



SUSTAINABILITY
REPORT

2021

PERFORMANCE

FOR A SUSTAINABLE FUTURE

Table of contents

Message from the CEO	3		
Information about the sustainability report	5		
Communication with stakeholders	7		
Materiality analysis	11		
ABOUT THE ROMGAZ GROUP	15	ECONOMIC	61
History	15	Economic performance	62
Activities of the ROMGAZ Group	20	Infrastructure investments	66
Exploration	20	Financial assistance from public authorities	68
Production	22	Customer relationship management	68
Underground storage of natural gas	23	Supply chain	69
Natural gas supply	23	Share of expenses with local suppliers	70
Well interventions and special operations	24	Suppliers' environmental impact	70
Transport and maintenance	24		
Electricity production	25	SOCIAL	71
Natural gas distribution	25	Our employees	73
ROMGAZ Group structure	26	Workplace health and safety	82
Company management	29	Diversity and equality of opportunity	97
Remuneration for members of the Board of Directors	31	ROMGAZ's involvement in local communities	105
Structure of the Board of Directors	32		
Structure of the Advisory Committees	34	ENVIRONMENT	117
Delegation of authority	35	Compliance with environmental standards, laws, and regulations	123
Stakeholder consultation	39	Energy	126
		Water	135
CORPORATE GOVERNANCE, ETHICS, AND ANTI-CORRUPTION	41	Use of materials	145
Anti-corruption	49	Ecosystem restoration and biodiversity	145
Our vision, objectives, and strategy	54	Emissions	149
Analysis of risks and opportunities	58	Waste management	157
		Energy availability	167
		Affiliations	169
		GRI Content Index	170

Message from the CEO

The fifth sustainability report of ROMGAZ Group is developed in line with the international Global Reporting Initiative (GRI) non-financial reporting standards, transparently presents the ROMGAZ Group's non-financial performance in 2021, responding to the interest expressed by our stakeholders, thus honoring the commitment we made to them five years ago and complying with national and European legislative requirements for non-financial reporting.

"ROMGAZ - Performance for a sustainable future" contributes to maintaining an open and transparent dialogue with all stakeholders regarding our management approach, our policies, the projects in which we get involved, as well as our performance evaluation indicators, all of which you will find in this report. To better understand our evolution on the natural gas and electricity supply markets, the report provides details on aspects which are relevant to all stakeholders who are interested in our economic, social, and environmental activity and performance.

In this report, we will present the key points, objectives, performance indicators, and actions taken during 2021, as well as outline other



Aristotel Marius JUDE
DIRECTOR GENERAL

sustainable development initiatives that we are planning to pursue in the coming period.

We are honored by the opportunity to play a major role in stimulating a larger social transformation, so this report is meant to highlight our interest in sustainable development in connection to social ideals and needs. One of ROMGAZ's main strategic directions, as mentioned in the *"2021-2030 Development Strategy,"* is the consolidation

of our position on energy supply markets and the reduction of emissions of carbon, methane, and other gases by at least 10%. Through a range of technical, economic, and managerial strategies, we aim to reach our objective of maximizing production and, implicitly, of increasing the natural gas reserves recovery rates while upkeeping profitability, safety, reliability, and sustainability conditions.

When it comes to electricity production, ROMGAZ aims to increase its efficiency by investing in raising the output of the Iernut electric power plant to a minimum of 55%, meeting environmental requirements, and increasing the safety of exploitation. Our Decarbonization Policy involves the development of a 180 MW renewable electricity production capacity, including 60 MW of photovoltaic capacity by the end of 2023, and a feasibility analysis of building several electricity production plants based on green energy and hydrogen, provided that adequate financing and non-reimbursable funds can be accessed for this project.

In terms of community responsibility and concern for improving quality of life for present and future generations, ROMGAZ adopts a ►



◀ voluntary stance which is complementary to legal requirements, perseveringly pursuing economic and social equity, environmental protection, and support for projects with a positive community impact, constantly evaluating and adjusting our involvement and being aware of our role in society. We integrate our traditions into the European spirit, we contribute to the enrichment of valuable heritage and to its transmission across generations, we promote our nation's material and moral-spiritual values, and we support civic education, national consciousness, and humanism.

ROMGAZ continues to be involved in projects that support environmentally resilient activities, provide training and knowledge development for the general public, and prepare society for a life that is free of carbon emissions. We aim to encourage our human resources to move towards future trends in the field of sustainable energy and to provide support for the development of higher quality energy education by involving our organization in the practical training of pupils and students in partnership with schools or adult training programs.

From a financial perspective, the main factor with a positive impact on our company, which led to an increase in our turnover and profitability indicators, was the gradual recovery of the economy after the slowdown caused by the covid-19 pandemic, coupled with the geopolitical context that led to higher consumption at both the national and European levels.

In the coming period, ROMGAZ will work to pursue its strategic objectives and make investments in accordance with its sustainable development plans, thus achieving its goal of becoming an energy security provider and a player on the regional energy market. Our commitment to sustainability will help us continue our efforts and set higher and higher standards for ourselves every year.

As part of our journey towards a sustainable future, we will remain consistent in adopting policies and practices that will increase confidence in the feasibility of our projects and make it possible to turn strategic options into concrete results that will benefit future generations. ■

Information about the sustainability report

National Natural Gas Company ROMGAZ S.A. annually publishes its Sustainability Report to inform all stakeholders about its sustainability performance and, at the same time, to present the objectives of the ROMGAZ Group, through which the organization wants to help build a better future for current and upcoming generations. Our commitment to annually reporting on the Group's targets and performance indicators represents an important step in our strategy to contribute to a sustainable future, a more responsible society, and a better developed community.

ROMGAZ is publishing its Group Sustainability Report for the fifth year in a row, detailing the non-financial indicators for the year 2021. With the support of our team of specialized sustainability consultants and following an ample process of consulting stakeholders, including by using an online survey, as the result of a materiality analysis carried out at the Group and external stakeholder level, we have identified the issues in which our stakeholders are most interested, which will be

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presented in detail in the present document.

The structure and topic breakdown of the report are built based on the principles and directions set out in the Global Reporting Initiative non-financial reporting standard, Core option, issued in 2016 and updated in 2018 and 2020.

Furthermore, the ROMGAZ Group's report meets the legislative requirements of the Public Finance Ministry's Orders no. 1,938/2016 and no. 3,456/2018, which require organizations with an average employee count of over 500 during the financial year to report information regarding their development, performance, and position, as well as the impact of its activities on the environmental, social, and labor components.

The information presented in the ROMGAZ Group's 2021 Sustainability Report refers to the period between January 1, 2021 – December 31, 2021. It is preceded by four earlier reports that contain non-financial information for the years 2017, 2018, 2019, and 2020.



Data collection was carried out by our colleagues from various departments of ROMGAZ, using the organization's records referring to the reporting period. We want to take this opportunity to thank the teams who have contributed to the development of the present report for their professionalism, promptitude, and dedication.

The information presented in this report provides an insight into the non-financial performance of ROMGAZ Group (the "Group"), consisting of S.N.G.N. ROMGAZ S.A. ("Organization"/"ROMGAZ"/"Company") as the parent company and S.N.G.N. ROMGAZ S.A. – Depogaz Ploiesti Natural Gas Storage Branch S.R.L. ("Depogaz"), a subsidiary which is fully owned by S.N.G.N. ROMGAZ S.A.

Information referring only to the non-financial performance of S.N.G.N. Romgaz S.A. and not that of the entire group will be specifically marked and accompanied by the relevant specifications.

The main principles of the ROMGAZ Group are transparency, involvement, and communication across all its activities and we confidently uphold a proactive relationship with the company's stakeholders. Therefore, they are invited to make their concerns known and request all the information they need from our company's communication departments.



Communication with stakeholders

We are a transparent company with a longstanding tradition in Romania and we want to remain a reliable partner for all our stakeholders, with whom we want to maintain solid, constructive, and efficient relationships, which are essential for the successful management of risk and impact. environmental and social issues of the organization. Creating and maintaining a close relationship with stakeholders is one of our most important objectives, as it can set the stage for a fruitful collaboration that is based on mutual respect. We believe that maintaining an open dialogue with all stakeholders of the ROMGAZ Group and consulting with them regularly are essential elements for improving our organization's decision-making process. The company carries out a stakeholder analysis annually, all while observing the rigors of standards SR EN ISO 9001: 2015, SR EN ISO 14001: 2015, and SR ISO 45001: 2018.

The initial stage of the development of ROMGAZ Group's 2021 Sustainability Report consisted of identifying and prioritizing interested parties. The process of validating and approving the list of stakeholders accounted for the mutual influence between the company and its stakeholders.



The “Shareholders” and “Institutions, participants in the capital market” stakeholder categories were identified as a result of the fact that S.N.G.N. ROMGAZ S.A. is listed on the Bucharest Stock Exchange (BVB) and the London Stock Exchange (LSE), and the company's shares, namely the Global Depository Receipts (GDRs), which are based on ROMGAZ shares, are traded on BVB and LSE respectively.

Based on submitted requests for proposals, banks were selected based on the most advantageous criteria from the following points of view:

- The cash management offer regarding the bank's fees/charges;
- The interest rate offer for term deposits;
- The time it takes to process bank operations – payments, issuance/approval/modification of bank guarantee letters;
- The variety of bank services to support treasury operations.

Suppliers were identified in compliance with requirements set out by project attribution documentation associated with procurement procedures and in accordance with the principles of sectorial contract attribution.

The company seeks to ensure transparency in its relationship with stakeholders, seeking to involve them in the processes carried out by the company in the field of sectoral procurement according to the needs identified in the operational process. Strategic communication focuses on creating, publishing, and distributing content to an online target audience in order to attract and influence this audience. Content refers to valuable information which is relevant for the public and brings added value.

Nr. crt.	Category	Sub-category	Communication method (channel, email, internal system, phone, surveys, etc.)	Frequency	Issue raised
1	Employees	Management	e-mail, phone, documents	occasional	Organizational structure changes
		Salaried workers	e-mail, phone, documents	occasional	Salary changes
		Union	e-mail, documents	occasional	Collective contract modification/ negotiation
2	Shareholders	Majority shareholder			
		Other shareholders	e-mail, phone	ad hoc	Shareholder certificates, dividend payment confirmation, other issues
3	Institutions, stock market participants, banks	Stock market institutions (Bucharest Stock Exchange, Financial Supervisory Authority, London Stock Exchange, Financial Conduct Authority, Central Securities Depository, BRD - Securities Division, The Bank of New York Mellon)	electronic platforms, e-mail, phone	ad hoc/monthly	Legally required reporting/ Shareholders' Registry/Dividend payment
		Analysts	e-mail, phone	ad hoc	Various information about company/ events hosted by company
		Banks	phone confirmation conventions, e-mail, electronic platform	daily	<ul style="list-style-type: none"> - Deposit interest rates offer - Cash management offers - SGB issuance - SGB signature authentication - SGB cancellation - SGB modification - Payments/ collections - Balance confirmation

Nr. crt.	Category	Sub-category	Communication method (channel, email, internal system, phone, surveys, etc.)	Frequency	Issue raised
4	Customers	Natural gas consumers/suppliers	e-mail, phone, fax	As often as necessary (sometimes daily/several times a month with some)	Responding to offer requests, clarification responses, potential contractual misunderstandings, requests for natural gas offers
		Consumers/electricity providers	e-mail, phone, fax	As often as necessary	Responding to offer requests, clarification responses, potential contractual misunderstandings
5	Furnizori	Materials suppliers	e-mail, phone, letters, SEAP, own website	Daily/when needed	Documents needed in procurement procedures, contracts
		Works execution providers			
		Service providers			
		Gas suppliers	e-mail, fax, phone	As often as necessary (sometimes daily/several times a month with some)	Requests for natural gas offers, clarification correspondence, etc.
6	Mass-media	Press agencies	meetings, letters, email, phone, fax, social media	Ad hoc/as often as necessary	News and events of interest for stakeholders regarding company activity (economic-financial results, reports, development, partnerships, sustainability, etc.)
		Television stations			
		Radio stations			
		Newspapers			
		Online publications			
7	NGOs	Associations	e-mail, phone	Daily/weekly	Project sponsorship requests
		Foundations			

Nr. crt.	Category	Sub-category	Communication method (channel, email, internal system, phone, surveys, etc.)	Frequency	Issue raised
8	Authorities and control bodies	National Fiscal Administration Agency	e-mail, phone, portal, written letters	monthly/ad hoc	Fiscal statements
		National Mineral Resources Agency	e-mail, phone	daily	Permits, Approvals, Reports
		National Energy Regulation Authority	e-mail, dedicated platforms	weekly	Reports, inspections, collaboration on legislative issues
		National Environmental Protection Agency	online reporting	annual	SIM reporting (PRTR, atmospheric pollutants emissions inventory)
		County environmental protection agencies	e-mail, internal system, phone, courier services	weekly	Requesting/obtaining regulatory documents, reporting, submitting authorization documentation, reauthorization, annual visa issuance
		National Environmental Guard		monthly	Complaints, joining environmental guard in inspections, reporting
		Environmental Fund Administration		monthly	Making payments to Environmental Fund, submitting statements
		National Romanian Waters Administration		monthly	Requesting/obtaining regulatory documents, reporting
		Water basin administrations		monthly	Requesting/obtaining regulatory documents, reporting, setting up subscriptions and addenda
Romanian Court of Accounts	written letters	quarterly	Follow-up reports for previous years' inspections		
9	Educational units	University centers	e-mail, phone	daily/ weekly	Project sponsorship requests
		School units	e-mail, phone		
10	Health units	Hospitals	e-mail, phone	daily/ weekly	Project sponsorship requests
11	Local authorities	City halls			

Materiality analysis

The materiality analysis is the foundation of the ROMGAZ Group's 2021 Sustainability Report. It identifies the economic, environmental, and social aspects on which the company has a significant impact, as well as those aspects for which ROMGAZ Group stakeholders have expressed keen interest.

After analyzing the context of the European context for the sustainable development of the oil and gas sector, the main standards and methodologies consisting of the set of GRI Standards, the G4 supplement for the oil and gas sector, the Sustainability Accounting Standards Board (S.A.S.B.), press articles from the past year, and sustainability reports published by competing companies, a total of 58 non-financial issues were highlighted as potentially relevant. After rigorous analysis by the company's management, the number of potentially important topics was reduced to 43.

To identify and prioritize stakeholders, the working group created inside the company to develop the present report took the following steps:

- In the first stage, following consultations with colleagues from the departments, services or offices in which they work, each



member of the working group identified potentially relevant stakeholders;

- An initial centralized list of potentially relevant stakeholders was compiled based on the of the lists drawn up by each member of the working group;
- During a group meeting, the initial list was verified and approved, resulting in a list of stakeholders that were relevant to the company, containing the category

and subcategory, names, contact details, phone numbers and e-mail addresses;

- Each member of the working group prioritized the categories and sub-categories of stakeholders quantifying the stakeholders' influence on the company and the company's impact on each stakeholder;
- The results of the prioritization process were centralized and a matrix of the results was drawn up.

The 43 potentially relevant topics were included in a survey developed by a consultant with international experience, which was delivered to stakeholders, as part of the stakeholder consultation process, as follows:

- 41 Company management;
- 895 Employees;
- 15 Shareholders;
- 26 Stock market institutions, analysts, and banks;
- 54 Customers;
- 108 Suppliers;
- 75 Members of the media;
- 41 NGOs;
- 43 Regulatory authorities and control bodies;
- 4 Local authorities;
- 2 Educational units;
- 9 Health Units.

There were 147 survey respondents, of whom more than half were ROMGAZ employees.

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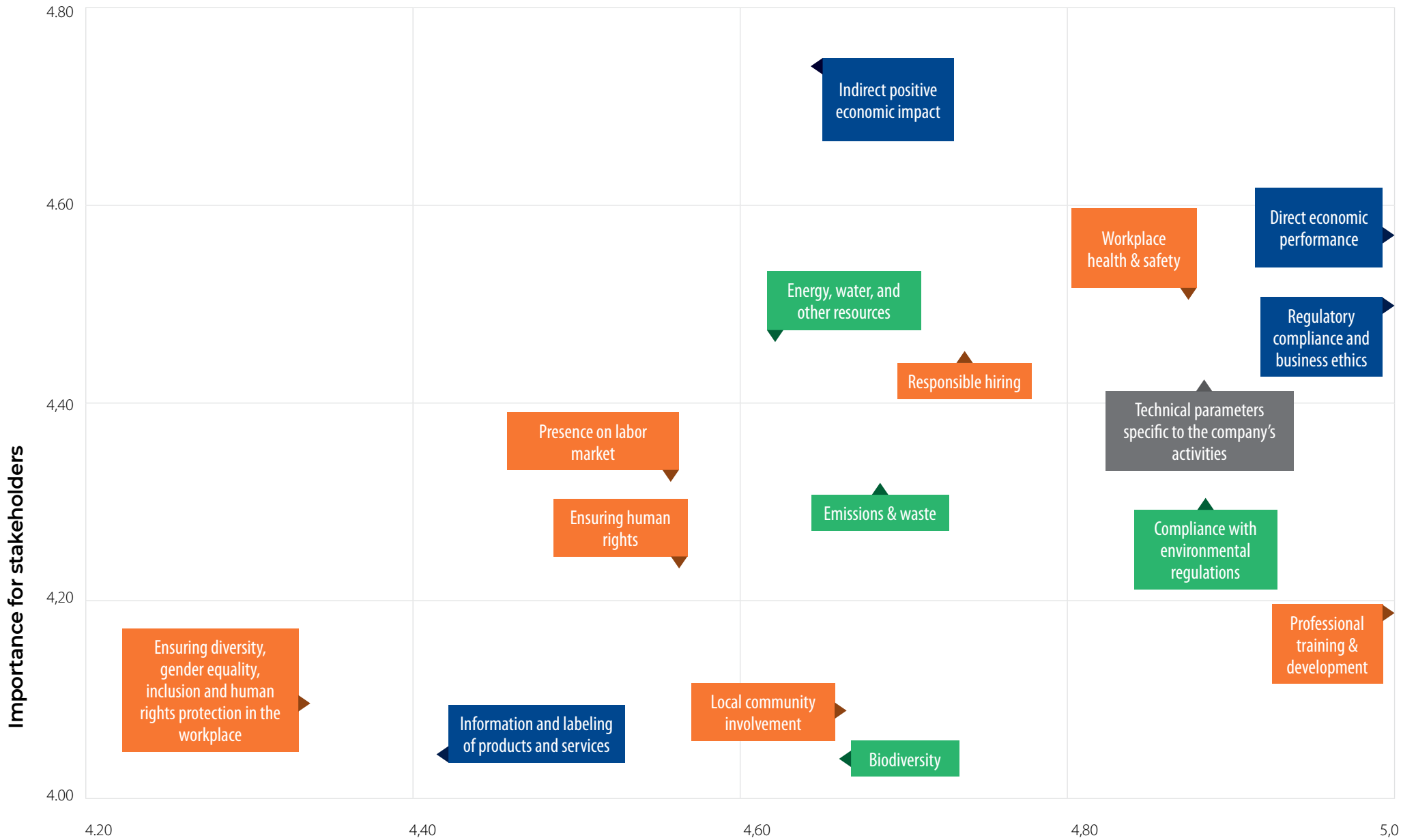
Through an analysis of the results of the stakeholder consultation process, we identified 16 material non-financial issues, and they are presented in this Report, which details how they should be managed and

provides information about the company's performance in 2021.

The material issues identified during the stakeholder consultation process were subsequently validated with the management team of the ROMGAZ Group.

Material issue	Field
Aspects related to the ROMGAZ Group's economic performance	Economic
ROMGAZ Group's labor market performance	Social
Indirect positive economic impact	Economic
Regulatory compliance and business ethics	Economic
Responsible hiring	Social
Workplace health & safety	Social
Professional training and development	Social
Ensuring diversity, gender equality, inclusion and human rights protection in the workplace	Social
Ensuring human rights	Social
Local community involvement	Social
Information and labeling of products and services	Economic
Compliance with environmental regulations	Environmental
Responsible use of energy, water, and other resources	Environmental
Biodiversity protection	Environmental
Protecting the environment by managing emissions and waste	Environmental
Technical parameters specific to the company's activities	Services

Materiality matrix



S.N.G.N. ROMGAZ S.A.'s impact on the economy, society, and the environment

■ Economic
 ■ Environmental
 ■ Social
 ■ Services



GROUP

History

More than a century ago, in 1909, the first natural gas reservoir was discovered near the heart of Transylvania, in Sărmășel. The expansion of the use of this type of resource generated economic development in the area while contributing to raising living standards for the residents of local communities.



1909

Discovery of the first natural gas field in Sărmășel, Transylvania.



1913

The first time natural gas is produced in Romania - 113,000 m3.



1915

On November 26, the Hungarian Methane Gas Company was established, which received the rights to explore and produce methane gas from the richest Transylvanian gas fields.



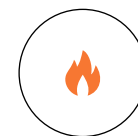
1925

Incorporation of the SONAMETAN National Methane Gas Company.



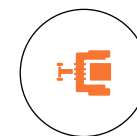
1958

The first natural gas storage deposit in Romania opens in Ilimbav, Sibiu County.



1969

The company changes its name to Centrala Gazului Metan Mediaș.



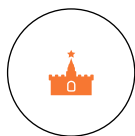
1972

First use of compression units for the exploitation of gas fields.



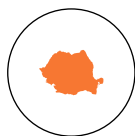
1976

The company records its highest natural gas production levels (29,834 million m3).



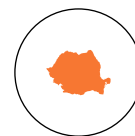
1979

Beginning of natural gas imports from the USSR.



1991

Centrala Gazului Metan becomes the ROMGAZ R.A. Autonomous Administration.



1998

The "ROMGAZ" R.A. Autonomous Administration becomes the ROMGAZ S.A. National Natural Gas Company.



2000

2000 – S.N.G.N. "ROMGAZ" S.A. is reorganized into five independent companies: S.C. "Exprogaz" S.A. Mediaș, S.N.D.S.G.N. "Depogaz" S.A. Ploiești, S.N.T.G.N "Transgaz" S.A. Mediaș, S.C. "Distrigaz Sud" S.A. București, and S.C. "Distrigaz Nord" S.A. Târgu-Mureș.



2001

Incorporation of the current S.N.G.N ROMGAZ S.A. company.



2013

The company is listed on the Bucharest Stock Exchange and the London Stock Exchange.



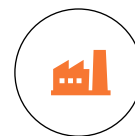
2013

Production and supply of electricity begins through the integration of the Iernut power plant by S.N.G.N. ROMGAZ S.A.



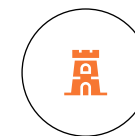
2015

Incorporation of S.N.G.N. ROMGAZ S.A. - Depogaz Ploiesti Natural Gas Storage Branch.



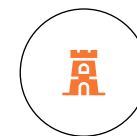
2018

S.N.G.N. ROMGAZ S.A. - Depogaz Ploiesti Natural Gas Storage Branch starts operating.



2020

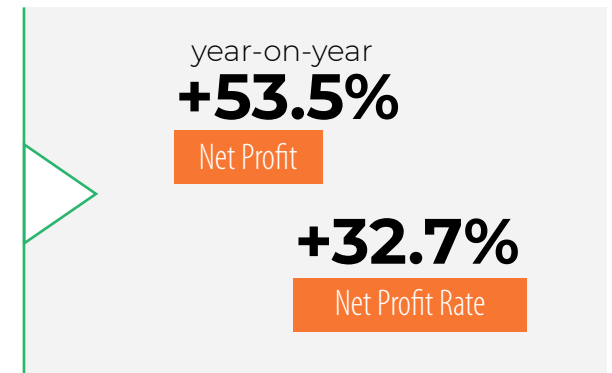
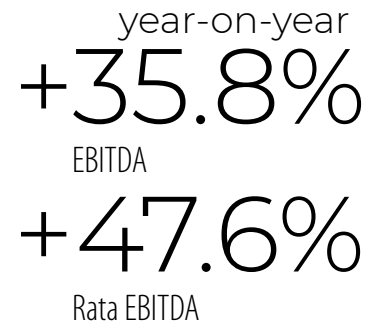
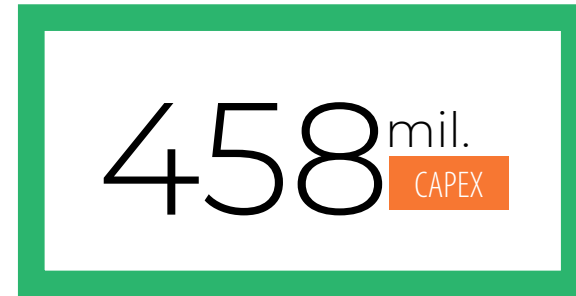
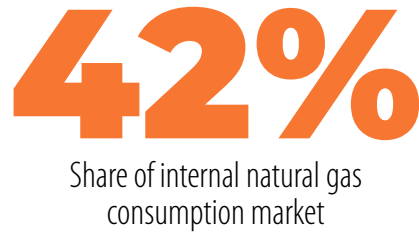
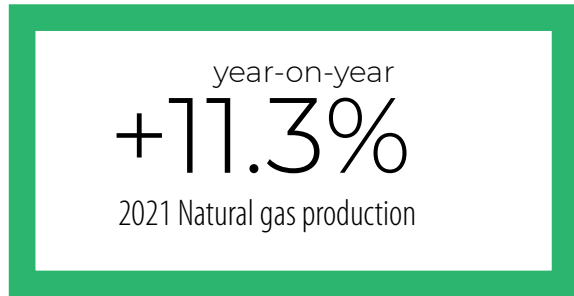
Opening of the Drobeta Turnu Severin Branch.



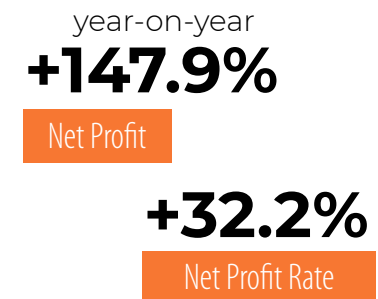
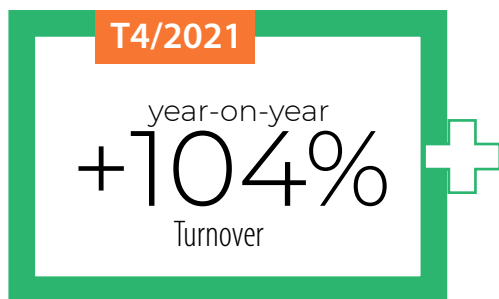
2021

Bratislava Branch is closed down.

Significant financial and operational performance recorded in 2021



T4/12 luni 2021: Cifra de afaceri și Profit Net la nivel record



The ROMGAZ S.A. National Natural Gas Company is the most important producer and supplier of natural gas in Romania. The company has over one hundred years of experience in the field of natural gas exploration and exploitation, with a history that began in 1909, upon the discovery of the first commercial gas field in the Transylvanian basin, through the drilling of the Sărmășel-2 well.



The mission of the ROMGAZ Group is to sustainably increase added value for the company, its employees, and its shareholders, as well as to demonstrate long-term resilience, while using resources in a responsible and ethical way. The ROMGAZ Group aims to be an active, profitable, and competitive player on the hydrocarbons and electricity production and trade market, including through renewable sources, while upholding efficiency and emission reduction conditions.

ROMGAZ pursues both intensive development on the local market and international development with the aim of becoming a major player on the regional energy market.

“The 2021-2030 S.N.G.N. ROMGAZ S.A. Strategy” is the foundation for the improvement of our leading position on the hydrocarbon supply market and for responsibly meeting national energy demand, including through the use of renewable sources. In this regard, our attention and resources are focused on the our main activities, alongside the careful monitoring of performance indicators and criteria, in order to be able to meet our short, medium, and long-term goals and maintain our stability and leading position on the market.

The strategic objectives, measures, and actions that will be implemented by the company’s administrative and executive management over the coming period will be directed towards the sustainable development of ROMGAZ through the improvement of its performance, competitiveness, and value, as well as through capitalizing on the company’s assets and human potential in the best ways possible, resulting in predictable and profitable business.

The strategic objectives for the sustainable development of ROMGAZ are:

- Reducing carbon, methane and other gas emissions by at least 10% (10-10-10)¹;
- Annual decline of natural gas production below 2.5%;
- EBITDA margins between 25-40%;
- ROACE of at least 12%.
- PURPOSE – Our future ambition of Net-Ze-ROMGAZ² across the company's activities.

To achieve our main purpose, through the efficient use of material, financial, human, and informational resources, the company has identified the following strategic options:

- ▶ Continuing the development of our resource portfolio while working to diminish the effects of climate change and focusing on resilient hydrocarbons, safety and operational reliability;
- ▶ Producing electricity and energy with low carbon emissions and the large-scale use of renewable energy resources, seeking positions in hydrogen and developing a gas customer portfolio that can complement these low-emission energy sources;
- ▶ Pursuing digital transformation for the company and supporting innovative solutions to allow new customer interaction

methods, increase efficiency, and support new development directions;

- ▶ Creating long-term and equally profitable relationships with the environment, the market, and society.

In the context of the European Union's objective of achieving climate neutrality by 2050 and reducing greenhouse gas emissions by 55% compared to 1990 by 2030, as well as Romania's objectives regarding the decarbonization of its energy sector and increasing the share of renewable energy in its total energy balance, the 2021-2030 S.N.G.N. ROMGAZ S.A. Strategy includes the Decarbonization Policy, which is based on the following aspects:

- Producing energy from renewable sources;
- Producing electricity using low-emission natural gas;
- Implementing an emission management system;
- Implementing a Fugitive Emissions Detection and Reduction Program as part of the production equipment integrity management system;
- Implementing a program to reduce gas emissions during well testing operations;
- Reducing execution times for the development of production infrastructure to cut



- down energy consumption and emissions;
- Using non-polluting closed discharge systems for well technology groups;
- Focus on using electrically-powered drilling equipment;
- Reducing emissions at compression stations;
- Reducing quantities of technological natural gas being burned in a controlled manner by applying methane capturing and recovery solutions;
- Reducing auto transportation of liquids resulting from the exploitation process
- Upgrading and increasing the efficiency of the existing auto fleet.

¹Reduction is set for the strategy target period (2021-2030) using 2020 as a reference year

²S.N.G.N. ROMGAZ S.A. aims to develop its business and achieve net zero carbon emissions by the year 2050.

Strategic options are corroborated with specific sustainable development objectives set out in the National Recovery and Resilience Program (PNRR):

- Clean energy and energy efficiency;
- Protecting vulnerable consumers and reducing energy poverty;
- ROMGAZ – a regional provider of energy security;
- Increasing ROMGAZ's energy input on regional and European markets by efficiently capitalizing on the resources in its portfolio and acquiring rights and oil agreements in areas of strategic interest;
- The climate component and the reduction of the carbon footprint.

The ROMGAZ Group:

- In 2021, it had a market share of approx. 42.2% of natural gas deliveries in Romania's total consumption, up 3.55% from 2020;
- As a natural gas supplier, its national market share in the 2014-2021 period ranged between 37 – 46%;
- It is the largest provider of underground natural gas storage services, owning about 90.5% of Romania's total storage capacity.

The Group's revenues primarily come from the production and delivery of natural gas (production and supply of own gas and gas



associated with joint ventures, supply of gas from imports and from other domestic producers), natural gas storage services, production and supply of electricity, and other specific services.

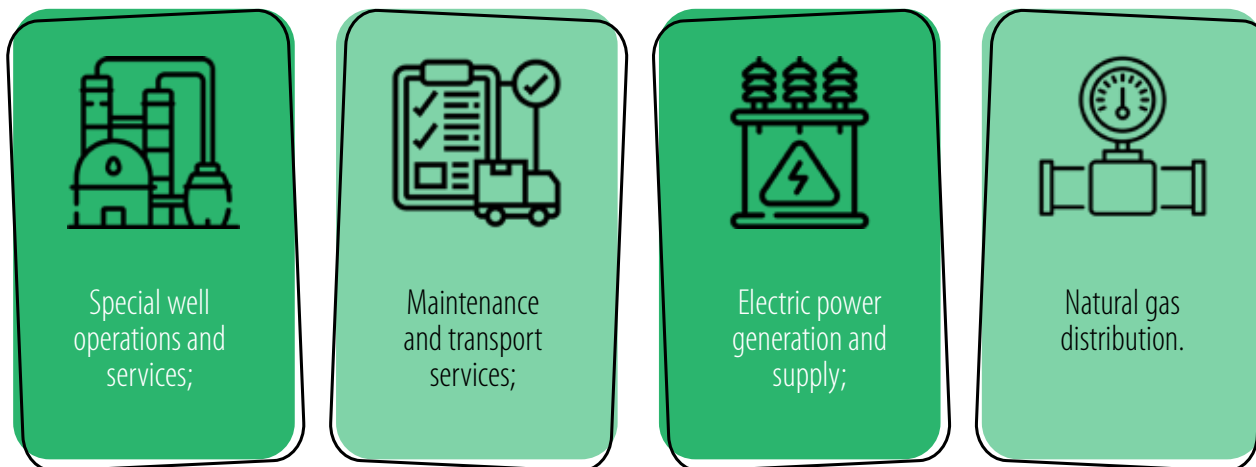
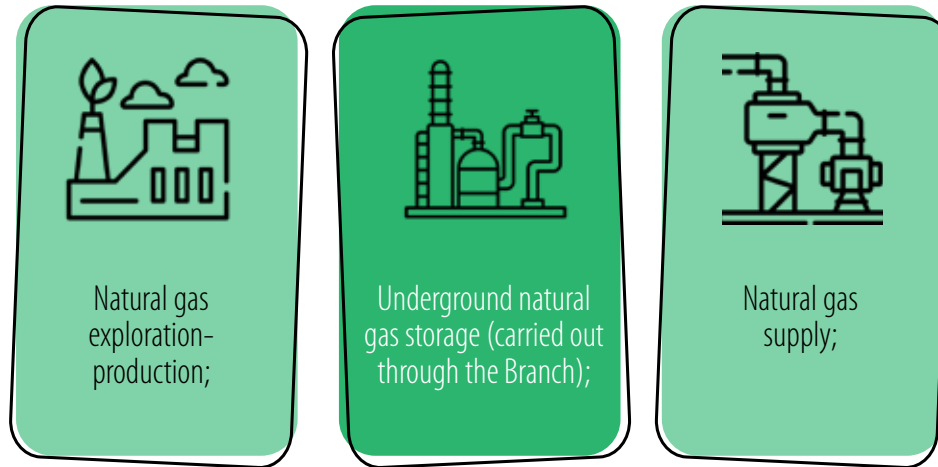
Through Emergency Ordinance no. 106/2020 amending Law no. 123/2012 on electricity and natural gas, the Romanian Government also decided to eliminate regulations on natural gas storage operations. As a result, after the 2020-2021 extraction cycle, storage is no longer a regulated activity.

90,5%

The ROMGAZ Group is the largest provider of underground natural gas storage services, owning about 90.5% of Romania's total storage capacity.

On December 31, 2021, the ROMGAZ Group operated both on the regulated market, carrying out the natural gas distribution, as well as on the unregulated market, through the production and supply of natural gas and electricity and the underground storage of natural gas.

Activities of ROMGAZ Group



EXPLORATION

Exploration operations have been carried out in 8 perimeters in Transylvania, Muntenia, Oltenia, and Moldova, based on a Concession Agreement approved by GD no. 23/2000, since October 1997.

Currently, exploration is being carried out based on Addendum no. 6 (approved by GD no. 1011/22.09.2021) to the E.D.E. Concession Agreement, approved via GD no. 23/2000, with a validity period of 6 years (10.10.2021 - 09.10.2027), with a minimal approved program comprising 36 wells with a length of 92,000 m and 1,000 km² seismic 3D for all 8 perimeters. The total value of the program is \$195 million.

ROMGAZ's main achievements in 2021 were:

- ▶ Exploration well drilling:
 - Eight finalized wells, of which three are under conservation, using gas;
 - One well carrying out drilling;
 - One well carrying out surface works;
 - Two wells undergoing procurement of drilling works execution;
 - Eighteen wells being prepared for drilling procurement;

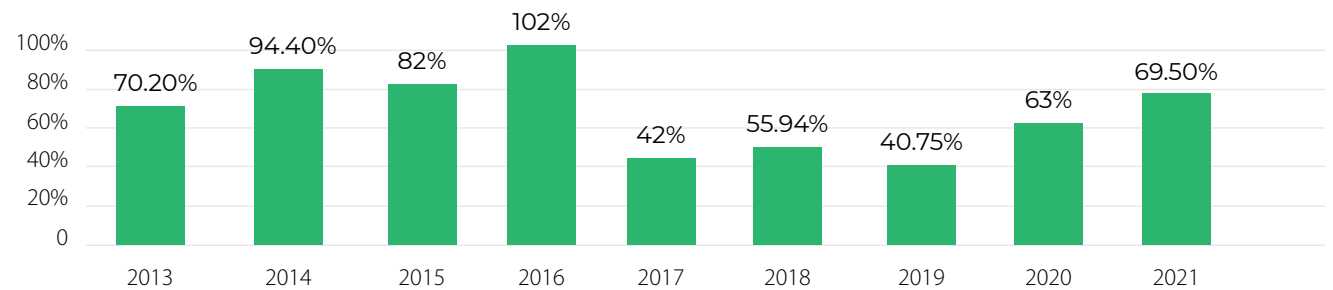


- ▶ Two projects to acquire 3D seismic data for the exploration-development-exploitation perimeters RG.07 Muntenia Center and RG.06 Muntenia North-East, covering a surface area of about 650 km².

Exploration works are designed and prioritized by ROMGAZ based on technical-economic principles, in order to increase the portfolio of hydrocarbon resources and reserves and maximize the prospective potential of ROMGAZ's 8 exploration—development—exploitation perimeters.

The reserve-replacement ratio is influenced by improvements in the final recovery factor, by promoting probable and possible deposits, and by analyzing investments into the necessary infrastructure for experimental exploitation of new discoveries resulting from exploration operations.

Development of reserve-replacement ratio in 2013-2021:



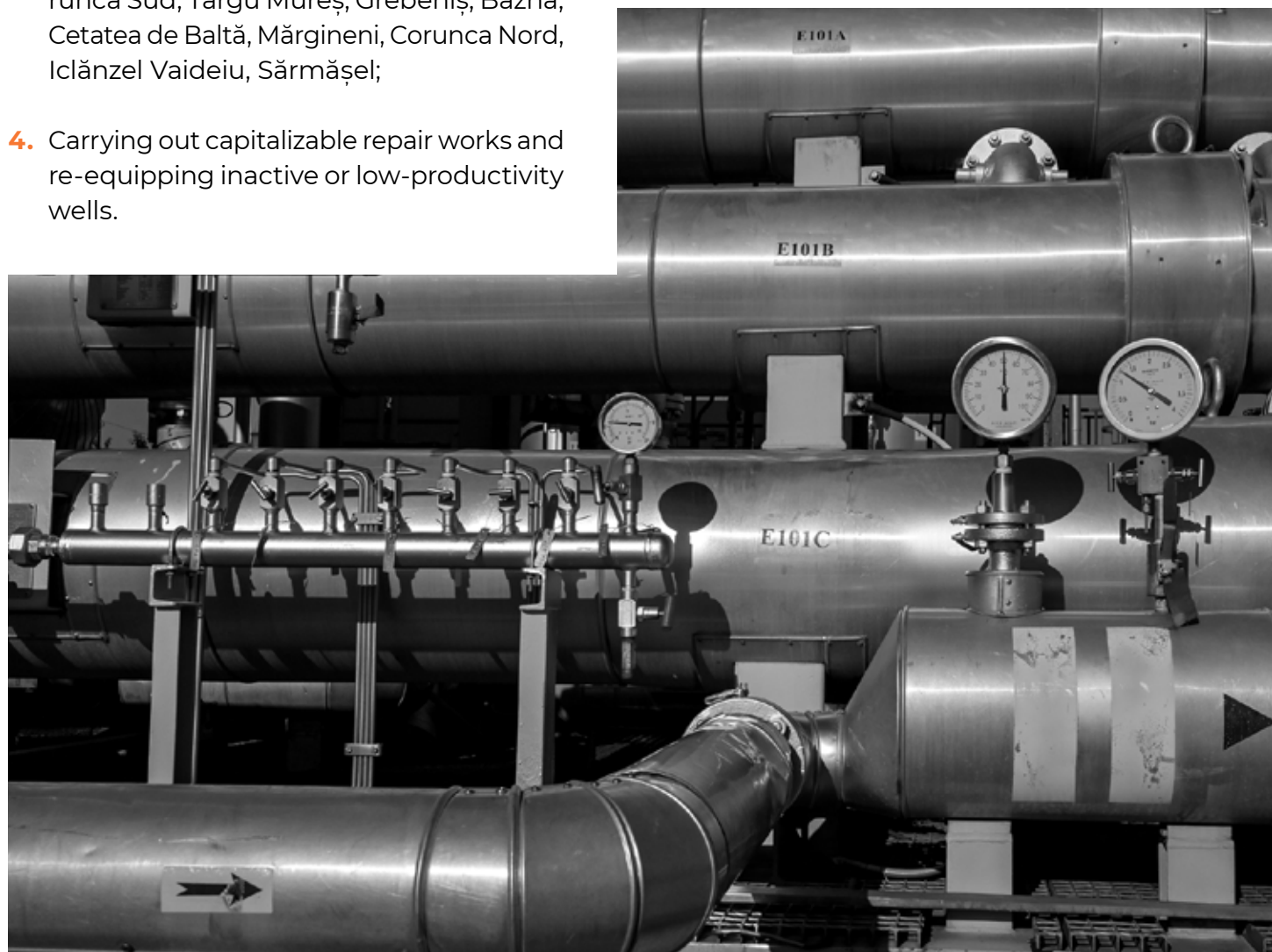
PRODUCTION

The annual oil operations program of 2021 took into account the dynamics of natural gas demand, the ongoing reactivation, replenishment, and well intervention works, the commissioning of new exploitation wells and those resulting from exploration operations, and programs to maintain compression stations and gas drying stations.

