON-GRI-1 Investments in green energy	p. 52					7.2; 8.4
	NON-GRI-2 Support for prosumers	p. 52					7.2; 8.4
	NON-GRI-3 Investment in EV charging infrastructure	p. 52					
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 71					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 71					3.9; 12.4; 13.1; 14.3; 15.2
	305-2 Energy indirect (Scope 2) GHG emissions	p. 72					3.9; 12.4; 13.1; 14.3; 15.2
	305-3 Other indirect (Scope 3) GHG emissions	n/a	Entire disclosure	Information unavailable/incomplete	Scope 3 GHG emissions calculation is currently under development at DEO. The methodology selection (GHG Protocol Scope 3 categories), data collection framework (supplier engagement for upstream categories, lifecycle assessment for capital goods) and quantification model are being established as part of the Net Zero road-map. Specific information that is unavailable: quantitative values for all 15 Scope 3 categories (305-3-a through 305-3-g). Steps being taken: (i) data collection roadmap defined for FY2026, (ii) supplier ESG questionnaire integrated into procurement process, (iii) GHG Protocol Scope 3 methodology selected.		3.9; 12.4; 13.1; 14.3; 15.2
	305-4 GHG emissions intensity	p. 73					13.1; 14.3; 15.2
	305-5 Reduction of GHG emissions	p. 73					13.1; 14.3; 15.2
	305-6 Emissions of ozone-depleting substances (ODS)	p. 73					3.9; 12.4
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	p. 74					3.9; 12.4; 14.3; 15.2
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 70					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 70					7.2; 7.3; 8.4; 12.2; 13.1
	302-2 Energy consumption outside of the organization	n/a	Entire disclosure	Not applicable	The activity of regulated distribution does not involve selling energy products or services to end-users (electricity supply is performed by separate suppliers under the unbundling principle). Out-of-organization energy consumption is therefore not material to DEO's operations and cannot be meaningfully quantified within the scope of distribution activities.		7.2; 7.3; 8.4; 12.2; 13.1
	302-3 Energy intensity	p. 70					7.3; 8.4; 12.2; 13.1
	302-4 Reduction of energy consumption	p. 71					7.3; 8.4; 12.2; 13.1
	302-5 Reductions in energy requirements of products and services	n/a	Entire disclosure	Not applicable	DEO is a regulated electricity distribution operator and does not sell energy products or services to end-users (electricity supply is performed by separate suppliers under the unbundling principle, Law 123/2012). The disclosure is therefore structurally not applicable to DEO's operations.		7.3; 8.4; 12.2; 13.1
Employment							

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 55					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 55					5.1; 8.5; 8.6; 10.3
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 56					1.3; 5.4; 8.5
	401-3 Parental leave	p. 56					5.1; 5.4; 8.5
Market Presence							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 11					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	n/a	Entire disclosure	Confidentiality constraints	DEO does not disclose this ratio due to confidentiality restrictions arising from the Collective Bargaining Agreement (CBA). Remuneration is negotiated within the CBA framework with the representative trade union; the salary grid and intra-category wages are treated as commercially sensitive employment data. Without disclosing the specific ratio, it is confirmed that DEO's minimum pay grade exceeds the gross national minimum wage across all occupational categories and operating locations.		1.1; 5.1; 8.5
	202-2 Proportion of senior management hired from the local community	p. 11					8.5
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 75					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 75					3.9; 6.3; 6.6; 11.6; 12.4; 12.5
	306-2 Management of significant waste-related impacts	p. 75-76					3.9; 6.3; 8.4; 11.6; 12.4; 12.5
	306-3 Waste generated	p. 76					3.9; 6.6; 11.6; 12.4; 12.5; 15.1
	306-4 Waste diverted from disposal	p. 76					3.9; 11.6; 12.4; 12.5
	306-5 Waste directed to disposal	p. 76					3.9; 6.6; 11.6; 12.4; 12.5; 15.1
Customer Data Protection							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 48					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 48					16.3; 16.10
System Efficiency							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 71					
GRI G4: Electric Utilities Sector Disclosures	EU12 Transmission and distribution losses as a percentage of total energy	p. 71					7.3
Diversity and Equal Opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 61					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 61					5.1; 5.5; 8.5
	405-2 Ratio of basic salary and remuneration of women to men	n/a	Entire disclosure	Confidentiality constraints	DEO operates as a regulated electricity distribution operator (Law 123/2012, articles 42-49) under the supervision of the Romanian Energy Regulatory Authority (ANRE). Employee remuneration is determined exclusively by the salary grid annexed to the Collective Bargaining Agreement (CBA) negotiated with the representative trade union; base salary depends on grid classification, not gender. The intra-category female-to-male base salary ratio is structurally 1:1 by construction. A company-wide aggregate ratio would reflect occupational distribution within the regulated electricity distribution sector (NACE D35.13, historically male-dominated in technical operational roles: linemen, dispatchers, network engineers) rather than gender-based pay differentiation, with material risk of misinterpretation. Additionally, aggregate payroll structure data of regulated distribution operators is treated as commercially sensitive under ANRE accounting-separation regulations (Order ANRE 22/2018 and subsequent amendments). DEO maintains a strict equal-pay policy (Chapter 6) and conducts annual internal pay-equity reviews; results are referenced in aggregate form without disclosure of the pay ratio.		5.1; 5.5; 8.5; 10.3
Communication with Consumers/Users							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 49					
DEO-specific topic: Communication with consumers/users	NON-GRI-4 Opening of new User Relations Centers (URCs)	p. 49					7.1; 12.8
	NON-GRI-5 Development of company sites and IT applications	p. 49					7.1; 12.8
	NON-GRI-6 Improvement of CRU and Call Center personnel training	p. 49					
	NON-GRI-7 Better promotion of company services and special offers	p. 49					7.1; 12.8
Ethical Conduct							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 33					
DEO-specific topic: Ethical Conduct	NON-GRI-13 Number of grievances registered within the whistleblowing system; status of grievances	p. 34					5.1; 5.5; 8.7; 16.5
Training and Education							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 60					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 60					4.3; 4.4; 4.5; 5.1; 8.2; 8.5; 10.3
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 60					8.2; 8.5
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 60					5.1; 8.5; 10.3
Local Communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 65					

GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	p. 65					
	413-2 Operations with significant actual and potential negative impacts on local communities	p. 66					1.3; 2.3
Customer Health and Safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 47					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p. 47					
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	p. 47					16.3
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 32					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 33					16.5
	205-2 Communication and training about anti-corruption policies and procedures	p. 32					16.5
	205-3 Confirmed incidents of corruption and actions taken	p. 33					16.5
Non-discrimination							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 61					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 62					5.1; 8.8
Biodiversity							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 77					
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	p. 77					6.6; 14.2; 15.1; 15.5
	101-2 Management of biodiversity impacts	p. 77					6.6; 14.2; 15.1; 15.5
	101-3 Access and benefit-sharing	p. 77					15.6
	101-4 Identification of biodiversity impacts	p. 77					6.6; 14.2; 15.1; 15.5
	101-5 Locations with biodiversity impacts	p. 78					6.6; 14.2; 15.1; 15.5
	101-6 Direct drivers of biodiversity loss	p. 78					6.6; 14.2; 15.1; 15.5
	101-7 Changes to the state of biodiversity	p. 78					6.6; 14.2; 15.1; 15.5
	101-8 Ecosystem services	p. 79					6.6; 14.2; 15.1; 15.5
Innovation and Digitalization							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 49					
DEO-specific topic: Innovation and Digitalization	NON-GRI-10 Network digitalization	p. 49					7.3; 9.4
	NON-GRI-11 Customer-facing digital services	p. 49					7.1; 12.8
	NON-GRI-12 Digitalization KPIs	p. 49					

Additional Disclosures Reported Voluntarily (Non-Material Topics)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.	UN SDG TARGETS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Procurement Practices							
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	p. 12					8.3
Anti-competitive Behavior							
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 19					16.3
Tax							
GRI 207: Tax 2019	207-1 Approach to tax	p. 11					1.1; 1.3; 10.4; 17.1; 17.3
	207-2 Tax governance, control, and risk management	p. 11					1.1; 1.3; 10.4; 17.1; 17.3
	207-3 Stakeholder engagement and management of concerns related to tax	p. 11					1.1; 1.3; 10.4; 17.1; 17.3
	207-4 Country-by-country reporting	p. 11; 19					1.1; 1.3; 10.4; 17.1; 17.3
Materials							
GRI 301: Materials 2016	301-1 Materials used by weight or volume	p. 74					8.4; 12.2
	301-2 Recycled input materials used	p. 74					8.4; 12.2
	301-3 Reclaimed products and their packaging materials	p. 74					8.4; 12.2
Supplier Environmental Assessment							
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	p. 12					12.7
	308-2 Negative environmental impacts in the supply chain and actions taken	p. 12					12.7
Labor/Management Relations							
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	p. 62					8.8
Freedom of Association and Collective Bargaining							
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 62					8.8
Child Labor							
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	p. 62					8.7; 16.2
Forced or Compulsory Labor							
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 62					8.7
Security Practices							
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	p. 62					16.1
Human Rights Assessment							
Former GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	p. 62					
Supplier Social Assessment							
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p. 13					5.2; 8.8; 16.1
	414-2 Negative social impacts in the supply chain and actions taken	p. 13					5.2; 8.8; 16.1
Public Policy							
GRI 415: Public Policy 2016	415-1 Political contributions	p. 67					16.5
Marketing and Labeling							

GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	p. 48					
	417-2 Incidents of non-compliance concerning product and service information and labeling	p. 48					
	417-3 Incidents of non-compliance concerning marketing communications	p. 48					
Displacement and Compensation							
GRI G4: Electric Utilities Sector Disclosures	EU22 Number of people physically or economically displaced and compensation, broken down by type of project	p. 66					
Users accounts and infrastructure							
GRI G4: Electric Utilities Sector Disclosures	EU3 Number of residential, industrial, institutional and commercial customer accounts	p. 7; 50					
	EU4 Length of above and underground transmission and distribution lines by regulatory regime	p. 7					
	EU26 Percentage of population unserved in licensed distribution or service areas	p. 50					7.1
Outage frequency and duration							
GRI G4: Electric Utilities Sector Disclosures	EU28 Power outage frequency	p. 47					1.4; 7.1
	EU29 Average power outage duration	p. 47					1.4; 7.1
Contractor training and public safety							
GRI G4: Electric Utilities Sector Disclosures	EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	p. 60					
	EU25 Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	p. 48					3.6; 3.9
Workforce retirement eligibility							
GRI G4: Electric Utilities Sector Disclosures	EU15 Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	p. 57					8.5
EU Taxonomy and DNSH							
DEO-specific topic: EU Taxonomy and DNSH	NON-GRI-8 EU Taxonomy eligibility and alignment (Reg. 2020/852)	p. 20					
	NON-GRI-9 DNSH Principles (Do No Significant Harm)	p. 21					

ANNEX 2

Annex 2. Glossary of terms and definitions

The glossary below brings together the abbreviations, technical terms and concepts used in the 2025 Sustainability Report of Distribuție Energie Oltenia S.A., to facilitate understanding of the content by all categories of stakeholders.

Abbreviation	Title	Definition
ACUE	Federation of Energy Utility Companies	ACUE is an employers’ federation comprising two organizations whose members are companies specialising in the distribution and supply of electricity and natural gas. ACUE’s mission is to foster social dialogue, govern labor relations and working conditions, and strengthen a business environment favourable to the energy sector and, by extension, the entire economy. (www.acue.ro)
ADMS	Advanced Distribution Management System	The Advanced Distribution Management System (ADMS) is a software platform that supports the full suite of distribution management and optimisation functions. An ADMS includes features that automate fault restoration and optimize the performance of the distribution network.
AI	Artificial Intelligence	A field of computer science focused on developing systems capable of performing tasks that traditionally require human intelligence, such as speech recognition, decision-making, and natural language processing.
AL	Works Authorisation (Autorizarea Lucrărilor)	Internal process by which DEO approves the execution of works on electrical installations, in compliance with the applicable technical, organizational and safety conditions, in line with ANRE regulations and applicable OHS rules.
AM-POIM	Managing Authority for the Large Infrastructure Operational Programme	Structure within the Romanian Ministry of European Investments and Projects responsible for managing the Large Infrastructure Operational Programme, an EU funding instrument dedicated to investments in transport, environment and energy.
AML	Anti-Money Laundering	Prevention and combating of money laundering.
AMS	Asset Management System	The Asset Management System is an effective means of financial control over the department’s assets, providing information on the current status of the department’s key equipment.
ANPC	National Authority for Consumer Protection	Specialised body of the central public administration in Romania, under the Government, coordinating and implementing the Romanian Government’s strategy and policy in the field of consumer protection. (www.anpc.ro)
ANRE	National Energy Regulatory Authority	Autonomous public institution with legal personality, fully self-funded from own revenues and under parliamentary control, responsible for issuing the national regulations necessary for the functioning of the electricity, natural gas and thermal energy sectors, and for energy efficiency, under conditions of efficiency, competition, transparency and consumer protection. (www.anre.ro)
ANSPDCP	National Supervisory Authority for Personal Data Processing	An autonomous public authority with powers to monitor and enforce legislation on the protection of personal data (GDPR) at national level.