Natural gas production reached 5,028.5 million cubic meters in 2021, 508 million cubic meters above the level achieved during the previous year (+11.3%) and 2.9 million cubic meters above predicted levels (+0.05%). The production recorded in 2021 was influenced by the following factors:

1. The implementation of measures to optimize natural gas deposit exploitation;
2. Finalizing investments to extend productive infrastructure and connect new wells to this infrastructure;

3. Continuing and expanding rehabilitation projects for the main mature gas deposits: Filitelnic, Delenii, Laslău, Sădinca, Copșa Mică, Nadeș - Prod - Seleuș, Roman, Corunca Sud, Târgu Mureș, Grebeniș, Bazna, Cetatea de Baltă, Mărgineni, Corunca Nord, Iclânzet Vaideiu, Sărmășel;
4. Carrying out capitalizable repair works and re-equipping inactive or low-productivity wells.



UNDERGROUND STORAGE OF NATURAL GAS

Since April 1, 2018, storage activity has been carried out through a subsidiary called S.C. S.N.G.N. Romgaz S.A. – DEPOGAZ Ploiești Natural Gas Storage Branch SRL.

Currently, 6 underground storages are operating in Romania, all in depleted deposits. Through the Depogaz Branch, the ROMGAZ Group owns and operates 5 deposits totaling a storage capacity of 3.96 billion cubic meters and an active working volume of 2.77 billion cubic meters.

At the national level, the ratio between the volume of working gas and annual consumption stood around 25% in 2021, ranking in the top half among European peers.

In 2021, the ratio between the volume of stored gas and the working volume of storage deposits stood at 95.6%.

Through Emergency Ordinance no. 106/2020 amending Law no. 123/2012 on electricity and natural gas, the Romanian Government also decided to eliminate regulations on natural gas storage operations. As a result, after the 2020-2021 extraction cycle, storage is no longer a regulated activity.



NATURAL GAS SUPPLY

Following a comprehensive restructuring process, the Romanian natural gas sector, was divided into several independent activities. The structure of the Romanian natural gas market includes an operator of National Transport System/SNT (Transgaz), producers (among whom ROMGAZ and OMV Petrom have a 97% market share), operators of underground storage facilities, companies that distribute and supply natural gas to captive consumers, and wholesale market suppliers.

The Romanian natural gas market was fully liberalized in 2021, therefore gas prices are set using competitive principles, which are based on supply and demand and stimulated by competition among suppliers.

As a natural gas supplier, ROMGAZ's market share in the 2014-2021 period ranged between 37-46%, as follows:

	U.M.	2014	2015	2016	2017	2018	2019	2020	2021
Total national consumption	bn. m ³	12.2	11.6	11.8	12.3	12.3	11.5	12.0	12.3
ROMGAZ trade (internal+import)	bn. m ³	5.7	5.1	4.4	5.7	5.6	5.1	4.7	5.2
ROMGAZ market share	%	46.1	44.0	37.1	46.3	45.5	44.1	39.1	42.4

The quantities found on the previous page include the company's own internal production gas, internal gas acquired from third-parties, gas from the association with Schlumberger 100%, and imported gas. To allow comparison with earlier years, 2018-2021 deliveries also include gas delivered to Iernut and Cojocna for electricity production.

WELL WORKOVER AND SPECIAL OPERATIONS

The SIRCOSS unit for well workover and special operations services was established in 2003 through GMS Decision no. 5 of June 13, 2003.

The services carried out within SIRCOSS cover two main types of activities:

- Interventions, re-equipment, completions and production tests at wells;
- Special well operations.

Interventions, re-equipment, completions, and production tests are performed using tower installations.

The unit's second main activity category are special well operations, which are performed using various types of transportable equipment that allows operations to be carried out inside the well or at surface level.

Over the years, most such services have been performed for wells that belonged to the company, but some special intervention and operation services have also been provided to other companies that own and operate gas wells on the Romanian territory.

As for well reactivation works, 173 such operations were scheduled, and works were carried out on 153 wells.

In 2021, the number of wells that underwent re-equipment and capitalizable repair works, as compared to planned works, totaled:

	Mediaș Branch	Târgu Mureș Branch	ROMGAZ Total
Planned works	68	105	173
Completed works	75	78	153
Difference	7	-27	-20



TRANSPORT AND MAINTENANCE

STTM was established in October 2003 through the takeover of transport fleets from the Mediaș, Târgu Mureș, and Ploiești branches.

The branch provides transport services for goods and people, specific technological transport, and maintenance for the benefit of the company and third parties.

ELECTRIC POWER GENERATION

CTE Iernut is an important point in the NES (National Energy System), located in the center of the country, in Mureș County, on the left bank of the Mureș River, between Iernut and Cuci, with facilities for methane gas supply, industrial water, and power evacuation.

CTE Iernut is operated through ROMGAZ's Electricity Production Branch (SPEE).

CTE Iernut has an installed capacity of 800 MW, consisting of 6 power units: 4 Czechoslovakian-made 100 MW units and 2 Soviet-made 200 MW units. The units began to operate between 1963 and 1967. In the context of investment works starting on the 430 MW Combined Cycle Power Plant and of the need to ensure proper conditions for works at the related cooling circuit, the 200 MW group 6 was permanently closed down in November 2019.

In January 2019, units 2 and 3, with 100 MW each, were permanently withdrawn from commercial operation, and in November 2019, they were followed by unit 1 (100 MW), with all the shutdowns being due to non-compliance with environmental requirements. As a result, at the end of 2020, S.P.E.E. Iernut held commercial exploitation licenses for 2



energy units: one 100 MW group and one 200 MW group.

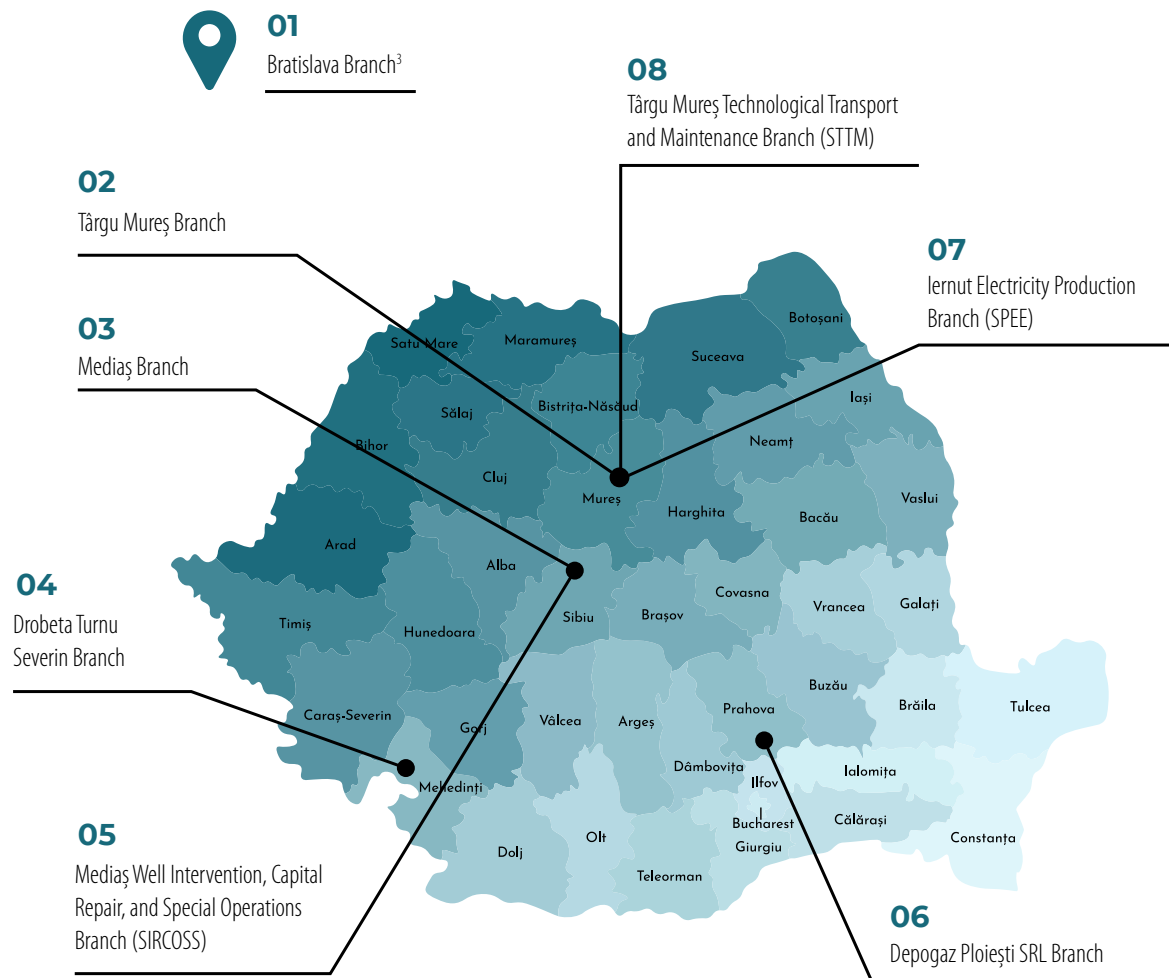
In 2021, only the 200 MW energy group no. 5 operated at S.P.E.E. Iernut, after energy group no. 4 was closed down as it exceeded the maximum emissions and NOx limits established by current regulations.



NATURAL GAS DISTRIBUTION

Natural gas distribution is a regulated activity and it is carried out in the Ghercești and Piscu Stejari areas. ROMGAZ has concluded concession agreements with the Trade and Economy Ministry for the Ghercești area and with the Piscu Stejari City Hall for distribution in Piscu Stejari. Operations are carried out through the Târgu Mureș branch.

ROMGAZ GROUP STRUCTURE



ROMGAZ is a Romanian legal entity, structured as a joint stock company, and it carries out its activity in compliance with Romanian law and the Company’s Article of Incorporation.

ROMGAZ’s share capital is RON 385,422,400, fully subscribed and paid up, and it is divided into 385,422,400 shares, with each share holding a nominal value of RON 1.

The share capital has remained unchanged since November 2013, when ROMGAZ was listed on the Bucharest Stock Exchange (BVB) and the London Stock Exchange (LSE). As of this date, the company’s shares have been traded on the regulated market managed by BVB under the symbol “SNG” and on the regulated market managed by LSE, in the form of GDRs issued by The Bank of New York Mellon (1 GDR = 1 share), under the “SNGR” symbol.

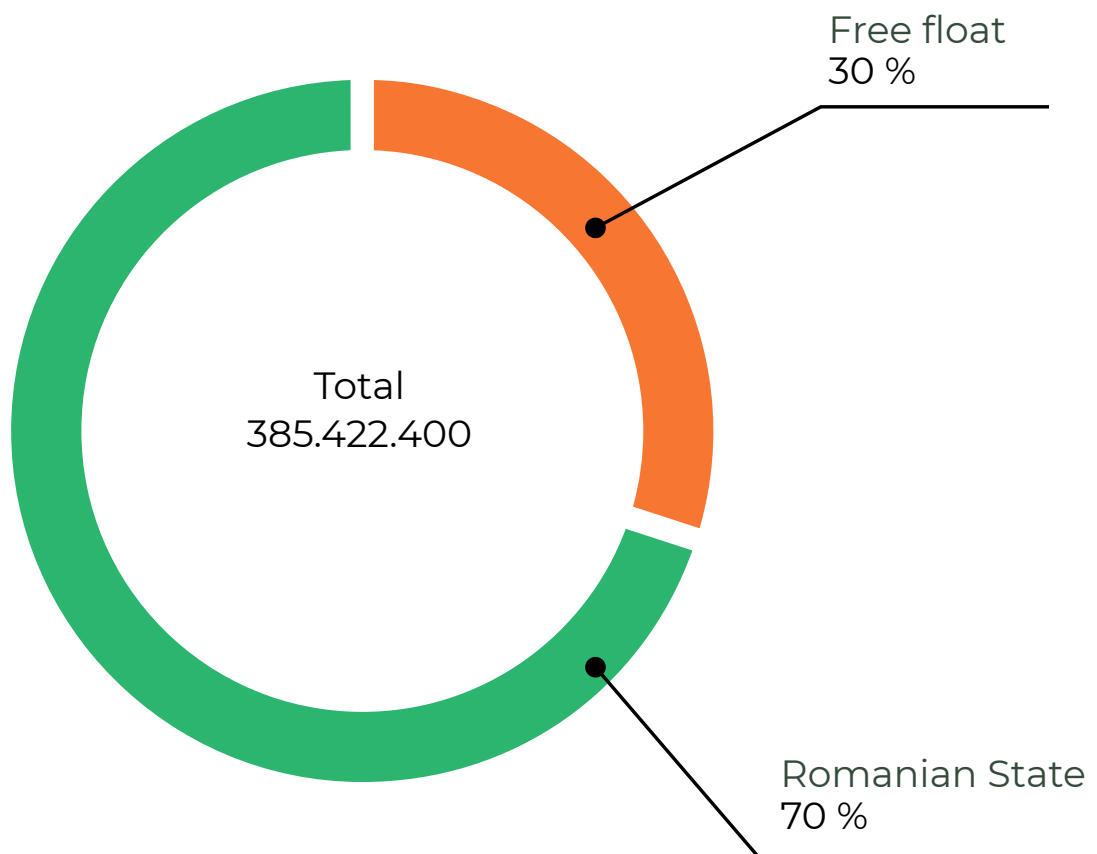
No significant changes were recorded in the shareholding structure of S.N.G.N. ROMGAZ S.A. in 2021. The company’s majority shareholder is the Romanian State, through the Energy Ministry, which owns 70.0071% of the ROMGAZ share capital. At 31.12.2021, the company has no other shareholders owning more than 5% of its share capital, similarly to the period ending on 31.12.2020.

³Through EGSM Decision no. 3 of March 25, 2020, company shareholders “approved the withdrawal of S.N.G.N. ROMGAZ S.A. from the Svidnik concession perimeter in the Slovak Republic,” resulting in the company leaving Slovakia. Decision no. 51 of August 12, 2021 (art. 5) reads: “The Board of Directors approves the dismantling of the Bratislava Branch and orders its removal from the Trade Registry (ONRC).”

On December 31, 2021, the company had the following shareholding structure:

	No. of shares	%
Romanian State ⁴	269.823.080	70,0071
Free float – total, of which:	115.599.320	29,9929
*legal entities	96.615.074	25,0673
*individuals	18.984.246	4,9256
Total	385.422.400	100,0000

⁴Romanian State through the Energy Ministry



The company carried out no transactions with its own shares in the 2021 financial year, and had no own shares on December 31, 2021.

Based on the closing price of the ROMGAZ share on December 31, 2021, the shares owned by the Romanian state through the Energy Ministry had a market value of RON 10,523,100,120.

The table below shows a breakdown by areas, sectors, and types of clients and beneficiaries:



The Iernut Electricity Production Branch did not sign any bilateral electricity sale contracts in 2021; quantities were traded on the OPCOM centralized market and on markets managed by Transelectrica.

COMPANY MANAGEMENT

The General Meeting of Shareholders (GMS) is the company's management body, which decides upon operational and economic policies in compliance with applicable legal provisions. The company is managed by a Board of Directors (BD) comprising 7 members, for a maximum period of 4 years. The Board of Directors takes all the necessary and appropriate actions to carry the company's activities, with the exception of those for which the GMS is legally responsible. The company's Organizational Chart⁵ is a public document that can be viewed on the ROMGAZ website.

The Board of Directors operates as a unitary whole, being fully aware of the company's development strategy. With the exception of the CEO, all members have non-executive functions, with one of them being independent. The Chairman of the Board is not part of the management team.

The Board of Directors establishes the company's main development directions and submits them for the approval of the General Meeting of Shareholders, according to art. 19 para-

graph (3) letter a) and art. 12 paragraph (4) letter a) of the Constitutive Act. The Board of Directors ensures that the company establishes an efficient framework for:

- Identifying key risks, evaluating and monitoring these risks based on their potential impact and probability;
- Establishing key risk indicators for monitoring the company's performance against risk types;
- Allowing the Board of Directors to be informed regarding the efficiency of the risk management system.

The Board of Directors permanently monitors aspects regarding the impact of risks and the company's economic, social, and environmental opportunities.

In 2021, in the context of the temporary naming of mandated administrators and, implicitly, directors, their activity within the ROMGAZ Group was carried out according to the mandate contract approved by the GMS and the Board of Directors.

⁵[Company Organizational Chart](#)

In October 2021, through Decision no. 9, the Ordinary General Meeting of Shareholders approved the initiation by the Energy Ministry of a procedure to select the members of the Board of Directors.

Following the appointment of administrators and directors with four-year mandates, the company's **Management Plan** will be drawn up during their terms in office and receive approval from the Board of Directors. The BD will use the Plan as the basis for its submission of key financial and non-financial performance indicators to the GMS and the establishment and granting of the variable remuneration component.

The management plan is a working tool for administrators and directors, embodied in a document developed to monitor the company's progress throughout their mandates and the vision regarding the management of activities in the interest of the company and its shareholders. The management plan has two main components—(i) administration and (ii) management—and it must be correlated to the letter of expectations and set out the following:

- mission;
- objectives;
- actions;
- resources and
- financial and non-financial performance indicators.

The company's strategic objectives, developed by the BD and approved by the GMS, are translated by the executive management into programs⁶, along with the tools needed for their implementation.

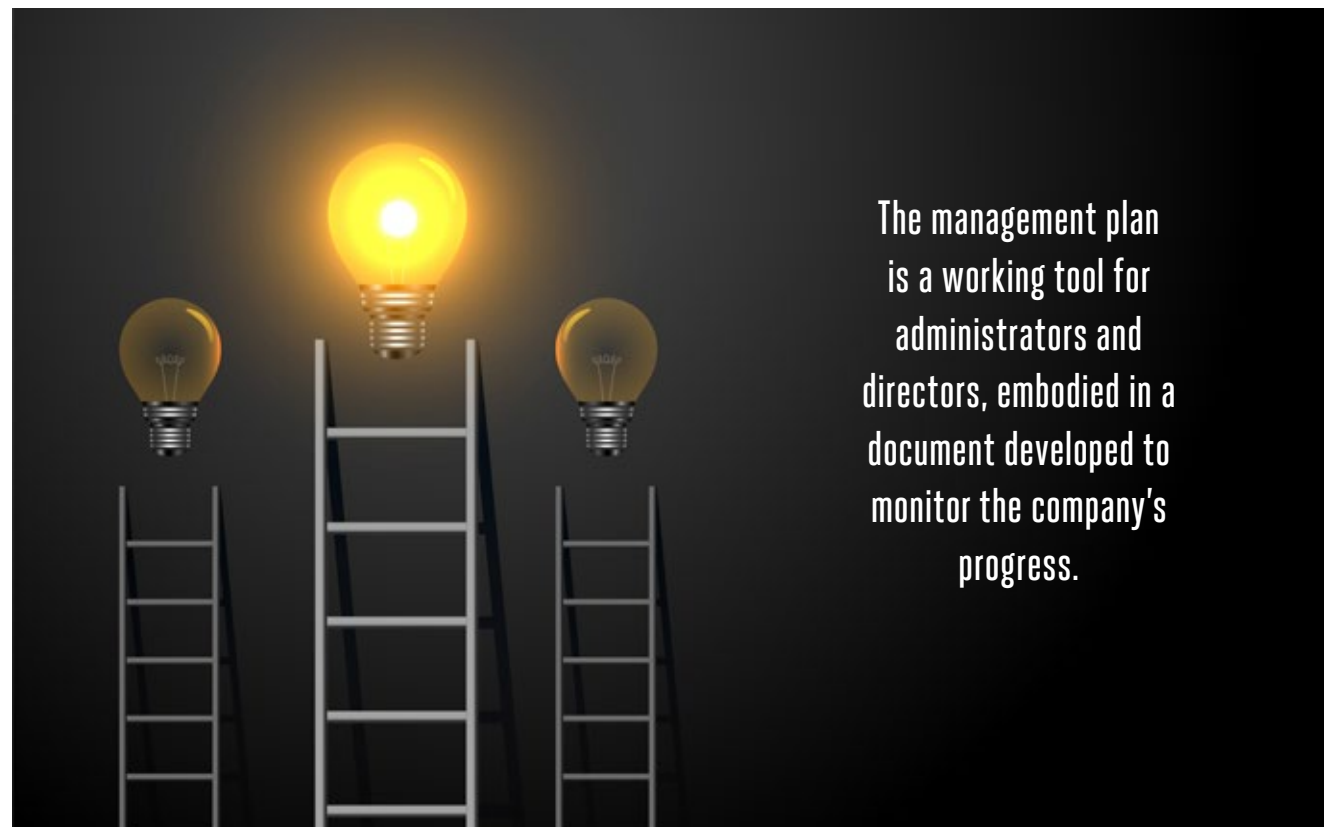
To develop and strengthen BD members' knowledge about the company's economic, social, and environmental impact, the BD Rulebook⁷ requires administrators to take part in professional training courses on topics that are important for the company.

The policy regarding BD evaluations⁸ requires BD members to improve their performance and efficiency following the evaluation. In 2021, administrators were evaluated, with no further measures being required.

⁶[S.N.G.N. ROMGAZ S.A. 2021-2030 Strategy](#)

⁷[Board of Directors Internal Rulebook](#)

⁸[Board of Directors Evaluation Policy](#)

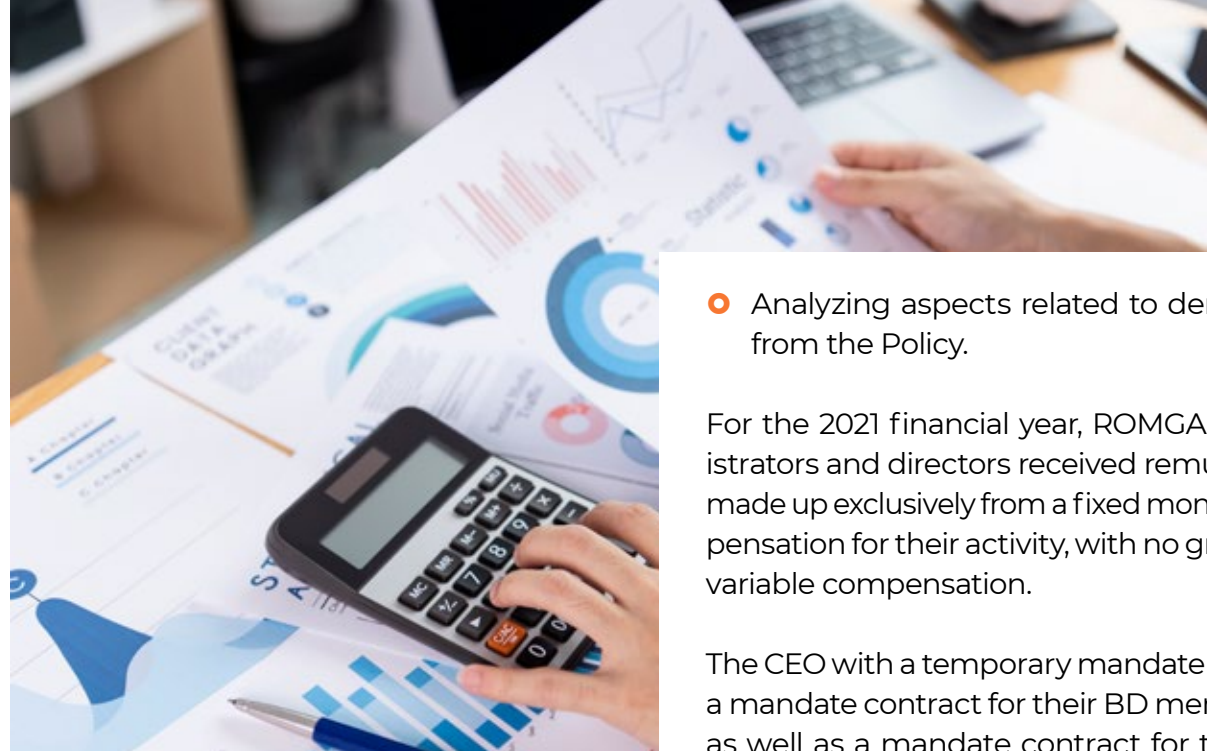


REMUNERATION FOR MEMBERS OF THE BOARD OF DIRECTORS

The decision-making process associated with ROMGAZ's Remuneration Policy is regulated according to the provisions of Law no. 31/1990, GEO no. 109/2011, Law no. 24/2017, as well as the provisions of the ROMGAZ Articles of Incorporation. In the context of amendments to Law no. 24/2017 on issuers of financial instruments and market operations, which introduces new requirements regarding both the content and the structure of the remuneration policy, the company policy was reviewed and approved by the Ordinary General Meeting of Shareholders through Decision no. 2 of April 27, 2021.

Following the appointment of administrators and directors for four-year terms and the elaboration of the management plan based on which the Ordinary General Meeting of Shareholders approves the financial and non-financial indicators underlying the granting of the variable component, the S.N.G.N. ROMGAZ S.A. Remuneration Policy will be significantly revised in order to meet applicable legal requirements by:

- Including performance indicators/criteria that were approved for granting the variable remuneration component;
- Including the algorithm to calculate the variable component;
- Including explanatory details regarding the way in which remunerations and hiring



conditions of ROMGAZ employees were taken into account upon the development of the Remuneration Policy;

- Clarifying the chapter regarding benefits and other advantages by separating financial and non-financial benefits;
- Including a chapter regarding (measures for) avoiding conflicts of interest in terms of:
 - Administrators' and directors' current activity;
 - Establishing (limits for) fixed compensation;
 - Establishing variable remuneration and performance indicators;
 - The process of approving/revising/applying the Remuneration Policy.

- Analyzing aspects related to derogations from the Policy.

For the 2021 financial year, ROMGAZ administrators and directors received remuneration made up exclusively from a fixed monthly compensation for their activity, with no granting of variable compensation.

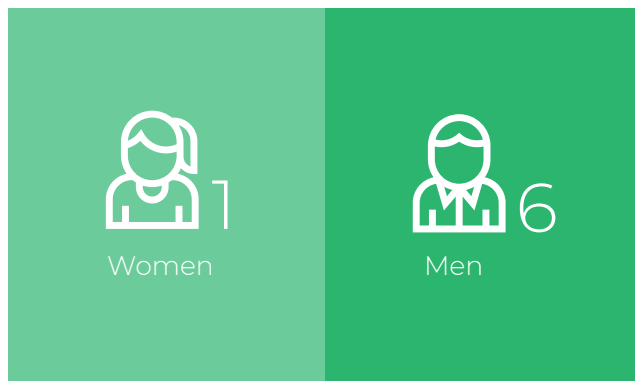
The CEO with a temporary mandate had both a mandate contract for their BD membership as well as a mandate contract for their CEO position. The CEO was only entitled to payment of the fixed monthly remuneration according to the mandate contract for the CEO position.

At the same time, according to mandate contracts that were finalized/ongoing during the 2021 financial year, mandated ROMGAZ administrators and directors also received the equivalent value of rights representing benefits and other advantages.

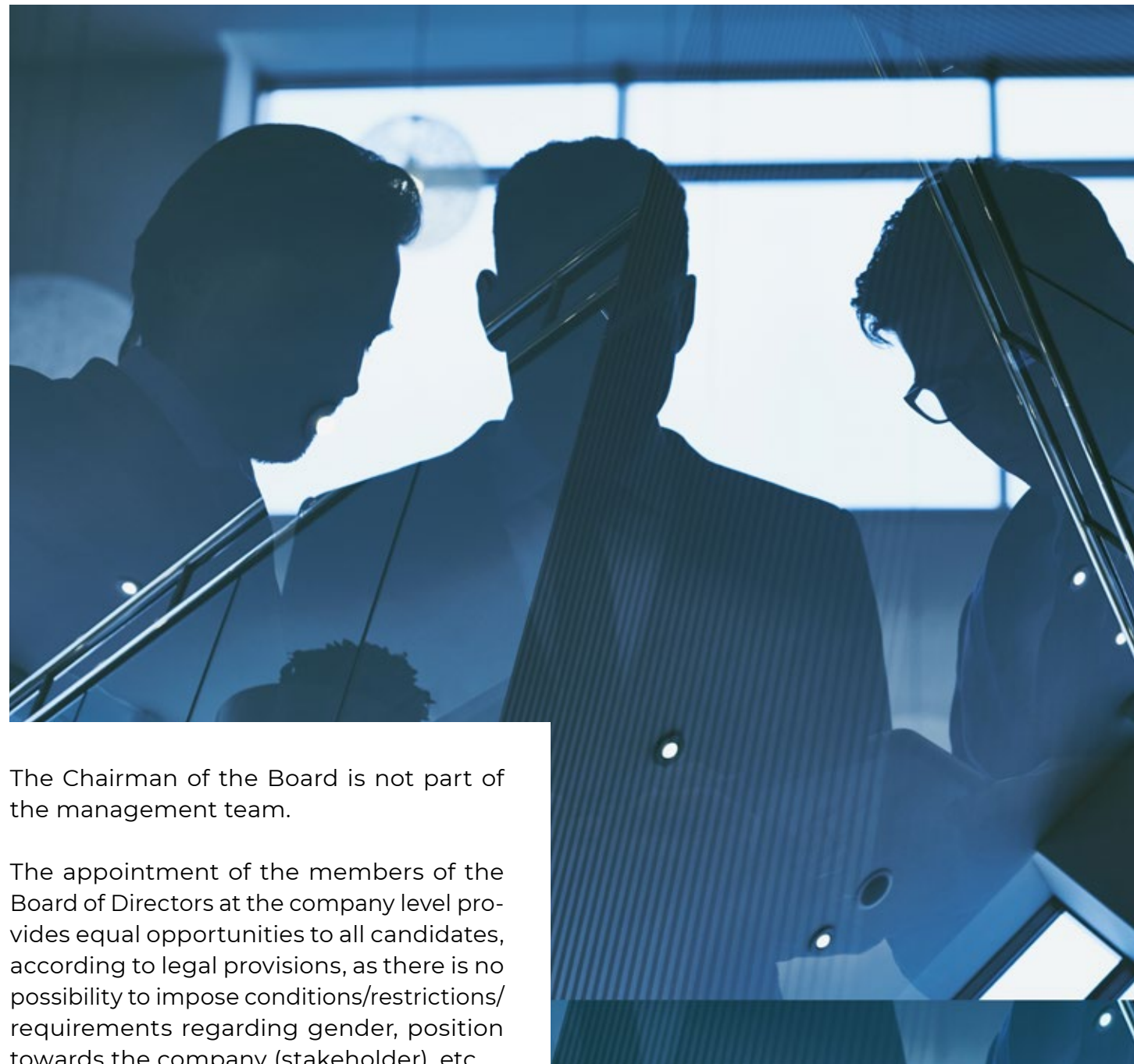
Remunerations, benefits, and/or other advantages awarded to mandated administrators and directors in the 2021 financial year were the subject of the Report developed by the Remuneration and Nomination Committee, which was published on the ROMGAZ website: www.romgaz.ro/en/reference-documents

STRUCTURE OF THE BOARD OF DIRECTORS

ROMGAZ is unitarily managed by a Board of Directors which includes 7 administrators appointed by the General Meeting of Shareholders. Since February 13, 2021, one administrator has an executive function after being appointed as Chief Executive Officer. Since the same date, 6 administrators have held non-executive functions, and one member has been independent.



The procedure to select and nominate mandated administrators and directors and the appointment of members of the Board of Directors at the company level were carried out in compliance with the provisions of GEO no. 109/2011 on corporate governance in public enterprises, with subsequent amendments and completions, approved through Law no. 111/2016 and the Methodological Norms for application (GD No. 722/2016).



The Chairman of the Board is not part of the management team.

The appointment of the members of the Board of Directors at the company level provides equal opportunities to all candidates, according to legal provisions, as there is no possibility to impose conditions/restrictions/requirements regarding gender, position towards the company (stakeholder), etc.

The members of the company's BoD on December 31, 2021:

Nr. crt.	Last name and first name	BD Role	Status ¹⁾	Professional qualification	Employer
1	Drăgan Dan Dragos	chairman	non-executive non-independent	economist	Energy Ministry
2	Jude Aristotel Marius	member	executive non-independent	lawyer, MBA	S.N.G.N. ROMGAZ S.A .
3	Simescu Nicolae Bogdan	member	non-executive non-independent	engineer	S.N.G.N. ROMGAZ S.A.
4	Stan-Olteanu Manuela-Petronela	member	non-executive non-independent	lawyer	Hydroelectrica S.A.
5	Balazs Botond	member	non-executive non-independent	lawyer	S.N.G.N. ROMGAZ S.A.
6	Niculescu Sergiu George	member	non-executive non-independent	lawyer	Energy Ministry
7	Sorici Gheorghe Silvan	member	non-executive independent	economist	S.C. Sobis Solution SRL

¹⁾ Members of the Board of Directors submitted own responsibility independence statements, in compliance with the provisions of the company's Corporate Governance Code.

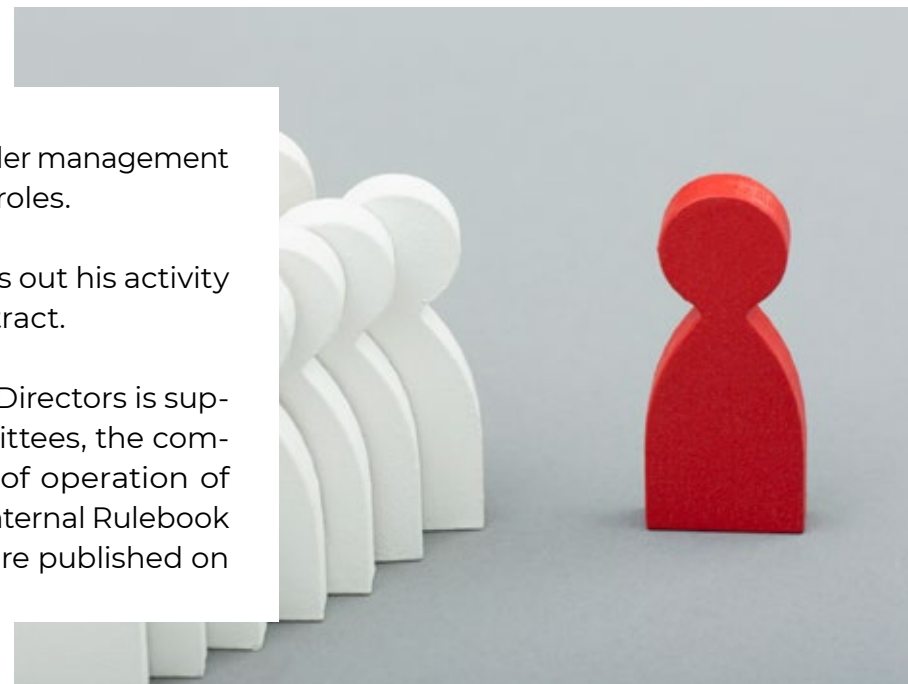
Administrators' mandates were temporary, with a maximum duration of 6 months. As an exception to the interim situation, the mandates of two of the directors appointed in 2018 were permanent in the first quarter of 2021. Apart from the CEO, two other non-executive and non-independent members inside ROMGAZ structures are no longer in office nor hold significant obligations because their individual employment contracts, and implicitly the execution of the respective functions and obligations, have been suspended. They

shall perform their duties under management contracts for administrator roles.

The General Manager carries out his activity based on the mandate contract.

The activity of the Board of Directors is supported by 3 advisory committees, the composition, skills, and mode of operation of which are described in the Internal Rulebook of each committee, which are published on the company website⁹.

⁹ [Documents of reference](#)



STRUCTURE OF THE ADVISORY COMMITTEES

On December 31, 2021, the advisory committees had the following structure:

I) Nomination and Remuneration Committee

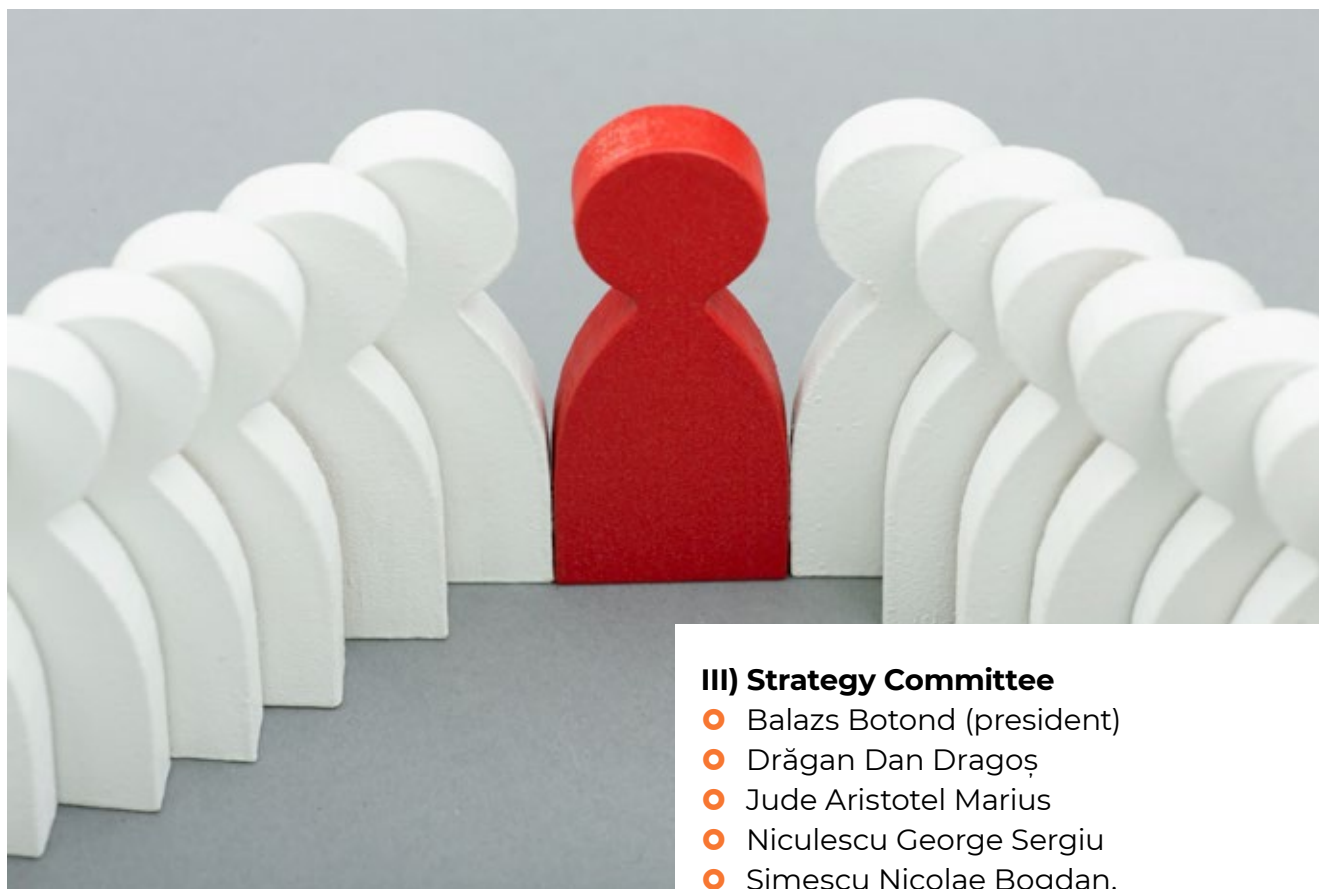
- Sorici Gheorghe Silvian (president)
- Drăgan Dan Dragoș
- Jude Aristotel Marius

The Nomination and Remuneration Committee is essentially responsible for establishing candidate selection procedures for mandated administrator and director roles, making proposals for director roles, and being involved in the selection and recruitment of mandated directors, including by making proposals for their remuneration. The Committee is also required to draw up an annual report on remuneration and other benefits granted to mandated administrators and directors throughout the financial year.

II) Audit Committee

- Sorici Gheorghe Silvian (president)
- Simescu Nicolae Bogdan
- Stan-Olteanu Manuela-Petronela

The Audit Committee fulfils the legal requirements set by art. 65 of Law no. 162/2017 on the statutory audit of annual financial statements and consolidated annual financial statements and the amendment of legislation consisting mainly of the monitoring of the financial



III) Strategy Committee

- Balazs Botond (president)
- Drăgan Dan Dragoș
- Jude Aristotel Marius
- Niculescu George Sergiu
- Simescu Nicolae Bogdan.

reporting process, internal control systems, internal audit and risk management within the company, as well as of the supervision of the statutory audit activity of the annual financial statements and the management of the relationship with external auditors. The Audit Committee has responsibilities in the field of impact and risk management according to the Internal Rulebook of the Audit Committee, which is published on the company website¹⁰.

The main purpose of the Strategy Committee is to coordinate the development/updating and monitoring of the company's development strategies, correlated with the national and European energy strategy, to analyze the implementation stage of these development strategies and the measures required to achieve the established objectives, as well as to monitor projects to diversify the company's activity by achieving investment objectives.

¹⁰ [Internal Rulebook of the Audit Committee](#)

DELEGATION OF AUTHORITY

The ROMGAZ Board of Directors delegates the management of the company to the CEO. The Economic Director and the Deputy CEO also have powers delegated to them by the Board of Directors. In addition, ROMGAZ also has people in management positions to whom the Board of Directors has not delegated management powers:

Last and first name	Position
ROMGAZ - headquarters	
Tataru Argentina	Exploration-Production Dept. Director
Greco Marius Rareş	Human Resources Division Director
Foidaş Ion	Production Division Director
Sandu Mircea Valentin	Drilling Division Director
Sasu Rodica	Exploration-Production Support Division Director
Bîrsan Mircea Lucian	Technical Division Director
Pinca Gheorghe Ovidiu	Exploration - Evaluation Division Director
Veza Marius Leonte	Accounting Division Director
Bobar Andrei	Financial Division Director
Boiarciuc Adrian	Information Technology Division Director
Lupă Leonard Ionuţ	Procurement Division Director
Chertes Viorel Claudiu	Regulations Division Director
Moldovan Radu Costică	Energy Trade Division Director
Ioo Endre	Legal Division Director
Mareş Adrian Alexandru	Strategy, International Relations, European Funds Division Director
Antal Francisc	S.U.I, Quality, Environmental Division Director

Achimeţ Teodora Magdalena	Economic Director - Mediaş Branch
Boşca Mihaela	Economic Director - Târgu Mureş Branch
Bordeu Viorica	Economic Director – SIRCOSS
Obreja Dan Nicolae	Economic Director – STTM Târgu-Mureş
Hăţăgan Olimpiu Sorin	Economic Director – S.P.E.E. Iernut Mediaş Branch
Totan Constantin Ioan	Branch Director
Veress Tudoran Ladislau Adrian	Production Director
Man Ioan Mihai	Technical Director
Târgu Mureş Branch	
Roiban Claudiu	Branch Director
Graţian Rusu	Production Director
Ştefan Ioan	Technical Director
Iernut Branch	
Balazs Bela Atila	Branch Director
Oprea Maria Aurica	Commercial Director
Bircea Angela	Technical Director
SIRCOSS	
Rotar Dumitru Gheorghe	Branch Director
Gheorghiu Sorin	Technical Director
STTM	
Lucaci Emil	Branch Director
Cioban Cristian Augustin	Technical Director
Drobeta Turnu - Severin Branch	
Săceanu Constantin	Branch Director

According to the provisions of the relevant legislation and of the ROMGAZ Articles of Incorporation (art. 19 para. (2)), *“The Board of Directors delegates company management powers, under the conditions and limits provided by law and this Article of Incorporation.”*

The powers delegated to the directors appointed by the ROMGAZ Board of Directors, and respectively to the CEO, the deputy CEO, and the economic director were expressly established through a Decision. The most important tasks delegated to the interim CEO are:

- a) approving the hiring, promotion, and dismissal of employees;
- b) approving tasks and job duties for salaried staff;
- c) approving the awarding and disciplinary sanctioning of employees;
- d) approving the material operations which are necessary and useful (actions or processes of a technical, economic, commercial or other nature) for carrying out the company’s activity;
- e) approving operations with the aim of developing/issuing legal documents within the limits established by the Board of Directors;
- f) approving sponsorship and patronage contracts;
- g) approving the ROMGAZ organizational and operational rulebook;
- h) replacing and appointing Directors (with



- individual work contracts);
- i) carrying out any additional attributions, respectively any actions or operations which are materially necessary and useful for carrying out delegated attributions.

The powers delegated by the Board of Directors to the Deputy CEO are:

- a) approving the legal documents developed in the company’s name and interest and on its behalf, in compliance with the Articles of Incorporation, the decisions of the Board

- of Directors, the decisions of the General Meeting of Shareholders, and the regular activity and objectives of the company;
- b) monitoring the application of accounting and financial control policies and approving financial and financial planning reports;
- c) approving the company’s civil service status and any modification to this status, as well as other internal documents that regulate the company’s activity, at the salaried employee level;
- d) negotiating the Collective Labor Agreement together with the CEO of the company;

- e) approving the skills, attributions, duties, and responsibilities of personnel in each compartment, except for those concerning executive directors and mandated directors;
- f) approving the necessary and useful documents for the selection, hiring, awarding, sanctioning, and awarding, as the case may be, of the company's staff in order to ensure the smooth running of the company's activity, in compliance with labor and collective bargaining legislation;
- g) approving the appointment of the suspension and/or dismissal of the heads of functional structures and employed Executive Directors;
- h) approving the company's Organizational and Operational Rulebook, as well as the Organizational Chart;
- i) together with the CEO, prospecting business opportunities that are in the company's interest, with internal and external partners;
- j) ensuring and efficiently promoting the internal control and management systems, according to the applicable legal provisions and corporate rules;
- k) protecting and promoting the company's image;
- l) any other powers delegated by the Board of Directors, except for those that cannot be delegated by the Board of Directors, according to the law or the Articles of Incorporation.

Economic powers delegated to the economic



director according to the mandate contract signed with S.N.G.N. ROMGAZ S.A.:

- a) Contributing to the achievement of the company's objectives, making use of relevant prerogatives;
- b) Developing a mandate execution report every time it is requested by the BD, and at least once every 3 months;
- c) monitoring the fulfilment of specific pro-

visions/indicators set out in the approved budget of revenues and expenses and presenting the budget execution to the Board of Directors;

- d) carrying out the tasks entrusted by the Board of Directors and/or the GMS in a precise and timely manner;
- e) presenting for approval to the Board of Directors, at the end of the financial year, the financial statements of the closed financial year, the report of the independent auditor, the proposal for the distribution of the net profit, and the proposal on gross dividend per share, to be submitted for GMS approval;
- f) presenting to the Board of Directors, at the beginning of the financial year, the draft revenues and expenses project for the current year and its Foundational Note, to be submitted for GMS approval;
- g) making available to the Board of Directors, in the most appropriate manner, the documents and information necessary for the acknowledgement and analysis of the issues incidental to the activity of the Economic Department, which will be debated by the Board according to the agenda;
- h) exercising the mandate entrusted personally and with loyalty, with the competence and diligence of a professional;



with the exceptions provided for by law and the Articles of Incorporation, company management powers are delegated to mandated directors, namely the CEO, the deputy CEO, and the economic director.

The principle of separation of duties is observed within ROMGAZ. In terms of roles, there is a clear separation between decision, execution, and verification and control duties. For any activity, the three categories of duties belong to different people.

- i) non-transmission or non-substitution of the mandate contract to another person, only the delegation of certain attributions, insofar as this does not violate any mandatory legal provisions.

Mandated directors are supported by other people holding management positions who carry out their activity based on the Organizational and Operational Rulebook and their individual work contracts.

The Board of Directors carries out all the necessary and useful actions to carry out the company's activity, with the exception of those that are legally designated as being

the responsibility of the General Meeting of Shareholders.

According to specific regulations (art. 143 paragraph (1) of Law no. 31/1990, corroborated with art. 35 paragraph (1) of GEO no. 109/2011 and art. 19 paragraph (2) of the Articles of Association), the ROMGAZ Board of Directors delegates company management powers under the conditions and limitations provided by law and the Articles of Incorporation.

The Board of Directors has several core powers that cannot be delegated to directors, according to the provisions of art. 19 para. (3) of the company's Articles of Incorporation. As a result,

Delegation of duties is carried out at all hierarchical levels of the company, and the manner of application, the rules, constraints, tasks, and responsible individuals are listed in ROMGAZ's operational delegation procedures.

Each organizational structure of the company has its own established powers, duties, and responsibilities.

Functional, cooperation, collaboration, representation, and other types of relationships between the company's organizational structures are established through the organizational and operational rulebook, the CEO's decisions, job descriptions, etc.

STAKEHOLDER CONSULTATION

Stakeholder consultation on environmental issues is carried out for each new project. The Environmental Impact Assessment (EIA) procedure consists of consulting the general public and the public authorities with environmental protection responsibilities and ensuring they are informed on the decisions that are taken.

The documented procedures regarding consultation activities between stakeholders and top management are:

1) **Monitoring the fulfilment of the decisions taken by the Board of Directors and of the actions taken (procedure, code: 18PO-09) to regulate requirements and responsibilities having to do with:**

- Establishing measures and deadlines for Board of Directors decisions;
- Monitoring action.

2) **Substantiating and developing the initial and amended revenues and expenses budget (REB) (procedure, code: 10PO-01) which regulates requirements and responsibilities having to do with:**

- Establishing an individual REB which includes the indicators budgeted for S.N.G.N. ROMGAZ S.A.;

- After the individual REB is completed and signed, it is sent for approval to the Board of Directors and then to the Ordinary General Meetings of Shareholders (OGMS). After REB materials are published on the website for approval, the REB and its annexes are sent to the Energy Ministry, as the majority shareholder, for analysis.

- After the REB is approved by the OGMS, the approved budget material and its annexes are sent to the Energy and Finance Ministries, both in written form as well as in electronic form.

- Establishing a consolidated REB that in-

cludes budgeted indicators for S.N.G.N. ROMGAZ S.A. individually and the DE-POGAZ Branch REB;

- After the consolidated REB is completed and signed, it is sent for approval to the Board of Directors and the OGMS

In addition to the above procedures,

- The S.N.G.N. ROMGAZ S.A Article of Incorporation regulates aspects regarding the GMS and the BD, including:

- Planning, conduct, and decisions of GMS sessions,
- BD organization and competencies,
- Convening, conduct, and decisions of the BD.



- As duties of the Corporate Governance Service, the Capital Market Service, and the Investor Relations Service are, the S.N.G.N. ROMGAZ S.A Organizational and Operational Rulebook regulates aspects referring to the conduct of the necessary formalities that are part of the relationship with institutions of the capital market, with company shareholders, and with investors.
- The Organizational and Operational Rulebook of the Workplace Health and Safety Committee (CSSM), as well as the Minutes of CSSM meetings, regulate matters having to do with informing, consulting with, and allowing the participation of workers in analyzing decisions regarding workplace health and safety, according to the applicable legislation.

The Internal Rulebook of the Board of Directors and the Code of Ethics and Integrity contain provisions regarding conflict of interest. The Audit Committee has an important role in managing conflicts of interest according to the Internal Rulebook of the Audit Committee, published on the ROMGAZ website.

In compliance with legal provisions, the company publishes an annual non-financial report no later than 6 months after the end of each financial year. In order to prepare the non-financial report, a multidisciplinary team is set up inside the company, comprising staff from

the company that works in representative areas for the contents of the non-financial report. The team works together with a specialized consultant to prepare the non-financial report, which is subject to analysis and approval by the Board of Directors.

Based on the delegation of powers granted by the Board of Directors through the mandate contracts signed in accordance with Law no. 31/1990, Article 143 para. (1) and GEO no. 109/2011, Article 35 para. (1), the CEO and the Economic Director are responsible for economic, social, and environmental issues.

In compliance with legal provisions, the company publishes an annual non-financial report no later than 6 months after the end of each financial year.



CORPORATE GOVERNANCE, ETHICS, AND ANTI-CORRUPTION



The S.N.G.N. ROMGAZ S.A. corporate governance system includes all the rules set by the Articles of Incorporation, the ROMGAZ Corporate Governance Code, and other internal regulations, which establish methods for the management and control of the company's activity.

The S.N.G.N. ROMGAZ S.A. corporate governance system envisages the achievement of the following general objectives:

- a) Protecting shareholders' legitimate rights and interests;
- b) Equitable, equal, and fair treatment of shareholders;
- c) Protecting stakeholders' legitimate rights and interests;
- d) Defining clear roles, competencies, and responsibilities for the Board of Directors and executive management;
- e) The integrity, ethical behavior and professional skills of S.N.G.N. ROMGAZ S.A.'s management team and employees;
- f) The transparency and proper presentation of S.N.G.N. ROMGAZ S.A.'s results and future prospects;
- g) The sustainable development of S.N.G.N. ROMGAZ S.A.

The Corporate Governance Code sets out the



main lines of action and core rules to which the S.N.G.N. ROMGAZ S.A. management is committed in the corporate governance field.

In terms of corporate governance, S.N.G.N. Romgaz S.A. applies the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, with subsequent amendments and completions, approved through Law no. 111/2016, as well as GD no. 722/2016 on the Methodological Norms for establishing the financial and non-financial performance indicators and the variable component of the remuneration of Board

The Corporate Governance Code sets out the main lines of action and core rules to which the S.N.G.N. ROMGAZ S.A. management is committed in the corporate governance field.

of Directors members or, as the case may be, of the supervision of the public enterprise, as well as its Directors, respectively members.

As an issuer of securities traded on the regulated market, ROMGAZ fully complies with the corporate governance standards provided by the Corporate Governance Code of the Bucharest Stock Exchange regarding the responsibilities of the Board of Directors, the risk management and internal control system, fair reward and motivation, and added value through investor relations.

The company's corporate governance system undergoes constant improvements, and it is outlined in a series of internal policies, rules, and regulations which can also be found on the company's website. These aim to ensure the development of the company and reduce the possible risks that could have a strong impact on its reputation, as well as to ensure compliance with the rules and recommendations applicable to companies listed on the Bucharest Stock Exchange and the London Stock Exchange.

An evaluation of the implementation of transparency and governance measures at S.N.G.N. ROMGAZ S.A. is carried out monthly, reporting results to the public authorities.

It covers issues such as:

- Publishing of annual/quarterly/bi-annual reports;
- Adopting and publishing Internal Rule-books for the Board of Directors and Advisory Committees;
- Development of policies applicable at the

- company level (Remuneration policy for mandated administrators and directors, Board members evaluation policy, Policy on transactions with affiliated parties, etc.);
- Development and adoption of the 10-year development strategy (The 2021-2030 S.N.G.N. ROMGAZ S.A. Strategy);
- Appointment of board members and executive management based on professional criteria;
- Publication of the composition of the Board of Directors, including name, surname, position within the board, and CV person (both for permanent and temporary members of the Board of Directors, during their term in office);
- Adopting and publishing the Ethics and Integrity Code;
- Publishing asset and interest statements;
- Publishing GMS materials: convening notices, materials/documents related to meeting agendas, GMS decisions (OGMS, EGMS), other relevant documents;
- Adopting and publishing a Statement of BD Commitment referring to the implementation of the risk management policy and application of the internal control mechanisms, including the fact that the BD ensures that the mechanisms are functioning properly;
- Publishing the company's Organizational Chart;
- Publishing the administrative contract framework.



An evaluation of the implementation of transparency and governance measures at S.N.G.N. ROMGAZ S.A. is carried out monthly, with results being reported to the public authorities.

- Developing and publishing the principles of the company's strategy (summary of the development and investment strategy, the main business lines being pursued, with a level of detail that does not jeopardize the company's competitiveness or generate a competitive disadvantage for the company);
- Adoption and publication of the social responsibility strategy;
- Adoption of the Corporate Governance Code.

On the other hand, the assessment of compliance with governance measures is also reflected in the table on compliance with the Stock Exchange Corporate Governance Code (the "Apply or Explain" statement) - annex to the Consolidated Administrators' Report¹¹.

CODE OF ETHICS AND INTEGRITY

The S.N.G.N. ROMGAZ S.A. Code of Ethics and Integrity contains a system of values, principles, norms and standards for conduct, ethics, and integrity and *"it is mandatory and applies in all of the company's structures, including affiliates, at any time and regardless of the position held in the organization, as well as in relationships with customers, suppliers, civil society, the local community or other stakeholders."*

The Code of Ethics and Integrity is an important tool for employees as well as for the company's business relationships, containing important provisions on conflict of interest and incompatibility, commitments regarding the company shareholders, compliance with antitrust laws, guaranteeing integrity and preventing of acts of corruption, prevention and reporting of fraud. Achieving the company's objectives, mission, and vision implies that the ROMGAZ staff will carry out their work in a manner that respects the system of fundamental values, general principles, and rules of professional conduct, ethics, and integrity, in accordance with the Code of Ethics and Integrity.

Regardless of their position inside the company, the ROMGAZ staff is required to carry out their activity—both internally as well as with external stakeholders such as shareholders, investors, business partners, customers, suppliers, etc.—based on criteria of responsibility and professional conduct with the purpose of protecting the company's image and reputation and generating added value.

ROMGAZ respects and promotes the values, principles, and norms of professional conduct, ethics, and integrity as described in the Code of Ethics and Integrity, revised in 2020.



There is no independent commitment to follow the principles of human rights at the company level, but aspects of these principles are found in the Code of Ethics and Integrity. To harmonize efforts to improve the quality of life and well-being of present and future generations, we work to protect human rights, economic and social equity, environmentally friendly technologies, fair treatment of workforce, transparent relationships with partners and collaborators, and moral integrity, and we contribute to the development of the local communities in which we operate. We recognize the fact that the protection of human rights is a continuing concern, and we aim to make progress by collaborating with stakeholders and the civil society, and we are making progress in addressing these issues.

¹¹ [Annual Reports](#)

Through the Code of Ethics and Integrity, S.N.G.N. ROMGAZ S.A. makes commitments to compliance—all company personnel are required to comply with legal regulations, rules, and internal procedures across all their activities and to act towards the application of legal requirements, according to their duties, while maintaining professional ethics and integrity.

In its relationship with business partners, the company is committed to complying with all applicable laws and regulations to uphold the honest conduct of contractual relations, as well as providing equal treatment to all its partners.

Starting with 2018, the company's rules, provisions, and ethics and integrity standards have been adapted to the legislative requirements on corporate governance and internal control and the National Anti-corruption Strategy (NAS) to which the Company has adhered.

The ROMGAZ Code of Ethics and Integrity, available in both Romanian¹² and English¹³, as well as the Declaration of Accession to the National Anti-corruption Strategy¹⁴, by which the Company adheres to the fundamental values and principles promoted by the 2016 - 2020 NAS and respectively the 2021 – 2025 NAS, can be viewed on the ROMGAZ website by both internal and external stakeholders.



ethical, legislative, and organizational integrity issues on its Infoweb platform for internal stakeholders and on the Company's website for both external and internal stakeholders.

In order to monitor compliance with the company's ethical principles and rules, on 01.07.2020, the CEO appointed by decision an ethics advisor whose responsibilities are related to raising awareness of the company's ethics and values, protecting, respecting, and enforcing regulations and rules on ethics and integrity, avoiding conflicts of interest, preventing and reporting fraud and acts of corruption, and reporting irregularities. The role of the ethics advisor is vital to the correct understanding of all situations that may arise over the course of the company's activities and how they can be resolved. ROMGAZ provides permanent access to advisory services on

The ethics advisor is responsible for implementing the Code of Ethics and Integrity, starting with staff training, providing ongoing support and advice on ethics issues, and monitoring deviations from ethics rules. Whenever they deem necessary, they can organize meetings with staff (at least with the leaders of the organizational units) in order to train them and/or solve ethical dilemmas, and they can be contacted directly, through the contact form available on the website at: www.romgaz.ro/en/ethics-and-integrity

¹² [Cod de Etica \(RO\)](#)

¹³ [Ethics Code \(EN\)](#)

¹⁴ [National Anti-corruption Strategy](#)

ROMGAZ's internal stakeholders are informed of the existence of ethical, legislative, and organizational integrity counseling services through the following tools:

- Information bulletin;
- Information via e-mail;
- Publication on the company's internal network - Infoweb;
- Training sessions.

The Ethics Advisor independently and objectively addresses all matters referred to them and treats all information brought to their

attention with the utmost discretion and in line with the Code of Ethics and Integrity, thus ensuring the protection of whistleblowers, in compliance with legislation.

In 2021, an evaluation of the implementation of the employee professional conduct rules took place at the company level. The tool used to assess the application of the Code of Ethics and Integrity in 2021 was the Questionnaire on Ethical Behavior at ROMGAZ, assessing the degree of understanding of the role of the ethics advisor, closely correlated with the application of, and compliance with, the

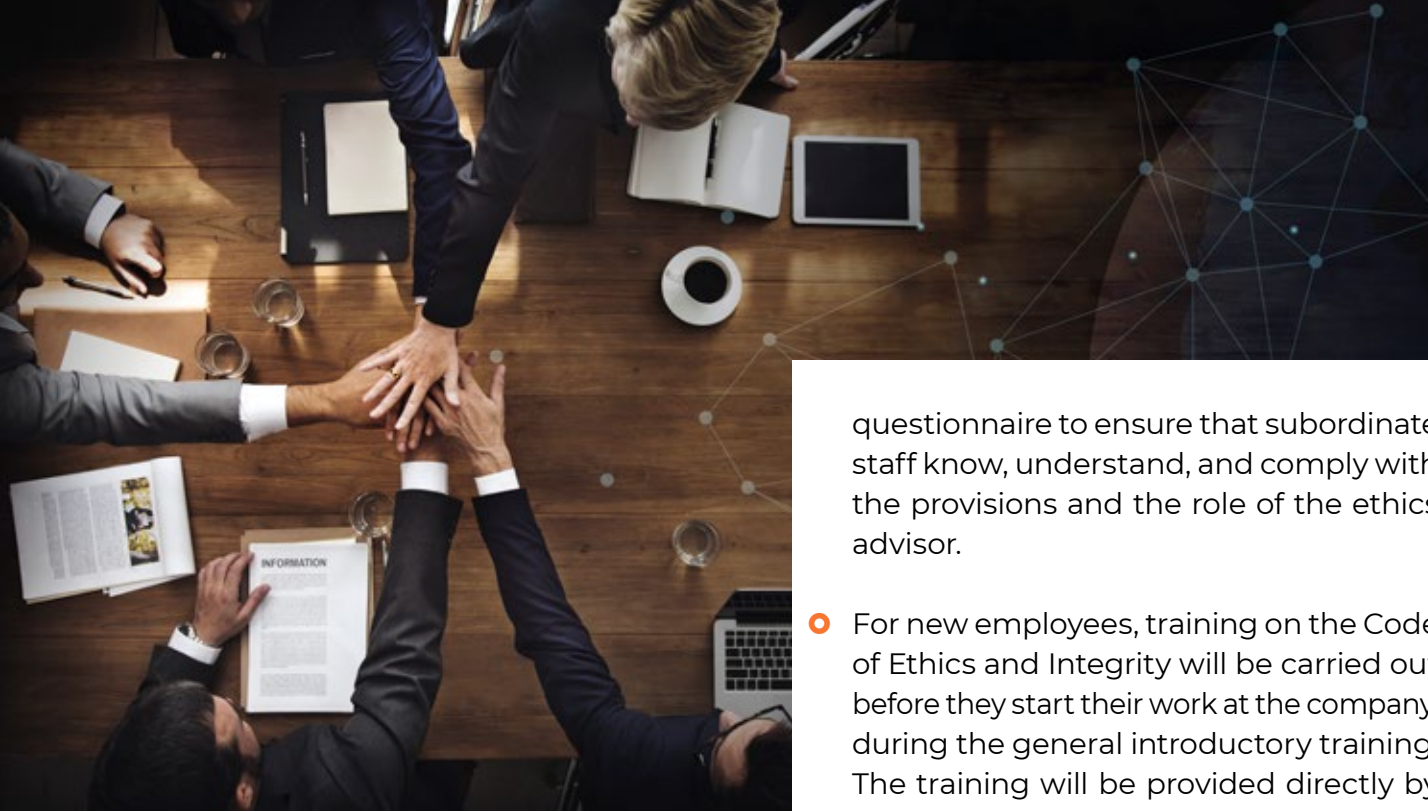
rules and provisions of the Code of Ethics and Integrity inside S.N.G.N. ROMGAZ S.A.

Assessing the degree of understanding of the ethics advisor's role within S.N.G.N. ROMGAZ S.A. is necessary in order to ensure the strengthening of their role and of consistent, ethical, and honest professional conduct. The results of the evaluations were reported by the ethics advisor to the CEO and, for informative purposes, to the Internal Management Control System Implementation and Development Monitoring and Coordination Committee and the Audit Committee within the Board of Directors. In order to monitor the ROMGAZ staff's compliance with the rules of conduct, the ethics advisor prepares quarterly/half-yearly analyses and reports on the issues reported to the CEO. The reports and analyses shall be approved by the CEO, sent for informative purposes to the Internal Management Control System Implementation and Development Monitoring and Coordination Committee and the Audit Committee of the Board of Directors.

Employees are informed of the provisions of the S.N.G.N. ROMGAZ S.A. Ethics and Integrity Code as follows:

- For management staff working in company/branch/affiliate offices, the ethics advisor carries out specific training sessions on the provisions of the approved Code





of Ethics and Integrity. For 2022, we aim for the ethics advisor to provide individual general introductory training for each new employee, before they begin their activity.

- For existing execution staff working in company/branch/affiliate offices, training will be provided by office managers, who will have been instructed by the ethics advisor. The acknowledgment of the Code will be formalized for each employee through a Statement regarding the acknowledgment of the Code of Ethics and Integrity, Annex 1 to the Code. Managers will verify employees' knowledge by applying a predefined

questionnaire to ensure that subordinate staff know, understand, and comply with the provisions and the role of the ethics advisor.

- For new employees, training on the Code of Ethics and Integrity will be carried out before they start their work at the company, during the general introductory training. The training will be provided directly by the ethics advisor in the ROMGAZ headquarters and through the human resources departments, namely staff whose responsibilities are related to the ethical aspects within branch/affiliate offices. From 2022, we aim for specific training sessions on the provisions of the Code of Ethics and Integrity to be provided to all employees and stakeholders by the ethics advisor.

The Human Resources Files of all employees who are trained according to the provisions of the Code contain the Statements regarding the acknowledgement of the Code of Ethics and Integrity (Annex 1), signed/personally acknowledged by the employee, on the training date.

Training on the provisions of the Code of Ethics and Integrity is provided on a regular basis to employees working inside the organization. Whenever they deem necessary, the ethics advisor organizes meetings with staff in order to inform them regarding any ethics and integrity issues.

In 2022, we aim to intensify training actions on ethics and integrity and business ethics in relation to partners, as well as to create internal and external training plans that include topics of interest following the philosophy of the company's Code of Ethics and Integrity to target as many interested groups interacting with the company as possible.

Also in 2022, we plan to implement a training management program on the Code of Ethics and Integrity in the form of an electronic training registry, which will include summary reports and indicators to be analyzed and monitored.

During the training sessions on the S.N.G.N. ROMGAZ S.A. Code of Ethics and Integrity, each employee was asked to fill in an internal

improvements questionnaire to assess employees' perception of the activities they believe could contribute to the improvement of ethical conduct. As proof of training, all ROMGAZ employees also filled in a questionnaire to assess their knowledge of the contents of the Code of Ethics and Integrity.

The following internal communications were delivered in 2021 by the ethics advisor in the form of newsletters on ROMGAZ's intranet network:

1. 17.05.2021 – Developing a culture of integrity: About ethics;
2. 31.05.2021 – Developing a culture of integrity: About integrity;
3. 14.06.2021 - Developing a culture of integrity: About the company's values;
4. 12.07.2021 - Developing a culture of integrity: About the Codes of Conduct, Ethics, and Integrity;
5. 15.09.2021 - Developing a culture of integrity: Corruption – definitions and terminology;
6. 12.10.2021 - Developing a culture of integrity: Corruption – types, causes, and effects;
7. 09.12.2021 - Developing a culture of integrity: Anti-corruption and integrity – International Anti-corruption Day.

Ethics counselling inside S.N.G.N. ROMGAZ S.A. is of a confidential nature and takes place after a written request is submitted to the ethics advisor or when they deem it to be

necessary as a result of a need to improve the behavior of the company's employees.

The ethics advisor independently and objectively approaches all issues that are made known to them and treats all the information that are brought to their attention with the utmost privacy and caution.

In order to ensure that ethical counselling activities are carried out in appropriate conditions, as well as to maintain a constant

dialogue with employees and other stakeholders in matters of ethics and integrity, the company has approved a schedule for specific activities carried out by the advisor to provide assistance and counselling across company sites, in spaces which are appropriate for ethical counselling activities.

In 2021, a total of four counselling requests related to the new Code of Ethics and Integrity were submitted, and they were all fully resolved.



ANTI-CORRUPTION


Achieving the company's objectives and mission requires us to operate in compliance with key integrity and professionalism concepts which are aimed at counteracting potential acts of corruption, conflict of interest, incompatibility, and fraud. In this regard, ROMGAZ has developed and implemented an annual Integrity Plan. Furthermore, the Code of Ethics and Integrity, updated in November 2020, chapter titled "*Organizational commitments of S.N.G.N. ROMGAZ S.A.,*" includes a section on "*Fighting Corruption.*"

In line with the provisions of the 2016-2020 National Anti-Corruption Strategy, ROMGAZ aims to develop a management system containing bribery prevention measures by promoting a culture of integrity, transparency, openness, and compliance, which will help the company avoid or reduce the risks, costs or negative results of bribery and to promote trust in its relationships with partners, public authorities, and state institutions. In this sense, a consulting project was carried out in 2020 in order to implement the standard ISO 37001: 2016 - Anti-bribery management systems, with a deadline for obtaining the certification set for 2022.

Developing, implementing, and applying functional anti-bribery management systems has been and continues to be a constant concern for ROMGAZ.

In the context of ROMGAZ's efforts to raise awareness on and prevent any form of cor-

ruption (bribery included), the company's Integrity Plans include material concerns, measures, indicators, risks, responsible parties, and terms, which can be viewed on our website, in the Ethics and Integrity and National Anti-corruption Strategy sections.



Developing, implementing, and applying functional anti-bribery management systems has been and continues to be a constant concern for ROMGAZ.

A decision was taken by the ROMGAZ CEO to establish the Commission for the implementation of the National Anticorruption Strategy for the period 2016-2020 at the company level, as well as to establish the necessary measures for the implementation of the provisions of G.D. 583/2016 and G.D. 599/2018.

In the context of the provisions of the 2016-2020 National Anti-corruption Strategy (NAS) and the new 2021-2025 NAS, only approved in December 2021, we note that the works related to the development, implementation, and application of functional anti-bribery management systems were carried out throughout 2021, with the project being in transition to the new strategy, approved at the end of 2021. Steps to configure and adapt the existing mechanisms will continue in 2022, through the work of a specialized internal committee, appointed by the executive management.

The specialized committee has the duty to continue the processes initiated earlier and make progress in perfecting the documentation and mechanisms of the anti-bribery management system, as well as to test, operationalize, digitalize, and effectively apply the procedures, instructions, and provisions of the anti-bribery mechanism, as well as the provisions of anti-corruption legislation to which ROMGAZ recently adhered through the document titled *“Statement on adherence to the integrity agenda.”*

ROMGAZ carried out an action to identify activities which are vulnerable to corruption inside each operation. An operation was defined as the organizational unit of ROMGAZ which, according to the Company Organizational and Operational Rulebook, can include: branch, department, division, direction, center, office, service, compartment, formation, pillar, workshop, section, agency, warehouse – as defined by documents or internal organizational and operational documents.

100% of the company’s organizational units were subject to these types of evaluations. On this occasion, we updated the list of positions which are sensitive/exposed to corruption as

well as the list of individuals holding those positions according to the system procedure titled *“Inventory of sensitive positions.”*

The positive and/or negative impact of the Anti-corruption issue is managed according to measures developed upon the identification of activities that are vulnerable to corruption.

In 2021, there were no high-exposure risks associated with corruption acts. In case corruption-associated risks are identified as exceeding the tolerance limit established at the company level, a plan of measures is developed according to the system procedure titled [Declarație privind asumarea agendei de integritate](#).





Between 07.04 – 07.07.2021, an internal insurance/regularity/compliance public audit was carried out on the topic "Evaluation of the corruption prevention system – 2021."

In 2021, the Internal Management Control Office developed the Methodology for the management of irregularities and non-compliance based on the recommendation – *“Development of a system methodology on reporting irregularities at S.N.G.N ROMGAZ S.A. to define specific terminology and irregularity types,”* issued as a result of an internal public audit on the topic *“Evaluating the corruption prevention system – 2019.”*

In order to increase the level of anti-corruption awareness and education among all employees, and alongside the acceleration of the implementation of the internal management

control system, a methodological guidance action was carried out between September 9 - 30, 2021 regarding the implementation of the Internal Management Control System (IMCS) and the continued application of the National Anti-corruption Strategy. The methodological guidance was carried out by the Internal Management Control Office, with a high focus on identifying and managing corruption risks, as well as the sensitive positions associated to these risks.

Between 07.04 – 07.07.2021, an internal insurance/regularity/compliance public audit was carried out on the topic *“Evaluation of the cor-*

ruption prevention system – 2021.” The purpose of the audit was to examine compliance with the legal framework mentioned in Annex 3 of the 2016-2020 National Anti-corruption Strategy for each of the following measures: conflict of interest, incompatibility, and pantouflage. Based on the findings of the internal audit report, the audit team’s opinions, expressed for each preventive measure included in the internal public audit mission, were:

- Conflict of interest measure – implemented;
- Incompatibility measure – partially implemented;
- Pantouflage measure – implemented.

ROMGAZ OPERATIONS EVALUATED IN TERMS OF CORRUPTION-RELATED RISKS

A series of risks were reported following the evaluation, with the areas presenting a high level of corruption risk being: procurement, investments, human resources, IT and telecommunications, economic, legal, drilling, exploration, production, land formalities, and sales.

Identified risks:

1. Disclosure and dissemination of confidential information and documents to unauthorized persons;

2. Subjective (preferential/biased) treatment of offers;
3. Subjective attitude towards evaluating audit missions;
4. Preferential relationships with contractors;
5. Public procurement of public goods, services, and works by means of circumventing applicable legal regulations in the field;
6. Developing proposals as part of the sectorial procurement plan or other documentation that might be detrimental to the company's interests;
7. Accepting the inadequate implementation of contractual clauses by the contractor;
8. Poor funds management by accepting works execution outside the provisions of the contract, project, tender specification, and the applicable technical regulations;
9. Subjective and/or biased awarding of the good performance certificate;
10. Selective approval of sponsorship/social aid applications;
11. Lack of formalities regarding the management conflict of interest;
12. Trainer selection based on preferential criteria;

13. Preferential criteria for personnel recruitment and employment, favoring of certain applicants;
14. Issuing certificates (documents) using false data;
15. The legal advisor providing legal support coming under pressure and being



- influenced by circumstances and events that might influence them to provide an opinion or legal endorsement outside the legal boundaries or to interpret the law inappropriately or in ways that are non-compliant with legal requirements;
16. Uneven application of legislation and regulations in cases and matters involving several subunits or subunits and the headquarters;
 17. Subjective assessment of a legal issue and erroneous legal advice that may lead to severe consequences;
 18. Approving documents that do not comply with the applicable regulations/procedures of the operations category to which they belong.

Operations	2018		2019		2020		2021	
	Number	%	Number	%	Number	%	Number	%
Total number of operations	270	100	270	100	272	100	414	100
Operations evaluated for corruption risk	270	100	270	100	272	100	414	100

COMMUNICATION AND TRAINING ON ROMGAZ ANTI-CORRUPTION POLICIES AND PROCEDURES

In 2021, as in previous years, all members of the Board of Directors were informed regarding the company's anticorruption policies and procedures, ROMGAZ's Statement of Adherence to the 2016-2020 NAS, as well as the Integrity Plan, all of which are public documents, available on the company's website; in 2021, members of the BD did not receive training in the field of anti-corruption.

At the same time, all employees in management positions, corresponding to the organizational charts valid on 31.12.2021 (617 employees, approximately 11,5% of the total), as part of the methodological guidelines for the development of the Internal Management Control System (IMCS), were informed about the fundamental principles and values of the NAS; the attempt thus made was to increase employees' awareness of efforts to detect, combat, and reduce corruption, correlating the NAS with standard 1 and 2 of OSGG 600/2018. In turn, according to the applicable internal regulations, employees in management positions are required to train subordinates on the provisions of the NAS and the System Procedure - Inventory of sensitive functions.

The anti-corruption policy and procedures were communicated to all our employees, namely to a total of 5,363 employees.

Additionally, all our business partners, representing 100% of bidders in procurement procedures, were informed about our anti-corruption policy and procedures through the publishing of our Code of Ethics and Integrity and the statement regarding the company's accession to the 2016-2020 NAS on the company's website.

All efforts to avoid the company's involvement in corruption incidents have been successful, so in 2021, no cases of corruption were recorded or confirmed at the Group level.

ROMGAZ has implemented the institution of the public interest whistleblower. The internal reporting channel for public interest warnings and requesting counseling on ethics, complaints/reports/warnings in matters of ethics and integrity are open to any whistleblower, whether internal or external, and are available for employees as well as for the general public, through the ROMGAZ Public Interest Whistleblower warning mechanism as well as through the contact data specifically provided in the Ethics

and Integrity section, for reporting directly to the ethics advisor. Furthermore, the S.N.G.N. ROMGAZ S.A. Code of Ethics and Integrity (both in English and Romanian) lists the fol-



lowing methods of submitting complaints/reports to the ethics advisor:

- By mail: S.N.G.N. ROMGAZ S.A. Mediaș, 4 C.I Motaș Sq., 551130 Sibiu County, Romania, attn.: ROMGAZ ethics advisor;
- By e-mail: consilierdeetica@romgaz.ro;
- Through the Registry office in a sealed envelope, with the note "Notice in the attention of the ethics advisor";
- In-person submission.

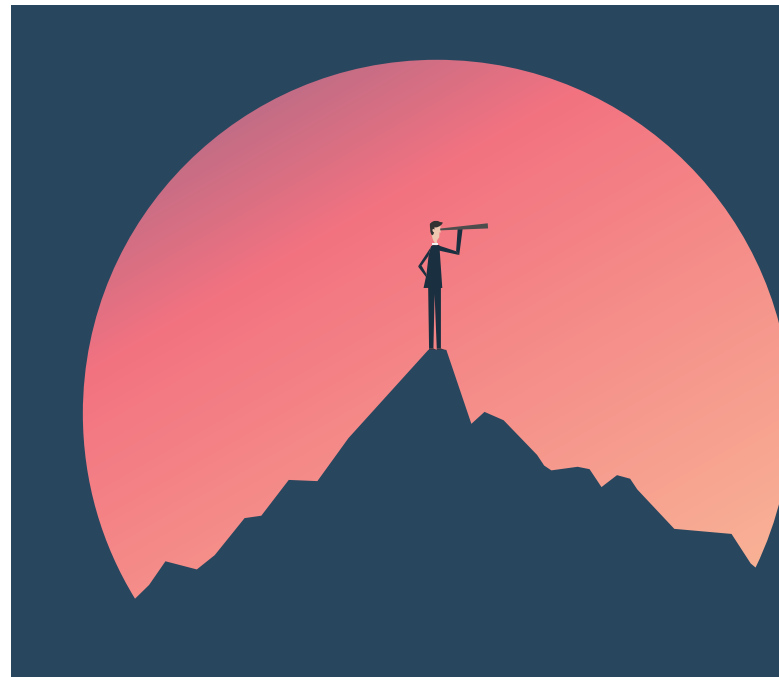
As for matters related to anti-competitive, anti-trust and monopolistic behavior, no such incidents were reported inside the ROMGAZ Group in 2021, nor was the company involved in any legal action related to the breach of good practices in this field.

Our vision, objectives, and strategy

Since its establishment, ROMGAZ's mission has been to produce and supply natural gas, contributing to Romania's energy independence and its economic performance in compliance with the governmental energy policy. Over time, the company's activity has diversified to include the natural gas storage component and, recently, electricity production, while in the future we aim to take steps towards green energy, wind, solar, and even hydrogen power. The Group uses resources in a responsible and ethical manner in order to obtain long-term profit. The ROMGAZ Group aims to become an active, profitable, and competitive player on the natural gas and electricity production market.

ROMGAZ is pursuing intensive development on both the local and the international markets, aiming to become a major player on the regional energy market.

For S.N.G.N. ROMGAZ S.A. to achieve its objectives, vision, and mission, each employee's activity must be carried out in alignment with a set of values, principles, and ethical conduct norms. Complying with the provisions of the Code of Ethics and Integrity leads to protecting ROMGAZ's integrity and bringing ethics in the first line of internal professional and



ROMGAZ is pursuing intensive development on both the local and the international markets, aiming to become a major player on the regional energy market.

human relationships, as well as in external relationships their clients, suppliers, partners, public authorities, and the community. This way, the organizational culture is consolidated based on the values and a climate of ethics and integrity, which is appropriate for professional activities. ROMGAZ benefits from a good reputation, respect, and partner trust.