Abbreviation	Title	Definition
APM	Environmental Protection Agency	A public institution with legal personality under the authority of the National Environmental Protection Agency (ANPM), with regulatory, authorisation and control powers in the field of environmental protection at county level.
AS	Service Duties (Atribuții de Serviciu)	The set of tasks, responsibilities and competencies defined in the job description of each DEO employee, in accordance with the Internal Regulations and the Individual Labor Contract.
ASF	Financial Supervisory Authority	Autonomous Romanian administrative authority with legal personality, self-financed, independent, exercising authorisation, regulation, supervision and control powers over the markets of financial instruments, insurance and private pensions in Romania. (www.asfromania.ro)
ASPEN	Aspen Institute Romania	A non-governmental, non-profit association that aims to promote visionary leadership in Romania and the region and to encourage leaders to engage in open and informed debates on the challenges facing society. (www.aspeninstitute.ro)
ATR	Technical Connection Approval	Document issued by the distribution operator setting out the technical and economic conditions for connecting a user to the electricity distribution network, in accordance with ANRE Order no. 59/2013 and subsequent acts.
AmCham	American Chamber of Commerce	A business organization dedicated to promoting economic growth in Romania and strengthening trade and investment relations between Romania and the United States of America. (www.amcham.ro)
BLS	Basic Life Support	Set of first-aid manoeuvres and procedures applied in cases of cardiorespiratory arrest, without the use of advanced equipment, following the European Resuscitation Council protocols.
BRCC	British Romanian Chamber of Commerce	The British Romanian Chamber of Commerce, an organization promoting trade and investment relations between Romania and the United Kingdom. DEO has been a member since 2025.
BVB	Bucharest Stock Exchange	Market operator administering the regulated financial instruments market and the AeRO multilateral trading system in Romania, the country’s main capital markets exchange. (www.bvb.ro)
CAEN	Classification of Activities in the National Economy	Defines a system used at national level to organise and identify economic activities.
CAO	Chief Administrative Officer	A Chief Administrative Officer (CAO) is a C-suite executive responsible for managing an organization’s day-to-day administrative operations, internal infrastructure, and support functions, acting as a key, often de facto, partner to the CEO.
CAPEX	Capital Expenditure	Refers to capital expenditure incurred by a company to invest in the acquisition or modernisation of fixed assets, such as buildings, factories or equipment, which are used across multiple production cycles.
CATI	Computer-Assisted Telephone Interviewing	A quantitative research method in which interviews are conducted over the telephone, supported by a computerised system for recording responses.

Abbreviation	Title	Definition
CAWI	Computer-Assisted Web Inter-viewing	A quantitative research method in which respondents complete online questionnaires, with automatic data collection.
CBA	Collective Bargaining Agreement	A collective bargaining agreement is a written agreement between an employer or employers' organization, on the one hand, and employees, represented by trade unions or in another manner provided for by law, on the other hand, setting out provisions regarding working conditions, pay, and other rights and obligations arising from the employment relationship.
CC	Competition Council (Consiliul Concurentei)	Competition Council is the national authority in Romania responsible for enforcing and ensuring compliance with competition law.
CCM 4.9	Climate Change Mitigation	Specific code from the European Union Taxonomy that defines the economic activity of "Electricity transmission and distribution" within the context of the climate change mitigation objective.
CEF	Photovoltaic Power Plant	A facility for generating electricity from photovoltaic sources, connected to the distribution network operated by DEO. This includes both prosumer plants and industrial plants.
CEJ	County Operations Center (Centru de Exploatare Județean)	Territorial operational unit of DEO responsible for the operation, maintenance and intervention on the electricity distribution network at county level within the company's service area.
CEO	Chief Executive Officer	The Chief Executive Officer is the person holding the highest executive management position in a company.
CEP	Clean Energy Package (Clean Energy for All Europeans Package)	Set of EU legislative acts adopted in 2018-2019, reforming the framework of the internal electricity market, promoting renewable energy, energy efficiency and consumer protection.
CFO	Chief Financial Officer	The Chief Financial Officer is responsible for the organization's financial strategy, accounting reporting and management of financial resources.
CIGRE PARIS	Conseil International des Grands Réseaux Électriques	The International Council on Large Electric Systems, headquartered in Paris, is a global non-profit organization founded in 1921 that brings together experts from around the world to develop technical knowledge on high-power electricity systems. (www.cigre.org)
CIGRE ROMANIA	Romanian National Committee of the International Council on Large Electric Systems	Professional, non-governmental and non-profit association that represents the Romanian community of specialists in the electricity sector within CIGRE, contributing to the development and dissemination of technical knowledge in the field. (www.cigre.org.ro)
CNR-CME	Romanian National Committee of the World Energy Council	The official representative in Romania of World Energy Council, the largest organization active in the energy sector. (www.cnr-cme.ro)
CO ₂	Carbon dioxide (greenhouse gas)	Carbon dioxide, consisting of one carbon atom and two oxygen atoms, is a gaseous compound that is colourless and odourless in low concentrations.
COER	Network Expansion Operations Center (Centru Operațional Extindere Rețea)	An operational unit of DEO responsible for coordinating operations, maintenance and emergency response activities within the electricity distribution network.