ROMGAZ's Code of Ethics and Integrity promotes the following ten fundamental ethical values:

1. Honor and fairness in exercising one's profession: having an honest attitude by openly communicating is at the core of mutual trust and consolidates the company's image.
2. Professionalism: each employee's obligation to fulfill their duties objectively, impartially, and independently, grounding their activity, solutions, and decision-making alternatives on legal provisions and solid reasoning, withholding from any act that may cause damage the company;

3. Objectivity: ensuring impartial and non-discriminatory treatment across all activities inside ROMGAZ. Each employee should be fair and should not allow their objectivity to be affected by misconceptions, conflicts of interest or undesired external influence that may interfere with professional or business reasoning;
4. Impartiality and independence: employees' are required to have an objective attitude, remaining neutral towards any political, economic, religious or other interest while exercising their duty. Independence involves expressing an opinion without the influences that may compromise their professional reasoning, allowing individuals to act based on integrity and to exercise their professional objectivity and skepticism;
5. Integrity: mandated employees/managers/directors must immediately disclose any personal interests that may come into contradiction with objectively exercising their work responsibilities and avoiding conflict of interest or incompatibility situations. Maintaining integrity involves moral bravery, the power to do what is right, to operate based on ethical principles in spite any strong pressure to act otherwise. A good professional should be right and honest in all professional and business relationships. Each person contributes to

creating the conditions of a strong and long-lasting organization;

6. Non-discrimination: discrimination of any kind is strictly forbidden within ROMGAZ, whether it's based on sexual orientation and convictions, age, disabilities, nationality, skin color, ethnicity, religion, marital status, political options, union membership, etc. The company aims to create a culture where individual differences are accepted and appreciated. ROMGAZ respects the principle of equality of treatment and opportunity, as well as those of tolerance and diversity;
7. Responsibility: ROMGAZ promotes the principle of responsibility regarding the impact of its activities and focuses on the needs and expectations of internal stakeholders, as well as those of shareholders, business partners, suppliers,

clients, competitors, stakeholders from local and central authorities, NGOs, and local communities. The responsible social behavior is closely linked to ROMGAZ's ethics standards, therefore the company acts towards economic and social equity, environment-friendly technologies, fair treatment of workforce and business partners, transparent relationships with public authorities, and contributions for supporting communities in which it operates;

8. Transparency: ROMGAZ and its personnel carry out open and constructive dialogue with all stakeholders, based on respect and professionalism;



9. Communication and freedom of speech: ROMGAZ encourages freedom of opinion and dialogue. It is strictly forbidden to use offensive language, personal attacks or insulting behavior in work-related interactions. Individuals in various positions may express and explain their opinions by respecting the rule of law and good manners;

10. Loyalty towards the company: as a binding operating rule, ROMGAZ personnel is devoted to the company and required to loyally defend the company's reputation as well as to withhold from any act that may damage its image or legal interests.

"The 2021-2030 Development Strategy" is at the core of strengthening our leading position

on the natural gas supply market and of responsibly meeting the national energy demand. In this respect, our attention and resources are focused on our main operations, and we carefully oversee performance

indicators and criteria, in order to be able to achieve our goals in the medium and long term and to maintain our stability and position as market leader.

The strategic objectives, measures, and actions to be carried out by the company's managers and executives are aimed at increasing the company's performance, competitiveness, and value through the best possible capitalization of owned assets and human potential, ensuring predictable and profitable business.



Transparency: ROMGAZ and its personnel carry out open and constructive dialogue with all stakeholders, based on respect and professionalism;

In order to reach its main goal by efficiently using the material, financial, human, and information resources at its disposal, the company has set the following strategic objectives:

- Increasing the reserves and resources portfolio by discovering new resources and enhancing the recovery of existing resources;
- Identifying new opportunities for growth and diversification;
- Increasing the company's performance;
- Optimizing, developing, and diversifying the underground storage operation by reconsidering its importance in order to secure the safety, continuity, and flexibility of the natural gas supply;
- Increasing the efficiency of underground gas storage to improve gas trading capabilities;
- Increasing daily production capacity through investments that reduce the daily production capacity's dependency on reservoir pressure;
- Maintaining the natural decline of gas production to a maximum of 1.5%/year;
- Strengthening our position on energy supply markets;
- Optimizing and improving the company's organizational structure;
- Developing a predictable dividends policy that would help potential investors better understand the company's financial structure;
- Expanding the company's activity regionally by identifying new business opportunities;



- Implementing corporate governance principles and an Ethics and Integrity Code;
- Developing reporting, control, and risk management capabilities;
- Responsible and active involvement in corporate social responsibility.

Considering the precedent created by the COVID-19 pandemic, ROMGAZ aims to adopt a new digitalization strategy in order to improve its service quality and be able to respond to similar future situations in a timely manner.

Increasing daily production capacity through investments that reduce the daily production capacity's dependency on reservoir pressure.

Analysis of risks and opportunities

As part of the process of developing the internal management control system, in its risk management process, the company systematically analyzes – at least annually – the risks related to its objectives and activities, develops plans to limit the possible consequences of these risks, and designates those responsible for implementing the plans. The process covers all operations in our organizational units and all management levels.

According to its Corporate Governance Code, S.N.G.N. ROMGAZ S.A. has the obligation to implement and develop an internal management control system, which must include an efficient risk management system.

The company's risk management system aims to comply with the following regulations:

- ▶ Law no. 111 of May 27, 2016 for the approval of Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises;
- ▶ Law no. 174/2015 for the approval of Government Emergency Ordinance no. 86/2014 on the establishment of reorganization measures at the level of the central public administration and for modification and completion of several legislative acts.

Risk management within ROMGAZ is an ongoing process that covers all of the company's business areas and requires the participation of all employees in identifying risks in their activities.

- ▶ International standard ISO 31010: 2011: "*Risk management: risk assessment techniques*;"
- ▶ Order of the Government Secretary General no. 600/2018 regarding the approval of public organizations' internal management control code;
- ▶ The BVB Corporate Governance Code;
- ▶ The S.N.G.N. ROMGAZ S.A. Corporate Governance Code;
- ▶ System procedure PS-07 "*Risk Management*" version 3.0.

Risk management within ROMGAZ is an ongoing process that covers all of the company's business areas and requires the participation of all employees in identifying risks in their activities that could prevent them from achieving their objectives, in order to take the necessary measures in due time.

The identification of risks is closely related to the activities related to each specific objectives, the achievement of which could be affected by the materialization of the risks.





Strategic objectives are defined by the company's top management, while general and specific objectives are defined at the organizational unit level, by hierarchical leaders, together with their subordinate staff.

Risk assessment is performed taking into account two key parameters, with a scale for measuring their value:

- ▶ the likelihood of occurrence and
- ▶ the impact, namely the effect or consequences of the risk's materialization.

ROMGAZ's risk management methodology establishes a general unitary framework for identifying, analyzing, and managing risks at the organizational unit level and, at the same time, provides a tool that facilitates risk management to be carried out in a controlled and efficient manner, in order to implement the objectives.

Risk management activities are carried out across three company levels, namely:

- ▶ Inferior level: represented by those responsible for risk at the organizational unit level;
- ▶ Medium level: represented by structured (risk management committees) that facilitate and coordinate the risk management process, which meet on an ad-hoc basis and whenever necessary as per applicable legislative requirements;
- ▶ Superior level: represented by the company's top management (comprising the Monitoring Committee) which approves risk reports according to the company's objectives and risk appetite and effectively leads the process when necessary by analyzing, evaluating, and treating risks that could have a significant impact on the achievement of the company's objectives.

The biggest economic, social, and environmental risks identified in 2021 were caused by the following:

- Energy Policy of the European Union and the EU Green Deal;
- Natural gas and electricity prices;
- Decrease of market demand for natural gas;
- Increase of the dividend distribution ratio;
- Instability of the fiscal regime – the need for a stable legislative framework;
- Foreign exchange rates and inflation;
- Risks generated delays in sector-specific procurement procedures.

The main risks identified in 2021 included:

- The lack of balance between the Minimum Work Plan and previous periods and ANRM requirements;
- SARS CoV-2 virus infections among company employees.

Key opportunities from an economic, social, and environmental point of view:

- New gas sources and infrastructure projects in the Southern Corridor and possibly the extraction of hydrocarbons from the Black Sea, which would allow the adoption of a new business model in the supply activity;
- Development of Romania's household natural gas consumers market;



- Implementation of new technology to increase the profitability of gas fields;
- Company digitalization;
- Gas-powered electricity generation;
- Possible development of new capacities to generate electricity from renewable sources;
- Increase of market share in terms of electricity generation by making the new investment at the Iernut power plant operational;
- Implementation of international oil and gas standards and new partnership and asset management models;

Among the main measures taken to reduce the impact and risks for our operations were:

- Gaining a competitive advantage by harnessing key opportunities such as: increasing our natural gas and electricity market share, entering the renewable energy market, and achieving the strategic objective set out by the Green Deal;
- Increasing recovery rates from mature fields by implementing new technologies, standards, and efficient asset management.

The background features a dark blue grid with glowing teal lines and circles. Binary code (0s and 1s) is scattered throughout. A prominent blue candlestick chart is overlaid, showing an overall upward trend with some volatility. The word "ECONOMIC" is written in large, bold, white capital letters at the bottom.

ECONOMIC

Economic performance

In 2021, the ROMGAZ¹⁵ Group recorded revenues of RON 5,852.93 million, up by 43.63%, namely by RON 1,778.03 million, compared to 2020 (RON 4,074.89 million).

The net profit of RON 1,914.99 million was higher than the net profit recorded in 2020 by RON 667.08 million (+53.46%).



The ROMGAZ Group's performance in the year ended on December 31, 2021 was influenced by the following factors:

- ▶ An increase in revenue compared to the previous year, as a result of:
 - The quantity of natural gas sold (including gas purchased for resale) was 12.7% higher in 2021 compared to 2020. Revenue from the sale of natural gas in 2021 was RON 5,043.15 million, up 52.41% compared to the previous year;
 - In the fourth quarter (Q4) of 2021, revenue from sale of natural gas increased by 101.81% compared to the previous quarter (+17.15% from a quantitative point of view), namely by 120.62% com-

pared to Q4 2020 (-15.64% from a quantitative point of view);

- In 2021, revenues associated with storage operations declined by 30.64% at the group level following a 32.3% decline of booking services (RON -91.18 million) and a 31.48% (RON -15.53 million) drop in injection services. For DEPOGAZ, the decrease of revenue from these services was 6.14%;
- Revenue from the sale of electricity increased by 69.9% compared to the previous year (RON +132.31 million) at a production level which was 31.7% lower compared to the previous year's. This

is due to high prices on the centralized markets in which the Group operates.

- ▶ In 2021, an income of RON 114.7 million was generated by executing the performance guarantee related to contracted works for the development of CTE Iernut by building a new 430 MW power plant with combined cycle gas turbine, as agreed between ROMGAZ and the Consortium consisting of Duro Felguera S.A. and Romelectro S.A.

¹⁵ROMGAZ Group consists of S.N.G.N. Romgaz S.A. (the "Company/ROMGAZ") as parent company, Filiala de Inmagazinare Gaze Naturale DEPOGAZ Ploiesti SRL ("DEPOGAZ"), a subsidiary 100% owned by ROMGAZ, and associates SC Depomures SA (40% of the share capital) and SC AGRI LNG Project Company SRL (25% of the share capital).



- ▶ ROMGAZ won a court litigation case against the ANAF (National Fiscal Administration Agency) for the annulment of a fiscal inspection report related to an inspection carried out between December 2016 – April 2017, which led to the recognition of an income of RON 28.02 million from offsetting the impairment associated with the receivable;
- ▶ Petroleum royalty expenses and windfall tax recorded significant increases:
 - Petroleum royalty expenses (including royalties for storage activity) increased by RON 552.54 million compared to the previous year, namely by 280.65% (RON 749.4 million in 2021, compared to RON 196.9 million in 2020), mainly as a result of the increase of the reference price used for calculating royalty. The

increase in Q4 2021 as compared to the previous quarter was 145.7%.

- Windfall tax increased in 2021 by RON 843.1 million (203.17%) compared to 2020. Compared to the previous quarter, windfall tax increased by 491.48% in Q4 2021.

- ▶ In 2021, the Group recorded a net gain from the impairment of receivables of RON 349.99 million, following the collection of receivables from insolvent clients;
- ▶ An amount of RON 94.1 million was cashed in as financing from the National Investment Plan for building the new power plant in Iernut.

Consolidated net profit per share was **RON 4.97**.

Consolidated net profit **margins** (32.72%) and consolidated EBIT (35.86%) increased as compared to 2020 (30.62% and 33.83% respectively), showing the Group's high profitability. Consolidated EBITDA (47.58%) declined compared to the previous year (50.33%), but remained at a high level.

Investments made by the ROMGAZ Group in

2021 amounted to RON 459.32 million, down by RON 177.98 million, namely by 27.93% compared to 2020, and the value of commissioned fixed assets was RON 391.2 million.

In 2021, **natural gas consumption in Romania** recorded 2.34% increase from 127.14 TWh to 130.11 TWh, according to ANRE reports.

The company's natural gas production recorded a volume of 5,028.5 million m³ in 2021, 11.3% above 2020 production levels, mainly influenced by the increase in gas sales.

According to estimates, this production level provided ROMGAZ with a **market share** of approx. 42.2% of deliveries in Romania's total consumption, up 3.55% from 2020.

In 2021, ROMGAZ's **electricity production** totaled 640.0 GW, 31.73% lower than 2020's. This evolution was strongly related to the energy demand, the evolution of prices on competitive markets, and the fuel quantity allocated for electricity generation.

According to preliminary data published by Transelectrica, ROMGAZ's **market share** was 1.09%.

RELEVANT CONSOLIDATED FINANCIAL RESULTS

million RON

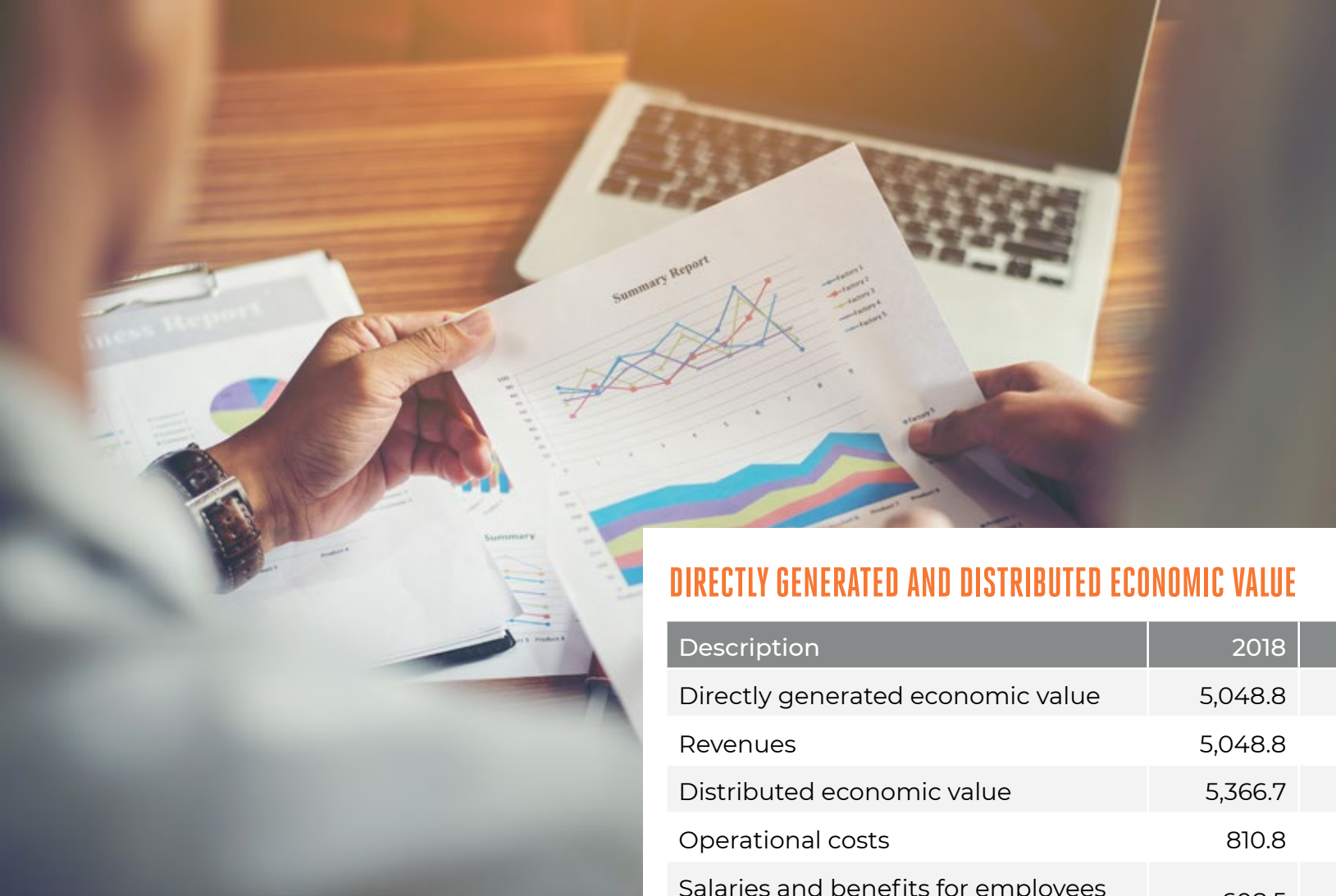
Main indicators	2020	2021	Δ '21/'20 (%)
Turnover	4,074.90	5,852.90	43.63
Revenue	4,133.90	6,156.50	48.93
Expenditures	2,708.70	3,999.40	47.65
Share of shareholders' result	1.30	0.10	-93.61
Gross profit	1,426.50	2,157.30	51.23
Profit tax	178.60	242.30	35.64
Net profit	1,247.90	1,915.00	53.46
EBIT	1,378.70	2,098.90	52.24
EBITDA	2,050.70	2,784.60	35.79
Earnings per share (EPS) (RON)	3.24	4.97	53.46
Net profit rate (% of turnover)	30.62	32.72	6.86
EBIT rate (% of turnover)	33.83	35.86	6.00
EBITDA rate (% of turnover)	50.33	47.58	-5.46
No. of employees at the end of the period	6,188	5,863	-5.25

Numbers in the table above are rounded up, therefore small differences may appear upon reconciliation.



Note 1: Information in the above table refers to the entire ROMGAZ Group, consisting of S.N.G.N. Romgaz S.A. as the parent company, the DEPOGAZ Ploiesti SRL Natural Gas Storage Branch, 100% owned by ROMGAZ, and associates SC Depomures SA (40% of the share capital) and SC Agri LNG Project Company SRL (25% of the share capital).

Note 2: Revenues and Expenses do not include those related to in-house production of non-current assets.



DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE

million RON

Description	2018	2019	2020	2021
Directly generated economic value	5,048.8	5,235.4	4,133.9	6,156.5
Revenues	5,048.8	5,235.4	4,133.9	6,156.5
Distributed economic value	5,366.7	4,003.3	2,801.1	3,807.8
Operational costs	810.8	704.8	511.6	816.7
Salaries and benefits for employees (incl. related taxes)	608.5	674.6	766.6	766.5
Payments to capital suppliers	2,640.1	1,244.9	620.5	628.3
Payments to government/state budget	1,293.3	1,359.6	878.9	1,573.5
Community investments	14.0	19.5	23.5	22.8
Retained economic value (calculated as "Directly generated economic value" minus "Distributed economic value")	(317.9)	1,232.1	1,332.8	2,348.7

Investments in infrastructure

Investments play an important part in maintaining the production decline, which is achieved both by discovering new reserves as well as by improving the current recovery rate through the rehabilitation, development, and modernization of existing facilities. Meeting these objectives contributed to the achievement of our strategic objectives, namely: maintaining production decline within the established limits, growing the company's portfolio of hydrocarbon resources and reserves, maximizing the recovery rate for hydrocarbon reserves in conditions of safety, reliability, and sustainable development, and maintaining the Group's high profitability.

In 2021, the ROMGAZ Group made investments worth RON 459.32 million, 27.93% (RON 177.98 million) lower than 2020 investments, representing approximately 34% of the planned investments.



For 2021, Romgaz forecasted the execution of an investment program with a total budget of RON 1,292.5 million, which was mostly based on objectives aiming to compensate natural decline and generate electricity, such as:

- continued geological research works through new exploration drillings for the discovery of new gas reserves;
- the development of production potential by adding new facilities onto existing struc-

The Company invested RON 3.82 billion during 2017-2021, as follows:

Year	2017	2018	2019	2020	2021	Total
Value (thousand RON)	781,768	1,150,349	866,218	601,800	417,658	3,817,793

tures (drilling of production wells, surface facilities, dehydration stations, compressor stations, compression in gas fields), improving the performance of facilities and equipment to increase operational safety, reducing energy consumption, and optimizing gas field production;

- the modernization and upgrade of constructions, installations and equipment, as well as acquisition of new equipment and high-performance facilities specific to the core activity;
- procurement of specific machinery to ensure the technological transportation and maintenance of core activities and maintaining optimal conditions for road infrastructure in gas fields.

To improve operations by making investments to increase the efficiency of the Iernut Thermoelectric Plant (CTE Iernut) to a minimum of 55%, complying with the environmental requirements (NOx, CO2) and increasing operational safety, an important objective is the “*Development of CTE Iernut by building a new combined cycle gas turbine power plant*” which was due to become operational at the end of 2020.

In 2021, pursuant to the notice of termination no. 10872/April 02, 2021, ROMGAZ moved to terminate the Works Contrat no. 13384/October 31, 2016 between ROMGAZ and DURO FELGUERA S.A. and ROMELECTRO S.A Con-

sortium, due to the continuous breach of contractual obligations undertaken by the Consortium, which failed to finalize works within the deadline.

ROMGAZ further undertook all necessary steps to identify optimum solutions to finalize the remaining works.

In 2021, the Depogaz Subsidiary had an approved investment program worth RON 50,000 thousand and achieved investments of

RON 41,665.26 thousand representing 83.31% of the program.

The main objectives that progressed in 2021 were:

- Modernization of gas metering system, Bilciurești UGS;
- Triethylene glycol dehydration station, 145 Ghercești Group;
- Oil separator discharge automation, Butimanu Compressor Station.



In 2021, the Depogaz Subsidiary had an approved investment program worth RON 50,000 thousand and achieved investments of RON 41,665.26 thousand representing 83.31% of the program.

Financial assistance from public authorities

Total value of the financial assistance the organization received from any public authority during the reporting period

- RON -

Description	2018	2019	2020	2021
Tax and tax credit breaks	35,286,505	37,678,735	45,032,516	54,531,247
Subsidies	21,107,667	0	115,027,027	94,148,236



Customer Relationship Management

Customer relationship management is carried out through work procedures and instructions and internal regulations available to employees on the company's intranet platform.

These internal regulations refer to:

- Pre-contractual negotiation;
- Reporting to the ANRE;
- Settlement of complaints submitted by SIRCOSS clients;
- Monitoring forecasts;
- Monitoring market price evolution;
- Offers;
- Day-Ahead Market;
- Availability statements;
- Intra-Day Market;
- Gas sales contracts;
- Gas purchase contracts;
- Gas delivery program;
- Recalculating invoicing price;
- Concluding SIRCOSS contracts;
- Monitoring SIRCOSS contracts;
- STTM contracting;
- Customer satisfaction;
- Electricity trade on PCCB;
- Trade management;
- Mediating disagreements;
- Dispute settlement and SD access;
- Upstream pipelines disputes;
- Settling lernut complaints.

Customer satisfaction surveys are conducted annually as part of the company's procedure to assess the quality of its services and find ways to improve on any issue raised by customers. The results are centralized, analyzed, and subsequently reported to management.

Supply Chain

ROMGAZ's origin and history are closely related to the national and local evolution which we support and continuously try to promote in the company's supply chain. Our role in Romanian society and the importance of our presence in the community have led us to develop a specific procurement procedure (PP-02-Procurement) that allows us to comply with both legal provisions and our internal rules. We are also aware that our activities support stakeholders across the value chain and we want to have fruitful business relations with bilateral benefits for suppliers and contractors. We are glad to have excellent collaborations with our business partners and seek permanent improvement.

Procurement management is performed in compliance with legal provisions, observing the principles of sector-related procurements, namely:

- Non-discrimination;
- Equal treatment;
- Mutual recognition;
- Transparency;
- Proportionality
- Accountability.

Procurement is carried out in line with the ROMGAZ Annual Sector Procurement Strategy, based on the Annual Sector Procurements Plan.

Our main procurements include:

- Products: tubing, well cement, Christmas trees, casing, gasoline, diesel, compressor spare parts, vehicle spare parts, safety protection equipment, software, computers, servers, UPC, gas metering instrumentation, natural gas compressors and air compressors, various consumables.

- Exploration and production drilling works for gas wells, refurbish compressor stations at UGS's, surface works at well clusters (dehydration stations, separation, heating, cooling, adjustment, and metering, works performed at collectors from well clusters located in delivery points to S.N.T.G.N. Transgaz S.A., environmental protection works, repair works for installations and equipment, gas well rehabilitation in mature fields, etc.)
- 2D and 3D geophysical surveys, well perforation services, investigations in cased and open holes, communication services, design services for investments (well drilling, gas storage modernization, feasibility studies, etc.).



Share of expenses with local suppliers



According to legal provisions on sector procurements, the company is not allowed to select its suppliers, nor to rely on any component related to the suppliers' location, therefore the company does not have such records. The number of local suppliers, the value of the purchased goods, their share in the total supplies are random values and not the result of the company's action or inaction.

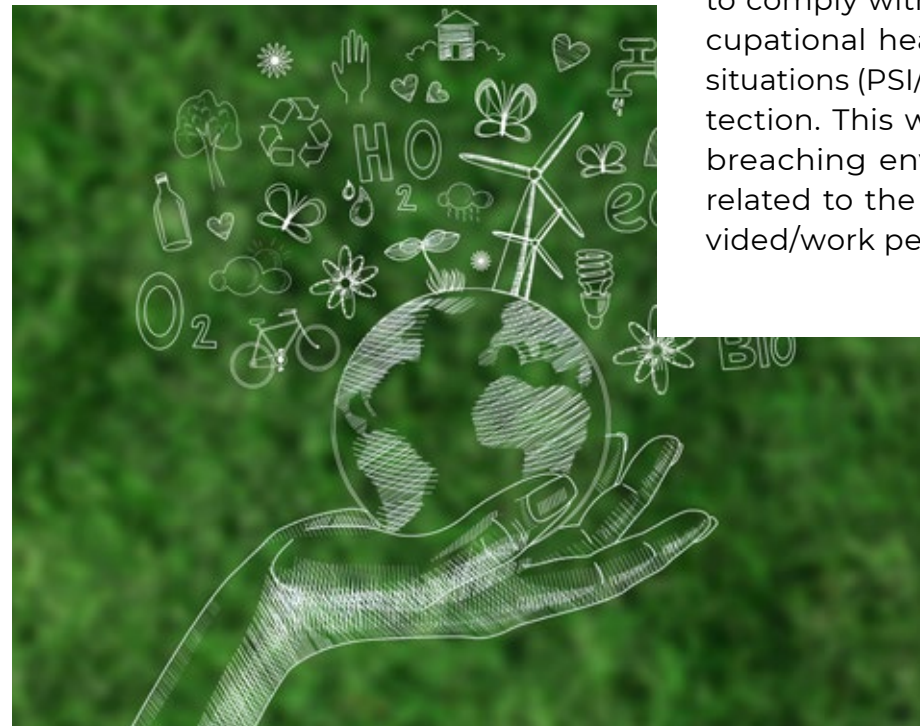
Of the total number of suppliers that signed contracts with ROMGAZ, 16% are new suppliers that signed contracts in 2021.

Suppliers' environmental impact

All tender specifications related to goods, services or works include a chapter on the environment requiring compliance with environmental laws by Form 02F-08-“*Environmental protection requirements for the procurement of goods/services/works*” attached to the Tender Specification. This is subsequently included as a chapter of the contract agreed between the parties. By signing the contract, suppliers commit

to complying with all the environmental protection measures required by the applicable legislation.

The operational procedure of the Integrated Management System code 02PO-03 Establishing requirements related to occupational safety, health, emergency situations, and environmental protection used for procurement of goods, services or works regulates the manner in which ROMGAZ requires providers of goods/service providers/works to comply with legal requirements on occupational health and safety, emergency situations (PSI/PC), and environmental protection. This way, the risk of third parties breaching environmental requirements related to the supplied good/service provided/work performed is reduced.





SOCIAL

ROMGAZ is confident that the foundation of economic performance is consolidating bilateral relations with all stakeholders, and in terms of sustainable development, the company has included social and ecological considerations in its activities, proving awareness of the interdependent relationship between the business environment, the environment, and society.

The corporate initiative to cooperate with all stakeholders in the interest of an ethical and responsible development of the company is translated into the Social Responsibility Policy, subsequent and additional to the ROMGAZ Ethics and Integrity Code and Corporate Governance Code, confirming the company's commitment to promoting a business culture that includes ethics, customer rights, economic and social equity, environmentally friendly technologies, fair treatment of workforce, transparent relationships with public authorities, moral integrity, and community investments.



According to the company's internal rulebook, the management observes employees' right to form and join a union, maintaining permanent respectful and transparent dialogue in order to identify mutually advantageous solutions.

Our employees

We operate in a sector where human resources are vital to carrying out our activities and providing efficient, high-quality, and safe services. Our employees are the core that sets in motion the entire range of ROMGAZ products and services, which is why we want to make sure that the recruitment process is carried out under rigorous conditions in accordance with the requirements and complexity of the available positions.

An adequate internal climate and the safety of the work environment, as well as the proper training of employees are the core focus areas when it comes to our company's employees.

Closely related to the company's general objectives, the S.N.G.N. Romgaz S.A. human resource policy is focused on highlighting the existing human potential and its capability to perform at the required level and/or to identify external human resources which can be employed to improve the specialized occupational chart and professional training level.

In this context, the mission of the Human Resources Department is to become a proactive factor, with a decisive role in ensuring trained and motivated personnel to reach S.N.G.N. Romgaz S.A. objectives.

Our employees are the core that sets in motion the entire range of ROMGAZ products and services.



In principle, our human resources policy focuses on the following objectives:

- increasing the professional competence level through employee-oriented means;
- reaching a balanced distribution of human resources both at the headquarters and in our five branches, depending on the type and share of activities carried out at these sites;
- setting up our own promotion system for high potential personnel, with a focus on

internal selection;

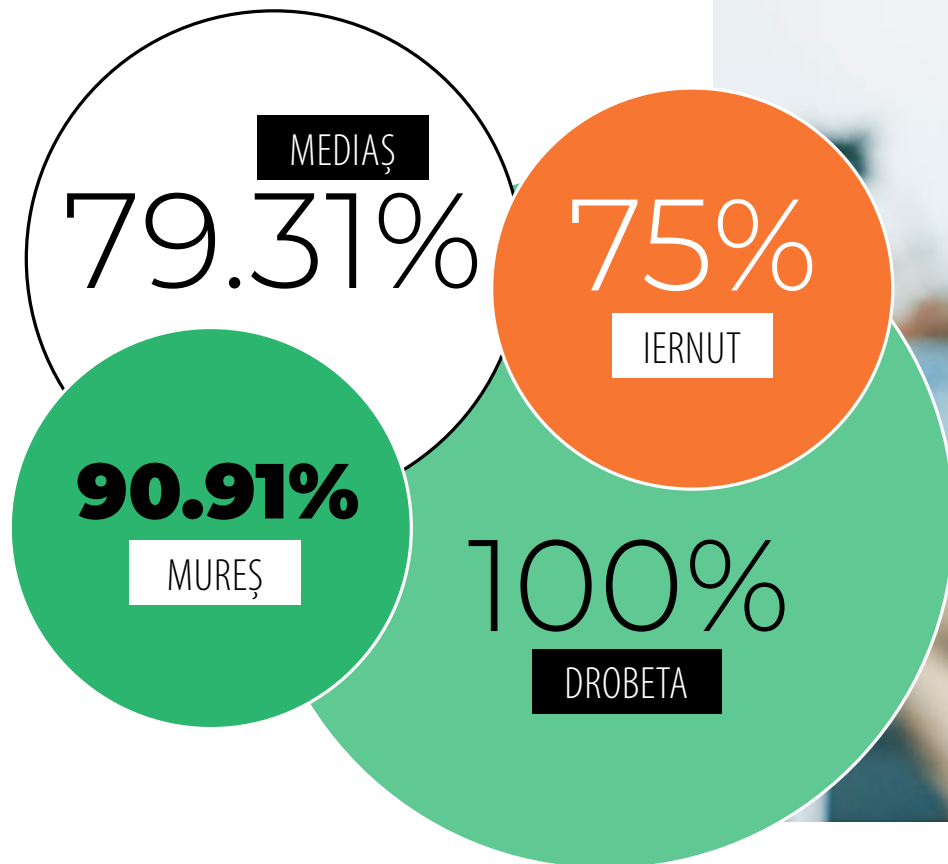
- consolidating our organizational culture and adherence to it.

Our human resources strategy is integrated into the company's strategy and aims to meet the requirements for the achievement of our business objectives through interventions on human resources, having to do with organizational, recruitment and selection, performance and development aspects.

SHARE OF TOP MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

ROMGAZ'S work sites are: Mediaş (Mediaş Branch, SIRCOSS, and the Headquarters), Iernut (Iernut Branch), Mureş (Mureş Branch and STTM), and Dorbeta Turnu Severin (Dorbeta Turnu Severin Branch).

The share of top management (managers and head engineers) working at ROMGAZ's main operating locations who come from the local communities is:



INFORMATION ABOUT EMPLOYEES AND OTHER COMPANY WORKERS

Category	Number of employees on 31.12.2021							
	Number				Share			
Gender	2018	2019	2020	2021	2018	2019	2020	2021
Women	774	812	824	794	13.61%	14.15%	14.52%	14.81%
Men	4,914	4,926	4,849	4,569	86.39%	85.85%	85.48%	85.19%
Total	5,688	5,738	5,673	5,363	100%	100%	100%	100%
Age groups								
<30	238	256	270	272	4.18%	4.46%	4.76%	5.07%
30-50	2,877	2,723	2,554	2,378	50.58%	47.46%	45.02%	44.34%
>50	2,573	2,759	2,849	2,713	45.24%	48.08%	50.22%	50.59%
Total	5,688	5,738	5,673	5,363	100%	100%	100%	100%

Category	Number of employees on 31.12.2021							
	Number				Share			
Location	2018	2019	2020	2021	2018	2019	2020	2021
Mediaş Branch	1,920	1,912	1,862	1,713	33.76%	33.32%	32.82%	31.94%
Târgu Mureş Branch	1,643	1,655	1,668	1,538	28.89%	28.84%	29.40%	28.68%
Ploieşti Branch	0	0	0	0	0.00%	0.00%	0.00%	0.00%
SIRCOSS	716	707	681	608	12.59%	12.32%	12.00%	11.34%
STTM	524	538	534	495	9.21%	9.38%	9.41%	9.23%
S.P.E.E. Iernut	420	425	406	347	7.38%	7.41%	7.16%	6.47%
Drobeta Branch	0	0	1	2	0.00%	0.00%	0.02%	0.04%
Company headquarters	465	501	521	660	8.18%	8.73%	9.18%	12.31%
Total	5,688	5,738	5,673	5,363	100%	100%	100%	100%



NEW EMPLOYEES AND PERSONNEL FLUCTUATION

S.N.G.N. ROMGAZ S.A. implements a procedure regulating the personnel recruitment activity to ensure human resources, from a quantitative and qualitative point of view, in compliance with the requirements and complexity of each job, as well as the coherent and efficient allocation of internal human resources.



Category	New employees							
	Number				Share			
Gender	2018	2019	2020	2021	2018	2019	2020	2021
Women	57	53	30	20	7.36%	6.53%	3.64%	2.52%
Men	184	185	147	137	3.74%	3.76%	3.03%	3.00%
Total	241	238	177	157	4.24%	4.15%	3.12%	2.93%
Age groups								
<30	59	60	49	43	24.79%	23.44%	18.15%	15.81%
30-50	146	140	109	82	5.07%	5.14%	4.27%	3.45%
>50	36	38	19	32	1.40%	1.38%	0.67%	1.18%
Total	241	238	177	157	4.24%	4.15%	3.12%	2.93%

Category	New employees							
	Number				Share			
Location	2018	2019	2020	2021	2018	2019	2020	2021
Mediaş Branch	70	47	40	66	3.65%	2.46%	2.15%	3.85%
Târgu Mureş Branch	55	73	62	33	3.35%	4.41%	3.72%	2.15%
Ploieşti Branch	1	0	0	0				
SIRCOSS	31	24	18	16	4.33%	3.39%	2.64%	2.63%
STTM	17	38	21	10	3.24%	7.06%	3.93%	2.02%
S.P.E.E. Iernut	5	13	5	5	1.19%	3.06%	1.23%	1.44%
Drobeta Branch	0	0	1	1			100.00%	50.00%
Company headquarters	62	43	30	26	13.33%	8.58%	5.76%	3.94%
Total	241	238	177	157	4.24%	4.15%	3.12%	2.93%

Category	Employee rotation (employee turnover)					
	Number			Share		
Gender	2019	2020	2021	2019	2020	2021
Women	14	18	50	1.77%	2.20%	6.18%
Men	174	224	417	3.54%	4.58%	8.86%
Total	188	242	467	3.29%	4.24%	8.46%
Age groups						
<30	4	1	2	1.62%	0.38%	0.74%
30-50	20	25	29	0.71%	0.95%	1.18%
>50	164	216	436	6.15%	7.70%	15.68%
Total	188	242	467	3.29%	4.24%	8.46%

Category	Employee rotation (employee turnover)					
	Number			Share		
Location	2019	2020	2021	2019	2020	2021
Mediaș Branch	49	92	174	2.56%	4.88%	9.73%
Târgu Mureș Branch	65	54	128	3.94%	3.25%	7.99%
Ploiești Branch	0	0	0			
SIRCOS	31	38	71	4.36%	5.48%	11.02%
STTM	21	21	23	3.95%	3.92%	4.47%
S.P.E.E. Iernut	8	24	44	1.89%	5.78%	11.69%
Drobeta Branch	0	0	0			
Company headquarters	14	13	27	2.90%	2.54%	4.57%
Total	188	242	467	3.29%	4.24%	8.46%



Average age in the company	2018	2019	2020	2021
	48.03	48.27	48.45	48.24

Contract type	Indefinite period contract				Fixed-term contract				Full time				Part time			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Top Management	46	35	40	45	0	0	0	0	46	35	40	45	0	0	0	0
Middle Management	273	475	287	291	2	2	1	0	272	475	287	291	3	2	1	0
Other management positions	255	122	244	227	0	0	0	0	255	122	244	227	0	0	0	0
Higher education graduates	860	932	966	940	17	8	6	3	874	939	971	942	3	1	1	1
Secondary education graduates	196	201	206	186	3	1	0	0	199	202	206	186	0	0	0	0
Laborers	4019	3956	3921	3670	17	6	2	1	4036	3961	3922	3671	0	1	1	0
Total	5649	5721	5664	5359	39	17	9	4	5682	5734	5670	5362	8	4	3	1

The collective labor agreement applicable to all S.N.G.N. Romgaz S.A. employees was signed on November 27, 2019 and recorded with the Sibiu Territorial Labor Inspectorate under no. 18161/04.12.2019, valid from December 29, 2019 to December 28, 2021, included.

According to art. 20 of Law No. 55 of May 15, 2020 on measures to prevent and combat the effects of the COVID-19 pandemic, *“the validity of collective labor agreements and collective labor contracts is extended during*

the state of alert, as well as for a period for 90 days from its termination.” Therefore, the validity of the Collective Labor Agreement was extended after December 28, 2021.

At Depogaz, a Collective Labor Agreement negotiated with the *“Romgaz Free Union”* is in force, a contract to which *“Filiala de Înmagazinare Gaze Naturale Depogaz Ploiesti Union”* has also adhered. The contract was valid until March 27, 2021, but according to art. 20 of Law 55/2020, the Collective Labor Agreement extended its validity after this date.

“The validity of collective labor agreements and collective labor contracts is extended during the state of alert, as well as for a period for 90 days from its termination.”

The notice period and the provisions for consultations and negotiations are regulated by the Collective Labor Agreement, with the minimum notice period being four weeks.

ROMGAZ standard base salary by gender as compared to the local minimum wage.

In 2021, across all the company's locations, the minimum salary applicable to the company's operating sector, for new employees, is RON 3,388, for both men and for women, recording a 10% increase as compared to 2020.



Salary set by the company for new employees with no experience, for each major operational location

Operation site	Minimum salary for male employees	Minimum salary for female employees
Mediaş Branch	3,636	3,636
Mureş Branch	4,837	5,040
SIRCOSS Branch	4,837	4,378
STTM Branch	5,093	5,346
Company headquarters	5,093	5,229
Iernut Branch	4,738	4,487
Drobeta Turnu Severin Branch	12,712	0

BENEFITS GRANTED TO EMPLOYEES

In addition to the monthly remuneration, employees receive several benefits:

- expenses incurred on behalf of employees in voluntary pension schemes, up to an amount representing the RON equivalent of EUR 400/employee for every fiscal year, in compliance with the legal provisions;
- expenses with voluntary health insurance premiums, up to an amount representing the equivalent in RON of up to EUR 400 for every fiscal year for each employee;
- coverage in case of disabilities or invalidity resulting from work accidents;
- reimbursement of holiday travel services;
- retirement benefits;
- granting material aid for employees' special life events.