Abbreviation	Title	Definition
COO	Chief Operating Officer	Chief Operating Officer, the executive in charge of coordinating the company's day-to-day operations and implementing the business plan.
CO ₂ e	Carbon dioxide equivalent	A unit of measurement used to express greenhouse gas emissions by converting them into CO ₂ equivalents based on their global warming potential.
cos φ	Power factor	The ratio of active power to apparent power in an alternating current circuit, indicating the efficiency of electricity use and the phase angle between voltage and current.
CPT	Technical Distribution Losses (T&D Losses)	The difference between the electricity entering and leaving the respective electricity network, representing energy losses in the network's components (lines, transformers, capacitors, coils and electrical equipment in the network's substations), as well as electricity drawn from the network but not billed due to non-recording by metering units (faulty meters, illegal connections, etc.).
CRE	Romanian Energy Council	It is a non-governmental, non-profit and apolitical organization that independently and impartially identifies, supports and represents the interests of its members in the energy sector. (www.crenerg.org)
CRO	Chief Regulatory Officer	Regulatory Director, responsible for relations with regulatory authorities and compliance with the applicable regulatory framework.
CSDDD	Corporate Sustainability Due Diligence Directive	The EU Directive on Corporate Sustainability Due Diligence, which requires companies to manage risks and impacts related to the environment and human rights in their operations and supply chains.
CSR	Corporate Social Responsibility	A self-regulating business model that helps a company be socially accountable to itself, its stakeholders and the public, integrating environmental, social and ethical considerations into its operations and interactions with stakeholders.
CSRD	Corporate Sustainability Reporting Directive	Corporate Sustainability Reporting Directive (https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32022L2464)
CSSM	Occupational Health and Safety Committee (OHSC)	Its purpose is to ensure employee involvement in the development and implementation of decisions in the field of occupational safety and health.
CTO	Chief Transformation Officer	Transformation Director, responsible for coordinating organizational and digital transformation programmes.
CV	Curriculum Vitae	Personal document presenting the professional and educational background of a person, used in DEO recruitment and selection processes.
CIS	Capital in Service	The capitalized value of investments put into operation during the reporting year, representing the addition to DEO's operating fixed assets.
DEFRA	Department for Environment, Food & Rural Affairs	The UK Department for Environment, Food and Rural Affairs. https://www.gov.uk/government/organizations/department-for-environment-food-rural-affairs
DEI	Diversity, Equity and Inclusion	Policy integrated into DEO's governance system, aimed at promoting diversity, equity and inclusion within the workforce and in interactions with stakeholders.

Abbreviation	Title	Definition
DEO	Distribuție Energie Oltenia	Electricity distribution operator, part of the EVRYO group, serving the counties of Argeș, Dolj, Gorj, Mehedinți, Olt, Teleorman, Vâlcea and (partly) the municipality of Bucharest, under the licence issued by ANRE.
DHSEQ	Health, Safety, Environment and Quality Directorate	Department for Health, Safety, Environment and Quality, a DEO unit that comprehensively manages occupational health and safety, environmental, and quality management systems in accordance with ISO 45001, ISO 14001, and ISO 9001 standards.
DNSH	Do No Significant Harm	Do No Significant Harm is a principle for assessing the environmental impacts of economic activities, defined by the European Commission.
DPO	Data Protection Officer	The Data Protection Officer is a mandatory function under the GDPR for certain categories of controllers. The DPO monitors compliance with Regulation (EU) 2016/679 within the organization, informs and advises the controller and data subjects, and cooperates with the supervisory authority.
DSDA	Asset Strategy and Development Directorate (Direcția Strategie și Dezvoltare Active)	DEO organizational structure responsible for the strategic planning of network assets, lifecycle management of equipment and optimisation of the technical portfolio. In the context of sustainability reporting, DSDA coordinates investment budgets for network development and monitors energy consumption at administrative premises through the ACAIS service.
DSO	Distribution System Operators	The entity responsible for the operation, maintenance, and development of the electricity distribution network, as well as for ensuring users' access to the network.
DV	Verbal Instructions (Dispoziții Verbale)	Oral communications by which DEO personnel transmit operational instructions for executing manoeuvres or works on electrical installations, subsequently recorded in the operating documentation.
EEA	European Environment Agency	European Union body, based in Copenhagen, providing independent information on the state of the environment in Europe and supporting the development of environmental policies. (www.eea.europa.eu)
EIA	Environmental Impact Assessment	Legal procedure for the identification, description and evaluation of the direct and indirect effects of an investment project on environmental factors including population, health, biodiversity, flora, fauna, transposed in Romania through EU Directives 2011/92/EU and 292/2018. In the context of DEO sustainability reporting, this assessment, or the start of the framing stage, by the competent environmental authority, constitutes the evidence of compliance with the EU Taxonomy alignment (DNSH principle) regarding biodiversity protection in electricity infrastructure modernisation projects.
EIL	Personal protective equipment (Echipament individual de lucru)	All individual items used in the work process to protect employees' personal clothing against wear and excessive soiling. Personal protective equipment does not fulfil functions of protection against accidents and occupational diseases.

Abbreviation	Title	Definition
EIP	Personal protective equipment (Echipament individual de protecție)	Personal protective equipment refers to any equipment intended to protect workers, whilst carrying out their duties during working hours, against risks that may endanger their health and even their lives.
eNPS	Employee Net Promoter Score	Measures the extent to which employees are willing to recommend their employer's brand to those close to them (friends, acquaintances, family) based on their overall experience with the employer.
ERP	Enterprise Resource Planning	An integrated enterprise resource planning system that centralises financial management, logistics, human resources and operations processes.
ESG	Environmental, Social and Governance	ESG (Environmental, Social and Governance) is a set of criteria used to assess an organization's impact and sustainability across three main areas: the environment, social issues and governance. The environmental component focuses on how a company manages natural resources, carbon emissions and other ecological aspects. The social component analyses the impact on employees, communities and other stakeholders, including aspects such as human rights and working conditions. Governance refers to the company's management structure, transparency, ethics and compliance with legislation. ESG principles are designed to promote responsible and sustainable practices, aiming not only at long-term profitability but also at making a positive contribution to society and the environment.
ESRS	European Sustainability Reporting Standards	European Sustainability Reporting Standards. (https://eur-lex.europa.eu/legal-content/RO/TXT/HTML/?uri=OJ:L_202302772)
EU	The European Union	A political and economic union of European member states, whose legislative framework regulates the energy sector, sustainability reporting and environmental protection.
EU Taxonomy	European Union Taxonomy	Classification system established by Regulation (EU) 2020/852, which defines the criteria for an economic activity to be considered environmentally sustainable. It provides the methodology for calculating the share of activities, turnover, capital expenditure (CapEx) and operating expenditure (OpEx) aligned with the EU's environmental objectives.
EV	Electric Vehicle	A vehicle powered wholly or partly by an electric motor, powered by rechargeable batteries, including via the electricity distribution infrastructure.
EWC	European Waste Catalogue	A European system for classifying waste using standardized codes, used to identify types of waste and report on their management.
Eurelectric	Eurelectric	Eurelectric is the sector association representing the common interests of the electricity industry at European level, plus its affiliates and associations on several other continents. (www.eurelectric.org)

Abbreviation	Title	Definition
FDCP	Metering Distribution Panel (Firida de Distributie si Contorizare de Palier)	Equipment used in low-voltage electrical networks for the distribution and metering of electricity at the building or unit level, including as part of modernization projects involving the relocation of service connections to the property line.
FTE	Full-Time Equivalent	A unit of measurement for the volume of work equivalent to a full-time position, used to compare staffing levels.
g CO ₂ /kWh	Grams of carbon dioxide per kilowatt-hour	A unit of measurement used to express the intensity of CO ₂ emissions relative to the electricity distributed.
GDPR	General Data Protection Regulation	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R0679)
GHG	Greenhouse gases	A greenhouse gas is a gas that absorbs and emits radiant energy in the thermal infrared range. Increased emissions of greenhouse gases cause a greenhouse effect and global warming of the Earth's atmosphere. The main greenhouse gases in the Earth's atmosphere are water vapour, carbon dioxide, methane, nitrous oxide and ozone.
GHG Protocol	The GHG Protocol Corporate Standard	The Greenhouse Gas Protocol provides the most widely used greenhouse gas accounting standards for companies worldwide. The Greenhouse Gas Protocol offers standards and tools that help countries and cities track progress towards climate targets. (www.ghgprotocol.org)
GHz	Gigahertz	A unit of frequency equal to one billion cycles per second (10 ⁹ Hz).
GIS	Geographic Information System	A geographic information system used to create, store, analyse and process spatially distributed information using computers.
GJ	Gigajoule	A unit of measurement for energy according to the International Standard. One GJ is equal to one billion joules.
GMS	General Meeting of Shareholders	Supreme governing body of a joint-stock company, composed of all shareholders, which decides on the company's activity and on its economic and commercial policy, in accordance with Law no. 31/1990 on commercial companies.
GRESB	Global Real Estate Sustainability Benchmark	Global ESG benchmark for financial markets, created in 2009, comprising an independent foundation and a benefit corporation (B Corp certified). It assesses and compares the environmental, social and governance performance of real assets, providing standardised and validated data to capital markets. (www.gresb.com)
GWP	Global Warming Potential	Factor defined by the Intergovernmental Panel on Climate Change (IPCC) that expresses the warming effect of a greenhouse gas relative to the effect of carbon dioxide (CO ₂ = 1), calculated over a 100-year time horizon. GWP is the standard methodology used in the GHG Protocol for converting GHG emissions to CO ₂ equivalent.
GWh	Gigawatt-hour	A unit of measurement for electrical energy equal to 1 million kWh, used to express large volumes of energy production, consumption, or distribution.

Abbreviation	Title	Definition
HC	Headcount	The total number of employees of the organization as of a specific date or during a specific reporting period, expressed in terms of individuals.
HFC	Hydrofluorocarbons	A family of synthetic chemical compounds used as refrigerants and in electrical insulation, with high global warming potential (greenhouse gases).
HG	Government Decision (Hotarare de Guvern)	Normative act issued by the Romanian Government in execution of laws, setting out methodological norms, procedures and concrete measures necessary for the application of primary legislative acts, in accordance with art. 108 of the Constitution of Romania.
HSEQ	Health, Safety, Environment and Quality	Integrated management system for occupational health and safety, environmental protection and quality. Within the DEO, it is coordinated by the HSEQ Directorate (DH-SEQ).
HV	High-voltage power network / lines	Voltage with a nominal effective value between 36 kV and 150 kV.
Hz	Hertz	The unit of measurement for frequency in the International System. It represents the number of cycles or periodic events that occur in one second (1 Hz = 1 cycle per second).
IAB	Interactive Advertising Bureau	An international professional organization in the digital advertising industry that sets standards, best practices, and initiatives for digital marketing and communication.
ICT	Information and Communication Technology	Set of technologies used for managing information and communications within DEO, including hardware, software, networks and digital services infrastructure.
IEA	International Energy Agency	The International Energy Agency works with governments and industry to shape a secure and sustainable energy future for all. (www.iea.org)
IFC	International Finance Corporation - World Bank Group	The International Finance Corporation (IFC) is an international financial institution and a member of the World Bank Group, providing investment, advisory and asset management services to promote private sector development in less developed countries. (www.ifc.org/en/home)
ILO	International Labour Organization	International Labor Organization (ILO), specialised agency of the United Nations, founded in 1919, headquartered in Geneva, which sets international labor standards and fundamental principles on workplace rights. The ILO core conventions are a reference in ESG reporting on human capital and human rights. (www.ilo.org)
INCDPM	National Research and Development Institute for Environmental Protection	The National Institute for Research and Development in Environmental Protection is a research institute in Romania. The institute is a leading research body in the field of environmental protection, coordinated by the Ministry of the Environment and Forests. (www.incdpm.org)
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services	An international body that assesses scientific knowledge on biodiversity, ecosystem services, and nature's contribution to human well-being to inform public policy decisions.
IPCC	Intergovernmental Panel on Climate Change	IPCC stands for Intergovernmental Panel on Climate Change, which is a scientific body tasked with assessing the risks of global warming resulting from human activity. (www.ipcc.ch)