ROMGAZ rewards the loyalty and experience of employees who have contributed to the company's yearly progress, such that on retirement, regardless of context, each employee receives financial aid, its amount depending on the years of service in the gas and/or electricity industry, as follows:

Seniority	Number of salaries granted
between 5 and 10 years	Three base salaries as recorded on retirement date
between 10 and 20 years	Four base salaries as recorded on retirement date
between 20 and 30 years	Five base salaries as recorded on retirement date
between 30 and 40 years	Six base salaries as recorded on retirement date
over 40 years	Seven base salaries as recorded on retirement date

We note that there is no differentiation in terms of benefits granted to full-time versus part-time employees, for indefinite versus fixed-term contracts, nor in terms of location.





PARENTAL LEAVE

A total of 23 company employees took parental leave in 2021, while 21 employees returned to work after finalizing parental leave taken in previous years. The return to work rate was 100%.

Parental leave	Men				Women			
	2018	2019	2020	2021	2018	2019	2020	2021
Number of days (total)	2925	1938	835	5824	10250	10650	1055	7191
Number of employees who took parental leave	20	23	10	13	41	30	13	10
Number of employees who returned to work after completing parental leave	10	8	20	16	16	18	8	5
Number of employees who returned to work after completing parental leave and were still employed after 12 months	10	8	20	16	16	18	8	5
Rate of return to the workplace = $\frac{\text{Total number of employees who returned to work after completing parental leave}}{\text{Total number of employees who are due to return to the workplace after being granted parental leave}} \times 100$	100%	100%	100%	100%	100%	100%	100%	100%

Occupational health and safety

The company has implemented an occupational health and safety management system in accordance with SR ISO 45001: 2018 Occupational Health and Safety Management System, ensuring compliance with all applicable legal requirements:

- Law 319/2006;
- Government Decision 1425/2006;
- Government Decision 355/2007.

The main implemented occupational health and safety rules refer to informing, consulting, training, and protecting workers, as well as verifying the proper implementation of the rules pursuant to the law in force.

A Policy has been established within the occupational health and safety management system, with procedures implemented referring to:

- Hazard identification, risk assessment, and inspection setup;
- Monitoring workers' health status;
- Monitoring and measuring of professional noxious emissions;
- Preparing for emergency situations and developing the emergency response capacity;

The main implemented occupational health and safety rules refer to informing, consulting, training, and protecting workers, as well as verifying the proper implementation of the rules pursuant to the law in force.

- Identification and assessment of compliance requirements;
- Internal checks in the area of health & safety;
- In-house instructions on supplementing and/or implementing occupational health and safety rules taking into account the nature of the work and workplace, as well as in-house instructions on workers' training in the field of occupational health and safety.

Such procedures are applied to all units within the ROMGAZ structure and all its employees.

The annual training and testing program on occupational health and safety rules, which includes the training topic on occupational health and safety, is carried out in compliance with legal requirements and approved by the company's management.





In 2021, the objectives of verifying compliance with legal occupational health and safety regulations were 100% met.

Evaluation the efficiency of training is carried out by annual testing as established in the annual training and testing program. The company closely monitors the achievement of objectives set in the annual training and testing program relating to occupational health and safety rules.

To permanently maintain a high level of performance for the occupational health and safety management system, specialized personnel is employed by the company and made responsible for monitoring compliance with all requirements of the standard and preparing proposals for the continuous improvement of this company system.

We place great importance on informing all employees on occupational health and safety risks, as well as on prevention and protection measures and activities implemented both at the company-wide level as well as for each worksite and position.

The process of continuous improvement of the management system to increase general performance related to occupational health and safety is structured as follows:

- Identifying improvement opportunities through audits, inspections, reviews performed by management, OHS Committee meetings;
- Setting up opportunity management actions by assigning responsibilities to the relevant functions;
- Implementing the established measures;
- Evaluating the efficiency of the above actions.

All of the company's operations and worksites are covered by the occupational health and safety management system. The system is periodically audited both through in-house and external audits.

In 2021, the objectives of verifying compliance with legal occupational health and safety regulations were 100% met. The *"Occupational Health and Safety Responsibility Chart"* was developed by the company to describe the following:

- Communication of objectives/training;
- Worker consultation;
- Communication of events.



RISK IDENTIFICATION AND ASSESSMENT AND INCIDENT INVESTIGATION

Hazards are identified by employees in the Prevention and Protection Department and the managers and employees of each worksite.

These operations are carried out using methods for which Prevention and Protection Department employees within S.N.G.N. ROMGAZ S.A. received training. These methods are applied primarily in a proactive and anticipatory manner, as opposed to reactively and post-factum, taking the evaluators' experience into account.

Following hazard identification and risk assessment, specific risks for each job will be added to the Jobs List.

OCCUPATIONAL MEDICINE OFFICE

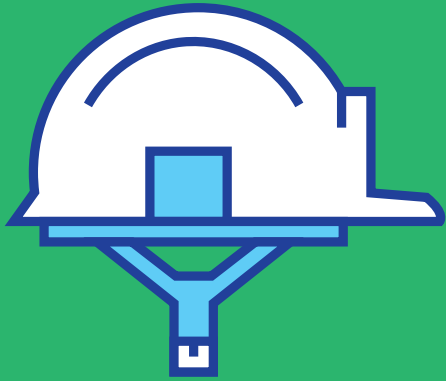
Pursuant to Government Decision 355/2007 and the operational procedure on worker health monitoring, a series of examinations are periodically performed within the Occupational Medicine Office, such as: general clinical examination; visual acuity testing, chromatic sense, visual field (vision test); vestibular and balance tests; electrocardiogram; hearing testing by audiometry preceded by otoscopy; ventilation function tests (spirometry); blood glucose determination and simple urine tests; psychological testing; evaluation of the medical record upon recruitment, resumption of activity, adaptation, periodic medical check-up, special supervision, with the issuance of the ability sheet, as well as other specific activities. The results of such medical checks are recorded by the occupational physician in the Medical File (initiated and managed by

the occupational physician). The content of the Medical File, as well as the results of the medical checkups are strictly confidential between the worker and the physician.

The periodic medical checkup is performed according to the annual schedule, with the periodicity set out by current legislation.

As several medical checkups could not be performed in accordance with the annual schedule during the COVID-19 epidemic, by informing and with the agreement of ITM and DSP (Public Health Directorate), taking into account the personnel infection risk, as well as the social distance measure imposed at the national level, measures have been taken to perform all outstanding employee medical checkups in 2021.





HEALTH AND SAFETY ISSUES INCLUDED IN FORMAL AGREEMENTS SIGNED WITH TRADE UNIONS

The collective labor agreement signed at the company level includes a chapter entitled “*Working Conditions - Occupational Health and Safety*,” developed in accordance with the legal requirements in the field, which deals with general issues of occupational health and safety, such as: employer’s obligations, employee obligations, working conditions, working rules, personnel training, personal protective equipment, employee health monitoring, nutrition to protect occupational health and safety, OHS committees, etc.

Participation, Communication and Consultation of Workers OHS Committees

At the company level, and for each branch except for the Drobeta Turnu Severin branch (which only has two employees), in compliance with current legislation, an OHS Committee is in place and made responsible for occupational health, safety, and security. The Committees operate according to the in-house Organizational and Operational Rulebook, while Committee members are nominated by a written decision of the Committee chair.

Pursuant to the legal requirements and the provisions of the Organizational and Operational Rulebook, the Committee plans meetings on a quarterly basis. The minutes of the OHS Committee meetings are made available to all employees.

The OHS Committee comprises the following members:

- a) Employer or their legal representative;
- b) Employer’s representatives with OHS responsibilities;
- c) Workers’ representatives with specific OHS responsibilities,
- d) Occupational physician.

The number of workers’ representatives equals the number made up of the employer or their legal representative and the employer’s



representatives. 100% of our employees are represented by such committees. In addition to its other responsibilities, the OHS Committee develops the Annual Report on Workers’ State of Health, which is submitted to the company’s management and the workers’ representatives.

WORK ACCIDENTS

The company maintains a Unique Registry that records all work accidents. The types of work accidents, occupational diseases, number of days of medical leave and absenteeism, and number of deaths caused by workplace accidents:

For employees	Women				Men			
	2018	2019	2020	2021	2018	2019	2020	2021
Number of incidents	0	0	0	0	8	3	7	2
Incident types: injuries that require hospitalization	0	0	0	0	8	2	7	2
Incident rate (IR)	0%	0%	0%	0%	0.13%	0.05%	0.14%	0.04%
Occupational diseases rate (ODR)	0.31%	0%	0%	0%	1.59%	0.51%	0.23%	0.02%
Workdays with temporary work incapacitation due to work incidents	0	0	0	0	387	148	548	67
Lost day rate (LDR)	0%	0%	0%	0%	6.27%	2.36%	9.62%	1.23%
Absence rate (AR)	0.67%	0.68%	0.62%	0.67%	2.77%	2.71%	2.78%	2.74%
Deaths	0	0	0	0	1	0	0	0



Total hours	2018	2019	2020	2021
Total number of medical leave hours taken by employees due to workplace injuries or occupational diseases	4,032	1,632	4,488	648
Total number of medical leave hours (includes medical leave not related to workplace injuries or occupational diseases)	424,120	425,360	386,976	371,824
Total number of planned workhours	12,378,288	12,554,016	11,391,384	10,897,616

WORKERS WITH HIGH ASSOCIATED OCCUPATIONAL DISEASE RISK OR INCIDENCE RATE

At ROMGAZ, some workers are classified as working in exceptional conditions, while some are classified as working in special conditions. In general, workers in compression stations, those in production well formations, as well as those involved in capital well repair processes are exposed to a higher risk of developing occupational diseases, which are primarily associated with the high levels of noise associated with these operations.



Measures to prevent and improve working conditions:

- Monitoring working conditions by periodically measuring emissions;
- Developing the prevention and protection plan;
- Awarding additional days of personal leave;
- Providing personal protection equipment which is appropriate for the working conditions.

Number of employees in lines of work with high associated risk of occupational disease	2018	2019	2020	2021
	497	344	341	305

For employees	Women				Men			
	2018	2019	2020	2021	2018	2019	2020	2021
Number of deaths caused by occupational diseases	0	0	0	0	0	0	0	0
Number of recorded occupational disease diagnoses	1	0	0	0	4	1	1	1

PROMOTING A HEALTHY LIFESTYLE AMONG COMPANY EMPLOYEES

Besides the mandatory training on workplace health and safety, the ROMGAZ Occupational Medicine Office also promotes the adoption of a healthy lifestyle during every meeting with employees, by bringing up good practices, advice, and recommendations.



PREPARING FOR EMERGENCY SITUATIONS

ROMGAZ's specific plans for the Emergency Situations area (Firefighting and Civil Protection) are aimed at preventing events with severe consequences and can be structured as follows:

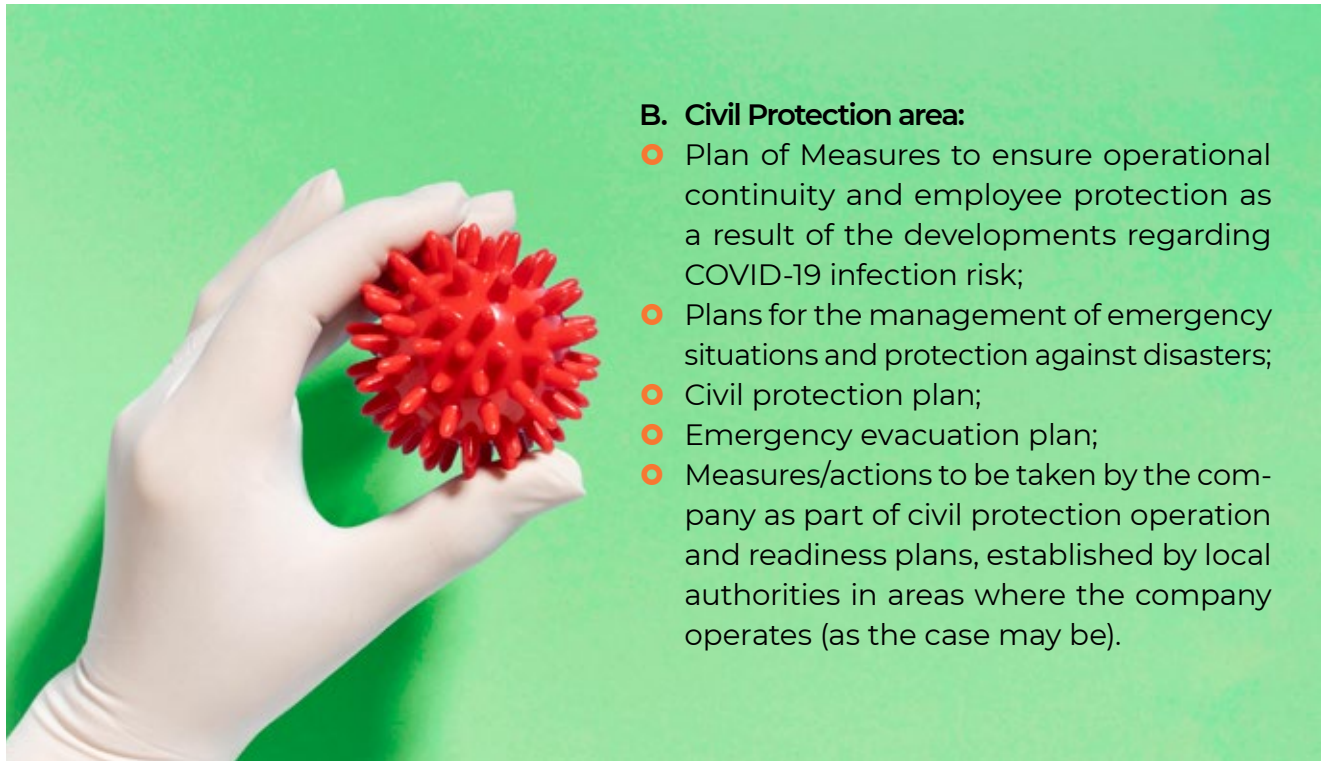
A. Firefighting area: fire protection plans

- People evacuation plan;
- Plan for the storage and disposal of materials legally classified as hazardous;
- Intervention plan.

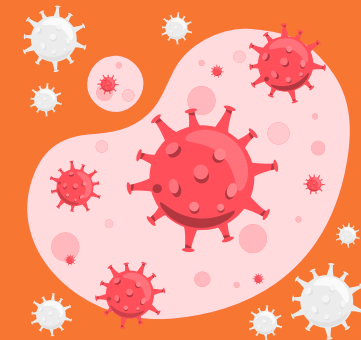


B. Civil Protection area:

- Plan of Measures to ensure operational continuity and employee protection as a result of the developments regarding COVID-19 infection risk;
- Plans for the management of emergency situations and protection against disasters;
- Civil protection plan;
- Emergency evacuation plan;
- Measures/actions to be taken by the company as part of civil protection operation and readiness plans, established by local authorities in areas where the company operates (as the case may be).



In 2021, there were no events related to the Firefighting or Civil Protection fields (fires, explosions, earthquakes, floods, etc.).



The most important issue related to *Workplace health and safety* in 2021, just like in the previous year, was managing the pandemic caused by the emergence of the SARS-CoV-2 virus by implementing measures to prevent and reduce the risk of infection among employees.

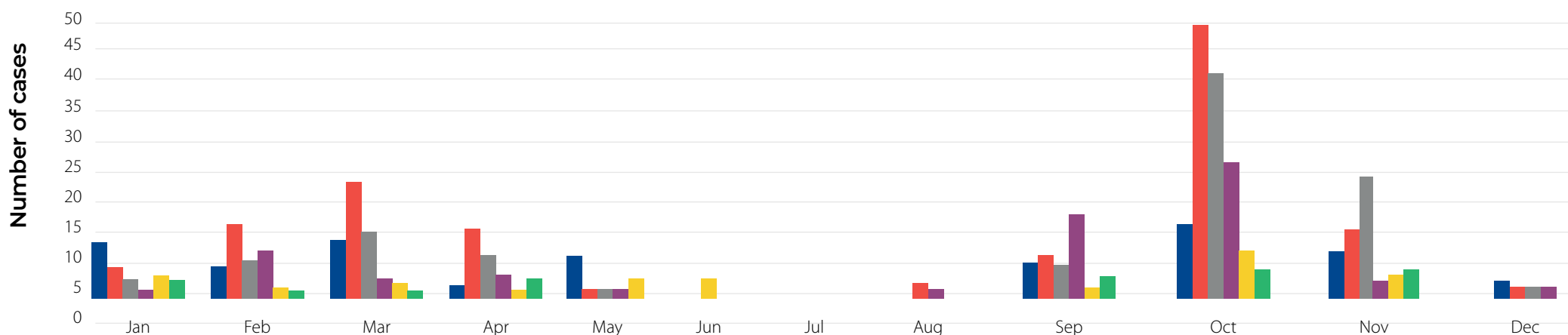
CASES OF SARS-COV-2 INFECTION AT S.N.G.N. ROMGAZ S.A. MEDIAȘ

In the 01.01.2021 – 31.12.2021 period, 371 cases of SARS-CoV-2 infection were recorded at S.N.G.N. ROMGAZ S.A. Mediaș. Of the 371 employees who were infected, 5 died as a result. The company has been highly mindful of

measures to combat the SARS-CoV-2 virus, by implementing the measures and procedures necessary to minimize the impact on the company, as well as by carrying out frequent checks to verify the implementation of these

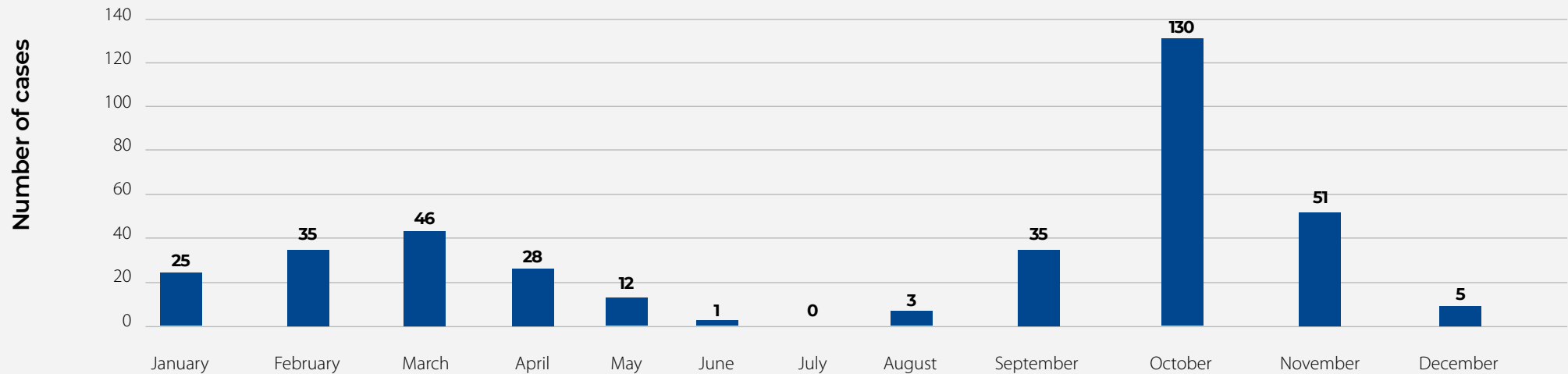
measures. The two graphs below present the evolution of COVID-19 cases inside the company in the 01.01.2021 – 31.12.2021 period, providing a breakdown by branches and headquarters, as well as company-wide totals.

Evolution of COVID-19 cases at ROMGAZ between January 2021 and December 2021, by branch/office



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Headquarters	9	6	10	2	7	0	0	0	6	13	7	2
Mediaș Branch	6	12	19	11	1	0	0	2	7	45	12	1
Tg. Mureș Branch	2	7	11	7	1	0	0	0	6	37	20	1
S.I.R.C.O.S.S. Mediaș	1	8	3	4	1	0	0	1	13	22	3	1
S.T.T.M. Tg. Mureș	4	1	2	1	2	1	0	0	1	8	4	0
S.P.E.E. Iernut	3	1	1	3	0	0	0	0	2	5	5	0

Evolution of COVID-19 cases at S.N.G.N. ROMGAZ S.A., January 2021-December 2021



TRAINING AND EDUCATION

ROMGAZ considers the human resources development process to be of great importance, and it carries out staff training according to technological and legislative changes, as well as instructions and rules coming from certification bodies. This process is extremely important for improving the company's performance and driving its development.

Internships are constantly organized in the company's branches, thus contributing to the professional training of students and the improvement of the quality of vocational and technical education.

The company has a procedure that regulates



The company provides employees with the tools and development opportunities they need for good professional performance.

how training and awareness needs are identified (upskilling, qualification, professional reconversion) and how training is provided to ROMGAZ employees and other individuals working for or on behalf of ROMGAZ.

The purpose is to provide employees with the necessary tools and development opportunities for good professional performance and to improve intra- and inter-departmental relationships. To this end, employees must take responsibility for their own skill development and professional growth.

Professional training (including specific qualifications) and experience requirements for



The company offers professional training programs to employees and encourages them to continuously educate themselves by providing various materials for professional development.

job openings are established and documented in job descriptions.

Based on the centralized documents received from branches and the centralized document created at the company's headquarters, and after consulting with union organizations, the Human Resources Development Service develops the Annual Professional Training Plan. By approving the Annual Professional Training Plan and including the associated expenses in the Revenues and Expenses Budget, the company's management ensures that the necessary resources are allocated to

train personnel and optimize their activity. The Annual Professional Training Plan can be adjusted during the year within the limits of the funds allocated from the Revenues and Expenses Budget.

The 2021 Annual Professional Training Plan was developed based on proposals received from the six branches and from the organizational units inside the company headquarters. It took into account ROMGAZ's main lines of business, the need to update job-specific knowledge and skills for each employee, gaining advanced knowledge in certain busi-

ness lines and for modern methods and procedures required for professional conduct, as well as the required authorizations/certifications needed for legally compliant professional conduct.

Employees have attended professional development programs as well as internal professional training and qualification/retraining courses hosted by our company. For external training and professional development programs, offers submitted by training service providers were analyzed and courses were selected according to topic, duration, cost, level of interest for the company, and the practical applicability, as well as the level to which providers of training programs met the requirements and needs of ROMGAZ. These courses were organized in physical, online or hybrid formats.

In addition to providing vocational training programs, the company encourages employees to continuously educate themselves by providing various materials for professional development.

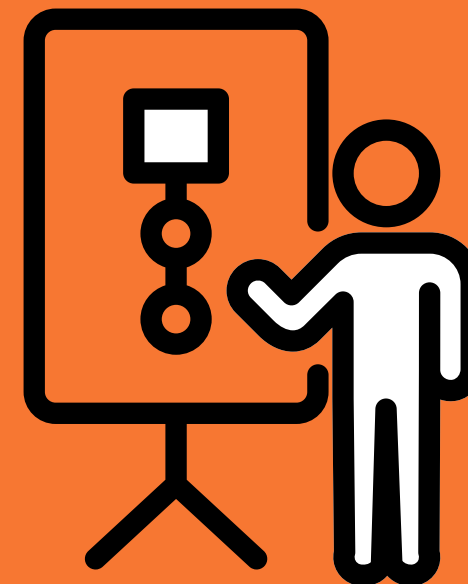
For self-training, S.N.G.N. ROMGAZ S.A. provides its employees with access to e-learning platforms in their fields of interest (technical, economic, legal, HR, etc.), according to the analysis of the training and professional development needs. These methods ensure an efficient transfer of knowledge and include systems for evaluating the knowledge obtained through the self-training process.

A new method that has been recently introduced by S.N.G.N. ROMGAZ S.A. is cross-training. This method facilitates the cross-transfer of information and knowledge between two employees inside/across departments/divisions/services, with the aim of replacing colleagues from the respective service/department and vice versa, in exceptional cases.

The individuals who shall receive training through this process are designated at the department/division or organizational unit level. Project managers set the duration of this process (depending on the complexity of the positions/functions) and establish the information that shall be transferred between the two employees involved in this experience transfer.

AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE

The company has hosted vocational training programs which have mainly been delivered by vocational training providers from the country and from abroad, in order to develop the knowledge, skills, and abilities of our employees. On-the-job qualification courses were also delivered by lecturers or employees of the organization. These training programs have targeted all employee categories, regardless of position and education level, and addressed various topics of interest to administrative staff as well as specific topics related to the company's business lines, including authorization and re-authorization courses for company specialists.



	Men				Women			
	2018	2019	2020	2021	2018	2019	2020	2021
Top Management	42.81	37.71	30.00	25.03	50.89	66.29	27.43	13.71
Middle Management	34.99	16.01	17.13	19.53	39.62	21.45	28.96	12.15
Other management positions	10.69	29.13	17.06	17.32	4.68	0.00	96.00	4.00
Higher education graduates	16.25	17.13	12.34	11.19	7.07	14.49	17.83	11.76
Secondary education graduates	5.15	8.31	5.63	13.08	1.44	4.81	2.05	9.11
Laborers	6.23	4.3	7.00	8.69	1.63	1.07	0.54	7.39
Total	10.15	7.4	8.64	9.35	8.55	11.5	13.68	3.95

PERFORMANCE EVALUATION AND PROFESSIONAL DEVELOPMENT

We believe that human resource management makes an important contribution to achieving the organization's goals. An essential goal for any organization is for its employees to meet the performance standards that are set for them.

Performance evaluation is the core activity in human resource management, and it is carried out in order to determine the degree to which the employees of an organization efficiently perform their tasks or responsibilities. In general, performance refers to the achievement of organizational goals, of any nature and variety.

These performance levels are measured by S.N.G.N. ROMGAZ S.A. using an operational procedure that regulates the process of evaluating employee professional performance. Evaluating professional performance allows us to constantly improve our working practices, identify staff training needs, as well as reward employees who achieve outstanding results.

The evaluation of employees' professional performance is carried out on using a series of criteria and subcriteria developed for each personnel categories.

The aim of the evaluation is to recognize employees' skills and performance levels, increase and strengthen their self-confidence, stimulate their development, increase their motivation and satisfaction, assess their potential, and strengthen relationships between employees and managers.

The aim of the evaluation is to recognize employees' skills and performance, increase and strengthen their self-confidence, stimulate their development, and increase their motivation and satisfaction.



PROFESSIONAL ACTIVITY IS ASSESSED ON A YEARLY BASIS THROUGH AN EVALUATION OF INDIVIDUAL PROFESSIONAL PERFORMANCE

Performance evaluation and career development plan	Women							
	Number				%			
	2018	2019	2020	2021*	2018	2019	2020	2021*
Top Management	9	5	6	-	100	66.67	85.71	-
Middle Management	70	65	61	-	94.56	96.36	85.92	-
Other management positions	4	4	3	-	100	100	100	-
Higher education graduates	420	402	448	-	96.06	94.40	95.12	-
Secondary education graduates	117	125	122	-	98.01	96.30	96.06	-
Laborers	154	154	147	-	93.18	98.08	97.35	-
Total	774	755	787	-	96.10	92.90	94.82	

Performance evaluation and career development plan	Men							
	Number				%			
	2018	2019	2020	2021*	2018	2019	2020	2021*
Top Management	36	18	30	-	98	68.46	90.91	-
Middle Management	203	198	205	-	99.53	97.24	96.24	-
Other management positions	252	253	236	-	99.69	98.95	97.52	-
Higher education graduates	460	442	472	-	97.25	95.55	93.84	-
Secondary education graduates	80	102	77	-	98.50	98.48	96.25	-
Laborers	3,882	3,826	3,701	-	98.50	98.67	98.14	-
Total	4,913	4,839	4,721	-	98.39	94.01	97.50	-

These changes were made in order to facilitate the correlation of evaluation results with training needs for the fourth quarter, so as to allow an estimation of the budget for the following financial year (this way, the evaluation period is closer to the training needs assessment period).

Employees' professional performance can be assessed either through internal evaluation or external evaluation (carried out by specialized providers of professional performance evaluation).

When the evaluation is finalized, depending on the grade obtained by the employee, an action plan may be drawn up to enable them to improve their professional performance and/or develop professionally.

*The procedure was modified at the end of 2021, therefore the present report cannot provide information regarding the results of the 2021 employee evaluation process, as the new procedure requires the evaluation period to take place between May 1 (of the previous year, 2021) and April 30 (of the current year, 2022), while the evaluation shall take place between May 1 – June 30 of 2022.

The action plan must contain the following points:

- Steps the employee must take to improve performance in their areas of weakness;
- The level of improvement that must be reached in specific performance area and the timeframe in which this level must be reached;
- What to do in case obstacles come up while these objectives are pursued, between the current and the next evaluation;
- The type of support the employee's evaluator (direct superior) can provide to help the employee efficiently move through the phases of their action plan;

- The proposed professional training program that could lead to an improvement of their professional performance and/or professional development.

The purpose is to provide employees with the necessary tools and development opportunities for good professional performance and to improve intra- and inter-departmental re-

lationships. To this end, employees must take responsibility for their own skill development and professional growth.

In case an employee wants to change their role within the company, they receive counselling and are given access to professional training courses as required by their new role/position in the company.

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Diversity and equality of opportunity

FIGHTING DISCRIMINATION

Equality of opportunity and treatment is a very important topic for S.N.G.N. ROMGAZ S.A. For this reason, the Internal Regulations, the Code of Ethics, and the Collective Labor Agreement all fully support equality of opportunity and diversity within ROMGAZ. All employees are required to comply with these provisions and encouraged to have an objective attitude

towards any political, economic, religious, cultural or other type of interest in the exercise of their duties. Through our Internal Rulebook, we guarantee that appropriate measures will be put in place to combat retaliation of any kind against those who complain or assist in the investigation of cases of any type of discrimination or sexual harassment, meaning that any such

retaliation will be seen as discrimination and treated as such.

S.N.G.N. ROMGAZ S.A. does not allow nor tolerate sexual harassment in the workplace and publicly encourages the reporting of all cases of sexual harassment, regardless of who the offender is, and warns that employees who violate the personal dignity of other employees, through any confirmed act of workplace sexual harassment, will be subject to disciplinary measures.

ROMGAZ strictly forbids all forms of discrimination related to individuals' sexual beliefs and orientations, age, disability, nationality, skin color, ethnic origin, religion, marital status, political choice, trade union membership or maternity status.

In the event of any such incident, the negative impact is managed by ordering measures to correct irregularities and enforce the disciplinary and patrimonial liability for the individuals involved in or supportive of these conflicts.



From a procedural standpoint, according to our Code of Ethics and Integrity, all reports/notifications regarding the diversity and equality of opportunity or non-discrimination are analyzed in advance by the ethics advisor and are reported to the CEO who, based on the advisor's general conclusions, analyses, and recommendations, decides to carry out a verification and preliminary investigation of the facts and issues notified, followed by preventative and case resolution measures. The ethics advisor monitors the handling of complaints and reports these issues to the CEO.

At the company level, the reported irregularities, the resolution approach, and the ordered measures are reported every six months to the Audit Committee within the Board of Directors.

Situations related to diversity, equality of opportunity, and discrimination can be reported directly to the ethics advisor through ethics counseling and assistance, while maintaining

From a procedural standpoint, according to our Code of Ethics and Integrity, all reports/notifications regarding the diversity and equality of opportunity or non-discrimination are analyzed in advance by the ethics advisor and are reported to the CEO.

the confidentiality of the request and the counselor's reporting and advice.

ROMGAZ provides an integrity warning system to all internal or external stakeholders, as a measure deployed to resolve and prevent incidents of discrimination. The reporting channel is available on the website in the Public Interest Warning section or via email at consilierdeetică@romgaz.ro.

The Code of Ethics and Integrity details issues regarding public interest warnings and public interest whistleblowers as well as the principles that govern the protection of the public interest warning: the principle of legality, the principle of the supremacy of the public interest, the principle of responsibility, the principle against abusive sanctioning, the principle of good administration, the principle of good conduct, the principle of balance, and the principle of good faith.

S.N.G.N. ROMGAZ S.A. guarantees the protection of whistleblowers in compliance with legislation and, following the entry into force

of EU Directive 2019/1937 of the European Parliament and the Council of 23 October 2019 on the protection of persons reporting infringements of EU law, will in 2022 develop new mechanisms, policies, and an instrument for assessing incidents of discrimination designed to ensure compliance with the current legal framework, as well as training and information for employees about discrimination and its consequences in organizational life.



of EU Directive 2019/1937 of the European Parliament and the Council of 23 October 2019 on the protection of persons reporting infringements of EU law, will in 2022 develop new mechanisms, policies, and an instrument for assessing incidents of discrimination designed to ensure compliance with the current legal framework, as well as training and information for employees about discrimination and its consequences in organizational life.

Last year, one case of discrimination was reported as defined by Government Ordinance no. 137 of 31 August 2000 on the prevention and sanctioning of all forms of discrimination.

The act of discrimination consisted in the company's not accepting an employee's request to participate in a vocational training course, as that vocational training course had not been included in their annual vocational training plan. The discrimination criterion was a litigious one, as the employee had ongoing labor-related court disputes with the company.

In 2021, we developed the Questionnaire-Based Analysis on ethical behavior within ROMGAZ, to assess the degree of understanding of the role of the ethics advisor, in close correlation with the application and observance of the norms and provisions of the company's Code of Ethics and Integrity. Through this questionnaire, we sought to measure the level of employees' perception regarding various aspects related to the awareness and prevention of discrimination, ensuring equal opportunities and diversity in the professional context at ROMGAZ.

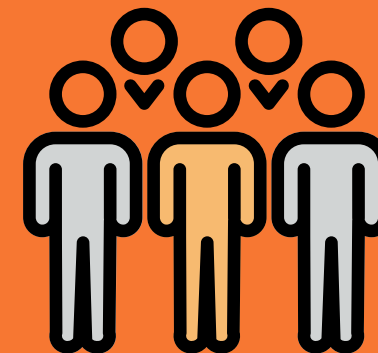
STRUCTURE OF THE BOARD OF DIRECTORS

Structure of the Board of Directors	2018	2019	2020	2021
Total number of members in the Board	10	14	8	10
Women	2	2	1	1
Members under 30 years old	0	0	0	0
Members aged between 30-50 years	7	6	5	7
Members above 50 years old	3	8	3	3
Members belonging to minority groups	0	0	1	1

In 2022, we aim to create a Guide on Equality of Diversity Opportunity and Non-Discrimination, which will be presented and disseminated to all employees. The trainings on the Code of Ethics and Integrity touch upon issues related to equality of diversity opportunity and non-discrimination.

Also during 2022, we aim to carry out training courses and debates on the meaning of diversity and equal opportunity, how diversity values and principles should be approached, what an organization can do to promote intercultural understanding and dialogue, European diversity policies, and applicable legislation. We also want to build a dedicated section on the ROMGAZ intranet platform, containing specific data and information that would be immediately made available to employees.

DIVERSITY IN MANAGEMENT AND EMPLOYEE TEAMS



Although all aspects of diversity are important to us, most issues are generally confidential and have to do with individuals' perception of the issues, which is why our company collects data regarding the diversity of management and employee teams, mainly using two criteria: age and gender.



STAFF STRUCTURE

At the company level, the presence of women has constantly increased over the past four years, as a natural consequence of the continuous improvement of working conditions through the higher technological tools we provide to our workers.

There has also been a steady increase in terms of the share of very young employees (under the age of 30) and those over the age of 50 in the past four years. This evolution indicates that our company wants to retain people with lengthy professional backgrounds, from whom young people, who are at the beginning of their careers, can learn valuable lessons about the job and the values of our company.

Category	Number of employees on 31.12.2021			
	Share			
Gender	2018	2019	2020	2021
Women	13.61%	14.15%	14.52%	14.81%
Men	86.39%	85.85%	85.48%	85.19%
Age groups				
<30	4.18%	4.46%	4.76%	5.07%
30-50	50.58%	47.46%	45.02%	44.34%
>50	45.24%	48.08%	50.22%	50.59%



The most common occupations in our company are those which are traditionally embraced by men, on the one hand due to the fact that they are more physically demanding and sometimes take place in environments with a higher degree of risk, and on the other hand because they also imply a greater availability for mobility. Because of this, fewer than 4% of people in the “Laborers” category are women. Their share rises significantly in the other employee categories, reaching almost 50% among higher education graduates and 60% among secondary education graduates.

Share of employees by category and gender	Women				Men			
	2018	2019	2020	2021	2018	2019	2020	2021
Top Management	17.4%	20.0%	17.5%	15.6%	82.6%	80.0%	82.5%	84.4%
Middle Management	25.5%	15.9%	24.7%	27.1%	74.5%	84.1%	75.3%	72.9%
Other management positions	1.6%	0.8%	1.2%	0.9%	98.4%	99.2%	98.8%	99.1%
Higher education graduates	47.7%	47.6%	48.5%	48.4%	52.3%	52.4%	51.5%	51.6%
Secondary education graduates	59.8%	61.4%	60.7%	60.2%	40.2%	38.6%	39.3%	39.8%
Laborers	3.8%	4.0%	3.7%	3.8%	96.2%	96.0%	96.3%	96.2%
Total	13.6%	14.2%	14.5%	14.8%	86.4%	85.8%	85.5%	85.2%

Total no. of employees by category	Women											
	<30				30-50				>50			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Top Management	0	0	0	0	2	3	3	1	6	4	4	6
Middle Management	0	1	1	1	30	29	28	32	40	46	42	46
Other management positions	0	0	0	0	1	0	0	0	3	1	3	2
Higher education graduates	11	12	16	17	263	269	262	248	144	166	193	191
Secondary education graduates	3	2	3	2	49	54	53	46	67	68	69	64
Laborers	4	2	1	2	66	63	53	43	85	92	93	93
Total	18	17	21	22	411	418	399	370	345	377	404	402

Total number of employees by category	Men											
	<30				30-50				>50			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Top Management	0	0	0	0	9	13	15	19	29	15	18	19
Middle Management	1	3	0	0	78	174	88	94	126	224	129	118
Other management positions	3	1	3	5	101	33	86	91	147	87	152	129
Higher education graduates	22	26	24	24	285	298	311	298	152	169	166	165
Secondary education graduates	5	2	4	4	35	33	31	31	40	43	46	39
Laborers	189	207	218	217	1,995	1,783	1,648	1,507	1,697	1,815	1,910	1,809
Total	220	239	249	250	2,503	2,334	2,179	2,040	2,191	2,353	2,421	2,279

Number of disabled employees by category	Women				Men			
	2018	2019	2020	2021	2018	2019	2020	2021
Top Management	0	0	0	0	0	0	0	0
Middle Management	1	1	0	0	0	0	0	0
Other management positions	0	0	0	0	3	2	1	0
Higher education graduates	7	5	9	7	3	2	4	4
Secondary education graduates	0	0	1	0	0	1	1	0
Laborers	1	1	0	0	19	17	17	15
Total	9	7	10	7	25	22	23	19

In our industry, there is usually a wage level difference between men and women, especially among the staff in the “Laborers” category, as most jobs with a higher degree of risk are occupied by men, and these working conditions have higher associated levels of salary bonuses. Within our company, the ratio between men’s and women’s salaries is inversely proportional to their position in the hierarchy. As such, from a ratio of 1.16 in favor of men in the “Laborers” category, we reach a ratio of 0.96 at the top management level.

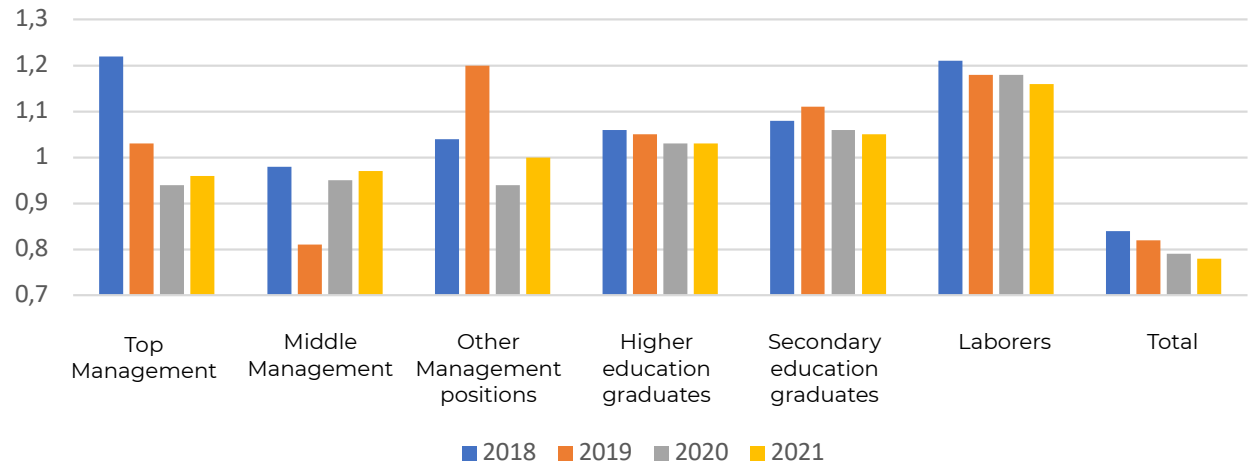
At the company-wide level, the ratio between the average salary of men and women has constantly evolved in favor of women over the last four years, reaching a ratio of 0.78 in 2021.