Abbreviation	Title	Definition
IPCC AR5	The IPCC's Fifth Assessment Report	Science-based report on climate change, prepared by the Intergovernmental Panel on Climate Change.
IPCC RCP4.5	IPCC medium emissions scenario	IPCC medium-emission scenario, stabilized by moderate climate policies, leading to a radiative forcing of +4.5 W/m² by 2100. This is a transition scenario, with climate measures partially implemented.
IPCC SSP5/RCP8.5	IPCC Climate Scenario	An IPCC climate scenario that combines the SSP5 socio-economic pathway (rapid development based on fossil fuels, high emissions) with the RCP8.5 emissions scenario (radiative forcing of +8.5 W/m² by 2100). It represents one of the very high warming scenarios used in climate risk analyses, stress testing, and impact assessments.
IPSM	Company-specific health and safety instructions	In-house OSH instructions are internal written documents of the company, which contain mandatory minimum occupational safety provisions for the prevention of workplace accidents, specific to the existing risks. The provisions of these instructions cover integrated protective measures that must be observed by both the organisers of the work and those carrying it out.
ISO 14001	Environmental Management System	ISO 14001 is the internationally recognised standard for the implementation and maintenance of environmental management systems (EMS) for all organizations, regardless of their size.
ISO 37001	Anti-Bribery Management Systems	International standard specifying the requirements and providing guidance for the implementation, development, maintenance, review and improvement of an anti-bribery management system, aimed at preventing, detecting and responding to bribery.
ISO 37301	Compliance Management Systems	International standard setting out the requirements and providing guidance for the implementation, development and maintenance of a compliance management system within organizations of any type, size or sector of activity.
ISO 45001	Occupational Health and Safety Management Systems	An international standard that specifies the requirements for an occupational health and safety management system, with the aim of preventing workplace accidents and occupational illnesses and improving OHS performance.
ISSM	Specific occupational health instructions	Internal written documents drawn up for activities and facilities where health and safety requirements are not set out in sufficient detail in the IPSM.
ISU	Emergency Situations Inspectorate	A public institution under the Ministry of the Interior, responsible for managing emergency situations, fire prevention and firefighting.
ITI-PM	Internal technical health and safety instructions	An internally drafted document, drawn up for the execution of works with or without de-energisation, under identical technical and organizational conditions, in installations with similar electrical diagrams and construction types.
ITI-PM GIS	Internal Technical Instructions for Work Protection — Gas Insulated Switchgear	DEO internal document setting out the specific safety measures applicable to works carried out at gas-insulated (SF6) substations, taking into account the particular risks of these installations.

Abbreviation	Title	Definition
ITI-PM LST	Internal Technical Instructions on Occupational Safety – Live Working	Internally drafted document, drawn up for the performance of live working, under identical technical and organizational conditions, in installations with similar electrical diagrams and construction types.
ITM	Territorial Labor Inspectorate	Territorial public authority responsible for monitoring compliance with labor legislation, labor relations and occupational health and safety.
IUCN	International Union for Conservation of Nature	International Union for Conservation of Nature, an international organization that publishes the Red List of threatened species and coordinates global biodiversity conservation programmes.
IoT	Internet of Things	A network of connected devices, sensors, and equipment that collect and transmit data via the internet or other communication networks, enabling the monitoring, analysis, and optimization of operational processes.
kg	Kilogram	Unit of mass in the International System of Units.
km	Kilometer	It is a unit of length in the International System of Units (SI), equal to 1,000 meters. It is the standard unit for measuring road and geographical distances in most countries.
km²	Square kilometer	A unit of area equal to the area of a square with a side length of one kilometer.
KPI	Key Performance Indicators	Key Performance Indicators are defined as indicators used to measure the performance of a company, a specific department within the company, or each individual employee or process.
KYC	Know Your Customer	“Know Your Customer” describes the process of verifying the identity of (new) customers. The KYC process is carried out to prevent illegal activities, such as money laundering or fraud, thereby protecting both the company and the customer.
kV	Kilovolt	Unit of measurement for electrical voltage.
LED	Light Emitting Diode	Light-emitting diode, a highly energy-efficient lighting technology used in energy-saving programmes.
LMRA	Last Minute Risk Assessment	Risk assessment carried out immediately before the start of an activity, through which the worker checks the actual conditions at the workplace and confirms that the safety measures are in place, in line with OHS good practice.
LPG	Liquefied Petroleum Gas	Liquefied petroleum gas is a mixture of gaseous hydrocarbons, supplied in pressurised cylinders in a liquefied state. It is used as a fuel for heating and motor vehicles.
LST	Live working	A method of carrying out work on the electricity network without interrupting the power supply to consumers. DEO carries out live-line work on medium-voltage (20 kV) and low-voltage networks, helping to reduce SAIDI and SAIFI indicators.
LTIFR	Lost Time Injury Frequency Rate	The frequency rate of lost-time accidents, an occupational health and safety indicator calculated as the number of accidents resulting in absence per million hours worked.
LV	Low-voltage network/power lines	A network in which the effective nominal voltage is less than 1 kV.
m³		A unit of volume equal to the volume of a cube with a side length of one meter.

Abbreviation	Title	Definition
MAM	Macquarie Asset Management	MAM is the asset management division of the Macquarie Group, a global financial services group headquartered in Australia. In 2021, Distribuție Energie Oltenia was acquired by funds managed by MAM. (www.macquarie.com/us/en/about/company/macquarie-asset-management.html)
MF	Modernisation Fund	EU financial instrument established under Directive (EU) 2018/410, funded from the revenues of EU ETS emission allowance auctions, dedicated to lower-income Member States for the transition to a low-carbon economy.
MIXX	Marketing and Interactive Excellence	A competition/award organized under the auspices of the IAB, which recognizes excellence in digital marketing and advertising.
MO	Oltenia Marathon (Maratonul Olteniei)	A sports and corporate social responsibility event organized by Evryo, during which the “Voice of Nature” campaign was launched.
MP	Protective Equipment	Individual protective equipment intended for the protection of a single worker and worn by that worker.
MV	Medium-voltage network/power lines	A network in which the voltage has a nominal effective value and is between 1 kV and 36 kV.
MVA	Megavolt-ampere	A unit of measurement for apparent power in alternating current electrical systems, equivalent to one million volt-amperes.
MW	Megawatt	The megawatt (MW) is a unit of measurement equal to 1,000,000 watts (W).
MWM	Mobile Workforce Management	Mobile IT application for workforce management.
MWh	Megawatt-hour	A unit of measurement for electrical energy equal to 1,000 kWh, used to express average volumes of energy production, consumption, or distribution.
NACE	Statistical Nomenclature of Economic Activities in the European Community	A standardised classification system of economic activities used at European level for statistics, regulation and reporting (including the EU Taxonomy).
NGFS	Network for Greening the Financial System	The NGFS is a network of 114 central banks and financial supervisory authorities that aims to accelerate the expansion of green finance and develop recommendations on the role of central banks in combating climate change. (www.ngfs.net/en)
NGO	Non-Governmental Organization	These are usually non-profit organizations, and many of them are active in humanitarian work or the social sciences. They may also include clubs and associations that provide services to their members and others.
NIS2	Network and Information Security Directive 2	Directive (EU) 2022/2555 on the security of network and information systems, which sets out cybersecurity obligations for critical and important entities, including energy distribution operators.
NPS	Net Promoter Score	The Net Promoter Score (NPS) is a performance metric that measures customer satisfaction and loyalty. The NPS loyalty score is based on users’ overall experience with the brand.
OECD	Organisation for Economic Co-operation and Development	The Organization for Economic Co-operation and Development is an intergovernmental forum whose purpose is to identify, disseminate and evaluate the implementation of optimal public policies to ensure economic growth, prosperity and sustainable development among member states, as well as globally. (www.oecd.org)