	Average salary								Ratio between salary			
	Men				Women				2018	2019	2020	2021
	2018	2019	2020	2021	2018	2019	2020	2021				
Top Management	26,912	28,546	28,625	29,682	22,057	27,630	30,546	31,022	1.22	1.03	0.94	0.96
Middle Management	14,852	13,454	17,631	18,068	15,227	16,544	18,580	18,622	0.98	0.81	0.95	0.97
Other management positions	8,294	8,558	9,682	9,987	7,952	7,129	10,347	10,027	1.04	1.20	0.94	1.00
Higher education graduates	7,930	8,814	9,597	10,236	7,489	8,360	9,341	9,972	1.06	1.05	1.03	1.03
Secondary education graduates	5,838	6,662	7,004	7,461	5,408	5,993	6,623	7,131	1.08	1.11	1.06	1.05
Laborers	5,163	5,507	6,000	6,359	4,278	4,675	5,099	5,501	1.21	1.18	1.18	1.16
Total	6,165	6,709	7,246	7,706	7,379	8,216	9,152	9,840	0.84	0.82	0.79	0.78



RATIOS BETWEEN AVERAGE SALARIES OF MEN AND WOMEN



	Average salary								Ratio between salaries			
	Men				Women				2018	2019	2020	2021
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Mediaş Branch	5,565	6,005	6,515	6,925	6,421	6,891	7,584	7,579	0.87	0.87	0.86	0.91
Târgu Mureş Branch	5,620	6,055	6,525	6,900	7,070	7,706	8,424	8,547	0.79	0.79	0.77	0.81
Ploieşti Branch												
SIRCOSS	7,444	7,947	8,394	8,773	7,445	8,174	8,700	8,451	1.00	0.97	0.96	1.04
STTM	6,357	6,877	7,439	7,887	6,692	7,520	8,206	7,928	0.95	0.91	0.91	0.99
S.P.E.E. Iernut	4,891	6,239	6,831	7,216	5,781	7,470	8,362	8,413	0.85	0.84	0.82	0.86
Drobeta Branch			29,536	22,179			0	0				
Company headquarters	11,771	12,490	13,418	13,951	9,137	10,120	11,473	11,839	1.29	1.23	1.17	1.18
Total	6,165	6,709	7,246	7,706	7,379	8,216	9,152	9,840	0.84	0.82	0.79	0.78

ROMGAZ's involvement in local communities

ROMGAZ supports various initiatives in the field of social responsibility, which are carried out voluntarily, as the company is aware its role in society.

ROMGAZ's involvement in projects or programs of interest for community progress is motivated by its desire to meet society's expectations, through financial support/partial or total sponsorship of actions and initiatives,

within the limits of our budgeted financial resources, demonstrating a proactive stance in the field of social responsibility and raising awareness among stakeholders about the importance and benefits of applying the principles of social responsibility.

In 2012, the company held a formal dialogue with stakeholders to identify priority areas for social responsibility actions. The priorities

we identified included: health, education, environment, sports, specific projects for local communities, etc. In 2015, GEO 2/2015 established that at least 40% of the sponsorship budget should be dedicated to health actions. During this period, our priorities have been maintained, thus complying with legal requirements.

Community projects and programs are supported based on the needs and opportunities identified by community representatives. ROMGAZ facilitates stakeholders' access to information on policies to provide financial support to projects and programs in the field of social responsibility and provides stakeholders with specific tools to facilitate a dialogue with communities to identify their needs, as well as dedicated communication channels such as: responsabilitate.socială@romgaz.ro.

To properly manage the impact of the objectives set through a particular community project or program, our sponsorship policy contains criteria and requirements that allow the prior evaluation of issues of interest to the community, in order for the objectives of contributing to community development to be realistic and tangible, and communication of results to be carried out in a transparent manner.



Community projects and programs are supported based on the needs and opportunities identified by community representatives.

Any request to support a project is analyzed and evaluated in terms of the impact and benefits that it could bring to local communities, especially in areas where ROMGAZ operates, but without excluding the expansion of the intervention area.

The projects and programs ROMGAZ supports are brought to stakeholders' attention through a report published on the company website, in the Sustainability/Annual Sponsorship Report section, which includes a brief description of the projects or programs and the benefits they brought to the community by the end of the implementation period.

2021 saw company operations and staff complying with the conditions imposed by the pandemic situation, which led to an adaptation of our activities, with no direct impact on the company's commitment to being a responsible civic player and no interruption in the active communication with all stakeholders to ensure efficient management that works towards sustainable development.

During the reporting period, ROMGAZ boosted the sustainable development of communities by providing full or partial financial support to programs and projects that generated progress inside communities, as part of our desire to meet society's expectations and support multilateral initiatives that can contribute to sustainable development for

the benefit of present and future generations.

ROMGAZ oferă sprijin pentru implementarea unor proiecte de îmbunătățire a serviciilor medicale și sprijină proiectele specifice do-meniului sănătății, identificat ca domeniu de interes major pentru comunitate, motiv pentru care, în limita bugetului programat anual, compania răspunde nevoilor societății de a accesa servicii medicale la standarde ridicate.

ROMGAZ provides support for the implementation of projects which are meant to improve medical services and backs projects in the healthcare field, which have been identified as an area of major interest to the community. This way, in the limits of its annual budget, the company responds to society's need for access to high standard medical services.

Just like in 2020, at a global level, the effects of the measures imposed to prevent the spread of the SARS-COV-2 virus had an impact in 2021 as well. In this context, ROMGAZ supported a series of projects and programs that were implemented in order to adopt the necessary measures to improve the quality of medical care for patients by enhancing hospitals' performance and providing medical services at high standards, by modernizing and equipping medical units that have had high addressability and complex pathology conditions in the context of the COVID-19 pandemic.



The results of the above-mentioned projects and programs have included, but have not been limited to, increasing the capacity of medical units to prevent and treat COVID-19 and combat the spread of the virus among healthcare professionals and all hospital staff, and ensuring the medical resources necessary for the provision of specific medical treatments and the reduction of the number of lost human lives.

The quality of medical services is an increasingly important issue in the healthcare field, while patients' knowledge level and the number of technological and therapeutic advances are constantly increasing, therefore it is important that all medical units provide effective and efficient medical services to patients, to guarantee the continuity of care and ensure the presence of the necessary equipment to provide high-standard medical services.

Furthermore, beyond the pandemic context, the general improvement of healthcare conditions and quality of life standards, and ensuring a high degree of comfort for individuals with various ailments receiving temporary or permanent institutionalized medical-social care, ROMGAZ has financially supported several rehabilitation and repair projects in locations where such assistance and care services were provided.

In 2021, ROMGAZ partially or fully supported actions and initiatives in fields addressed by GEO no. 2/2015, within the limits of budget provisions, as follows:



Sponsorship spending	2021 figures (million RON)
Sponsorships for medical and health sectors	11.27
Sponsorships for education, social, and sports sectors, of which:	10.01
Sponsorships for other actions and activities	1.56
Total sponsorships	22.84

Besides the positive impact on the community environment, projects financed by ROMGAZ were also greatly beneficial for the company, thanks to the positive effects they had on the organizational culture and the reputational gains related to being a responsible employer and an involved social partner who promotes open and transparent relationships with stakeholders. This is positively reflected in ROMGAZ's image at the local, national, and international levels, in the eyes of investors, of central and local authorities, as well as other stakeholders.

Following the principles of corporate social responsibility, ROMGAZ intends to carry out similar activities in 2022.

MAIN PROJECTS AND SOCIAL RESPONSIBILITY INITIATIVES SUPPORTED IN 2021

Medical, health, treatments and medical interventions

Recipient	Project/Initiative/Action
Mediaș Municipal Hospital	Financial support for: - <i>“Rehabilitation and endowment for Emergency Department”</i> - <i>“Modernization of Internal Building Elevator”</i> - <i>“Arthroscopy Tower Procurement”</i>
Sibiu County Emergency Hospital	Financial support for: - <i>Ensuring optimal functioning for CVASIC equipment, procurement of medical equipment for infectious disease, medical, and ICU departments”</i> - <i>“Acquisition of EEG, EMG, FIBROSCAN machines”</i> - <i>„Upgrade, expansion, and endowment of the Emergency Unit at Sibiu County Emergency Hospital”;</i> - <i>„Gastroenterology Unit Rehabilitation”;</i> - <i>“Endowment for: interventional treatment for acute or chronic coronary lesions, including interventional treatment of chronic coronary occlusions, treatment of peripheral arterial disease”;</i> - <i>“Endowing the Gastroenterology Clinical Unit with a videocapsule endoscopy system and accessories”.</i>
Bagdasar-Arseni Emergency Hospital, Bucharest	Financial support for <i>„Endowment for ICU - Excellence Center Unit”</i>
Giurgiu County Emergency Hospital	Financial support for <i>“Acquisition of equipment for mechanical ventilation, docking station, radiotransparent gurneys, disinfectants”</i>
Orșova Municipal Hospital, Mehedinți County	Financial support for <i>“Fighting the covid-19 pandemic by rehabilitating and endowing hospital units treating patients against infections with SARS-COV-2”</i>
Baia de Aramă City Hospital, Mehedinți County	Financial support for <i>“Increasing reaction capacity for acute situations, as well as in the covid-19 epidemiological context at Baia De Aramă City Hospital”</i>
Mediaș Medical-Social Assistance Unit	Financial support for <i>„Thermal rehabilitation and room repairs at UAMS Mediaș”</i>
“De La Noi Pentru Noi Ambulanța Sibiu” Association	Financial support for <i>„Works to develop administrative space and ambulance garages in Mediaș substation”</i>
„Sus Inima”, Association, Sibiu	Financial support for <i>„SUS INIMA - For nobody to go through cancer alone”</i>
Sibiu County	Financial support for <i>“Upgrading buildings of the Sibiu County Emergency Hospital”</i>
“Impreuna pentru sănătate” Association, Sibiu	Financial support for: - <i>“Acquisition of equipment and works for patient safety and security at SCJU Sibiu”</i> - <i>“Acquisition of emergency repair services for the NeuMo Dx equipment at SCJU Sibiu”</i>
“Speranța Pentru Copiii României” Association, Bucharest	Financial support for <i>„Endowment of Electrophysiology Lab - MS Curie Children’s Hospital”</i>

Education, social, and sports projects

Recipient	Project/Initiative/Action
Sibiu County	Financial support for „Upgrade of Cismadie building and access for disabled people CIA Popoviciu Biertan”
Mediaş Municipality	Financial support for: <ul style="list-style-type: none"> - “Continued repair/rehabilitation works for social housing building at 1 Aron Cotrus st; thermal isolation for social housing building 3 at 1 Luncii Str.” - “Tennis Court at National Gas School Technological Highschool, Mediaş” - “Continued rehabilitation/repair and thermal isolation works for nursery building at 14 George Topârceanu st. and development of documentation to obtain fire security authorization for Nursery no. 3” - “Roof repair, carpentry, toilets for building D of Axente Sever Theoretical Highschool”
Axente Sever Commune, Sibiu County	Financial support for „Development of playgrounds in Axente Sever Commune and upgrade of toilets at Axente Sever Kindergarten”
Magyar Culture Society in Transylvania, Mediaş	Financial support for „Together for the community” project
Hoghilag Commune, Sibiu County	Financial support for “Rehabilitation of the Secondary School in Valchid village, Hoghilag Commune”
Gaz Metan Mediaş Sports Club	Financial support for „Football team’s participation in Liga I”
Tenis Club Elite Tg-Jiu Association	Financial support for “Supporting sportsmen in their road to high performance”
Sibiu Community Sports Club Association	Financial support for „Disabled people - value and reintegration thorough sports”
Electromureş Sports Club, Tg. Mureş	Financial support for “Support for high performance activities of ROMGAZ Electromureş female bowling team in 2021”
Viitorul Cluj Football Academy Sports Club Association	Financial support for “Promoting professional sports at the Viitorul Cluj Football Academy Sports Club Association”
Interstar Sibiu Football Club Sports Association	Financial support for: “Acquisition of clothing kits for home and away games”

Cultural, energetic, de mediu, altele

Recipient	Project/Initiative/Action
Mediaș Municipality	Financial support for: „Mediaș - cultural-art events for the community and tourists”
Sibiu 1191 Association	Financial support for „Sibiu - City of Good Manners, 5th edition”
Axente Sever Commune, Sibiu County	Financial support for „Rehabilitation of Culture House in Șoala village, Axente Sever Commune”
St. Proroc Ilie Monastery, Pelișor	Financial support for “Construction of church, sanctums, and surroundings, in Sibiu County, Bârgăniș Commune, Pelișor village”
Produs în Sibiu Association, Sibiu	Financial support for „Produs în Sibiu 2021”
Sibiu County Cindrelul-Junii Center for Conservation and Promotion of Traditional Culture	Financial support for “Ioan Macrea National Folklore Festival, 23rd edition”
Ardealul Mediaș Association	Financial support for „Weinfest Mediaș 2021 - 100 years of Fetească Regală”



DOCUMENTATION AND INFORMATION CENTER – NATURAL GAS MUSEUM

In collaboration with representatives of local authorities, organizations or educational institutions, in the space of the Documentation and Information Center (Natural Gas Museum) in Mediaș, ROMGAZ organizes and hosts a series of events dedicated to the community, such as book launches, painting and fine arts exhibitions, symposia, communication sessions or events dedicated to local communities.

The Documentation and Information Center is an exceptional museum space which marks the 100+ year history of exploration and exploitation of natural gas in Romania, preserving the identity of the national natural gas sector in representative exhibitions, which are exclusively dedicated to this field.

In 2021, due to the covid-19 pandemic, the

Natural Gas Museum had to adapt to an unusual context, while still managing to transpose a series of projects with local or national impact into the online realm, in addition to those that were continued from 2020, based on clearly defined principles: documentation, information, quality, accountability, performance.

Below are some of the projects coordinated by the Documentation and Information Center in 2021:

- Youth in energy – in collaboration with the Intelligent Energy Association;
- Standards and standardization – in collaboration with representatives of the Romanian Standardization Association;
- This is where your money goes;
- Hydrogen – a driver of energy;
- Promoting Romania!
- Energy – behind the scenes.



ROMGAZ organizes and hosts a series of community events at the Documentation and Information Center (Natural Gas Museum) in Mediaș, including book launches, painting and fine arts exhibitions, symposia.

DUAL LEARNING AND THE ROMGAZ SCHOLARSHIP PROGRAM

ROMGAZ's cooperation with the education sector is based on active dialogue, prioritizing the personal development and training of young people in a way that allows them to respond to socio-economic, demographic, environmental or technological challenges.

ROMGAZ supports concepts and initiatives that lead to improving the chances of the young generation, given that educational institutions or organizations engaged in the development of the education system often

need the voluntary involvement and support from a company that acts responsibly towards the community, so that education and training support programs can be implemented and achieve the desired results. In recent years, ROMGAZ has initiated and developed several collaborations with educational institutions.

The collaboration between the Iernut Electricity Production Branch and the Iernut Technological High School in Mureș County

began in 2020 through a partnership for the professional training of students through dual education. The Iernut Branch will soon begin operating a new modern power plant whose operational lifecycle will span across several generations, which means there is a clear need to train young people, especially in electricity-related specializations, representing an important step with a positive impact on both the Iernut area and its inhabitants, as well as on the company, which is constantly developing.

ROMGAZ's cooperation with the education sector is based on active dialogue, prioritizing the personal development and training of young people in a way that allows them to respond to socio-economic, demographic, environmental or technological challenges.



Through this partnership, a class of 17 students is being trained in the following specializations: power plant, stations, and electrical relations electricians; and boilers, turbines, auxiliary and district heating installations operators.

In addition to the dual education partnership with the Iernut high school, which will run at least until 2023, ROMGAZ has developed a similar partnership with the National Gas School Technological Gas Highschool in Medias, for the 2018 – 2021 period, providing internships for 18 participants in the field of gas extraction, treatment, transport, and distribution.

Furthermore, in the 2020/2021 academic year, ROMGAZ had a collaboration agreement with the Lucian Blaga University of Sibiu, providing teaching activities, research, and student practice, allowing 35 students to take part in internships.

Another collaboration agreement was signed for the 2020 - 2023 period between ROMGAZ and the National Gas School Highschool. Through it, highschool and vocational students as well as adults taking professional training courses can take part in practical internships at ROMGAZ, for the following qualifications: installer of local distribution networks and gas mains, operator in gas extraction, treatment, transport and dis-



Furthermore, in the 2020/2021 academic year, ROMGAZ had a collaboration agreement with the Lucian Blaga University of Sibiu, providing teaching activities, research, and student practice, allowing 35 students to take part in internships.

tribution, as well as environmental and environmental quality protection technician.

Last but not least, undergraduate and master's students of the Ploiesti Oil and Gas University benefit from a partnership that facilitates internships, company visits, workshops and conferences, as well as joint scientific research projects.

ENVIRONMENTAL IMPACT ON LOCAL COMMUNITIES

To assess the company's environmental impact on the local communities, the following activities were carried out during the reporting period:

- At the DEPOGAZ Branch, updates were made to the security reports and internal emergency plans for natural gas storage deposits. At the same time, risk analysis procedures were performed for all relevant technological installations within the natural gas storage deposits;
- At the Mureş Branch, noise level measurements were carried out in the vicinity of the Cristur Natural Gas Compression Station, at the property limit of inhabited areas.

At the same time, in all communities where the ROMGAZ Group operates, we carry out evaluations of scenarios in the Security Reports, while the Internal Emergency Plan is evaluated through exercises involving the County Inspectorates for Emergency Situations, representatives of the Local Police, City Halls, and first aid medical services.

We are open to communication and to resolving any complaints or grievances coming from the local community and we want to

The Internal Emergency Plan is evaluated through exercises involving the County Inspectorates for Emergency Situations, representatives of the Local Police, City Halls, and first aid medical services.

stand with them in all circumstances, which is why complaints from the local community are handled in accordance with the Communication, violations management, non-compliance control, and corrective action System Procedure.



OPERATIONS WITH A SIGNIFICANT CURRENT AND POTENTIAL NEGATIVE IMPACT ON LOCAL COMMUNITIES

Today, the local population's level of dependence on the ROMGAZ Group is quite high, considering the fact that we support job creation in the regions where we operate and we want to contribute to their well-being by hiring staff from these communities. Cutting staff in our company could have a negative impact on local communities, so we constantly strive to maintain stability, provide jobs for people in local communities, and give them the chance to grow and develop with us.

As part of ROMGAZ Group's operations, we carried out impact studies in various stages in the context of promoting various major investments for the natural gas storage deposits of the DEPOGAZ Subsidiary. Since

2007, when these objectives were included on the list of sites presenting a risk of major incidents due to the large quantities of hazardous substances present at the site, local, county and national authorities have been informed through notifications, posts on the company website, and notice boards placed at town halls to inform the general public.

These studies aim to analyze economic significance for the local community, as well as the possible risk of fire or explosion due to the presence of extremely flammable and dangerous substances. They also indicate the appropriate reaction from the local community and local authorities, through information developed in the existing Emergency Plan for each natural gas deposit.



ROMGAZ operations with a significant current and potential negative impact on local communities:

Operation/product	Location	Current negative impact	Affected parties	Potential negative impact	Affected parties
Natural gas storage through wells and gas pipelines	Gas pipelines Natural gas compression stations	-	Administrative areas of local communities where natural gas storage depots operate, together with related technological installations	Environmental pollution: water, air, soil, underground Affecting the local community's economic and social life, as shown in the Security Reports developed for the 5 gas deposits.	Administrative areas of local communities where natural gas storage depots operate, together with related technological installations

NUMBER OF DECOMMISSIONED EXPLOITATION ZONES AND AREAS UNDERGOING DECOMMISSIONING PROCESSES

At ROMGAZ, operating areas are represented by wells. The well is defined as a special mining construction developed by drilling in the earth's crust, in the shape of a vertical hole which can also have inclined or even horizontal segments. The upper part of this construction is called the wellhead, and the lower part is called the bottomhole. The topographic point where the probe is initiated is called the well site.

ROMGAZ operates a number of 4,704 wells, which are considered to be fixed assets, of which 3,121 wells have a productive potential, while 1,583 are inactive wells.

The average fenced area of each wellhead is 24 sqm.

After these extractive assemblies are decommissioned, the scrap wells are inactive exploitation areas. In 2021, 40 out of a total of 3,161 productive wells were scrapped.

The process of decommissioning the exploitation areas is called "abandonment" and represents the totality of works carried out in the well for the protection of all geological formations the well runs across, as well as of the surface works executed in order to restore and rehabilitate the environment.

The abandonment of exploitation/exploration wells is required if:

- drilling works can no longer be continued for technical or geological reasons;
- the well has depleted reserves in all layers known to be productive and or has inventoried all collectors that may be saturated;
- the well can no longer be productive for technical reasons;
- well flows have dropped below the economic exploitation limits established for the deposit.

In the process of well abandonment, ROMGAZ complies with applicable legislation in the following ways:

- carries out the required environmental processes;
- draws up reports regarding returns to the agricultural circuit;
- draws up and signs memoranda between the company and landowners;
- obtains approval from the National Agency for Mineral Resources for each well abandonment or for cases when the company lets go of the area's concession rights.





ENVIRONMENT

ROMGAZ's vision of consolidating its position on the Romanian and Central and Eastern Europe markets is translated into its mission to continuously increase its performance, competitiveness, and value through the rigorous management of environmental and environmental risks. Environmental protection is a priority for ROMGAZ Group and part of our sustainable development strategy.

We pay more attention to all environmental aspects on which our activities could have an impact and we also focus on reducing both energy and water consumption. A central point of how we manage our impact on the environment is our compliance with the requirements of the integrated quality, environment, and occupational health and safety management system. By keeping our operations within the levels we have self-imposed by adhering to these international standards, we ensure compliance with increasingly demanding legal requirements and contribute to the prevention of pollution and the reduction of environmental impact and the undesirable effects of climate change.

We are confident that, through a responsible management of all aspects of our operations, we can maintain a level of environmental performance that allows us to continue operating in a competitive environment, with a focus on energy conversion. The company carries



Environmental protection is a priority for the ROMGAZ Group and part of our sustainable development strategy.

out impact studies as often as necessary, at the request of the relevant authorities.

Furthermore, we also take part in public debates to obtain Environmental Agreements for some of our new projects, thus establishing the environmental conditions and, where appropriate, the environmental protection measures that must be imple-

mented. The means of communication include announcements in the written press, communications on the company's website, etc. The environmental impact assessment (EIA) procedure consists of consulting the public and the authorities tasked with environmental protection and providing information on the decisions we take.

The internal procedure for this issue, according to the work instruction *Supervision of drilling works and production tests*, code 231L-05, assigns responsibilities for:

▶ **The drilling supervision team, for:**

- issuing notifications on the start of the execution of drilling works;
- monitoring the execution of works across throughout their development, including compliance with the environmental requirements of the contract and environmental regulations (environmental agreement or decision on project framing stage, environmental permit, water management permit or authorization, etc.);
- when works begin, the contractor's request for the Training Staff Report, with the environmental requirements from the tender specifications/contract and with ROMGAZ's Policy Statement on quality, environment, and occupational health and safety;
- immediately notifying the Environmental Protection Service, if during the course of the works it finds deviations from the environmental requirements specified in the contract and/or in environmental regulatory acts;

- sending to the Environmental Protection Service a copy of the Memoranda signed according to annex 1, 2, 3, and 4 of GD no. 51/1996, in order to notify relevant environmental protection authorities and begin the procedure to obtain the environmental permit.

▶ **The Environmental Protection Service, for:**

- notifying the competent authorities regarding the issuance of environmental regulatory acts (Environmental Agreement and Water Management Permit) on the start of the drilling work for which the document was issued (if it sets this requirement);
- carrying out environmental checks in the area on which the contracted works are carried out, to verify the way contractors and their subcontractors comply with environmental and other legal regulations (contractual environmental requirements, environmental agreement, etc.);
- participating in the final/partial reception of works to verify compliance with the contractual environmental requirements and making note of observations in the annexes developed according to HG 51/1996;



- upon request, notifying competent environmental protection authorities regarding the investment's stage of completion.

In the planning stage of natural gas production operations, ROMGAZ takes into account all shutdowns of production capacities for repair/preventive maintenance works so that, through such works, the risk of severe or irreversible damage to the environment is minimized.

Also, when intervention and repair works are carried out on wells to put them back into production or test new wells from exploration boreholes, we use ecological discharge installations which minimize environmental degradation.

For the 2021-2030 period, ROMGAZ has set a series of priorities that will significantly contribute to the Group's sustainable development, in the short and medium term:

▶ **Maximizing the recovery factor for hydrocarbon reserves in conditions of safety, reliability and sustainable development**

- Extending the duration of exploitation for mature natural gas fields - 16 commercial fields that provide approximately 56.4% of the company's annual production, structured in 9 projects; multidisciplinary teams, integrated efforts between human



resources, technologies, equipment, and information.

- A range of technical, economic, and management strategies whose aim is to maximize production and, implicitly, increase recovery rates in natural gas reserves, ensuring profitability.
- During exploitation, after recording considerable production history and implicitly an appreciable depletion level, the exploitation strategy is re-evaluated. Approaches in this regard are aimed at improving the value of mature deposits.

▶ **Sustainable energy production – electricity and energy with low carbon emissions**

- The development of 180 MW of renewable electricity production capacities, including the commissioning of a 60 MW photovoltaic capacity by the end of 2023.
- Feasibility analysis for the construction of several gas-powered electricity production plants, using green energy and hydrogen (possible locations: Halânga, Mintia, Constanța), if project financing and access to non-reimbursable funds can be secured.

▶ **Feasibility analysis and implementation of projects to build electricity production plants will be carried out by ROMGAZ alone or as part of partnerships.**

- Feasibility analysis for reserving production capacity in gas-powered electricity generation plants, while maintaining ROMGAZ's ownership of the natural gas and electricity thus produced;
- Reserving production capacity in electricity production plants, based on feasibility, while complying with applicable legislation.

▶ **Decarbonization of Exploration-Production operations**

- Prioritizing the use of electrical drilling installations;
- Reducing greenhouse gas emissions during well testing operations;
- Managing emissions in the exploration process.

Replacing vehicles that use diesel or petrol with green energy-powered vehicles.



► Production

- Implementing a Fugitive Emissions Detection and Reduction Program as part of the production equipment integrity management system;
- Reducing execution times for works to develop production infrastructure so as to reduce energy usage and emissions;
- Using closed-circuit non-polluting discharge systems for well technological groups;
- Reducing emissions from compression stations;
- Reducing auto transportation of liquids resulting from exploitation operations;
- Reducing amounts of controlled flue gas by applying solutions to capture and recover methane gas.

► Reducing emissions and streamlining surface facilities for hydrocarbon deposits - Upgrade of facilities and equipment

- High-performance equipment to reduce polluting emissions;
- Methane capture solutions;
- 5 compression stations;
- 5 drying stations;
- Technological groups.

► Reducing emissions by 10%

► Upgrading and improving the efficiency of current auto fleet

- By 2030, 80% of the auto fleet shall use low-emission fuels;
- Replacing diesel buses with green energy-powered buses;
- Replacing vehicles that use diesel or petrol with green energy-powered vehicles;
- Replacing heavy-duty vehicles that use diesel with vehicles that use green energy (EUR 59 million investment/EUR 4.5 million annual savings).

► Operational diversification

- Feasibility analysis for new investments/acquisitions and implementing projects in gas distribution sector;
- Carrying out an opportunity study and, if appropriate, feasibility studies for the development of methanol and olefin production units; the feasibility analysis and implementation of such projects shall be carried out by ROMGAZ alone or as part of partnerships;
- Developing Gas to Power type projects if feasible to recover natural gas reserves in marginal/isolated deposits;
- Developing hydrogen production to ensure ecological transport and supplying consumers;
- Analysis and feasibility study for hydrogen production for final consumer use; feasibility analysis and implementation of such projects will be carried out by ROMGAZ alone or as part of partnerships;
- Converting 20% of our own auto fleet into ecological vehicles that use hydrogen-based fuel.

► **Developing human resources to adopt future trends in sustainable energy**

- Passing the torch between today's and tomorrow's specialists;
- Supporting higher quality education in the energy field by involving our company in providing practical activities for students;
- Mentorship programs;
- Carrying out recruiting among young graduates;
- Increasing employee satisfaction and commitment.

Performance indicators

- Number of employees who complete training courses and/or communication programs regarding required compliance with Net-ZeROMGAZ;
- No new projects without prior social impact studies;
- At least 10 new local community health projects per year;
- Number of employees trained in human rights issues by 2025;
- Number of participants in internships and trainings.

► **NetZeROMGAZ – CARBON MANAGEMENT**

- Improving efficiency regarding carbon emissions in ROMGAZ's operations and product portfolio;
- Climate change mitigation and responsible resource management.



Performance indicators

- Lowering the intensity of carbon dioxide emissions in ROMGAZ operations by 10% by 2030 (compared to 2020);
- No new projects that burn discharge gas and eliminating atmospheric discharges by 2030 at the latest;
- Lowering the technological consumption of natural gas by 10% compared to 2020, by 2030.

Compliance with environmental standards, laws, and regulations

The S.N.G.N. ROMGAZ S.A. Integrated Management System provides instructions and operational procedures that identify and comply with the compliance requirements set by regulatory acts and applicable legal environmental requirements. In accordance with the provisions of Procedure PS-02 *Violations Management*, the organization, implementation, and monitoring of violations is carried out by the Monitoring Commission, through individuals designated by the CEO. In case non-compliance is found in the field of environmental protection, according to system procedure *Control of non-conformities and corrective actions*, code PS-05, the non-compliance cases are analyzed to determine their causes, then necessary actions are decided upon and implemented to ensure that they don't occur again, and the results of these actions are recorded. Records of non-compliance are available online on the company's internal website.

The identification of significant environmental aspects at each company location was carried out according to system procedures found in the Integrated Management System.

Working instruction 18IL-03 *Environmental inspection* describes how to environmental checks should be carried out at ROMGAZ



sites where operations with a potentially significant impact on the environment are performed. The checks are aimed at verifying each operation's compliance with legal requirements and issued regulatory documents. The internal regulatory framework continues with *Identification and assessment of compliance* - PS 09 ed.3/rev.0, *Monitoring and measurement* - PS 10 - ed.3/rev.1 (S.P.E.E.

lernut), and *Environmental reporting* - 00 IL-062 ed.3/rev.2.

In order to reduce the negative environmental impact of ROMGAZ's activities, we aim to do the following:

- Increase environmental investments;
- Correlate environmental targets with environmental aspects and significant environmental aspects, and respectively with the objectives of the organizational unit;
- Ensure a maximum degree of compliance in order to avoid financial penalties, irregularities, complaints, etc.

The Monitoring and measurement - PS 10 procedure details the monitoring and measurement of:

- the main characteristics of activities which may have a significant impact on the environment, and generate risks related to accidents or occupational diseases;
- environmental and occupational health and safety performance;
- operational control in IMS processes;
- compliance with environmental and occupational health and safety objectives as well as with the planned results of each process.

At the same time, environmental audits and inspection actions allow the assessment of compliance measures.

At the DEPOGAZ level, the monitoring and measurement of environmental indicators refers to the environmental performance required by the applicable environmental legislation and regulations and to the company's stated environmental objectives and targets. Performance in the field of occupational health and safety (OSH) is regularly monitored and measured, so as to provide calibrated and functioning equipment for monitoring and measuring performance in the field of OSH, in order to obtain real results and keeping track of how this procedure is applied.

Following environmental inspections, if cases of non-compliance are identified, a non-compliance report is opened under code 00F-051 according to *PS-05 Control of non-compliances and corrective actions*, to which the inspection report checklist is attached.

In order to evaluate performance in the field of environmental compliance, the company's management annually analyzes the results. At the same time, the Integrated Management System is audited internally and is subject to a third party compliance and certification audit.



At DEPOGAZ, this assessment is performed through monthly, quarterly, half-yearly, and annual reports, which the Corporate Governance Office delivers to the Board of Directors and the CEO.

S.P.E.E. Iernut is subject to internal auditing to verify compliance with legal requirements (GHG): Regulation (EU) no. Commission Regulation (EC) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions in accordance with Directive 2003/87/EC. The process of materially evaluating operations is documented in the Inspection Report, Form Code 18F-17, which

contains the conclusions after compliance with the environmental legislation is verified. The 18F-18 form code checklist, which includes all environmental aspects and how to manage them, is adapted to the verified activity.

An assessment of compliance with legal requirements and other applicable environmental protection requirements is performed annually by the Environmental Protection Service/Office/Department, according to work instruction *Environmental Inspection*, code: 00IL-092, at ROMGAZ locations where activities with a potential impact on the environment are carried out.



The evaluation of activities associated with the management of the "Environmental Compliance" material issue is found in the Environmental Protection Service's reports.

Inspection phases:

- Identifying areas to inspect and develop *Inspection Plan*;
- Develop *Verification checklist* for the inspected activity;
- Carry out environmental inspections;
- Develop and disseminate *Inspection Report*.

The evaluation of activities associated with the management of the "Environmental Compliance" material issue is found in the Environmental Protection Service's reports.

In 2021, the ROMGAZ Group received a warning and a RON 15,000 fine. DSP Mureş applied a warning following complaints from property owners located in the vicinity of the Mureş Gas Drying Station (Corunca locality), for noises generated by the activity carried out within the Station.

The Mureş branch has started a procurement procedure for design and execution services for sound-absorbing panels, which will be installed at the Drying Station, therefore the discomfort caused will be eliminated and the existing legal requirements on this environmental issue will be complied with. Following checks performed at the abandoned 23 Jugureanu well (located on the shore of Vultureni lake, Vultureni village, Cireşu commune, Brăila county), commissioners from the GNM - Brăila County Council found that the shore of the Vultureni lake, where the well is located, was degraded (the shore had been reinforced against erosion with concrete slabs when it was put into production in 1969). For non-compliance with environmental and water legislation in force, S.N.G.N. ROMGAZ S.A. Branch Tg. Mureş was fined; the fine was paid, as there was no legal basis to challenge it.

Energy

At ROMGAZ, the CEO is concerned with reducing the company's impact on the environment, and the complex range of existing system and operational procedures and work instructions, which set requirements for energy management, we've created a framework that allows each of us to contribute to a better future for coming generations.

Through the ROMGAZ CEO's POLICY STATEMENT regarding quality, environment, workplace health and safety, and energy, the company's management is directly and firmly involved in the management of environmental, social, and energy issues.

The integrated management system for quality, environment, workplace health and safety, and energy supports the achievement of our mission by reaching the following objectives:

- Increasing customer and stakeholder satisfaction;
- Preventing pollution and reducing the harmful environmental effects of our operations;
- Ensuring safe and healthy working conditions to prevent professional trauma and diseases, adequately adapted to the specific nature of risks and opportunities

- in the workplace health and safety field;
- Reducing the energy consumption associated with our operations, taking into account legislative requirements and the potential optimization of processes;
- Maintaining an adequate internal climate that allows staff to reach their objectives;
- Continuously monitoring and systematically analyzing processes in order to ensure their efficiency and efficacy;
- Making each employee responsible for their own contribution to the performance of the integrated management system for quality, environment, workplace health and safety, and energy;
- Adopting the best operating practices and imposing the same standards on our contractors and suppliers.



Through the ROMGAZ CEO's POLICY STATEMENT regarding quality, environment, workplace health and safety, and energy, the company's management is directly and firmly involved in the management of environmental, social, and energy issues.

To apply this policy and reach its objectives, the ROMGAZ management is committed to:

- Ensure that the policy and objectives are set for the integrated management system and that they are compatible with the organization's context and strategic direction;
- Take responsibility for the effectiveness of the integrated management system, by meeting all applicable requirements;
- Ensure that the requirements of the integrated management system are included in the organisation's business processes;
- Promote and support a process-based approach and risk-based thinking;
- Ensure the availability of resources needed to maintain and improve the efficiency and effectiveness of the integrated management system;
- Ensure that the integrated management system achieves the intended results;
- Engage, direct, and support staff to contribute to the effectiveness of the integrated management system;
- Promote continuous improvement in order to increase performance;
- Support other relevant management roles in order to demonstrate their leadership as it applies to areas of responsibility.

Existing system, operational, and work instructions provide for energy management requirements. An ENERGY POLICY has been



implemented at DEPOGAZ, while the SMI includes a System Procedure regarding Energy Analysis. At the same time, ROMGAZ is working on the necessary documentation for the implementation and future certification of SR EN ISO 50001:2019, applicable to the entire Group.

In the reporting year, the PS 15 System Procedure - Energy Analysis (revision 1) was revised, and applied starting with 09.12.2021. At the same time, based on the ROMGAZ Energy Management System, which is currently being implemented, the company has appointed energy managers whose responsibilities are set through internal decisions.

To reduce energy consumption, we are looking at both increasing the energy efficiency of the technological installations which will be promoted through the investment program as well as reducing energy consumption across our operations and carrying out a detailed analysis of energy flows and consumption for each process, in order to identify opportunities for the continuous improvement of our energy performance.

Furthermore, we are acquiring equipment and machinery with lower energy consumption than the existing equipment, seeking those with the lowest possible pollution levels. Increasing staff awareness is another significant component of our drive to reduce our environmental impact, therefore training was conducted in 2021 on topics related to the importance of reducing the consumption of both energy and materials.

Increasing staff awareness is another significant component of our drive to reduce our environmental impact.

Impact assessments are performed by looking at historical data on the company's energy consumption, as the basis for setting targets for the reduction of technological consumption and support activities.

The “ENERGY ANALYSIS” system procedure includes the mode of operation, scope, responsibilities, and records and, together with the CEO’s Policy Statement on Quality, Environment, Health, Safety and Energy, demonstrates our firm commitment to continuously lower energy consumption at the company level.

The Energy Analysis system procedure documents the methodology and criteria used to perform energy analysis within the organization, as well as the responsibilities of the staff involved.

The analysis aims to establish the real rates of consumption on the proposed outline and the degree of energy efficiency, as well as identify measures to improve the energy regime and

prevent the effects of environmental pollution. The identification, implementation, and analysis of the effectiveness of the measures (technical and/or organizational) highlight ways to further improve the implementation.

The Energy Analysis allows us to calculate all forms of energy entering and leaving the analyzed physical framework. It also highlights external exchanges and exchanges between the units that are subject to analysis and the way in which externally sourced resources end up being capitalized. This highlights the points where there is inefficiency, as well as the magnitude of the losses it causes. The Energy Analysis also provides information on how various types of equipment should be operated.

The results of the energy analysis allow the substantiation of measures to streamline the use of available energy resources, estimating the technical and energy levels of the analyzed equipment, assessing the possibilities of upgrading/modifying facilities and reducing

operating costs, and establishing absolute and specific quantities of energy consumed in the analyzed framework/process and the level of energy losses related to the operation of the equipment in the framework.

The Energy Analysis is performed annually and whenever major changes are made to facilities, equipment, systems or processes.

Energy Analysis reports are also used to meet the reporting obligations set by Law no. 121/2014 on energy efficiency.

In order to perform the energy analysis, we take the following steps:

- 1. Establishing the area of analysis, called the energy evaluation framework/energy consumption centers framework/energy framework.**

The limits of the energy framework can be defined based on technological, administrative or other criteria such as:

- By process (useful in calculating process cost);
- By location (for a pilot project);
- For a branch;
- For ROMGAZ.

For each such consumption center, consumption by both types of energy carriers and volume of activity are measured and recorded separately.