Abbreviation	Title	Definition
OHL	Overhead line	An outdoor installation used for the transmission and distribution of electricity, consisting of conductors, insulators, clamps, fittings, poles, foundations and earthing installations.
OHS	Occupational Health and Safety	A set of activities aimed at ensuring optimal conditions in the workplace, protecting the health, physical integrity and lives of workers and other persons involved in the work process.
OMFP	Order of the Minister of Public Finance (Ordinul Ministrului Finanțelor Publice)	An Order of the Minister of Public Finance (OMFP) is a regulatory act issued by the Ministry of Finance that establishes rules, procedures, or regulations applicable in the areas of finance and accounting, taxation, or budgeting, which are binding on the entities concerned.
OOH	Out-of-Home Advertising	Form of advertising communication carried out in public spaces through billboards, posters, digital screens and other visible supports outside the consumer’s home.
OPEX	Operating Expenses	OPEX, or operating expenses, covers the recurring costs associated with a company’s day-to-day operations, such as salaries and raw materials.
OUG	Government Emergency Ordinance	Normative act with the force of law issued by the Romanian Government in extraordinary situations whose regulation cannot be postponed, subject to subsequent approval by Parliament through law, in accordance with art. 115 of the Constitution of Romania.
PIF	Commissioning	The point at which an investment asset (power line, substation, equipment) is accepted, connected to the grid and becomes operational. The PIF figure reflects the investments completed and capitalised in the relevant financial year.
POIM	Large Infrastructure Operational Programme	An EU funding instrument dedicated to investments in transport, environment and energy.
PT	Transformer posts	These are components of the National Energy System (NES) that ensure the voltage level of electrical energy is stepped down from MV (20 and 6 kV) to 0.4 kV to supply consumers (domestic, municipal, small industrial consumers, public lighting, etc.).
PV	Official records (Proces Verbal)	Official written document (in Romanian: “Proces Verbal”) recording findings, declarations or decisions resulting from carried-out activities such as inspections, acceptances, technical receptions and meetings, with evidentiary value in DEO’s internal and external relations. The Romanian designation is preserved as it is the official term used across DEO’s procedural and contractual documentation.
PV/wind	Photovoltaic/wind	Technological devices that directly convert the sun’s light energy into electrical energy (direct current) using the photoelectric effect in semiconductor cells, typically made of silicon./ Wind turbines (or wind panels/systems) are technological devices that convert the kinetic energy of the wind into mechanical energy, which is then converted into electrical energy.

Abbreviation	Title	Definition
RAMSAR	Ramsar Convention on Wetlands	International treaty adopted in 1971 in Ramsar (Iran) for the conservation and sustainable use of wetlands, to which Romania is a party. Ramsar sites are wetlands of international importance, relevant for biodiversity impact assessment. (www.ramsar.org)
RED III	Renewable Energy Directive III	Directive (EU) 2023/2413 of the European Parliament and of the Council, amending Directive (EU) 2018/2001, which sets a binding target of at least 42.5% renewable energy in the European Union’s gross final energy consumption by 2030.
REMIT	Regulation on the integrity and transparency of the wholesale energy market	Regulation 1227/2011 on the integrity and transparency of the wholesale energy market, known as REMIT, establishes a framework for monitoring wholesale energy markets in the European Union (EU) and aims to prohibit abuses such as insider trading and market manipulation.
RENAR	Romanian Accreditation Association	Romanian national accreditation body, recognised by GO no. 23/2009, which assesses and confirms the competence of testing and calibration laboratories, certification bodies and inspection bodies, in accordance with applicable international standards. (www.renar.ro)
REPowerEU	Affordable, secure and sustainable energy for Europe	REPowerEU is a European Commission plan to end dependence on fossil fuels from Russia by 2030, in response to the Russian invasion of Ukraine in 2022. REPowerEU has three objectives: energy saving, increasing clean energy production and diversifying energy supplies away from Russia.
RES	Renewable Energy Sources	Non-fossil energy sources that are naturally replenished, including solar, wind, hydro, geothermal, biomass and wave energy, as defined by Directive (EU) 2018/2001 (RED II) as amended by RED III.
RIF	Tax Inspection Report	Document issued by the tax authority (ANAF) at the end of a tax audit, recording the findings, tax base adjustments and any additional payment obligations identified, in accordance with the Romanian Code of Fiscal Procedure (Law no. 207/2015).
SAIDI	System Average Interruption Duration Index	The System Average Interruption Duration Index specifies the average duration of network (system) interruptions for a user. It represents the average interruption time for users at distribution operator level.
SAIFI	System Average Interruption Frequency Index	The System Average Interruption Frequency Index specifies the average frequency of network (system) interruptions for a user. It represents the average number of interruptions experienced by users connected to a distribution operator’s network.
SBTi	Science Based Targets Initiative	This is an international initiative that helps companies set clear targets for reducing greenhouse gas emissions, in line with the latest scientific research on climate change. Further guidance is currently being developed. (https://sciencebasedtargets.org/)
SCADA	Supervisory Control and Data Acquisition	The Supervisory Control and Data Acquisition system is a computer programme for monitoring, controlling and acquiring data from a technological process or installation.