2. Analysis of energy use and consumption

2.1. Identifying current energy sources:

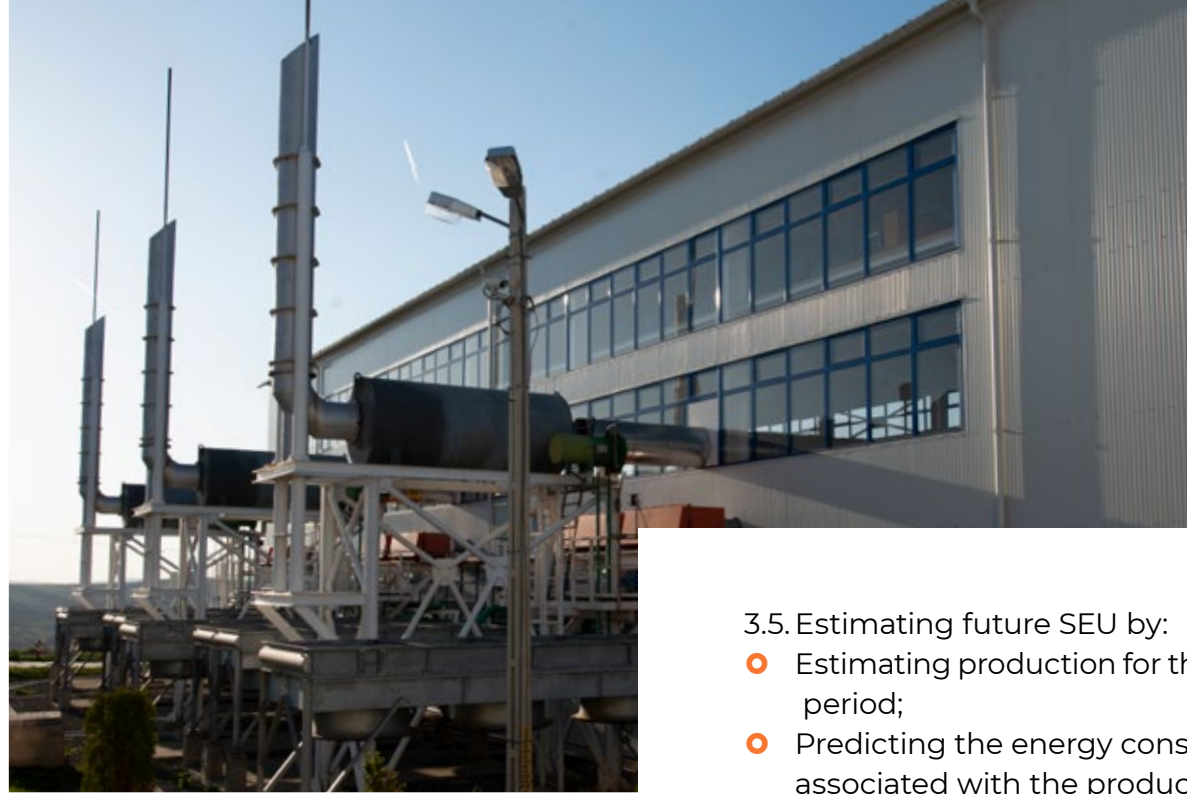
- Electricity – from own sources/from grid;
- Natural gas – from own sources/from grid;
- Petrol and diesel;
- Other sources.

2.2. Evaluating past and present the use and consumption of energy

- Setting the reference year;
- Setting the past period for which data is available;
- Evaluating past energy production and consumption levels;
- Evaluating present energy production and consumption levels.

3. Identifying significant energy use (SEU).

The identification of the facilities, equipment, processes, and personnel working for or on behalf of the organization that significantly affect energy use and consumption is done by:



3.1. Determining the share/use-based consumption;

3.2. Establishing a reference level (threshold above which consumption is deemed significant);

3.3. Identifying variables that influence SEU:

- Equipment;
- Personnel.

3.4. Determining current energy performance for the analyzed framework.

3.5. Estimating future SEU by:

- Estimating production for the specific period;
- Predicting the energy consumption associated with the production estimations;
- Referencing the organization's energy policy;
- Using statistics from industry operators, etc.

4. Identifying SEU improvement opportunities.

4.1. Establishing the necessary technical improvement measures;

4.2. Establishing organizational measures through internal rules/procedures/staff redistribution, etc.;

4.3. Prioritizing improvement opportunities.

ENERGY CONSUMPTION INSIDE THE ORGANIZATION¹⁶ (GJ)

	2018	2019	2020	2021
Total consumption of fuel from non-renewable sources in joule or multiples	14,031,937.1899	9,914,489.861	13,382,218.376	10,672,768.173
Total consumption of fuel from renewable sources	238.647	241.200	187.2	238
Total consumption of electricity in joule, watt per hour or multiples	1,165,884.9094	1,186,298.304	982,031.086	1,125,534.723
Total consumption of thermal energy in joule, watt per hour or multiples	8,508	8,340	9,330	
Amount of auto-generated electricity in joule, watt per hour or multiples	16,403.447	10,735.088	5,452.121	
Amount of auto-generated thermal energy in joule, watt per hour or multiples				195.332
Amount of electricity sold in joule, watt per hour or multiples	3,917,566.862	1,972,495.307	3,156,492.745	2,137,924.327
Total consumption of energy in joule or multiples	11,305,405.3313	9,147,608.285	11,222,756.038	9,660,811.901

¹⁶International unit of measurement for fuels and energy and their transformation into GJ (Gigajoules). The total energy consumption is calculated by adding up total consumption made up of: electricity, fuels, fuels, etc. expressed in toe/year, (tons of oil equivalent/year) in accordance with Law no. 121/2014; energy and gas metering. Order ANRE 30/2003; PE012/1992.

Calculation of fuel consumption at energy blocks in S.P.E.E. Iernut, using the jvAFE application.

Operational procedure "Determination of fuel consumption of energy aggregates" code 19PO-02 ed.3/rev.1

Large combustion plants at the S.P.E.E. Iernut site are supplied with NG from the gas pipeline owned by TRANS GAZ and the volume of NG is measured through a system owned by S.R.M. Cuci (natural gas supplier). Electricity consumption is metered and billed according to the electricity supplier's procedures.

ENERGY INTENSITY

	2018	2019	2020	2021
Energy intensity	2.26	2.23	2.24	1.65
Types of energy included in calculations	electricity heating fuel	electricity heating fuel	electricity heating fuel	electricity heating fuel

For the continuous improvement of ROMGAZ's energy performance and the increase of its energy efficiency, the organization's strategy envisages the optimization of processes, the continuous monitoring and systematic analysis of the processes, and the detailed analysis of the energy flows and consumption of each process, through the following aspects:

- Lowering losses from technological process and investing in the energy sector;
- Using high-performance technology in production processes;
- Reducing water-steam losses by eliminating imminent leaks;
- Using frequency converters for electrical actions;
- Reducing excess combustion air (increases flame's adiabatic temperature, lowers CO in combustion gases and lowers natural gas consumption);
- Covering losses by changing current motors in the IE1 efficiency class with high



efficiency IE2 class motors up to “super premium” performance IE4 motors (the EU requires the gradual replacement of three-phase asynchronous low-voltage motors to reach IE4);

- Installing heat exchangers on the paths of combustion gases;
- Isolating installation walls;
- Replacing cooling pumps and ventilators;
- Frequent ultrasound checks to detect gas leaks;
- Installing photovoltaic systems;
- Upgrading/replacing thermal heating equipment and thermal stations with better performing units;
- Upgrading internal and external artificial lighting in administrative buildings (movement sensors, LED lamps);
- Renewing the auto fleet by replacing old, high-emission and high-consumption vehicles with newer, more energy-efficient vehicles;
- Monitoring fuel consumption by installing fuel level sensors and GPS equipment on the SIRCOSS auto fleet;
- Replacing old or faulty equipment with higher energy efficiency units;
- Organizational measures according to procedure 00IL 121.

The organization’s strategy requires reducing losses from technological processes and making investments in the energy sector.



DEPOGAZ aims to reduce energy consumption by conducting an energy audit every 4 years and it has reached the third year of energy efficiency reporting.

As a result of the energy consumption strategy developed in 2020 for the year 2021, reporting (percentage based) shows:

- Renewal of STTM auto fleet by replacing old, high-emission and high-consumption vehicles with newer, more energy-efficient vehicles - 25 vehicles have been replaced as previously described, which represents 4% of the STTM fleet, totaling 625 vehicles.

- Equipping vehicles in the STTM fleet with GPS and fuel consumption monitoring systems – in March 2021, all vehicles in the STTM auto fleet were equipped with GPS fuel consumption monitoring systems, therefore the objective regarding the fuel consumption reduction strategy is 100% complete. Since March 1, 2021, fuel consumption has been monitored using this system.

In 2021, ROMGAZ implemented a series of measures designed to meet the objectives set by the energy consumption reduction strategy, as presented below:

- SIRCOSS - An ongoing Energy Audit contract aims to reduce electricity consumption by upgrading electrical installations in order to increase energy efficiency. The auditor’s report shall contain the authorized power balance sheet and the plan of measures leading to the development of own programs designed to increase consumers’ energy efficiency.
- For the most important locations, namely the SIRCOSS Branch sections in the analyzed framework, an analysis shall be carried out regarding the possibility of developing energy production projects with photovoltaic panels, by using the surfaces on roofs/terraces of buildings

found in SIRCOSS locations. The installed production capacities can be used both for the buildings' own consumption needs as well as for the delivery of energy or surplus energy to the grid.

- STTM - For the implementation of and commitment to a program to reduce electricity consumption, LED projectors have been purchased to ensure proper lighting, which contributes to low electricity consumption, as its costs are up to 80% lower than those of the old projectors. Renewal of the STTM car fleet by replacing high-emission and high-consumption vehicles with new ones: 25 vehicles;
- Monitoring fuel consumption by installing fuel level sensors and GPS equipment on the STTM auto fleet;
- Based on the conclusions of the energy audit analysis, a plan of measures was developed in order to reduce losses by improving energy and technological processes:
 - Heating installations upgrade/ replacement;
 - Washing capacitors to improve drizzling temperature;
 - Reducing water-steam losses by eliminating imminent leaks;
 - Using frequency converters for electrical actions;

- Optimizing the gas injection program in natural gas reserves by signing the electricity supply contract;
- Placing automated capacitor batteries;
- Replacing lighting units with LED technology;
- Upgrading and automating electro-compressor enablement.

As a result of these measures, the current reporting period shows a decline of energy consumption. Costs of predicted energy consumption imbalances have been eliminated.

- STTM – Energy consumption declined by approx. 2,700 GJ;
- SIRCOSS – As a result of installing fuel level sensors and GPS, fuel consumption declined in the reporting period compared to the previous year.
 - 2020: 55,087.03 GJ (petrol+diesel);
 - 2021: 53,086.4 GJ (petrol+diesel);
 - Savings of 2,000.63 GJ.



AMOUNT OF ENERGY GENERATED FROM RENEWABLE SOURCES

Amount produced by type of renewable energy	2018	2019	2020	2021
Solar energy	399.700 GJ	399.600 GJ	399.6 GJ	372.6 GJ

AUTO FLEET

	2018	2019	2020	2021
Number of cars in company fleet of which:	886	831	701	786
Diesel	828	792	657	740
Petrol	58	39	44	46
Total distance covered using cars in company's fleet (km)	12,666,227.3km	12,317,528km	11,426,840km	11,706,813 km

In 2019, old Volkswagen cars were withdrawn from circulation, and they were replaced by 10 Toyota Rav 4 cars which have lower fuel consumption levels.

	2018	2019	2020	2021
Distance covered by plane	554,400 km	732,110 km	116,524km	43,415.92km



Water

Preventing the introduction of pollutants in surface water or groundwater by observing the allowed value limits for the water quality indicators upon discharge into the natural emissary or the sewage network represents an important objective for the ROMGAZ Group. The company's Integrated Management System includes, among others, Working Instruction: *Monitoring and measuring environmental factors*. The amount of water extracted from the ground or supplied by local operators is centralized and reported to the authorities by the Environmental Protection Service, with the centralization being carried out by the representatives appointed at each site.

The group complies with the requirements of environmental and water management regulations for the quantitative and qualitative monitoring of domestic wastewater, technological wastewater, stormwater, groundwater, sewage, the quantitative and qualitative reporting of test reports, water volumes used for industrial and hygienic-sanitary purposes, and ground water injected into injection wells. The results of the monitoring process are documented in the "test reports" issued by the competent labs and introduced into the Measurement-Monitoring

Registry. In this sense, the 00F-1011 code form *Branch-level planning of monitoring activity-measuring of environmental factors*.

The monitoring imposed by the regulatory acts (Commissioning notifications) of quality indicators is additionally regulated through the Integrated Management System, as the Working Instruction: *Monitoring and measuring environmental factors* is applied at the company level. Exceedances of environmental and water factors represent non-compliance, and once found, they must be documented through a Report of non-compliance and corrective action. After documenting the non-compliance, the causes will be examined and analyzed; the causes of non-compliance will be identified and selected and corrective measures and actions will be outlined.

The evacuation of wastewater (domestic and rainwater) into local sewage systems is carried out in compliance with the maximum permitted values of water quality indicators imposed by the administrators of the sewage networks. In addition, the reduction of the negative impact of water consumption is achieved by performing maintenance work on the water supply and drainage system.





According to system procedure Identifying and evaluating environmental issues, cod PS-12, environmental issues are identified and evaluated either on an annual basis or whenever significant changes are made to processes that have an impact on the environment, and measures are put in place to manage the impact of these changes.

In 2021, measures introduced to manage the impact on groundwater/other water have included:

- Using decantation and separation systems on the sewage network;
- Collecting oil leaks using special containers or protecting the soil using plastil foil;
- Neutralization station (S.P.E.E. Iernut, Chemical Section);
- Retention tanks with antiacid coating and systems to evacuate leaks towards neutralizing tank (S.P.E.E. Iernut, Chemical Section);
- Concrete, waterproof storage with leak collection system (S.P.E.E. Iernut, Chemical Section);
- Collecting used water in disposable septic tanks;
- Cleaning deposit water reservoirs/basins
- Assembling tank on a perimeter border ecological platform to capture saltwater;
- Assembling oil recovery tank;
- Developing leak control wells;
- Assembling fully recyclable HDPE resin tiles for hard work conditions;

- Equipment replacement (tanks, radiators);
- Fault repair;
- Usage of absorbent materials;
- Collecting hazardous substances in appropriately marked containers;
- Monitoring discharges.

The evaluation of compliance with legal requirements and other applicable environmental protection requirements is carried out annually by the Environmental Protection Service/Office/Department, according to Work instruction *Environmental inspection*, code 00IL-092, at ROMGAZ sites where activities with a possible impact on the environment are carried out. The phases of the inspection are:

- Identifying sites for inspection and developing Inspection plan;
- Compiling Verification list specific to the inspected operation;
- Carrying out environmental inspections;
- Developing and disseminating the Inspection Report.

S.P.E.E. Iernut - The plan to prevent and combat accidental pollution from water usage within S.P.E.E. Iernut presents the main sources of water pollution, intervention approaches in case of accidental pollution, and intervention teams. At the company level, Procedure 05IL - 03 *Measurement, Collection, Transport and Disposal of Reservoir Water* and Working Instruction 00IL-103 ed.3, rev.1 *Monitoring*

and measurement of environmental factors regulate the monitoring of all environmental factors: water, air, soil – the instruction imposes the mandatory monitoring of the water factor as established by the obtained regulatory documents (Water management authorization no. 212 of 18.09.2019).

DEPOGAZ has implemented the Integrated Management System, which includes procedures and instructions on the management of extracted water and its evacuation. The amount of water consumed aligns with the water requirements substantiated through the Water Management Authorizations. Evacuated water is monitored and measured with water meters and wastewater analyses are performed before it is discharged to natural effluents or local treatment plants. The aim is to reduce water consumption, maintain levels of discharge into effluents and treatment plants within the maximum allowed indicator limits according to the regulatory acts. The amount of water consumed aligns with the water requirements substantiated through the regulatory acts (Commissioning notifications).

The company complies with regulatory acts from an environmental and water management standpoint by quantitatively and qualitatively monitoring household wastewater, technological wastewater, stormwater, groundwater, reservoir water, and through the quantitative and qualitative reporting of

test reports, water volumes used for industrial and hygienic-sanitary purposes, and deposit water injected into injection wells.

Quantitatively, water is monitored using metering (water meters) - water used for industrial purposes both from surface sources (rivers) and underground sources (wells); water used for hygienic-sanitary purposes - by metering; field water is monitored by the Production Service through SIAZ operators (deposit water injection system) - measurements are made using calibration beams and calibrated collection basins.

The company complies with regulatory acts from an environmental and water management standpoint by quantitatively and qualitatively monitoring water.



Qualitatively, water is periodically monitored according to the requirements of the regulatory acts (following the required indicators and their maximum permissible limits), while reporting is done according to the requirements of the authorization.

Domestic and industrial wastewater are not metered and are charged according drinking water consumption or according to the quantities stipulated in the annexes of contracts for the use/exploitation of water resources, which are based on the results of lab analyses carried out during the current year, on water management permits, and on water requirements for the year.

SIRCOSS - The evacuation of wastewater (domestic and rainwater) in the sewage of localities is carried out while complying with the maximum allowed limits of water quality indicators imposed by the administrators of the sewage networks. The discharged water is monitored and measured using water meters, and analysis reports are performed for quality indicators, according to the regulatory acts.

For the pre-treatment of rainwater collected from concrete platforms inside administrative premises, there are petroleum products separators which are emptied and cleaned of sludge and petroleum products every 2 years. These services are performed by specialized and authorized companies. Maintenance



works on the water supply and drainage system are provided annually, with the aim of ensuring that the monitored quality indicators comply with the maximum permissible limits (MPL), in accordance with the applicable legal environmental requirements. Checks and overhauls of the water supply-evacuation system are carried out with the same frequency.

Repair works on water supply and evacuation systems are only carried out when necessary (in case of malfunction).

Works aiming to ensure the MPL adherence of the monitored quality indicators are performed only at the Monobloc (BIOCLEANER) treatment plants, as maintenance and repair works or actually changing obsolete stations that can no longer ensure the appropriate treatment and implicitly the monitored indicators' adherence to the MPL.

Semi-annually, analysis reports are carried out for the petroleum products indicator, upon exiting petroleum products separators, for the characterization of rainwater, imposing a 5 mg/l condition and a semi-annual measuring frequency.

Water is supplied from underground sources (drilled wells), through capture from surface water or from the network, and it is distributed according to the characteristics of the location, by free fall, supply pipes, and pumping stations or stored in tanks for consumption at the branch sites in different stages of the technological process.

The water used inside the organization is provided by operators of supply/provision and use of public water supply and sewage services. The water is taken over from the public network as domestic water, and from car washes respectively. Subsequently, it is discharged into public sewage networks.



In the gas compression cycle, the water used for cooling is recirculated through the cooling towers.

Drinking water for employees is provided through the drinking water dispensers provided by the company.

The water resulting from the natural gas ex-

traction process (deposit water) is injected into wells which are authorized as injection wells from a water management standpoint.

Purified wastewater is evacuated into emissaries.

The use of water resources is based on usage/exploitation contracts.



In the case of the Iernut Branch, water supply for both the technological process and the provision of drinking water comes from the minor riverbed of the Mureş River, where a catchment dam was built. The dam is mobile, with four openings:

- two side openings equipped with 2 segment walls, 9x4.5 m each;
- two central openings equipped with 2 damper walls, 9x3 m each.

Upstream of the dam, in the opening of the dam segment no. 1, a forward pile (L = 16.2 m) and a concrete forward foundation have been built. Also upstream of the dam, a rough stone pavement has been built to avoid upstream thalweg washing.

The water intake, located on the left bank, consists of 8 compartments, corresponding to the eight cold water pumps. Each compartment is equipped with a wide-spaced grille with manual



cleaning with an 80 mm distance between the bars, followed by a narrow-spaced grille with mechanical cleaning with a 20 mm opening between the bars. Clogging of the grille is often signaled optically and acoustically in the hydro node control room.

Adjacent to the catchment is a pumping station for both cold and hot water resulting from the energy blocks.

The water used for the technological process is generally subject to the following core processes:

- capturing water from the Mureş River;
- pre-treatment of raw water (coagulation);

- water softening;
- demineralization;
- mechanical filtration;
- neutralization.

To ensure the lowest possible consumption for the technological process, the water used in the cooling system can also work in a mixed system, i.e., part of the cooling water is recirculated, cooled, and reintroduced into the cooling system.

The impact assessment is carried out starting with the approval-seeking stage for every new site that will make use of a water source. For areas which are already authorized, the situation is re-evaluated when the technical documentation is drawn up for water management re-authorization or in case of restricting/terminating of use of water volumes when an authorization change is requested. Monitoring quality indicators complies with the norms imposed by the environmental legislation, and respectively the environmental/water-related regulatory acts, as the case may be (NTPA 001/002). The impact related to wastewater is eliminated by analyzing physical, chemical, bacteriological, and biological indicators issued before evacuation into public service sewage systems.

S.P.E.E. Iernut holds Water Management Authorization no. 212 of 18.09.2019 for Water supply and wastewater disposal at the Iernut Electricity Production Branch.



To ensure the lowest possible consumption for the technological process, the water used in the cooling system can also work in a mixed system, i.e., part of the cooling water is recirculated, cooled, and reintroduced into the cooling system.

The unit draws up a Program of water supply restrictions in case of draught and delivers it to the Mureş Water Basin Administration and the Mureş Water Management System. The ROMGAZ Group has no specific policy for setting water-related objectives, but its certified integrated management system and the existing procedures allow the company to:

- set rules forbidding any type of wastewater to be discharged on soil or in emissaries without bringing parameters within the legal limits;
- carry out inspections and verify compliance with water-related legal requirements;
- periodically monitor (according to permits held) the impact of operations on surface and underground water, including by monitoring drilled wells.

No water-related objectives have been set at the organization level, as the ROMGAZ Group does not have operations in areas with water deficits; however, this does not mean that the

staff is not aware of the need to keep water consumption at strictly necessary levels. In order to minimize the impact of wastewater evacuated into emissions, the ROMGAZ Group performs the following actions:

The evacuation of collected and treated wastewater is monitored through physical-chemical analysis as per the requirements of the environmental or water management permits. Monitoring is carried out as indicated by the Internal Monitoring Plan, and analysis is performed in specialized labs complying with the provisions of applicable standards. The values allowed for the monitored indicators upon the evacuation of wastewater into effluents are those indicated in the environmental/water management authorization in line with the applicable legislation (NTPA 001/2002).

Monitoring water properties indicators through Test Reports carried out as per requirements of the regulatory acts, as well as upon request from regulatory authorities.

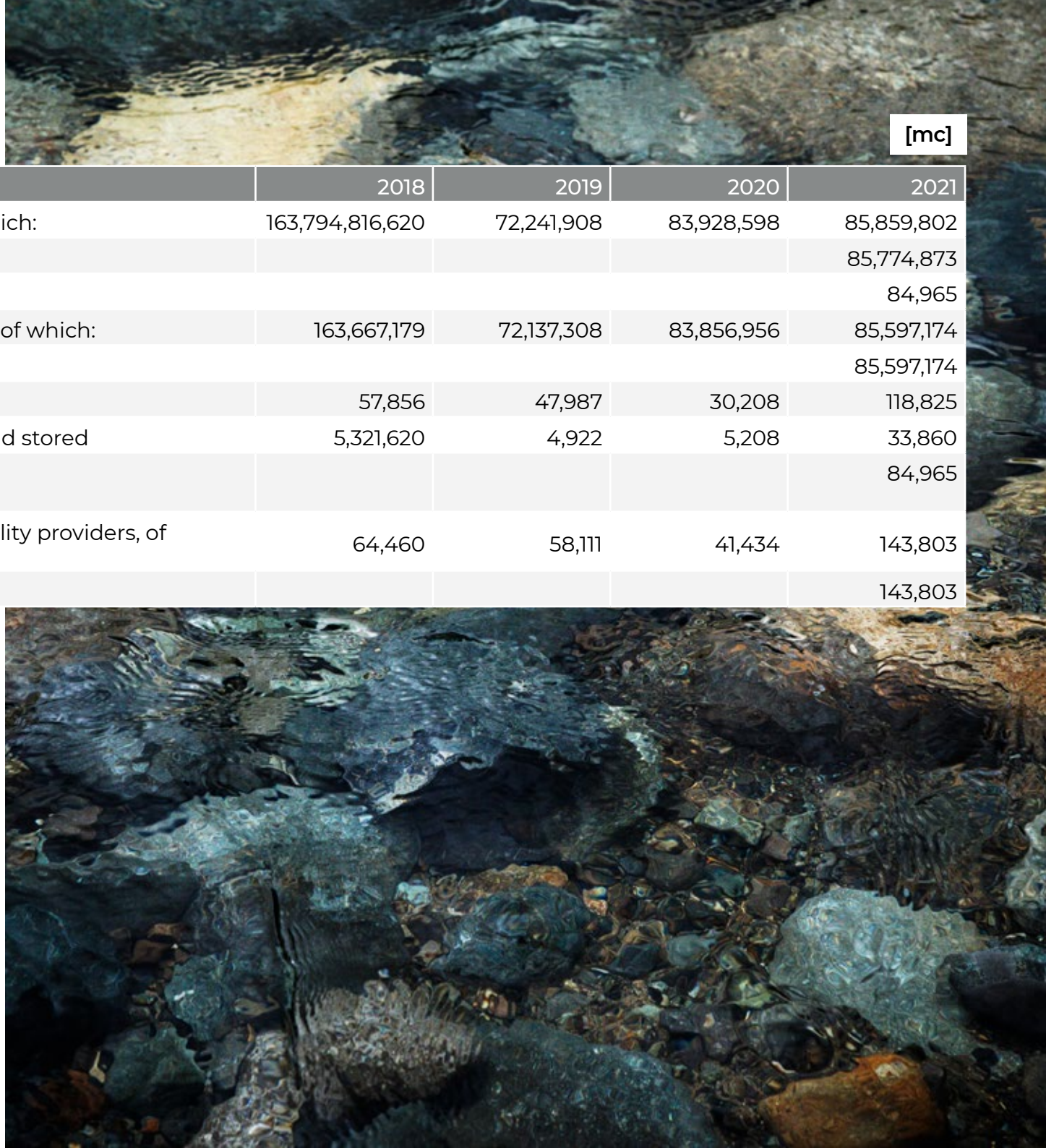
TOTAL VOLUME OF WATER CAPTURED FOR USE

[mc]

	2018	2019	2020	2021
Total quantity of water captured for use, of which:	163,794,816,620	72,241,908	83,928,598	85,859,802
Fresh water				85,774,873
Other water				84,965
Surface water (from rivers, lakes, oceans, etc.), of which:	163,667,179	72,137,308	83,856,956	85,597,174
Fresh water				85,597,174
Groundwater	57,856	47,987	30,208	118,825
Water from precipitation, directly collected and stored	5,321,620	4,922	5,208	33,860
Residual water from another organization				84,965
Water supplied by municipalities or similar utility providers, of which:	64,460	58,111	41,434	143,803
Fresh water				143,803

The water source being significantly influenced by the extraction of water to be used in the technological process (electricity production) is the Mureş River, partially located in a protected area. The S.P.E.E. Iernut facility is located on the upper course of the Mureş River, between Luduş and Iernut, about 5 km west from the town of Iernut.

The technological water supply is provided from the Mureş River and it is used as cooling water (cooling of condensers, bearings, aggregates), for the chemical treatment plant (filtration and softening), and in treatment for drinking.



TOTAL VOLUME OF EVACUATED WATER

	UM	2018	2019	2020	2021
Total volume of evacuated water	m ³	383,532	380,065	412,872	516,814
Of which planned volume		365,032	6,625	415,106	516,814
Emissions in evacuated water (Ev2 fecaloid-sewage water + Ev3 industrial wastewater) (MTS, CBO5, CCO Cr, Rez. Fix, Total iron, pH)	Kg/year	201,854	200,149	201,416	247,344
Chemical oxygen demand (COD) (CCoCr, CBO5)	Kg/year	8,613	9,423	8,660	10,989.1
Hydrocarbons		0.45	0.46	0.45	-
Total nitrogen		5,513	5,510	-	1.28
Total volume of evacuated water by destination					
	UM	2018	2019	2020	2021
to the surface	m ³	336,803	356,940	395,638	494,355
to a partner		46,729	23,125	17,234	22,459
Total volume of evacuated water by treatment					
	UM m ³	2018	2019	2020	2021
No treatment	m ³	0	0	0	0
Treatment 1 Ev2 – chlorination, decanting, filtration installation	m ³	267,523	158,893	83,325	141,390
Treatment 1: Ev2 – chlorination, decanting, filtration	m ³	267,523	158,893	83,325	141,390
Treatment 2: Ev3- neutralization, decanting, filtration	m ³	133,918	198,047	312,313	322,057

The ROMGAZ Group aims to restore the technical parameters at the levels provided by the applicable regulations, norms, and standards for wastewater treatment, below the maximum permissible level, therefore wastewater is treated using sludge and

petroleum products separators used for the pre-treatment of hydrocarbon-contaminated wastewater collected from the concrete platforms inside the Mediaş, Mureş, and Ploieşti Sections and the Mediaş Special Operations Workshop.

TOTAL VOLUME OF WATER CONSUMPTION

[m3]

	UM	2018	2019	2020	2021
Water consumption	m ³	163,118,030	71,923,836	83,746,230	85,602,092

AMOUNT OF RECYCLED AND REUSED WATER

[m3]

	2018	2019	2020	2021
Total amount of water recycled and reused for usage, of which:	20,003,253	9,469,694	68,796,360	60,423,876.2
Surface water (from rivers, lakes, oceans, etc.), of which:	19,992,913	9,467,083	68,791,258	60,404,839.2
Groundwater	10,340	9,888	4,805	12,448
Water supplied by municipalities or similar utility providers	830	836	297	6,589

AMOUNT OF RECYCLED AND REUSED WATER

[m3]

	2018	2019	2020	2021
Total volume of deposit water produced, of which:	216,331,100	225,884	193,443	221,544
reused	0	6,049	5,207	6,780
reinjecting	216,331,100	219,835	188,236	214,764

For its management of reservoir waters, ROMGAZ observes the rigors imposed by Water Law no. 107 of September 25, 1996, with the subsequent amendments and completions, which, through Art. 20, regulates the evacuation of deposit waters. The deposit water evacuated by the ROMGAZ Group does not contain hydrocarbons.

In 2021, there were no accidental spills or pollution events affecting the body of water (Mureş River).



Use of materials

Evidence of chemicals used in the extraction activity is documented through the 02F-04 form on the list of hazardous chemicals and preparations, a form that gets updated every six months and submitted by each branch's Environmental Protection Service to the Headquarters Environmental Protection Service. Safety data sheets containing storage conditions, precautions for safe handling, and environmental protection precautions shall be kept for each of the hazardous substances used.

Hazardous substances (acetylene, antifreeze, ethyl alcohol, calcium chloride, enamel, oils, vaseline) are stored in designated spaces which are naturally ventilated, far away from fire sources, and in their original packaging.

The substances used in the organization's activity have no impact on the environment and no negative effect on resources.

Ecosystem restoration and biodiversity



For well drilling projects that were located within or near protected areas, measures were taken from the design phase to minimize the impact on protected species, according to the conclusions of the “*Adequate Assessment Studies*” requested by the environmental protection agencies as part of the process of obtaining Natura 2000 approvals from the custodians of the protected areas. The company also obtained Natura 2000 approvals its authorized projects.

Our efforts lead to the reduction of the potential risks of destruction of flora, fauna, and

soil, as well as the risks of non-compliance with project authorization conditions, thus allowing the development and modernization of our projects, in compliance with specific legislation.

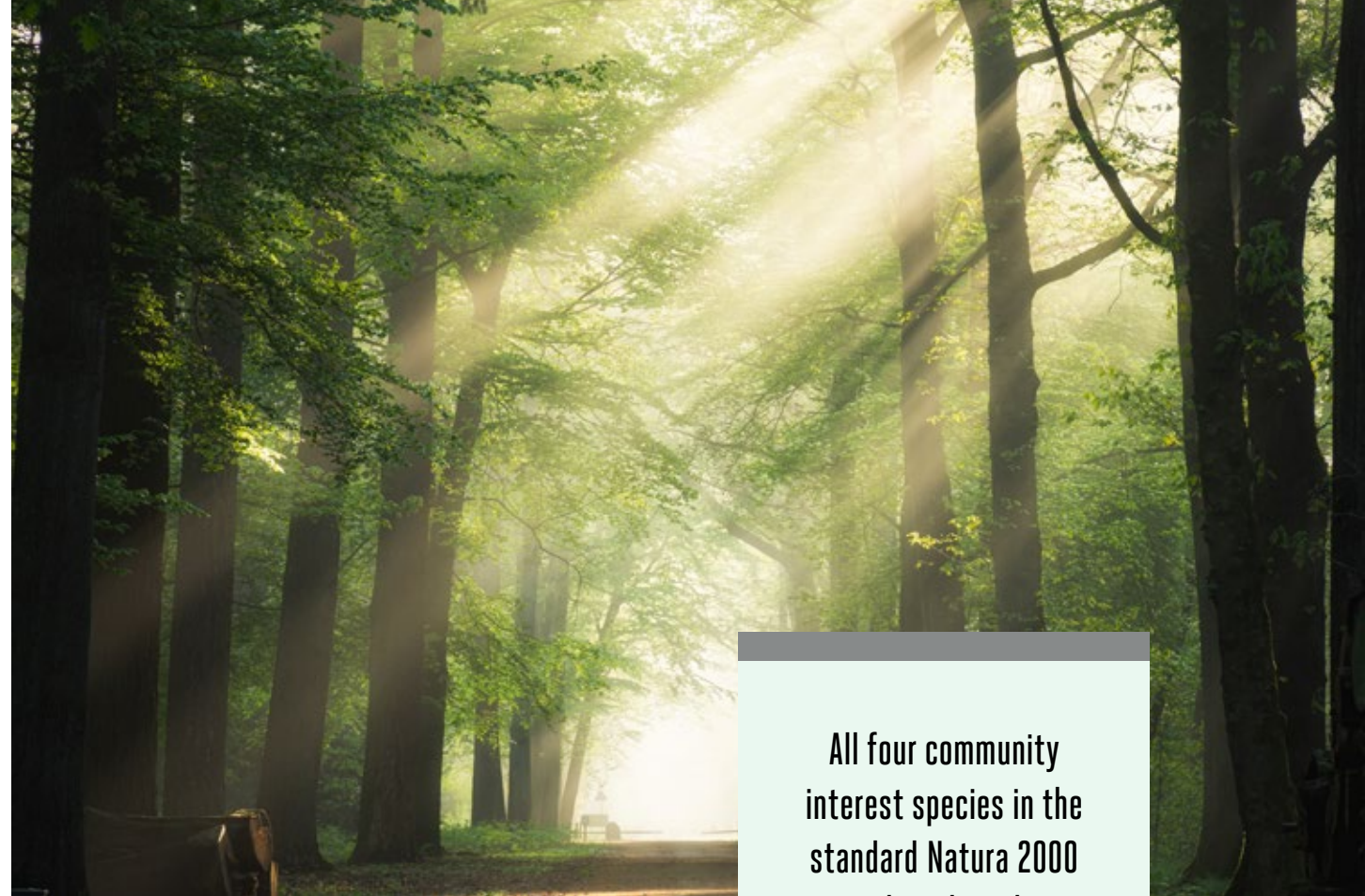
For ROMGAZ projects operating in SIT NATURA 2000 protected areas, we obtained ANANP approvals proving that our operations do not affect the protected areas.

S.P.E.E. Iernut - To align with the requirements of Environmental Agreement no. 1 of 06.12.2016 regarding the CTE Iernut development project involving the construction of a new thermal power plant with combined cycle with gas turbines, since 2017, we have been monitoring the ichthyofauna of the Mureş River, upstream of the intake dam and downstream of evacuation no. 1. Upon the expiry of the previous contract for ichthyofauna monitoring, a new contract was signed with SC Cluj Napoca Integration Support Unit.

All four community interest species in the standard Natura 2000 site sheet have been identified. Three other species of community interest that had not been mentioned in the original standard Natura 2000 site sheet have also been detected as a result of monitoring.

The S.N.G.N. ROMGAZ S.A. Integrated Management System contains no policies, procedures, responsibilities, etc. regarding the management of the “Biodiversity” aspect, and there is no established way of managing the positive and/or negative impact generated around this issue. The Integrated Management Service did not carry out an evaluation of activities associated with biodiversity management during the reporting period.

The Environmental Protection Service requested and obtained approvals from ANANP, for



All four community interest species in the standard Natura 2000 site sheet have been identified.

the sites (belonging to Natura 2000) in the vicinity of which we operate, which have been subjected to new authorization procedures. The company aims to:

- Develop a technical project regarding the longitudinal connectivity of the Mureş River at the intake dam of the Iernut Thermoelectric Plant;
- Begin procurement procedures for fish ladder development services;

- Continue the ichthyofauna monitoring process.

Proof of compliance with environmental requirements stipulated by the “Natura 2000 Approval” has been issued by the site custodian for specific company activities being carried out in protected areas.

THE COMPANY OPERATES AT THE FOLLOWING SITES LOCATED NEAR NATURA 2000 PROTECTED AREAS

Site name	Geographical location	Site position relative to the protected area	Protected area to which the site belongs	Status of the protected area
RO SPA 0041 – Eleșteiele Iernut – Cipău	In the western part of Mureș County (on the west side of Iernut town and south-west side of Cipău village)	at an 850m distance	Natura 2000 European network	custodial
RO SCI 0210 – Râpa Lechinței	In the immediate vicinity of S.P.E.E. Iernut, in the north part of the site, with Mureș River continuing upstream and downstream from S.P.E.E. Iernut	adjacent	Natura 2000 European network	custodial

Site RO SPA 0041 – Iernut – Cipău Ponds is a special avifaunal protected area

Site RO SCI 0210 – Lechința Ravine – a lowland area on the eastern bank of the Mureș River, classified as a continental bioregion conserving natural habitats such as: Sub-Pannonic steppic grasslands that are home to xerophytic plants with horsetail feather grass (*Stipa stenophyla*) and Volga fescue (*Festuca valesiaca*) species and protect amphibian, reptile, fish, and butterfly fauna. The site includes the Mureș River, an area featuring both agricultural land as well as grasslands and forests located inside the administrative territory of the city of Iernut, near the Lechința village (Mureș County). In the Cuci locality, the site also includes a dead arm of the Mureș, which is one of the best-maintained dead arms of this river.

According to the Milvus Group - the custodian of the protected area – there are four

protected community interest water species in the Mureș river (water source). We note that the custodian has relied on information dating from 1964 - 1969 (Bănărescu P.).

The site has been designated for the protection of the following vulnerable species, listed in Annex II of Council Directive 92/43/EEC: yellow-bellied toad (*Bombina variegata*), European pond turtle (*Emys orbicularis*), asp (*Aspius aspius*), white-finned gudgeon (*Romanogobio (Gobio) albipinnatus*), Kessler's gudgeon (*Romanogobio (Gobio) kessleri*), European bitterling (*Rhodeus sericeus amarus*), *Cucullia mixta* butterfly, as well as for habitat 6240 - Subpanonic steppe meadows.

The list of species which have been certainly detected in the area contains 13 species, of which 4 species are of community interest:

- Asp (*Aspius aspius*);



- European bitterling (*Rhodeus sericeus amarus*);
- Kessler's gudgeon;
- White-finned gudgeon.

S.P.E.E. Iernut has operated a program to monitor the ichthyofauna of the Mureş River, upstream and downstream of the dam, since the summer of 2017. At this moment, following monitoring reports, we can confirm the presence of the 4 species of community interest, as well as the detection of 3 additional species of community interest. Monitored environmental conditions data show a change of the temperature regime downstream of the dam, namely a temperature increase (by approximately by 4oC). Please note that this increase does not exceed the evacuated wastewater temperature value established by the GMS.

Besides the four community interest species mentioned by the site sheet, the monitoring revealed the following additional community interest species:

- Golden loach (*Sabanejewia aurata*);
- Mediterranean barbel (*Barbus meridionalis*);
- Spined loach (*Cobitis (taenia) elongatoides*).

The direct impact on biodiversity is represented by the evacuation of cooling waters at high temperatures in the Mureş River during the fish breeding period. According to the standard sheet, the species for which the site has been designated are in a relatively good state of conservation. However, there have been no recent site-wide studies to reassess habitat conservation status.



Emissions

The relevant environmental objective is to prevent or reduce the impact of pollution sources on air quality by maintaining the level of emissions within the limits set by current legislation. The ROMGAZ Group has issued a Policy Statement in the field of quality, environment, workplace health and safety, and energy, dated 14.07.2021, which refers to the reduction of energy consumption in operations, taking into account the applicable legislative requirements and the process optimization options.

DEPOGAZ has implemented the Integrated Management System, which features procedures and instructions on the Management, monitoring, measurement, and reporting of polluting emissions. The amounts of gas emissions produced by technological installations and pipelines are centralized by the Environmental Protection Service based on the monthly reports received from the Storage-Dispatch Service. The company measures emissions produced by natural gas combustion in gas drying stations, natural gas compression, well radiators, and thermal power plants, according to the monitoring plan. EPRTTR emissions and the Inventory of air pollutant emissions are reported according to Order 3,299/2012.

Form code 00F-1011 is drawn up to plan branch-level monitoring-measurement of environmental factors. During the reporting

period, checks were carried out regarding the monitoring of all emission factors included for monitoring in regulatory acts. The results of the monitoring are documented in the “test reports” issued by the competent labs and introduced into the Measurement-Monitoring Registry.

The ROMGAZ Integrated Management System (IMS) contains instructions regarding the Monitoring and measurement of environmental factors, as well as the Monitoring and reporting of greenhouse gas emissions. Operating Instruction 00-IL-103 Monitoring and measurement of environmental factors applies to all operations which are subject to the authorization procedure, and which will ensure compliance on the basis of obtaining environmental quality data for the relevant factors and indicators, at the frequency set by the applicable legal and regulatory requirements.



DEPOGAZ has implemented the Integrated Management System, which features procedures and instructions on the Management, monitoring, measurement, and reporting of polluting emissions.

S.P.E.E. Iernut also carries out monitoring and reporting of greenhouse gases according to the applicable work instruction, code 00-IL-101, which regulates both the process of obtaining the GHG emissions authorization as well as the monitoring and reporting of greenhouse gas (CO₂) emissions. S.P.E.E. Iernut holds Authorization no. 58/15.02.2021 regarding greenhouse gas emissions for the 2021-2030 period (GHG Authorization). As per current legislation, the unit complies with the requirements of the 00-IL-101 procedure on the monitoring and reporting of greenhouse gases at S.P.E.E. Iernut, and annual activity is recorded/evaluated through the following:

- Monitoring report on CO₂ emissions – developed by the unit through the Environmental Protection department;
- CO₂ emissions validation report – developed by an accredited body.

In turn, the above reports are evaluated/approved by the National Agency for Environmental Protection - Climate Change Directorate to confirm CO₂ emissions. The GHG emission monitoring report for 2021 was externally audited and verified and approved by ANPM Bucharest, and CO₂ emission certificates were returned.

At the same time, the “Energy Analysis” system procedure - code: PS-15, revised on 09.12.2021, documents the methodology and criteria

used to perform energy analysis within the organization and the responsibilities of the staff involved.

The branches and headquarters have energy managers whose responsibilities align with the decisions on the basis of which they were appointed. 70% of IMS documents (system procedures, operational procedures, and work instructions) that regulate ROMGAZ operations contain chapters on “Energy management requirements,” developed by the energy managers.

TESA staff is trained annually on rules for reducing material and energy consumption, according to the topics issued by the Environmental Protection Service.



According to system procedure *Identification and assessment of environmental issues*, code: PS-12, either annually or whenever there are significant process changes with an impact on the environment, environmental issues are identified and assessed and measures are introduced to manage their impact. The measures introduced in 2021 to manage the impact of emissions consisted of:

- Installing soundproofing panels;
- Equipping Cojocna Power Plant with flue gas exhaust system with catalyst;
- Installing smoke detector in electrical materials storeroom;
- Using dust and sawdust capturing system;
- Procurement of low-noise motors;
- Repairing pipelines, thermal plants;
- Monitoring emissions.

Compliance with the legal requirements and other applicable environmental protection requirements is assessed annually by the Environmental Protection Service/Office/Department, according to work instruction *Environmental Inspection*, code: 00IL-092, at ROMGAZ locations where operations with a possible impact on the environment are carried out.

Inspection phases:

- Identifying sites to inspect and developing *Inspection Plan*;
- Developing *Specific inspection list* for inspected operation;



- Carrying out environmental inspections;
- Developing and disseminating the *Inspection Report*.

Forms were drawn up for reporting in the European Pollutant Release and Transfer Register (EPRTTR) for emissions of pollutants into the atmosphere, in accordance with the provisions of Decision no. 140 of 6 February 2008 on the establishment of measures for the application of the provisions of Regulation (EC) of the European Parliament and Council no. 166/2006 on the establishment of the European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC.

In order to better manage the potential impact of GHG emissions on the atmosphere, precautionary measures are implemented and observed, in the sense that scheduled and unscheduled maintenance works at technological installations are based on the amount of evacuated emissions, whether they are controlled or uncontrolled. At the same time, the aim is to fill in and update the “*Monitoring-Measurement Register*” application and to monitor the monthly monitoring and, if necessary, to notify the Environmental Protection Service of the branch in writing regarding the lack of information in the Monitoring-Measurement Register.

The company aims to reduce the energy consumption associated with its operations and it analyzes the energy flows and consumption of each process in order to identify opportunities for the continuous improvement of its energy performance.

S.N.G.N. ROMGAZ S.A. – Iernut Electricity Production Branch is a thermo-electrical plant with a 300MWe installed power, featuring two Czechoslovakian and Soviet-made energy groups, of which one 100 MWe group and one 200 MWe group, structured according to GD no. 440/2010 into two large combustion plants:

- S.N.G.N. ROMGAZ S.A. – S.P.E.E. Iernut no. 4 – 1 277 MWt steam boiler;
- S.N.G.N. ROMGAZ S.A. – S.P.E.E. Iernut no. 5 – 2 x 277 MWt steam boilers.

The S.P.E.E. Iernut platform also has two GEI 300 (alternating operation) intervention groups designed to provide alternating current electricity to vital consumers from internal services in case of the absence of the 0.4 kV alternative tension from the main and reserve networks. The GEI 300 (DIESEL) intervention groups are powered by diesel fuel.

S.N.G.N. ROMGAZ S.A. – S.P.E.E. Iernut no. 4 has not operated since 01.07.2020 because it does not comply with environmental requirements (exceeds NOx limits).



In 2021, only S.N.G.N. ROMGAZ S.A. – S.P.E.E. Iernut no. 5 was operational

Nr. crt.	Fuel / raw material	Fuel/raw material related emissions (t CO ₂ /year)	Share of total installation emissions (%)
1.	Natural Gas	378,840.4	99.99 %
2.	Diesel	0.1	0.01 %
TOTAL S.P.E.E. Iernut		378,840.5	100

DIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1)

Emisii	Unit	2018	2019	2020	2021
Total GHG scope 1, of which:	tons CO ₂	678,278	371,249	536,867.351	406,980.78
CO ₂ (carbon dioxide)	tons	678,278	371,247	536,866.181	406,973.33
CH ₄ (methane)	t	-	0,770	0.43	2.59
N ₂ O (nitrous oxide)	t	-	1.320	0.74	4.86

GAS LOSS VOLUME

ROMGAZ has a procedure in place which establishes methods for calculating technological consumption and the responsibilities of personnel involved in the process of calculating technological consumption, including gas losses (blown gases). The negative impact is managed through preventive and corrective maintenance works on the productive infrastructure in order to minimize these losses. At the Group level, there are two procedures—16-PO 59 *Preventive Maintenance*; 16-PO 60 *Corrective Maintenance*—applicable for natural gas compression operations. These were approved and have been applicable since November 2021. During maintenance, the team analyzes cases of significant energy consumption and, if necessary, proposes upgrades to reduce the consumption and increase operational safety by replacing improper subassemblies or even replacing equipment with more efficient units, in accordance with the sizes and latest technologies available.



	2020	2021
Total gas loss volume	6,722.705 mii m ³	5,925.081 mii m ³

Gas losses recorded in 2021 were approximately 11% lower than those in the previous year. In 2021, there were no significant losses with a negative influence on technological consumption compared to previous years.

INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 2)

Emissions	Unit	2018	2019	2020	2021
Total GHG scope 2, of which:	mil. tons CO ₂ equivalent	472x10 ⁻⁶	576x10 ⁻⁶	518x10 ⁻⁶	614x10 ⁻⁶
CO ₂ (carbon dioxide)	mil. tons	472x10 ⁻⁶	576x10 ⁻⁶	518x10 ⁻⁶	614x10 ⁻⁶

PREVENTIVE MAINTENANCE OF DRYING STATIONS

The internal procedure for the preventive maintenance of drying stations describes the way in which the necessary measures are taken as part of preventive maintenance to prevent/eliminate faults in order to keep drying stations in working order, within their projected parameters, under conditions of operational safety, continuity, and reliability.

From an organizational point of view, the procedure sets the responsibilities and the steps of the predetermined preventive maintenance, carried out periodically as monthly and annual maintenance works.

The procedure does not define the operational steps required for the maintenance works. They must align with the details provided by the manufacturer in the Technical Documentation (Operation and Maintenance Manual, Operation Manual, Operation and Servicing Manual, Reception Manual) of the drying station.



The list of activities to be performed at the site due for maintenance will also include works related to the equipment that generates energy consumption. During maintenance, the team analyzes cases of significant energy consumption and, if necessary, proposes upgrades to reduce the consumption and increase operational safety by replacing improper subassemblies or even replacing equipment with more efficient units, in accordance with the sizes and latest technologies available.

The proper operation of the power and lighting electrical installations in drying station is monitored and ensured. Maintenance and repair of faults is carried out for all energy installations in drying stations as necessary. A maintenance schedule shall be drawn up and followed in accordance with the specific instructions provided for each type of equipment. Staff checks the correct sizing of: motors, pumps, lighting, automation and control installations, fans. The operating personnel are responsible for eliminating the idle operation of installations (by following the operation in charge, by displaying lists of responsible personnel by day, shift, etc.).

During the reporting period, the organization implemented a number of initiatives to reduce greenhouse gas emissions, such as:

- Modernization of natural gas drying stations with TEG, modernization of groups

of wells with high-performance radiators, and modernization of gas supply and collection pipes, whose normal lifecycle had expired and which generated uncontrolled losses of natural gas;

- Modernization of the auto fleet.

Through these initiatives, we achieved a 3% reduction of greenhouse gas emissions or 177x10⁻⁶ million tons of CO₂ equivalent.

The proper operation of the power and lighting electrical installations in drying station is monitored and ensured.



Internal analyses have identified the main atmospheric pollutants generated by the organization, as well as their sources; findings are presented in the following table.

Atmospheric pollutants	unit	2018	2019	2020	2021	Pollution source 2018	Pollution source 2019	Pollution source 2020	Pollution source 2021
SO ₂ (sulphur dioxide)	t	0.75	0.15	0.9	0.2	Compression stations, Drying stations, Radiators	-	Compression stations, Drying stations, Radiators	Compression stations, Drying stations, Radiators
NO _x (nitrous oxides)	t	1,683.874	502.621	607.233	360.176	IMA1,4,5 Compression stations, Drying stations, Radiators	IMA1,4,5	IMA4,5 Compression stations, Drying stations, Radiators	Compression stations, Drying stations, Radiators IMA5
NM-VOC (nonmethane volatile organic compounds)	t	150,1	25.89	21.14	22.02	Compression stations, Drying stations, Radiators	Stații de comprimare, Stații de uscare, Calorifere	Compression stations, Drying stations, Radiators	Compression stations, Drying stations, Radiators
Particle emissions	t	0.33	0	0	0	-	-	-	-

The pollution sources highlighted by the above data are gas compression stations equipped with motor compressors, gas drying stations with triethylene glycol, thermal power plants, gas convectors, and probe radiators.

A maintenance register of drying stations has been created on the company's internal electronic platform, where actions can be tracked, alongside the introduction of new

maintenance cases in the operational process.

The record of the chemicals used in the extraction activity is documented in Form O2F-04 on the list of hazardous chemicals and preparations. The form is updated every six months. Safety data sheets containing storage conditions, precautions for safe handling, and precautions for environmental protection shall be kept for each of the hazardous substances used.

WASTE MANAGEMENT

The ISO 14001-2015 certification of the environmental management system confirms the organization's commitment to compliance and to reducing its impact on the environment and demonstrates its high environmental performance achievements. The integrated management system regarding quality, environment, workplace health and safety, through the procedures/instructions implemented on waste management facilitates waste reduction, increases recycling, and reduces the costs of raw materials and consumables. The integrated system, which also includes environmental management, in line with the requirements of SR EN SO 14001-2015, provides procedures/instructions on waste management, which establish rules for waste collection, recovery, treatment, disposal, transport, labeling, monitoring, and reporting.

DEPOGAZ has implemented the Integrated Management System, which includes procedures and instructions on Waste Management. Decisions have been issued both at DEPOGAZ and ROMGAZ regarding site-based responsible personnel for waste management, as per Law 211/2011 and Law 132/2010. Procedure 00 PO-121 *Waste Management* also defines the Program for the prevention and reduction of waste quantities and provides

instructions for the collection, temporary storage, transport, recovery, and disposal of all waste generated from operations carried out at S.N.G.N. ROMGAZ S.A. and DEPOGAZ, in order to comply with the applicable legal requirements. In addition, the procedure describes responsibilities for each of the following steps:

- Appointing personnel responsible for waste management;

Significant environmental issues are taken into account for the establishment of environmental objectives and the development of the Action Program to reach IMS objectives.

- Classifying and codifying waste;
- Procurement of waste collection/transport/recovery/disposal services;
- Developing/updating Plan of measures for the selective collection of waste;
- Setting up locations for selective storage of waste;
- Labeling containers for waste collection;
- Selective collection and temporary storage of waste;
- Recording and reporting waste;
- Transporting waste;
- Recovery/disposal of waste.



As per the *Identification and assessment of environmental aspects procedure*, code: PS-12, either annually or whenever there are significant process changes that have an impact on the environment, environmental aspects must be identified and assessed. Significant environmental issues are taken into account for the establishment of environmental objectives and the development of the Action Program to reach IMS objectives. Non-significant environmental issues are monitored according to the *Monitoring and Measurement Procedure*, code: PS-10, and according to the applicable operational procedures/work instructions.

Controlling and reducing waste is achieved by:

- complying with specific legislative requirements and the requirements of environmental permits;
- maintaining control in the execution of contracts for products, services, and works;
- each site signing contracts with operators of waste recovery and disposal services;
- maintaining optimal management of waste from a technical, economic, and environmental point of view;
- monitoring the quantities of generated waste, storing and labeling as per the waste code according to GD 856/2002, making waste available according to the contracts signed with authorized economic operators, reporting to regulatory institutions in a timely manner;



- applying system procedure *Internal audit of the integrated Management system*, code PS-03, to assess the positive and/or negative impact.

Environmental issues are subject to the company management's policies and general objectives:

- setting the criteria and methods necessary to identify, eliminate and/or minimize waste management issues with a negative environmental impact, both for company

- staff and for other stakeholders;
- taking measures to ensure compliance with applicable legal and other regulatory requirements related to environmental protection for all processes (natural gas extraction, maintenance, controlled waste disposal, supply, inspections/tests, logistics, etc.);
- providing the resources necessary to carry out waste management operations;
- carrying out checks and implementing solutions to continuously improve waste management practices.

At each site:

- generated waste is temporarily stored in designated areas, with a separation between hazardous and non-hazardous waste;
- records of waste management operations are kept as per GD 856/2022;
- transport of waste for recovery/disposal is carried out by authorized operators based on service contracts as per GD 1,061/2008;
- waste management practices are reported to County Environmental Protection Authorities.

The company carries out continuous monitoring, recordkeeping, internal and external environmental inspections, internal environmental audit, analysis, and reporting. The evaluation of the waste management activity is performed by the control bodies within the County Commissariats of the National Environmental Guard, and within internal inspections and IMS audits. The evaluation of waste management activities is performed by the environmental protection services as part of the internal environmental inspections carried out as per working instruction “*Environmental inspection*” - code 00IL-092 and by the Integrated Management Service, as part of internal audits, carried out according to the “*Internal audit of the integrated management system*” procedure, code PS-03.

From a material point of view, the process

of evaluating waste management activities deriving from consists of centralizing waste management records and all waste transport forms (Annexes 1,2,3 of GD 1,061/2008) to companies authorized for waste collection/transport/disposal/recovery, depending on the type and quantity of waste generated, which is proof of the correct identification and classification of the generated waste and of the recovery/disposal as per legal requirements in the field of waste management.

In 2021, an evaluation of waste management activity within S.P.E.E. Iernut was carried out - SMI internal audit report no. 1 of 05.05.2021 and SMI Internal Audit Report No. 2 of 29.04.2022, both assessing compliance with waste management-related legal requirements.

Based on the results of the waste audits that were later carried out at other branches, the Environmental Protection Service developed a Program for the prevention and reduction

of the waste quantities generated through S.N.G.N. ROMGAZ S.A. operations. Measures taken for waste impact management included:

- Selective collection in designated spaces;
- Complying with waste storage conditions;
- Disposal through authorized companies, as per signed contracts;
- Annual maintenance, current repairs, periodical checks, RKs performed (for uncontrolled deposit water on emptying – on well groups);
- Waste management recordkeeping.



A potentially significant waste-related impact of the organization's operations may result from the faulty monitoring of the quantities of waste being generated or of storage methods, as well as the inability to reuse, recover/dispose of waste through authorized companies.

The main operations of STTM are: road transport of goods and people, car repairs (with car washes) and maintenance of ROMGAZ equipment and installations. As such, the waste generated in these activities does not have a significant impact on the environment.

In production branches, in case of a technological accident/leak, oil conveyed through the oil coolers of turbines, pumps or rotary aggregate bearings, as well as used oil and absorbent materials impregnated with petroleum products, may have a major impact on resource consumption, and may also cause soil or water pollution.

To prevent the generation of waste upstream and downstream in its value chain and to manage the significant impact of the waste it generates, the organization has deployed a number of measures, such as:

- Establishing procurement policies that favor suppliers with sound waste preven-

tion and management criteria. The environmental requirements (an integrated part of the tender specifications) should mention that potential product suppliers must deliver products that use clean technologies and comply with environmental protection regulations;

- Participating in a collective or individual system of extended producer responsibility, which extends the producer's

responsibility for a product or service until the end of its lifecycle;

- Recovering products, components, and materials from waste when preparing it for reuse and recycling;
- The company reuses product (drilling mud) that has retained its properties (composition, density) in operations that take place under the same business line and require the use of this product.



Waste management by third parties includes the collection, transport, recovery, and disposal of waste, as well as the supervision of these operations and the subsequent care of disposal sites. The company's contracts specify the obligations of third parties when managing the organization's waste and relying on existing legislative requirements, such as local environmental laws and regulations, to ensure that the third party manages the waste in a proper manner.

The collection, transport, recovery, and disposal of waste is carried out by authorized economic operators based on contracts, as per the applicable environmental legislation. The obligations of operators of waste collection, transport, recovery, and disposal services are specified in the contract and must be complied with when managing the company's waste in accordance with existing regulations and local environmental regulations.

The company collects all the necessary information on the generation of waste at work-sites, according to GD 856/2002. Records are also kept regarding waste transport forms for the transport of both hazardous waste (Annex 1- GD 1.061/2008) and non-hazardous waste (Annex 3 - GD 1061/2008), by authorized economic operators.



The collection, transport, recovery, and disposal of waste is carried out by authorized economic operators based on contracts, as per the applicable environmental legislation.

Collection and monitoring processes do not extend beyond the waste generated through our own activities.

- Work instruction, Environmental Reporting, Code 00IL-062, ed. 3.2;
- Selectively collected waste registry (Annex L 132/2010);
- Statistic investigation questionnaire AS-GD-PRODDDES (APM form);
- Record of usage of fresh/used oil;
- EPRTTR Report (online delivery);
- Status of recoverable waste;
- Operational procedure – Waste Management, code EE-00PO-121, ed. 2.0;
- Request for traceability data from companies collecting waste as per GD 1061/2008.

TOTAL AMOUNT OF GENERATED WASTE

[t]

Waste composition	2018	2019	2020	2021
Category 1 - non-hazardous	3,225.172	3,821.126	2,393.895	2,181.840
Category 2- hazardous	590.970	1,718.154	393.965	195.454
Total waste	3,816.142	5,539.280	2,787.860	2,377.294

TOTAL AMOUNT OF RECOVERED WASTE

[t]

Recovered waste	off-site			
	2018	2019	2020	2021
Non-hazardous waste, of which:	436.347	601.363	521.517	275.638
Recycled	393.025	522.705	342.786	250.834
Other recovery operations	43.322	78.658	178.731	24.804
Hazardous waste, of which:	437.428	392.442	319.629	188.622
Recycled	372.947	306.508	260.854	187.103
Other recovery operations	62.771	84.185	58.775	1.519
Total	873.775	993.805	841.146	464.26



ADDITIONAL INFORMATION ON RECYCLED WASTE

[t]

Recycled waste	2018	2019	2020	2021
Packaging waste (paper)	11.894	14.237	13.405	7.309
Glass	0.72	0.240	0	0.006
Aluminum	0.633	1.384	0.175	0.012
Lighting fixtures	0.169	0.172	0.262	0.27
Oils	11.894	317.435	258.203	151.921
Batteries	356.161	3.722	4.807	2.939
Plastic	3.022	5.403	4.247	1.238
Sawdust, shavings, chips, scrap board and veneer, other than those specified at 03.01.04	6.119	0.125	0.161	0.055
Oily sludge from equipment and installation maintenance operations	0.215	25.53	15.35	0
Other unspecified waste from oil processing	14.3	0.865	0.962	0
Other unspecified waste - from purification of gas (deposit water + TEG)	1.108	96.500	245.052	3.847
Other unspecified waste (rubber waste - hoses)	86.18	1.100	1.797	0.949
Printer ink toner waste containing hazardous substances	2.5	0	0	0
Filings and ferrous swarf	0	10.345	3.64	7.24
Used hydrogen-free lubrication solutions and emulsions	6.236	0	0.590	0.18
Oily water from oil/water separators	0.18	90.950	94.54	13.02
Packaging containing residue or contaminated with hazardous substances	86.12	3.861	3.517	1.803
Absorbents, filtration materials, polishing materials, and protective clothing, other than those specified on 15.02.02	6.377	1.948	2.832	1.231

Recycled waste	2018	2019	2020	2021
Absorbents, filtration materials (including oil filters with no other specification), polishing materials, and protective clothing contaminated with hazardous substances	0.502	6.222	5.243	4.649
Out of use tyres	8.459	19.027	13.652	6.051
Oil filters	9.905	0.266	0.222	0.172
Antifreeze	1.907	8.818	0	0
Ferrous metals	13.424	31.437	51.803	42.665
Components removed from scrapped equipment, other than those specified on 16.02.15	48.651	0	0	0.883
Coal tar and tarred products (bituminous carboard)	1.78	0	0	0
Copper, bronze, brass	0	0.204	0.205	0
Iron and steel	0.867	435.370	471.145	165.892
Disaffected cable isolation	290.787	0	0	0
Isolation materials containing asbestos	0	0	0	0
Isolation materials, other than those specified on 17.06.01 and 17.06.03 (mineral wool)	0	13.130	0	0
Scrapped electrical and electronic equipment, other than those specified on 20.01.21 and 20.01.23 containing hazardous components	0	0.605	0.686	0.114
Scrapped electrical and electronic equipment, other than those specified on 20.01.21, 20.01.23, and 20.01.35	0.436	2.813	1.951	0.73
Deposit water emulsion suspension waste 16 10 03		262.81	0	0
Textile packaging		0.020	0	0
Plastic packaging	4.063	7.451	6.218	4.618
Wood packacing	0	0	0.120	0.230
Metal packaging	0	0	0	0.010
Glass packaging	0.722	0.240	0	0.280

TOTAL AMOUNT OF DISCARDED WASTE

[t]

Discarded waste	2018	2019	2020	2021
Waste content				
Category 1 - non-hazardous	2543.365	2613.636	1815.154	1872.384
Category 2 - hazardous	108.5648	1053.169	64.919	3.802
Total waste	2651.9298	3666.805	1880.073	1876.186

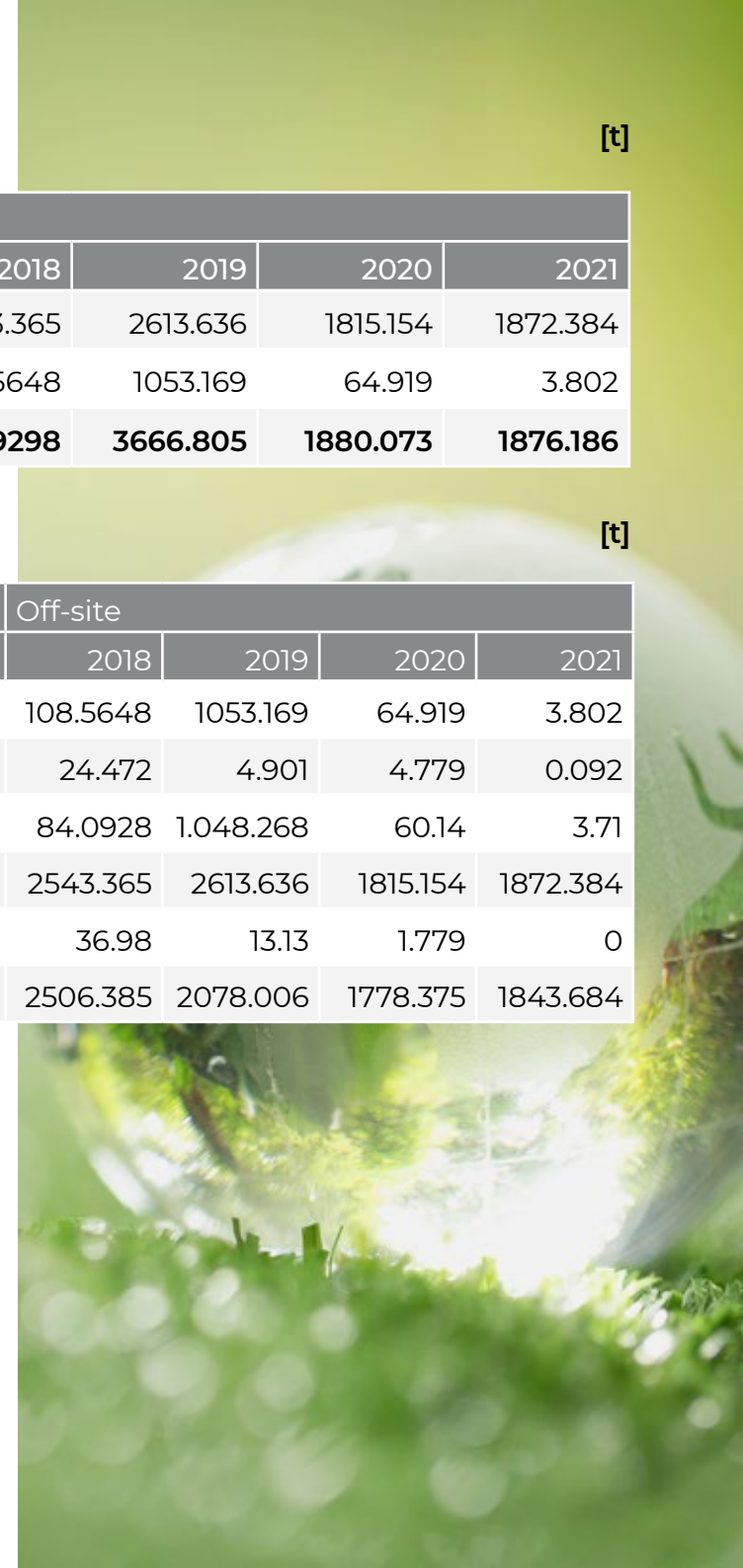
TOTAL AMOUNT OF HAZARDOUS AND NON-HAZARDOUS WASTE DISCARDED AFTER RECOVERY OPERATIONS

[t]

Discarded waste	On-site				Off-site			
	2018	2019	2020	2021	2018	2019	2020	2021
Hazardous waste, of which:					108.5648	1053.169	64.919	3.802
Incinerated (with no energy recovery)	0	0	0	0	24.472	4.901	4.779	0.092
Stored	0	0	0	0	84.0928	1.048.268	60.14	3.71
Non-hazardous waste, of which:					2543.365	2613.636	1815.154	1872.384
Incinerated (with no energy recovery)	0	0	0	0	36.98	13.13	1.779	0
Stored	0	522.5	35	28.7	2506.385	2078.006	1778.375	1843.684

The disposal method for each type of waste was identified as per the provisions of Law no. 211/2011, republished, on the waste regime, using the best available techniques which do not involve excessive costs for waste disposal. The recycling and storage of waste was performed through third party organizations, through responsibility transfer.

The transport of hazardous waste is carried out by authorized economic operators based on signed service contracts, complying with the applicable legal provisions (GD no. 1,175/2007 for the approval of norms for road transport of dangerous goods in Romania and GD No. 1,061 of September 10, 2008 on the transport of hazardous and non-hazardous waste on the Romanian territory).



TOTAL AMOUNT OF TRANSPORTED HAZARDOUS WASTE

[t]

2018	2019	2020	2021
29.47	42.196	1,499.658	29.999

VOLUME OF FLARED AND VENTILATED HYDROCARBONS

[mii m3]

	2018	2019	2020	2021
Flared flue gas		55,885.831	43.721	-
Discharged hydrocarbons	452,239.68	-	-	-



TOTAL AMOUNT OF DRILLING MUD RESULTING FROM WATER-BASED DRILLING FLUIDS

[t]

Treatment method/fluid type	Freshwater drilling fluid (water-based)				Freshwater-based drilling mud waste				Drilling mud waste containing chloride, other than specified			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Onshore storage (with or without pretreatment)	3,346	4,459	1,021	3,316	5,802	8,328	1,324	5,919	11,623	17,055	8,224	9,079.46

Drilling mud resulting from technological processes is treated through:

- Centrifugation with loculation and centrifugation with barite recovery;
- Treatment methods according to the works project developed by specialized operators based on technical assistance contracts (SIRCOSS).

To reduce the amount of drilling mud, both the mud and the water from drilling mud are reused:

- Reuse of water from drilling mud used in the upper sections and use of this recovered and tested water in the preparation of other drilling fluids for further drilling. Water recovery is the result of the cen-

trifugation process in synergy with the loculation operation, and this way heavy materials, inert solids, drilled solids, and light solids are released from the mass of the drilling mud;

- Reuse of drilling mud for operations and works in activities that require the use of this product (SIRCOSS).

Energy availability

The capitalization of production obtained from exploiting natural gas reserves represents the company's main source of income. The reserve offers a projection of the company's future operations and results.

The volume of reserves in deposits under ROMGAZ concession are assessed based on information obtained during operation, by performing or updating studies evaluating geological resources, and the operational performance of active deposits. The evaluation of natural gas reserves is carried out according to instructions developed by the National Agency for Mineral Resources, transposed by ROMGAZ into internal procedures. ROMGAZ has organizational units that deal with the assessment of natural gas reserves based on these procedures. A computer program is used to keep records on and plan the movement of geological resources and reserves related to each exploitation project within deposits owned by ROMGAZ. ROMGAZ reserves were audited by internationally recognized evaluation and audit companies based on the standards imposed by the P.R.M.S Petroleum Resources Management System, approved by the Society of Petroleum Engineers S.P.E.¹⁷ and the Standards regarding Estimating and Auditing oil and gas reserves. The results of

audits have confirmed ROMGAZ's own evaluation of its natural gas resources and reserves.

ROMGAZ carries out intense exploration operations in order to discover new reserves:

- Identifying new prospects using the acquired 3D seismic systems;
- Exploration-opening drilling;

- Testing newly-dug rigs to carry out a quantitative and qualitative verification of possible deposits.

Inevitably, as a gas field is exploited, its gas reserves decline. The degree of gas recovery from the field is called the recovery factor. We make great efforts to increase our final gas recovery factor at our deposits, by carrying out operations to keep wells operational through repairs/interventions, conducting complex geophysical investigations, and identifying and promoting reserves in unexploited areas.

¹⁷ [Petroleum Resources Management System](#)



If all possible methods to rehabilitate the deposit are exhausted, wells are abandoned and the exploitation/concession of the deposit comes to an end.

The extent to which the gas reserves expansion rates ensure the development of production is evidenced by the reserve replacement ratio. The ratio is calculated as the quantity of oil (crude oil and natural gas) added to a company's proven reserves, against the total oil quantity the company produces over the course of the year.

Hydrocarbon reserves for 2021 saw a slight increase compared to those recorded in 2020. The ratio increased from around 63% in 2020 to around 70% in 2021. In 2021, ROMGAZ's reserve replacement ratio was influenced by the results of deposit re-evaluations, by the addition of new exploitation objectives, by promoting several inferior category reserves to proven reserve status, by drilling new wells and making them operational, and by expanding the gas compression process where the current deposit energy level required it.



New reserves were added by bringing new discoveries from exploration operations (contingent resources) into permanent exploitation, after the experimental exploration period, with production provisions elaborated up to the technical exploitability limit.

In 2021, 24 studies were developed to evaluate natural gas resources and reserves. All studies were carried out by the research teams working in ROMGAZ's specialized departments and were based on the following factors:

- Production differences between study projections and actual results;
- The existence of exploitation sites which are productive but have no more confirmed reserves.

In 2021, the company commissioned an "Opportunity study regarding development potential of Romgaz business in renewable energy production (wind, solar, geothermal, and biogas) in Romania." The budget allocated for the expansion of the natural gas distribution network (expansion/development in concession area, execution of connections/branching, meters for new users) for 2022 is RON 3,336,000.

Affiliations

ROMGAZ is a member of the following associations:

1. Balkan and Black Sea Petroleum Association (BBSPA);
2. International Gas Union (IGU);
3. European Federation of Energy Traders (EFET);
4. Gas Infrastructure Europe – Gas Storage Europe (GIE –GSE);
5. Romanian National Committee of the World Energy Council (CNR-CME);
6. Romanian National Committee for the World Petroleum Council (CNR-CMP);
7. Romanian Energy Center (CRE);
8. Romanian Standardization Association (ASRO);
9. Electricity Producers' Association (HENRO);
10. Oil and Gas Employers' Federation (FPPG);
11. Oil and Gas Engineers' Association (SIPG);
12. Sibiu Chamber of Commerce, Industry, and Agriculture SIBIU;
13. Mureş Chamber of Commerce and Industry.



ROMGAZ maintains an open and permanent dialogue with representatives of the main professional associations in the natural gas extraction industry and the electricity production industry, as well as with other players in the field, in order to identify solutions related to climate change and environmental issues.

GRI Content Index

Indicator	Indicator title	Page
GRI 102-1	Organization name	5
GRI 102-2	Activities, brands, products, and services	20
GRI 102-3	Headquarters location	26
GRI 102-4	Operations location	17, 26
GRI 102-5	Property right and legal structure	26
GRI 102-6	Serviced markets	27
GRI 102-7	Size of organization	16
GRI 102-8	Information about employees and other workers	73
GRI 102-9	Supply chain	69
GRI 102-10	Significant changes in the organization and its supply chain	26
GRI 102-11	Precautionary principle or similar approaches	115
GRI 102-13	Affiliations	169
GRI 102-14	Statement by the highest governing body	3
GRI 102-15	Impacts, risks, and key opportunities	58
GRI 102-16	Values, principles, standards and behavioral norms	41
GRI 102-17	Advisory mechanisms and ethics concerns	41
GRI 102-18	Governance structure	29
GRI 102-19	Delegation of authority	35
GRI 102-20	Executive responsibility for economic, environmental and social issues	29
GRI 102-21	Consultation of economic, environmental and social stakeholders	7
GRI 102-22	Structure of the highest governing body and its committees	33
GRI 102-23	President of the highest governing body	33

Indicator	Indicator title	Page
GRI 102-24	Designation and selection of the highest governing body	33
GRI 102-25	Conflicts of interest	40, 44-57
GRI 102-26	Role of the highest governing body in setting purpose, values, and strategy	29
GRI 102-27	Improving the collective knowledge of the highest governing body	29
GRI 102-28	Evaluating the performance of the highest governing body	29
GRI 102-29	Identification and management of economic, environmental, and social issues	34
GRI 102-30	Efficacy of risk management processes	34
GRI 102-31	Review of economic, environmental, and social issues	58
GRI 102-32	The role of the highest governing body in reporting on sustainability issues	11
GRI 102-33	Communication of critical concerns	8
GRI 102-34	The nature and total number of critical concerns	8
GRI 102-35	Remuneration policies	31
GRI 102-36	Remuneration determination process	31
GRI 102-40	List of stakeholder groups	7
GRI 102-41	Collective bargaining agreements	78
GRI 102-42	Identification and selection of stakeholders	7
GRI 102-43	Addressing stakeholder involvement	7, 11
GRI 102-44	Key topics and concerns raised	Issues which are important to stakeholders and included in the materiality analysis, but not covered by the questionnaire developed to facilitate their consultation, are brought to the attention of the company's management.
GRI 102-45	Entities included in consolidated financial statements	26
GRI 102-46	Defining the content of the report and the limits of issues	6

Indicator	Indicator title	Page
GRI 102-47	List of material topics	12
GRI 102-48	Redrafting of information	Not applicable.
GRI 102-49	Changes in reporting	Not applicable.
GRI 102-50	Reporting period	5
GRI 102-51	Date of the most recent report	5
GRI 102-52	Reporting cycle	5
GRI 102-53	Contact department for questions on the report	177
GRI 102-54	Reporting requests in accordance with GRI standards	5
GRI 102-55	GRI Content index	170
GRI 102-56	External verification	In terms of auditing of the present report, we note that it has not been audited by a third party.
GRI 103-1	Explanations on material aspects and their limitations	41, 61, 71, 117
GRI 103-2	Management approach and components	41, 61, 71, 118
GRI 103-3	Evaluation of the management approach	41, 61, 71, 119
GRI 201-1	Directly generated and distributed economic value	65
GRI 201-2	Financial implications and other risks and opportunities of climate change	58
GRI 201-3	Obligations of defined benefit plans and other pension plans	80
GRI 201-4	Financial assistance from the government	68
GRI 202-1	Standard entry level wage rates, by gender, compared to local minimum wage	79
GRI 202-2	Share of senior management hired from the local community	74
GRI 203-1	Investments in infrastructure and supported services	66
GRI 204-1	Share of expenses allocated to local suppliers	70
GRI 205-1	Operations assessed for corruption risks	51

Indicator	Indicator title	Page
GRI 205-2	Communication and training on anti-corruption policies and procedures	53
GRI 205-3	Confirmed corruption incidents and actions taken	53
GRI 206-1	Legal action for anti-competitive, antitrust, and monopoly practices	53
GRI 302-1	Energy consumption within the organization	130
GRI 302-3	Energy intensity	131
GRI 302-4	Reduction of energy consumption	133
GRI 302-5	Reductions of the energy requirements of products and services	131
GRI 303-1	Interaction with water as a joint resource	135
GRI 303-2	Managing impact of water discharge	135
GRI 303-3	Discharged water	142
GRI 303-4	Evacuated water	143
GRI 303-5	Consumed water	144
GRI 304-1	Operational sites which are owned, leased or managed in protected areas or adjacent to protected areas and those with a high value of biodiversity outside protected areas	147
GRI 304-2	Significant impacts of activities, products and services on biodiversity	145
GRI 304-4	IUCN Red List species and national habitat conservation species in areas affected by operations	147
GRI 305-1	Indirect GHG emissions (Scope 1)	152
GRI 305-2	Indirect GHG emissions (Scope 2)	154
GRI 305-5	Reduction of GHG emissions	155
GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant gas emissions	156
GRI 306-1	Waste generation and significant waste-related impacts	157

Indicator	Indicator title	Page
GRI 306-2	Management of significant waste-related impacts	157
GRI 306-3	Generated waste	162
GRI 306-4	Waste recovered before disposal	162
GRI 306-5	Disposed waste	165
GRI 307-1	Failure to comply with environmental laws and regulations	123
GRI 308-1	New suppliers assessed using environmental criteria	70
GRI 401-1	New employees and employee retention rate	76
GRI 401-2	Benefits offered to full-time employees that are not provided to temporary or part-time employees	80
GRI 401-3	Parental leave	81
GRI 402-1	Minimum notice periods for operational changes	79
GRI 403-1	Workplace health and safety management system	82
GRI 403-2	Identifying and evaluating risks and investigating incidents	82, 84
GRI 403-3	Workplace health services	84
GRI 403-4	Worker participation, communication, and consultation regarding workplace health and safety	85
GRI 403-5	Employee training on occupational health and safety standards	82-88
GRI 403-6	Promoting employee health	88
GRI 403-8	Workers covered by the workplace health and safety management system	83
GRI 403-9	Workplace injuries	86
GRI 403-10	Work-related health issues	87
GRI 404-1	Average number of training hours per year per employee	93
GRI 404-2	Worker upskilling and transition support programs	91
GRI 404-3	Share of employees who regularly undergo performance and career development assessments	94

Indicator	Indicator title	Page
GRI 405-1	Diversity of governing bodies and employees	99-100
GRI 405-2	The ratio between the basic salary and the remuneration of women versus men	103
GRI 406-1	Incidents of discrimination and corrective actions	98
GRI 413-1	Operations with local community involvement, impact assessments and development programs	105
GRI 413-2	Operations with significant actual and potential negative impact on local communities	115
GRI 414-1	New suppliers evaluated using social criteria	70
GRI 417-1	Requirements regarding information and labeling of products and services	Electricity supplied by S.N.G.N. Romgaz S.A. in 2021. 2021 Electricity supply label
GRI 417-2	Cases of non-compliance with requirements regarding information and labeling of products and services	Not applicable.
GRI 417-3	Cases of non-compliance regarding marketing communications	Not applicable.
GRI 418-1	Substantiated complaints regarding customer privacy violations and customer data loss	In 2021, no incidents were recorded around customer privacy violations or customer data loss.
GRI 419-1	Non-compliance with social and economic legislation and regulations	In 2021, there were no recorded cases of non-compliance with social and economic legislation and regulations.
GRI G4 OG 1	Volume and type of proven reserves and estimated production	168

Indicator	Indicator title	Page
GRI G4 OG 2	Total budget invested in renewable energy sources	Until 31.12.2021, ROMGAZ (through its Project Management Service) had spent RON 594,582 (in January 2021) to acquire an opportunity study regarding its entry on the renewable electricity production market – Strategy, International Relations, European Funds Department. The acquired “ <i>Opportunity study regarding development potential of Romgaz business in renewable energy production (wind, solar, geothermal, and biogas) in Romania</i> ” had a value of RON 594,582.
GRI G4 OG 3	The total amount of energy generated from renewable sources, by type of renewable energy	133
GRI G4 OG 5	Volume and method of water removal from gas field	144
GRI G4 OG 6	The volume of flared and ventilated hydrocarbons	166
GRI G4 OG 7	The amount of drilling waste and treatment and disposal strategies	166
GRI G4 OG 11	Number of decommissioned exploitation zones and areas undergoing decommissioning processes	116
GRI G4 OG 13	Number of process safety events, by business line	154
GRI 11.1.5	Emissions	151
GRI 11.20.1	Anti-corruption	53
GRI 11.3.3	Customer health and safety	146

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