Abbreviation	Title	Definition
SCI	Sites of Community Importance	Protected natural areas designated within the European Natura 2000 ecological network, in accordance with Directive 92/43/EEC (Habitats), for the conservation of natural habitats and species of wild flora and fauna of community interest.
SDGs	Sustainable Development Goals	The Sustainable Development Goals, or Global Goals, are a set of 17 interconnected goals designed to serve as a “shared blueprint for peace and prosperity for people and the planet, now and in the future”. (https://sdgs.un.org/goals)
SF6	Sulphur hexafluoride (greenhouse gas)	Sulphur hexafluoride is an inorganic compound, a greenhouse gas, colourless, odourless, non-flammable and an excellent electrical insulator.
SMART	Specific, Measurable, Achievable, Relevant, Time-bound	Methodological framework for formulating objectives, requiring that they be specific, measurable, achievable, relevant and time-bound, applied in ESG strategic planning and in management by objectives.
SMI	Integrated Management System	An organizational framework that integrates the requirements of several management standards (quality, environment, occupational health and safety) into a single unified system.
SMS	Short Message Service	Service for short text messages transmitted via mobile networks, used by DEO to notify users of planned outages, technical alerts and customer relations information.
SMURD	Mobile Emergency Service for Resuscitation and Extrication (Serviciul Mobil de Urgență, Reanimare și Descarcerare)	Public integrated pre-hospital emergency medical service in Romania, organised under the General Inspectorate for Emergency Situations, providing rapid intervention in medical emergencies and extrication.
SPA	Special Protection Areas	Protected natural areas designated within the Natura 2000 network under Directive 2009/147/EC (Birds), for the conservation of wild bird populations and their habitats.
SR	Sustainability Report	An annual non-financial reporting document prepared in accordance with GRI standards, which presents the organization’s environmental, social and governance (ESG) performance.
SRAC	Romanian Society for Quality Assurance	SRAC CERT is a certification body in Romania. (www.srac.ro/ro)
Scope 1	Direct emissions	Emissions under Objective 1 are direct emissions from resources controlled and owned by the company. In other words, emissions released into the atmosphere as a direct result of a set of activities at company level.
Scope 2	Indirect emissions	Scope 2 emissions are indirect emissions from the generation of purchased energy from a utility supplier. In other words, all GHG emissions released into the atmosphere from the consumption of purchased electricity, steam, heat and cooling.
Scope 3	All indirect emissions	Scope 3 emissions are all indirect emissions – not included in Scope 2 – that occur within the reporting company’s value chain, including upstream and downstream emissions. In other words, emissions linked to the company’s operations. According to the GHG Protocol, Scope 3 emissions are divided into 15 categories.

Abbreviation	Title	Definition
TCFD	Task Force on Climate-related Financial Disclosure	The Task Force on Climate-related Financial Disclosures (TCFD) provides investors with information on the measures taken by companies to mitigate climate change risks and is also transparent regarding how they are governed. It was established in December 2015 by the Group of 20 (G20) and the Financial Stability Board (FSB). (www.fsb-tcf.org)
tCO2	Tonnes of carbon dioxide	A standardized unit of measurement used to quantify greenhouse gas emissions.
tCO₂e	Tons of carbon dioxide equivalent	A unit of measurement used to express greenhouse gas emissions in CO ₂ equivalents.
TESA	Technical, Economic, Social and Administrative Staff	A category of staff comprising technical, economic, social, administrative and specialist roles, distinct from operational staff.
Transactional NPS	Transactional Net Promoter Score	The Transactional NPS measures brand loyalty immediately following a specific interaction between the customer and the brand, with the aim of identifying customer feedback regarding specific services or business activities.
UAT	Administrative-Territorial Unit	Commune, town, municipality and county, as legal entities of public law, with full legal capacity and own assets, in accordance with the Romanian Administrative Code (GEO no. 57/2019).
UGC	Underground Cable	An underground installation used for the transmission and distribution of electricity, consisting of conductors and insulators.
UM	Unit of Measurement	A conventional standard used to quantify a physical or economic quantity (e.g. MWh, km, LEI, FTE, tonnes of CO ₂ e).
UN	United Nations	The United Nations is the world's most important international organization. Founded on 24 October 1945, following the Second World War, it now has 193 member states. (www.un.org/en)
UNESCO	United Nations Educational, Scientific and Cultural Organization	UN specialised agency, headquartered in Paris, promoting international cooperation in education, science, culture and communication. (www.unesco.org)
UNGP	The United Nations Guiding Principles on Business and Human Rights	The United Nations Guiding Principles on Business and Human Rights (UNGP) are a set of 31 principles that implement the United Nations (UN) 'Protect, Respect and Remedy' framework on human rights and transnational corporations and other business enterprises. (https://www.undp.org/sites/g/files/zskgke326/files/migration/in/UNGP-Brochure.pdf)
UPS	Uninterruptible Power Supply	Specific technical solutions that ensure the continuity of the electricity supply.
URC	User Relations Centers (Centre de Relații cu Utilizatorii - CRU)	User Relations Centres are physical locations intended for DEO energy consumers where they can make direct contact with the distribution operator. Their role is to provide answers and resolve customer enquiries.
VAT	Value Added Tax	It is an indirect tax borne by the end consumer of the relevant good or service. VAT is a tax collected by every economic operator involved in the economic cycle of producing a product or providing a service that falls within the scope of taxation.

Abbreviation	Title	Definition
VoC	Voice of Customer	Voice of the Customer is a study that focuses on customers' needs, desires, expectations and preferences. This research helps to identify the gaps between what consumers want and what the company actually offers them. It is the process of collecting and analysing user feedback to improve their experience and the overall performance of the business.
VoE	Voice of Employee	This refers to how people communicate their views to their employer and influence issues that affect them in the workplace.
SpeakUp (Vorbește Liber)	DEO Whistleblowing System	Internal whistleblowing system of DEO, formalised through procedure 08-10-01_POL_03 Whistleblowing Policy. It is a secure and anonymous communication channel made available by the organization for reporting concerns or incidents related to fraud, breaches of law, of the collective labor agreement, of the Code of Ethics or of other internal company policies, in line with GRI 2-26 disclosure requirements.
WBCSD	World Business Council for Sustainable Development	An international organization led by the business community, dedicated to accelerating the transition to a sustainable economy, and a co-developer of the GHG Protocol.
WEEE	Waste Electrical and Electronic Equipment	Category of waste resulting from end-of-life electrical and electronic equipment, regulated in Romania through GEO no. 5/2015 on waste electrical and electronic equipment, which establishes producer responsibility for the collection, recovery and recycling thereof.
WRI	World Resources Institute	A global research institute focused on natural resources, the environment and sustainable development, co-developer of the GHG Protocol alongside the WBCSD.